

The New "Hot" Practice Area Is Privacy Law

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Innovations in technology have made it easier to track, collect, and process personal information about individuals. As a result, companies of all kinds are challenged to manage the way that they use data to both comply with U.S. and non-U.S. laws and to protect such data from unauthorized access.

What makes it even more challenging, is that in addition to maintaining compliance in a continuously evolving legal landscape, companies must also contend with industry standards promulgated by a wide array of diverse and sometimes overlapping industry groups. Regulations and court decisions have opened the door to increased liability for companies. Companies also have to contend with cyber hacking, data breaches, and other privacy concerns that are exposing them to further liability and costing them a great deal of money.

Why Are Companies Increasingly Hiring CPOs and Privacy Counsels?

Companies are increasingly suffering from data breaches, as hackers are getting more sophisticated and finding new ways to steal sensitive data from seemingly secure enterprises. This is a growing concern that is costing companies a great deal of money.

One study reported on 1,700 instances of computer hacking, cyber terrorism, and other data breaches in the past seven years, resulting in some 900 million compromised records. Another study of 49 breaches in 2011 reported that the average cost of a data breach (including detection, internal response, notification, post-notification cost and lost customers) was \$5.5 million.

To handle the growing promulgation of ever-changing privacy laws and protect themselves from liability and exposure to computer hacking, cyber terrorism, and other data breaches, companies have been steadily adding key chief privacy officers and privacy counsels to their ranks.

Today, companies that maintain consumer or employee information have to address data protection issues and take measures to mitigate the risk of loss of the sensitive data it stores. Failing to do so can result in serious legal ramifications, not to mention public relations and business problems. As a result, more chief privacy officers and privacy counsels are joining companies of all sizes, and this is a trend that is certain to continue. In terms of industries, financial services, technology and software and healthcare lead industries with privacy hiring efforts.

In addition, not only are companies increasingly hiring chief privacy officers and privacy counsel, but they are also requiring general counsels, as a part of their skill set, have some expertise in privacy and data protection law. This is a new and increasing trend.

What Are the Salaries for CPOs and Privacy Counsels?

When it comes to hiring chief privacy officers and privacy counsels, it is a classic case of supply and demand. This is relatively new practice area; therefore, the number of chief privacy officers and privacy counsels is small compared to the demands. The pharmaceutical and professional services industries

offer the greatest compensation and salaries, and depending on geography, industry, and company size, CPO's salaries can range from the high 200K to the mid \$400K. In terms of salaries for privacy counsels, they are akin to those offered for intellectual property counsels. Again, depending on geography, industry, and company size, privacy counsels salaries generally average \$145K.

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