

This north-central section of Europe provides an example of how business practices are becoming more similar in the EU while maintaining a unique, geographic sensibility upon which history has made indelible marks. When we begin examining what these countries value in terms of information security, national characteristics emerge. Germany, rational and purposeful, combines rigor with thoroughness in the way it approaches and legislates security. France is much more individually focused in its security posture and places a high premium on personal protection and freedom. The UK, an island unto itself, has taken its lead from strong government and university programs.

### Germany/Deutschland (.DE)



**Figure 9-4** Germany

MSI = 73

Pros: Security-friendly, skilled talent pool, strong infrastructure, cross-border savvy

Cons: Cultural and legal nuances significant, security often second priority, highly fragmented business environment

Germany is both good at and comfortable with global corporate security. Its volume of cross-border business and corporate multinational presence brings with it a top-quality security talent pool. The country is a noteworthy purchasing market that is built on strong infrastructure, and it has everything you would expect of a trading partner. Nevertheless, when entering Germany, caution is advised, and creating a positive security experience necessitates that you be aware of the country's corporate interpretations of laws, regulations, and contracts. Contract law supersedes legislation and other directives when dealing with security, and you must realize that often security is prioritized below the overall success of the company and must be managed appropriately.

### **On Holiday**

Europe's "August" holiday can be anywhere between mid-July and mid-September. In general, the farther north you are, the earlier the month-long holiday starts. Without proper scheduling, this can potentially mean *two months* of downtime. That might be okay in accounting, but it is disastrous in security!

Straightforward cultural issues complicate any German corporate security mix. A sometimes-stereotypical (yet usually beneficial) obsession with rules plays out differently when moving into this federation's respective states and towns. The government is decidedly employee oriented, layoffs are unheard of, and, usually, hires are for life. This strong work-life balance also necessitates calibrating the German calendar, filled with a host of different holidays, with your global security calendar.

### **On the Ground**

I have lived in Germany twice—once in the mid-1980s and then again in the early twenty-first century. Both times, I based myself out of Frankfurt on the Main River. I make this distinction because upon reunification, there are two Frankfurts in Germany. Frankfurt on the Main (a/M) sits on the western side and contains most of the international banks. To wit, it is often called Bankfurt, or MainHatten. Frankfurt on the Oder River (a/O) is on the eastern side, and is lovely, pastoral—the fairytale Germany you may have read about as a child. Frankfurt a/M is a bustling financial nerve center and a crossroads of Europe. Few know there is a great town that lies beyond its famous airport.

During my two professional stints in the country, its people-empowering social framework came into play with interesting ramifications. Near the beginning of my first tenure my administrative assistant stopped by my office and informed me quite directly of her peculiar need: “I want to get pregnant, and I need your help.” Needless to say, I was intrigued. I asked her to go on.

She reemphasized her call for help, claiming once more that I was the person she needed. The story then took a turn. She and her boyfriend needed time at a resort to unwind so that they might conceive. I was shocked as she calmly (and with a straight face) explained to me the German *Kur* or spa culture. Through it, the state paid her expenses for extended convalescence at a spa of her choice, and in this case, she had already picked the Bodensee. In turn, my organization was responsible for approving her paid leave. I had no choice. We allowed her to take 30 days beyond her annual, government-mandated month of vacation.

This anecdote reflects a form of socialism that directs corporate guarantees of human well-being. It is this type of human resource issue you will confront when you arrive in Germany, and it is just one of the pressures placed on corporations and their top executives: Germany combines strong socialist underpinnings with some of the most stringent CxO accountability legislation in the world. The government’s “10-Point Program” increases top-management’s liability for the success or failure of the business. Reputations and careers are on the line every day. This is why German executives view global corporate security in such efficiency-based, systems-availability terms, carving out for security a secondary, yet potent niche.

