

INTERNET ETHICS AND THE SALE OF PERSONAL INFORMATION

THE DAWN of the information age brought us computers, databases, and all the technological trappings of most offices and a growing number of homes. The dawn found us scrambling to adopt technology tools that would increase productivity, ease the transfer of money, and enhance our ability to access, create, store, and track information about our individual and group interactions. Most organizations have tapped into the communication medium known as the Internet and those that haven't are beginning to do so. We are beginning to see the benefits and uses for these tools, which if adopted, will be responsible for much progression.

The Internet allows organizations with far-flung members to join together in virtual communities where new ideas are born, old ideas rejuvenated, and substantial productivity gains realized. "Internet time" has replaced the conventional measurements of speed and communication happens with the twitch of a finger on a button. And last, but not least, this morning light also shows the rise of a different kind of currency: personal information.

Here are two definitions from dictionary.com that bear notice:

- **Personal Information:** Knowledge of, or relating to, a particular person; private.
- **Privacy:** The quality or condition of being secluded from the presence or view of others.

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In this information age, the more private personal information is, the more value it holds. Companies with products and services to sell place ever-increasing amounts of value on an individual's personal information. Name, address, and phone number are far more valuable when you add income, professional affiliations, news preferences, and buying habits. One can argue that the Internet's greatest business impact has been in the area of collecting and disseminating information.

On the Internet, databases plant "cookies" in your computer, just as cameras follow shoppers around the grocery store. A "cookie" is a collection of information stored on your computer. Cookies are created and accessed by databases on Web sites; they are used to identify users who have previously registered or visited the site. Cookies store information such as user names, passwords, and personal preferences relating to topics of interest.

The more information you give a Web site, the more it is able to serve you the information or products you prefer. For example, you register on a Web site, and it asks you to select the news topics that interest you, and you select "Environment." As news is entered into the Web site and categorized with "Environment," this information will be displayed first when you revisit the site. In this way you are able to create a personalized experience on the site and, according to logic, be more likely to return.

Now, let's shift gears. You're an association executive, and you're charged with the task of building

FUNDRAISING ON THE INTERNET:

The ePhilanthropy Foundation. Org's Guide to Success Online

ANY fundraising organization that wants to maximize the potential of its Web site, the Internet, and e-mail should read this book. With 25 different chapters on a wide range of topics, there is something for everyone in the office.

CEOs should at least read the six chapters in "Part One, The Big Picture" to understand why there's no point in trying to use traditional cost benefit analysis when evaluating your investment in Web and online technologies. Professional standards, best practices, and government regulation are covered here as well.

A key message embedded throughout the book is: Follow ethical practices or else. And there's plenty of information on how to do that, including effective examples of opt-in, opt-out messages and full texts of two codes of ethics. The seven chapters in "Part Two, Online Fundraising Fundamentals," offer practical tips on recruiting new donors online using e-mail effectively, and renewing donors online (an underutilized yet remarkably simple method).

For groups that have a fair amount of experience with online fundraising, the following sections delve into the specifics of how to conduct electronic prospect research and they provide names of providers of these services. The chapter on raising money online for multilevel organizations covers the challenges faced by groups that have many divisions, chapters, or regions.

Designers, writers, and web managers will benefit from two

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a Web site or enhancing the functionality of the existing Web site. Like most associations, yours is not flush with cash, and the board of directors has indicated that the only way it will approve the expenditure is if the Web site generates revenue. You speak to your peers at other associations and obtain references for two Web development companies. Suppose both firms provide Web site hosting, e-mail services, a member database that is integrated with your existing system, and other features such as a job board, discussion forums, online registration, dues payment, and news. Here are the salient differences to consider:

Company Z has a five-year history and has proven to be a viable business that relies on the sales of its services to fund its operations. It has an impressive client list and a reputation for doing good work. It charges \$10,000 to set up your site and \$2,000 a month in maintenance fees for a total first-year fee of \$34,000 and a second-year fee of \$24,000. Its privacy statement reads as follows: "The customer acknowledges that demographic and profile data are collected at the site. These data are used to provide the customer's members with a personalized experience and display the content according to their preferences. The customer owns all its member information, demographic, and profile data collected on the Web site. Company Z believes that this information is private, confidential, and belonging to the customer and in no way, shape, manner, or form will Company Z sell, trade, offer, or make available to any third parties any information about the customer's members or the members' Web site activity."

Company Y is a venture-funded start-up company with a board of advisors composed of people with experience working for associations. It publicizes a few of its clients and has little or no

reputation due to being a start-up. It will build your Web site for a one-time fee of \$5,000 and host it for free. Its privacy statement reads as follows: "We use the customer's member contact information from the registration form to send the user information about our company and promotional material from our partners. Financial information that is collected is used to check the users' qualifications for registration, to bill the user for products and services, and for other purposes. Demographic and profile data are also collected at our site. We use this data for other purposes. We use this data to customize visitors' experiences at our site, showing them content that we think they might be interested in and displaying the content according to their preferences. This information is shared with advertisers on an aggregate basis."

Which company should you choose? Company Z's \$34,000 first-year fee seems very high when compared to Company Y's \$5,000 for the same services. By these numbers alone, an executive would be inclined to choose Company Y, hands down. Take a second look at the privacy statements, however, and then look back to the first portion of this article. What should become apparent is that while you pay Company Z directly with money, you are paying Company Y with money AND the new currency of the Information Age: personal information.

