

Ware-Withal: Cost of employees' secret surfing is staggering

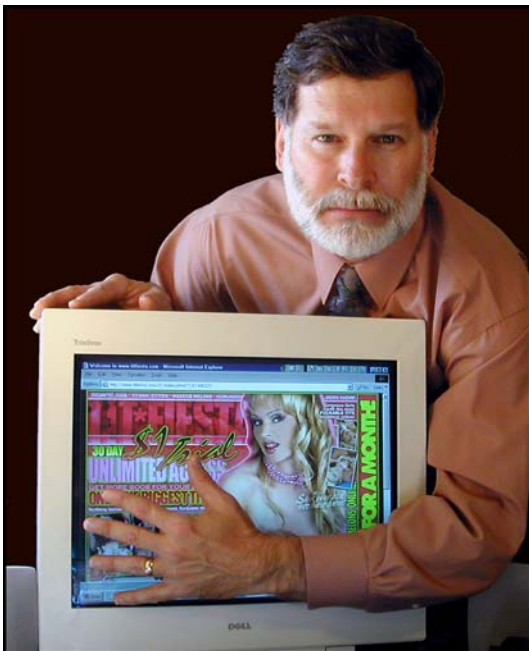
By Elizabeth Dinan

Hooking up, shopping, gaming, leering and committing crimes are some of the things people do at their desktops when they're supposed to be working. That's what Harry Segal confirmed when he plugged a notebook into the networks of 20 New England companies and captured the web traffic in one- to two-hour increments.

What he saw wasn't pretty. But once you get past the sometimes scandalous findings, his web auditing shines as a brilliant piece of marketing for both his technology and his company, Networks Unlimited.

First, those findings.

Tapping into the networks of a "variety of industries," in most cases at the invitation of IT managers and without the knowledge of company management, Segal watched what kind of web surfing employees were doing at their desktops, collected the data and published reports.



About half the internet traffic he saw flowing through respectable workplaces were clearly pornographic, ranging from light to dark. On the dark side, he captured an employee of a large Boston bank spending a good deal of his work day surfing a site devoted to bondage. And he saw another spend over an hour perusing a Victoria's Secret lingerie site. His technology does not, however, contain the necessary algorithms to determine if the lingerie surfer was there to shop or simply ogle.

An employee of a New England state mental health agency (not Massachusetts) was discovered spending hours clicking through online pornography and, according to Segal, "appeared to

be running his own pornographic site." Worse, that employee's homebrewed porno "took advantage of patients."

"That employee, if he hasn't been fired, will be," he reports. "When I brought it to their attention, they said they'd taken care of it and fired someone. But this was someone else."

When Segal audited a Massachusetts biotech company for one random hour, he saw employees surf four different job search sites, two for porn, one gambling site and many with various sports themes. In another buttoned-down environment, he tracked an employee spending the entire time he was being monitored at a website containing 30-second hardcore video clips.

"You name it and it's available on that site," he says. "The recreational surfing that's going on is phenomenal."

Especially when you crunch the numbers. For one of the companies, Segal calculates employee recreational surfing is costing about \$1.6 million a year. That calculation is based on the average amount of time its 5,000 employees spend browsing, at an average of \$30 an hour in wages and benefits. And it doesn't include any browsing of news, business or financial sites.

For his bank client, he used the same formula to estimate that its 150 employees' web surfing costs \$170,000 a year.

"And I'm being very conservative," he says. "It was very narrow reporting. But I can get granular with my reports."

In other words, his follow-up analysis can cite, for example, that ESPN is the most-hit recreational site in a workplace, who surfed that site and for how long. He can detail the wasted bandwidth from streaming media sites, such as at the Boston ad agency where he found employees surfing several X-rated sites, two dating sites and conducting online gaming and job searches. Another of the ad agency employees spent a good part of the work day visiting sites devoted to the television show "Friends."

"A fair number of employees are absolutely not working," says Segal, who presented his findings to that Boston bank last week, convincing management that it should buy his web blocker product.

Which brings us to his brilliant marketing plan. By showing companies real evidence of time wasted and offering a fix, he hopes to make sales. To date, since he's been working primarily with IT types, he's discovered company tech people aren't eager to expand their workload.

"Even though this is an HR, legal and management problem, IT tends to lead the

charge," he says. "And for them, it's just another responsibility."

So what he hopes will happen is that company executives will look at his audits and come to the conclusion that the \$50,000 it costs to block net surfing with his product is cheaper than the cost of lost productivity.

He isn't naming the 20 companies he's audited, noting that they're almost universally embarrassed. But once they've seen the audit, the sell is a lot easier.

"We walk in, and in an hour and 15 minutes, they've seen the product and results from their own environment," he says. "It really hits them in the eyes."

Free download trials are available at www.networksunlimited.com, and for \$1,500 Segal will monitor a company's web traffic for an hour or two. So if you see a stranger lurking around your IT department with a laptop, you might want to get offline until he's exited the building.

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