BUSINESS SUSTAINABILITY,BANKING AND SECURITY ISSUES

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ABSTRACT

Due to the increasing degradation of the natural business enterprises' environmental commitment has become an important variable in most of today's competitive business environment. This is because activities of most enterprises are the main causes of environmental degradation which in turn impact on the sustainability of their performance. This study looks at the specific business environmental practices and initiatives and how they impact on their sustainability. The overall objective of the study was to establish the impact of environmental initiatives on business sustainability around Lake Naivasha. The study design was descriptive survey in order to pick behaviors which needed to be mitigated for purposes of business sustainability. Today, in every aspect of our life, we are using information technology (IT) to make our life comfortable. Banking sector, completely based on the consumer database, using online transactions widely, also affected by IT. Rapid growth of a technology; where the main concerns are related to security and cost, Internet banking – suggests that these concerns can be solved for many aspects like digital sign and electronic signatures as well. In the Internet banking, the web browsers provide simple and user-friendly interface to customers. This paper gives a survey for the required security and challenges faced by all banks in internet banking. Like technology service providers globally have firmed up cloud computing platforms that have opened vistas for agile and cost effective solutions. Prevention of cyber crimes is the main challenge for banks with proper customer service.

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INTRODUCTION → BUSINESS SUSTAINABILITY

Business sustainability, also known as corporate sustainability, is the management and coordination of environmental, social and financial demands and concerns to ensure responsible, ethical and ongoing success.In a broader context, social, environmental and economic demands are considered the three pillars of sustainability. Within the corporate world, they are sometimes referred to as the triple bottom line. The concept is a departure from the traditional concept of the bottom line, which evaluates all efforts in terms of their short-term effect on profits.

In traditional corporate cultures, social and environmental concerns have typically been considered to conflict with financial goals. Depletion of non-renewable resources, for example, is obviously not a sustainable practice. However, because alternatives typically require investments in infrastructure, continuing to rely upon fossil fuels is the least expensive short-term option.

The goal of sustainability requires a more extended timeline for return on investment ,but once initial investments are made, they can actually lead to increased profitability. One example is free cooling for data centers, which takes advantage of naturally-occurring phenomena to control temperatures. Although the technologies involved may require initial cash outlay, the renewable resources they rely upon are freely available and reliable, which will eventually pay off.Similarly, investments in socially ethical practices may initially cost a business money but typically lead to enhanced recruitment, branding and public relations, which all tend to lead to increased profitability.

WHAT IS BUSINESS SUSTANABILITY AND WHY ITS IMPORTANT

Business sustainability is essential to the long-term prosperity of global companies. Sustainability and business are not always seen as a good working pair. Businesses often struggle to implement sustainability measures, as they think that it is taking money from shareholders. However, as more pressure builds from the public, businesses are being forced to look again at combining sustainability and good business practices. Sustainability is good for businesses both as a long-term strategy to improve employee confidence, and as a short term response to government legislation. Businesses responding to demands for clearly visible sustainability practices are also more attractive to the new class of ethical investors, and regain the costs of managing sustainability through government grants and increased sales to green activists and other members of the community. Ethical business practices may also improve competitiveness between businesses, encouraging growth and bigger profits. Sustainability regulation can also assist competitiveness in business, as it forces industry to innovate and create new solutions, driving up profits for those companies that provide the best products. Sustainability has also been shown to produce new demands and markets for businesses.

CORPORATE SUSTAINABILITY STRATEGIES

Corporate sustainability strategies can aim to take advantage of sustainable revenue opportunities, while protecting the value of business against increasing energy costs, the costs of meeting regulatory requirements, changes in the way customers perceive brands and products, and the volatile price of resources.

Not all eco-strategies can be incorporated into a company's Eco-portfolio immediately. The widely practiced strategies include: Innovation, Collaboration, Process Improvement and Sustainability reporting.

- 1. Innovation & Technology

This introverted method of sustainable corporate practices focuses on a company's ability to change its products and services towards less waste production and sustainable best practices.

- 2. Collaboration

The formation of networks with similar or partner companies facilitates knowledge sharing and propels innovation.

- 3. Process Improvement

Continuous process surveying and improvement is essential to reduction in waste. Employee awareness of company-wide sustainability plan further aids the integration of new and improved processes.

- 4. Sustainability Reporting

Periodic reporting of company performance in relation to goals. These goals are often incorporated into the corporate mission

SIX ESSENTIAL CHARACTERISTICS

Matthew Tueth, reiterates that a mature and authentic sustainable business contains six essential characteristics.

