

Member Profile

An Interview with WCD Colombia Chapter Chair, Olga Botero

By Judy Macdonald



Founder and Managing Partner, C&S Customers and Strategy, Director, Evertec

Q1. You were previously CIO for BanColombia and you now serve as the founder and managing partner of C&S Customers and Strategy, a boutique IT and Cyber Security consulting firm in Latin America. What do you believe will be the next big tech threats?

Threats related to technology have always existed. In the past, we worried about viruses infecting our systems and phishing emails stealing our credentials. Today, threats come in all shapes and sizes. The difference today is threat velocity; the speed in which threats appear, evolve, and how fast we need to be ready to address them. Strategically, new threats can come from all technologies, especially new disruptive ones. We need to understand and decide when and how to adopt these technologies before they become a risk to our businesses. Operationally, threats are showing up from 3 fronts: 1) complex and legacy technologies with more vulnerabilities that we are able to resolve and that can be exploited, 2) people's lack of awareness of the external threats and how easy people's behaviors can open doors when they should not, and 3) how lucrative cyber-crime is (+6 trillion USD by 2021, larger than drug dealing) and how easy it is to gain access to cyber-attacks (malware, mitm, Trojans, etc.)

Q2. Disruption takes many forms and is having an impact on companies around the world. What can board members do to stay up to speed with all of these advances?

We as board members need to understand those trends and advances the same way we follow political or geographical changes in countries where we do business. We need to be educated on the new trends and on the business challenges new disruptive technologies can help resolve. Also, we need to understand the risks associated to those new technologies. Boards are addressing all this in different forms: by bringing experts to talk to the board, by having tech savvy board members, by requiring management to help boards keep up to date, and by constantly reading technology news. However, we have to be careful, there is so much information that we need to be selective and practical, ensuring our focus is on technologies that enable our business' success.

Q3. What are the questions Board Members need to ask about disruptive technologies?

There are questions we cannot avoid asking about any type of technology we adopt in our companies, no matter if it is disruptive or not. But in the case of disruptive ones, these questions become a must; questions related to business strategy and to risk oversight.

Board members need to understand if the technologies being adopted align to the business strategy and how much value these technologies can create.

Some useful questions include:

- How does this technology support our business strategy?
- How does it change the competitive landscape in our industry?
- How are traditional competitors using it?
- Are there new and emerging competitors because of this technology?
- How will we use this new technology to compete and to enter new markets?
- How will we generate value from this new technology?
- What is the time horizon to capture the value from the opportunities that the new technology will bring?
- What are the risks associated to not adopting it?
- How does it fit with our overall technology strategy, both short term and long term strategies?
- Do we have the capabilities to adopt and operate this technology? If not, how are we planning to get them?
- What are the threats and risks associated with this new technology and what is the value of the impact of these risks?

Q4. What are the key questions board members should be asking of management regarding cyber security?

Cyber security and cyber risk management has become a topic that board members cannot ignore. When we serve on a Board, we have the fiduciary duty to oversee risks that can cause financial impact to our shareholder's expected company value and return. Cyber risk is one of such risks, along with financial, strategic, operational, market, and reputational risk. Cyber risk is a topic we need to discuss at board meetings and make sure we have the right plans in place to deal with it.

We need to ask the following questions:

- What are the Crown Jewels we need to protect? Is it Information? Infrastructure, Assets, IP?
- What threats and risks do our Crown Jewels have? And what is the impact if those risks do materialize?
- What is our risk appetite?
- Do we have a program to manage those risks that balances how we protect our crown jewels, how we detect if something happens, how we respond and recover? How mature is our program now and how mature do we want it to be in the future?
- Does management have the resources (budget, people, technology) to address the plan that will maximize returns? What information do we need to have during our board discussions to monitor and oversee?

Q5. You are on the board of Evertec and chair the IT committee. How has having a separate technology risk committee helped the company and do you recommend that all companies establish an IT committee?

Evertec is a publicly traded company and has the committees all traded companies have: audit, comp, nominating and corporate governance. The audit committee is always in charge of risk oversight. However, there are companies that, because of their nature, have a great dependency on technology and being digital, which is our case in Evertec. We are a fintech in the payments processing space. For these types of companies, it does make sense to have a specific committee in charge of making sure the technology strategy is completely aligned with the business strategy and overseeing risks associated to technology, such as cyber risks. I do believe all companies need to ensure an appropriate technology strategy for their business and a cyber risk management plan. But, some of them can do that within the charter of the audit committee or the full board.

Only those companies that are intensive users of technology at their core might analyze if they need a separate committee that can dedicate the time to look at technology in more depth. For us at Evertec, having this separate committee has allowed us to have the expertise and time-commitment to go deeper into our technology strategy and cyber risk oversight.

Q6. A recent Spencer Stuart board of director survey recognized a growing number of “next-gen directors” being appointed to corporate boards. What advice do you have for Nominating Committee Chairs who are seeking executives with tech backgrounds and what are the best practices for onboarding these new directors?

Many boards are realizing that they want to have board members with business digital experience, who are technology savvy and who have cyber risk expertise. I believe these new-gen directors need to be business savvy first, not only tech experts. Boards are not operational governance instances, Boards are accountable for strategy and for value creation to shareholders. Business is key.

On-boarding should focus, as with any other director, in understanding the business, the drivers, the levers to generate value, the strategy and the risks that can impact achieving the business’ expected results. On-boarding should also focus on board governance, the role of a director and what we are accountable for.

Q7. Companies and governments worldwide are increasing their use of facial recognition advancements, but how do boards ensure ethical governance of this kind of technology?

There are so many questions we need to address today in the ethical governance of technologies: Is it ethical to replace our talented workforces with AI or robotics? Is it ethical to use private information to analyze our customer’s behavior? Is it ethical to drive business actions that can impact people’s lives based on the learnings of machines? Is it ethical for governments to track every move we make by recognizing our faces? We could go on and on.

Codes of conduct, companies’ cultures, values, and behaviors are key to company’s success today. These are topics that need to be discussed at the board level and lead from the top. We do have tools to help us ensure ethical governance such as policy enforcement, ethical lines, new technologies standards and guidelines. But it all comes to the company’s culture we want to have and how we align it with things such as compensation or talent management.

Q8. The percentage of women on corporate boards in Latin America is less than 10%. Do you believe more LATAM countries should adopt gender quotas?

I believe we need to have more diversity on boards everywhere. Not just in Latam. Diversity means having different points of view, different backgrounds, and different expertise. Not just different gender. I also believe we need more diverse people who are prepared and ready to assume roles as directors. Not because they are diverse, but because they are good and ready for it.

Quotas have helped countries such as France or now the state of California, but quotas do not guarantee you have the right diverse people in the role. I prefer to focus on having more diverse, prepared individuals and boards who are ready to take them on.

Q9. What do you enjoy doing in your spare time?

I love doing three things on my spare time: being with my family, traveling to different countries, and I love running.

Q10. Do you have any books to recommend to WCD members?

I love reading fun books such as the Crazy Rich Asians trilogy by Kevin Kwan on flights coming from long board meetings; books that I don’t have to analyze at all and just laugh!

But, in a more serious answer, I recommend “Bad Blood,” by John Carreyrou as an interesting source for understanding startups. I also recommend “Navigating the digital age: the definite cybersecurity guide for directors and officers,” by NYSE as a great source for understanding our role in cyber risk oversight.