So now you have to ask yourself some very important questions: Would the members of my association want me to sell their personal information? Would they consider this a violation of their privacy? Or would they not care that their information is sold in exchange for this level of Web technology?

And herein lies the dilemma exposed the information age. Association executives have

to balance the need of Web services with the varying levels of privacy that its members may have regarding their personal information. Company Z, which states it has no ownership or interest in the data, gives the association the opportunity to decide for itself what information the association will and won't sell.

Company Y, on the other hand, must sell that information to pay for the services it provides. The \$5,000 setup fee is not sufficient to support the costs of running its business. If it is unable to generate sufficient advertising revenues, then Company Y will eventually be forced to close, and its clients will have to start from scratch and fend for themselves. Also, you should be aware of the much-publicized troubles of other advertising-supported sites. If more of these sites fail, this will send a clear signal that the business model of relying on advertising revenues as a major source of operational income is potentially unsustainable.

Association executives must be cognizant of the value of personal information. The decisions made today regarding the selection of a Web design firm may have implications more far reaching than just the expenditure of funds. While funds can be recouped or regenerated, the mantle of trust placed on the shoulders of association executives, once torn asunder by poor decision-making, is difficult to repair.

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CERTIFICATION'S "INVISIBLE SCIENCE"

Imagine taking an online professional test and having each of the questions that follow your responses change according to the degree of understanding your answers demonstrate. Indeed, the tests you take will be able, in the not-too-distant future, to actively "judge" each of your answers in real time. These adaptive tests will then automatically adjust the difficulty factor of the next question to better match your unique mind!

"Smart tests" are just one example of tremendous recent progress in the fields of psychometrics and certification services. Not a well-known discipline, psychometrics is one of the "invisible" sciences that are critical to successful Internet-based testing. The quantitative practice fuses scoring and statistical interpretation with areas of expertise like latent trait analysis, adverse impact studies and "fairness".

As intelligent computer technologies are harnessed to support these methods, it makes good sense for associations to take a quick look at the hidden knowledge that drives every truly effective testing machine.

Social Concerns Mandate Awareness

Modern social pressures — and marketing concerns — are behind the development of certain fundamental methods that put the certification process on a solid, systematic footing. Today, corporations want programs that truly distinguish them from any competitors they might happen to have. And as labor markets finally begin to balance out, the need for professionals to bolster their resumes with high-quality credentials will increase.

Fairness has also become a huge concern. America is a litigious society, and issues like "adverse impact" cannot be ignored. Do your

tests currently discriminate against any test-taker's gender, race or age group? Let's certainly hope not! Almost as a form of operational insurance, forward-thinking corporations are beginning to tackle the full spectrum of fairness issues. These executives want to be able to prove beyond a reasonable doubt that they went the extra mile to structure tests that differentiate between individual candidates with ZERO discrimination. And it takes a little psychometric science to keep tests legally fair.

Trade Secrets

The first step toward protecting an association's standards is a fair and impartial assessment of the "body of knowledge" that a candidate must possess in order to join the peer group. Certification specialists typically work with a group of people who have been given the daunting honor of formalizing the company's body of knowledge, or BoK. We do our best to nurture this board of examiners throughout the BoK definition process, educate them in terms of essential standards of accreditation, and facilitate their application of those standards to the unique knowledge and practice of everything from accounting to zoology.

In addition to BoK issues, there has recently been an amalgamation of topics growing stronger as national standards for certifying agencies. These "trade secrets" include program audits, identifying and credentialing based on competencies, test validation, statistical reporting, continuous personal and professional growth, training development and delivery. A well-coordinated certification program can take as long as a year or more to structure and implement, so fairly specialized project management skills are also required to make sure that the standards of the process are maintained.

In the most successful programs, a certification development project manager will also be working in close harmony with an authority on psychometrics. And the statistically-oriented team member should see to it that tests on the defined BoK measure precisely what they are supposed to measure in the fairest way possible.

These collaborations between knowledge analysts and psychometric experts are steadily developing new means of protecting the unique image and interests of associations.

This article reprinted by permission of Executive Update magazine and the authors, Dr. Jim George and Dr. Earl McCallon. Dr. Jim George served for 15 years as a 'foundering' contributor and Vice President of the University of North Texas Professional Development Institute, interpreting certification standards and providing services for more than 100 associations. Dr. Earl McCallon is Vice President of Psychometric evaluations and test quality management. Recently retired as an honored professor at the University of North Texas, he is a nationally recognized authority on the art and science of testing.

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chapters that explain how to keep innovative content to ensure return visitors, as well as the dos and don'ts of Web design, displaying screen shots of redesigned web sites, step-by-step guidelines, helpful tables and charts such as flow charts.

Due to the multiple authors and editors, there is some repetitiveness in the book. The reality is that there are more lessons to be learned by the large organizations that have the resources to experiment with different strategies, but a stronger focus on how the smaller groups are

tackling these issues and doing more with less would strengthen the book.

The publisher has addressed the possibility of outdated information due to the subject matter, therefore he offers periodic e-mail updates to readers who register for them. Each author is supposed to update his or her chapter at least twice — presumably before the next edition, a schedule for those updates posted on the site would be accommodating.

Favorite factoid: The average online donation is much higher than

the average first-time direct mail donation to the same organization. They recommend that the lowest suggested donation be \$35.

Overall, this book is valuable. Many of the core themes and recommendations are applicable to all types of organizations. In fact, buy it for anyone you know who still doesn't get the importance of building customer relationships.

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