*Once you hire somebody in Germany, forget about it. It’s for their lifetime and you will take care of them and their families forever.*

—Jean-Pierre Garitte, CIA, CISA, CCSA, Partner, Deloitte, Antwerp

Similar philosophies are reflected in larger German companies such as Deutsche Telekom, Siemens, and DaimlerChrysler, all of which navigate myriad cross-border issues and in doing so have adopted strong business-continuity strategies and systems to make sure their clients and employees have uninterrupted access via technology. Ask the typical German business owner what they invested in the past 10 to 15 years, and they would probably say, “mechanisms that keep our business up and running.” Somewhere, they have experienced downtime and other obstacles that hamper operations. This prompts swift measures required to shore up the business before it gets out of hand and they lose their company.

### Germans Do Text Messaging

In 2004, the Global System for Mobile Communication announced that Germans were the world's foremost text message senders, dispatching a whopping 200 million messages a day, nearly three times as many as the Finns (75m) or Britons (69m).<sup>13</sup>

During its maturation, German corporate security has shifted from the technology group's domain into areas of quality control and quality assurance. Some corporations have even reconfigured roles, placing security under the CFO rather than the CTO. According to Hamburg-based Stefan Weiss, "German businesses have always been more skeptical and thoughtful, adopting new security technology more slowly and strategically. The performance of new technology is typically being tested in length and the return for every investment is being calculated in detail before implementation—so security falling into the CFO's hands is a logical step."

### Messe Mess

Germany is famous for its tradeshows (fairs) held at their various *messe*. You have probably heard of the venerable CeBit show in Hanover. However, CeBit—huge and international—is not a good place to see German security on display. Instead, head to the annual SYSTEMS show for the best of local, federal, and governmental security that is truly German.

### Key Regulations

Germany's potent laws, reports, and regulations must be examined by anyone doing business there. Remember, they are augmented by uncommonly comprehensive business contracts that typically contain a majority of both security and managerial liability language between companies or between a company and senior management. Here are ones with which you should be familiar:

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13. "UK Exceeds 2 Billion Text Messages in March." Pierz Group Newsletter. 25 April 2004.

### ■ **The KonTraG (1998: Law)**

Dealing with the responsibility of the business owner for his or her business, the KonTraG mandates that owners must do everything in their power to manage the business in a risk-averse way.

### ■ **The TransPuG (2002: Law)**

By correlating accounting standards and company management/control standards to state-of-the-art international criterion, the TransPuG tightens accounting standards, risk management responsibility, and auditor accountability.

### ■ **The 4th Financial-Market Support Law (2002: Law)**

With a focus on shielding shareholders while developing better market opportunities of capital market participants, the 4th Law seeks to regulate the adjustment of share prices and financial analyst liability while making transparent a company's directors' dealings.

### ■ **The Cromme Commission Report (2003: Guidelines)**

A government-originated commission that was appointed by Germany's justice minister, the Cromme Report summarizes how increased transparency and liability can improve company performance, competitiveness, and access to capital.

### ■ **The Datenschutz (1994: Law)**

This German data-protection act protects employee and consumer information. This should be examined in concert with the EU privacy directive because implementing security that deals with data becomes extremely complex when the two intersect.

### **Bundsebar!**

Germany's eGovernment initiative—[bundonline2005.de](http://bundonline2005.de)—is set to go online (you guessed it) in 2005. It will house more than 100 authorities and offices that deliver 450+ services to the populace. This is one in a series of European governments that is going virtual and sparking extensive, local security debate.

When considering German regulations, notice that the country's federalist framework is formed by 16 states. National law is intertwined with state-based laws and ministries. (You can find more information about such in the appendix.)

Legislation is fortified by the country's ministry of information security known as the *Bundesamt für Sicherheit in der Informationstechnik* (BSI). The BSI creates country-wide guidelines and standards for corporate security.

### Best Practices

As a rule, German-headquartered global businesses follow ISO 17799 as their horizontal best standard practice of corporate security. If more than 50 percent of their business remains in Germany, corporations will generally opt for the BSI-issued IT Grundschutz. IT Grundschutz is a more detailed version of ISO 17799, and Germans argue over which came first—Grundschutz or the British BS 7799. They see theirs as the more stringent, realistic approach to a baseline. It is heavily focused on infrastructure and architecture. A 2003 update to the IT Grundschutz accounted for more aggressive outsourcing of security operations.