1. Triple top-line value production

"The TTL Establishes three *simultaneous requirements* of sustainable business activities - financial benefits for the company, natural world betterment, and social advantages for employees and members of the local community—with each of these three components recognized as equal in status." Whereas many businesses use the triple bottom line "triple top line" stresses the importance of initial design and is a term attributable to McDonough and Braungart in their book *Cradle to Cradle*.

2. Nature-based knowledge and technology

"This biomimicry-based principal involves the conscious emulation of natural-world genius in terms of growing our food, harnessing our energy, constructing things, conducting business healing ourselves, processing information and designing our communities"

3. Products of service to products of consumption

"*Products of service* are durable goods routinely leased by the customer that are made of technical materials and are returned to the manufacturer and re-processed into a new generation of products when they are worn out.(These products are mostly non-toxic to human and environmental health but toxic materials that are used will be kept within a closed loop type system and not be able to escape into the environment). *Products of consumption* are shorter lived items made only of biodegradable materials. They are broken down by the detritus organisms after the products lose their usefulness.(These are also non-hazardous to human or environmental health). This principal requires that we manufacture only these two types of products and necessitates the gradual but continual reductions of products of service and their replacement with products of consumption as technological advancements allow."

4. Solar, wind, geothermal and ocean energy.

"This principal advocates employing only sustainable energy technology—solar, wind, ocean and geothermal—that can meet our energy needs indefinitely without negative effects for life on earth."

5. Local-based organizations and economies

"This ingredient includes durable, beautiful and healthy communities with locally owned and operated businesses and locally managed non-profit organizations, along with regional corporations and shareholders working together in a dense web of partnerships and collaborations."

6. Continuous improvement process

"Operational processes inside successful organizations include provisions for constant advancements and upgrade as the company does its business. The continuous process of monitoring, analyzing, redesigning and implementing is used to intensify TTL value production as conditions change and new opportunities emerge.

CHALLENGES AND OPPURTUNITIES

Implementing sustainable business practices may have an effect on profits and a firm's financial 'bottom line'. At first blush, this challenge might make many corporate executives cringe. However, during a time where environmental awareness is popular, green strategies are likely to be embraced by employees, consumers, and other stakeholders. In fact, according to many studies, a positive correlation exists between environmental performance and economic performance.

If an organization's current business model is inherently unsustainable, becoming a truly sustainable business requires a complete makeover of the business model (e.g. from selling cars to offering car sharing and other mobility services). This can present a major challenge due to the differences between the old and the new model and the respective skills, resources and infrastructure needed. A new business model can also offer major opportunities by entering or even creating new markets and reaching new customer groups.

Companies leading the way in sustainable business practices can be said to be taking advantage of sustainable revenue opportunities: according to the Department for Business, Innovation and Skills the UK green economy to grow by 4.9 to 5.5 percent a year by 2015, and the average internal rate of return on energy efficiency investments for large businesses is 48%. A 2013 survey suggests that demand for green products appears to be increasing: 27% of respondents said they are more likely to buy a sustainable product and/or service than 5 years ago. Furthermore, sustainable business practices may attract talent and generate tax breaks.

INTRODUCTION ⟶ BANKING AND SECUTITY ISSUES

Technology nowadays gives an opportunity to satisfy the need of faster and efficient banking transaction. Information system that is used in a bank is not only between business to business (B2B) but also between business to customer (B2C). Intrusion is an action of accessing one place or system without the permission of the owner. If a system has been intruded, it means that it has compromise with the security aspects that is applied in the system. Intrusion might be done by anyone with security knowledge and could happen for any purpose – to gain and alter confidential data or to steal sum of money from the financial institution. Fault and failure caused by this intrusion not only decrease the system performance but also client and customer’s trust towards this financial institution due to the risk of losing their money and assets in the bank. In U.S, the government requires banks to report all losses.

THE ROLE OF BANKS IN THE INTERNET WORLD

Throughout the country, the Internet Banking is in the ascent stage of developmentIn general, these Internet sites offer only the most basic services. 55% are so called 'entry level' sites, offering little more than company information and basic marketing materials. Only 8% offer 'advanced transactions' such as online funds transfer, transactions & cash management services. Foreign & Private Banks are much advanced in terms of the number of sites & their level of development. Internet Banking is the new generation of banking in India. Most private and MNC banks have already setup an elaborate Internet banking infrastructure . Initially, banks promoted their core capabilities, being products, channels and advice, through the Internet. Then, they entered internet commerce market as providers/distributors of their own products and services. "The trend toward electronic delivery of products and services is occurring dramatically in the financial service industry (something we call "e-Finance") where the shift is partly a result of consumer demand, but also of a ruthlessly competitive environment". More recently, due to advances in Internet security and the advent of relevant protocols (e.g. Integrion, OFX, SET etc.), banks discovered that they can play again their primary role as financial intermediates and facilitators of complete commercial transactions via electronic networks and especially via the Internet.