#### Tailoring for Germany

Germany's lack of a pure business center and its scattered populace may mean that you have a country-wide presence requiring an accordingly tailored security strategy.

On the industry front, recent buzz about creating vertical standards emerged for specific sectors, but little has materialized. The financial services and manufacturing sectors have shared information among themselves. In the former, they pool expertise especially among larger financial institutions while following Basel II to the letter. (For more on Basel II, visit Switzerland in Chapter 9, "Europe").

#### BSI vs. BSI

Think you know your BSI? Did you realize there were two? The German BSI, detailed here, focuses on German-wide security standards. In the UK, the British Standards Institute, which describes itself as "the national standards body of the UK, and among the world's leading providers of standards and standards products."<sup>14</sup>

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14. "About the BSI Group." n.d. [www.bsi-global.com/News](http://www.bsi-global.com/News).

Predictably, security is portrayed as a natural extension of business and simply a function of good management. This reasonableness combines with a strong sense of duty and accountability that are written into law and contracts. They export this sensibility to other countries, particularly to places such as India where they have invested mightily and hold sway.

*When doing business in Germany, find a local (state-specific) data protection officer. For each state in Germany and at the federal level, there are data-protection contacts. They will help you in informing you about important legislation and support you in setting up the necessary requirements. Of course, be aware of the EU directives and legislation regardless of where you do business in the EU. In fact, if you take the EU directive, the strongest legislation on data protection that exist today, as your yardstick to go by, you will basically comply with data-protection legislation around the world. That is what most multinational companies do.*

*—Stefan Weiss, Security Expert, Deloitte, Hamburg*

In nearly every country we visit, security incidents will have catalyzed some level of security implementation. Germany is no exception. Stefan Weiss confirmed that incidents hit the papers occasionally, but he would not characterize these events as moving industries to adopt stronger security postures as much as a rational understanding of the accountability and expectations placed upon senior management.

### **Final German Thoughts**

You can succeed with your security operations in Germany. You will find a vast amount of skilled human resources, many strong university programs focusing on security, a strong understanding of the local German security standards and requirements, and a bilingual populace. Hire in a specific city, because most Germans would rather commute three hours than relocate, and note that each city and state has its own business rhythm that will affect security. When hiring security personnel in Germany, you will find some of the best at the smaller firms. This is in recognition of its federalist nature, because firms in one city have trouble winning business in another city, and leads to smaller-sized companies.

The skilled resources come at a price. Employees are hired for a long time. Carefully choose employees. Expect longer ramp-up periods for your projects, and get used to the fact that you will be required to “carry” some existing employees

who will need to be completely retrained. This not only costs time, but it could also sacrifice security if the training lacks a cultural awareness or is done inappropriately. The majority of the actual work involved in carrying out a security plan will be done in the German language. It is a mistake to expect German staff to be functional in English or French, and security rules are not the place for a simple mistranslation. Have true bilingual leadership in place to avoid staff-level mix-ups.

Again, the German calendar also takes some getting used to. Staff holidays tend to coincide with school downtime, such as winter holiday, ski holiday, all religious holidays, spring holiday, and of course, the European mainstay of August off. Finally, know which state your offices are in, because they celebrate many holidays specific to regions. Hesse (where Frankfurt a/M is) observes some holidays not traditionally followed in Bavaria (home to Munich), and vice versa. These staff accommodations are a good trade-off for their business infrastructure, which is among the best in the world, with information highways the equal of the famed Autobahn system. Power and communications backbones are equally solid.

Germany's legal system is reliable (although some have complained that it too often favors the German side, I have not found it to be a problem) and leans toward over-regulation. For instance, in my German hometown we were limited to two backyard barbecues per month, with a maximum of six per year. This is important to note for your compliance with security rules, because even as your neighbor will turn you in for that third luau, your employees or competitors will blow the whistle on your company's security miscues. Everyone looks after everyone else's compliance (even crossing against a crosswalk light will get you a scolding from anyone else there), so do not expect to get away with skirting any local laws. When dovetailed with the accountability premise in Germany, such legalism has an upside: You can bank on contract law.