RISKS INVOLVED IN INTERNET BANKING

Internet banking risks consists of risk associated with credit, interest rate, transaction, liquidity risk, price risk, transaction risk, etc. Some of the important risks involved in the Internet banking are:

- Credit Risk

Customers can reach from anywhere, challenging for institutions to verify the bonafides of their customers, which is an important element in making sound credit decisions.

- Liquidity Risk

Increase deposit volatility from customers who maintain accounts solely on the basis of rate or terms.

- Interest Rate Risk

Interest rate risk arises from differences between the timing of rate changes and the timing of cash flows reprising risk.

- Foreign Exchange Risk

Foreign exchange risk is present when a loan or portfolio of loans is denominated in a foreign currency or is funded.

- Compliance Risk

Compliance risk is the risk to earnings or capital arising from violations of, or nonconformance with, laws, rules, regulations, prescribed practices, or ethical standards .

- Strategic Risk

Strategic risk is the current and prospective impact on earnings or capital arising from adverse business decisions, improper implementation of decisions, or lack of responsiveness to industry changes .

- Reputation Risk

Reputation risk is the current and prospective impact on earnings and capital arising from negative public opinion.

THE 5 BIGGEST THREATS TO A BANK'S CYBER SECURITY

Much of a bank or financial institution's operations take place with the use of technology, including through the Internet. Without solid cyber security measures in place, your bank's sensitive data could be at risk. Here are the five biggest threats to a bank's cyber security.

1. Unencrypted Data

This is a very basic yet crucial part of good cyber security. All data stored on computers within your financial institution and online should be encrypted. Even if your data is stolen by hackers, it cannot be immediately used by them if it's encrypted – if left unencrypted, hackers can use the data right away, creating serious problems for your financial institution.

2. Malware

End user devices – such as computers and cell phones – that have been compromised by malware pose a risk to your bank's cyber security each time they connect with your network. Sensitive data passes through this connection and if the end user device has malware installed on it, without proper security, that malware could attack your bank's networks.

3. Third Party Services that Aren't Secure

Many banks and financial institutions employ third party services from other vendors in an effort to better serve their customers. However, if those third-party vendors don't have good cyber security measures in place, your bank could be the one that suffers. It's important to look into how you can protect from security threats imposed by third parties before you deploy their solutions.

4. Data That Has Been Manipulated

Sometimes hackers don't go in to steal data – they simply go in to change it. Unfortunately, this type of attack can be difficult to detect right away and can cause financial institutions to incur millions of dollars in damages, if not more. Because the altered data doesn't necessarily look any different than unaltered data on the surface, it can be challenging to identify what has and hasn't been altered if your bank has been attacked in this manner.

5. Spoofing

A newer type of cyber security threat is spoofing – where hackers will find a way to impersonate a banking website's URL with a website that looks and functions exactly the same. When a user enters his or her login information, that information is then stolen by hackers to be used later. Even more concerning is that new spoofing techniques do not use a slightly different but similar URL – they are able to target users who visited the correct URL.

As a bank or financial institution, it is absolutely imperative that you find ways to mitigate the threats to your cyber security while still being able to provide your customers with convenient, technologically advanced options.

<u>ONLINE BANKING SECURITY GOALS</u>

Online banking security measures include:

- Manage and protect high value transactions that require real-time, "stepped up" security capabilities

- Streamline and simplify the security process for high volume transactions while minimizing manual steps
- Leverage flexibility that fully enables benefits of integrated hardware, software and risk-based analysis capabilities to drive more secure and user-friendly authentication and transaction signing.

CONCLUSION

These statements explained says that the biggest threat to online banking is still malicious code executed carelessly on the end-user's computer. The attackers tend to target the weakest link. Once the attacker has control over a user's computer, he or she can modify the information flow to his or her advantage. This may have happened in the case of the businessman from Miami. The situation most likely will not change until new transaction methods are introduced. So, whenever using an online financial system today, ensure that your system is still under your control and not a spoofed puppet, or you could end up featuring as the businessman in the next fraud case article.