When information systems or technology fail, they often cause significant impacts on shareholder value. For example, early in 2001, Canada's second-largest grocery retailer, Sobeys Inc., abandoned an $89 million SAP implementation, taking an after-tax charge of $49.9 million, or $0.82 per share. Sydney Water, a public utilities company in Australia, abandoned a customer relationship management and billing system in 2002, with an estimated write off of AUD$61 million. The auditor-general for New South Wales wrote a scathing report, criticizing its Board for failing to exercise proper oversight. In 2005, U.S. credential verification service provider ChoicePoint publicly admitted to inadvertently providing over 150,000 names, addresses and other sensitive information to criminals. In 2007, The TJX Companies, Inc. (the owner of T.J. Maxx, Marshall's, and other stores in North America and the UK) was on the defensive after customer data, including credit and debit card information, was stolen from their systems and used fraudulently.

McAfee underlines the importance of IT investment, asserting that U.S. companies spend as much on information technology each year as they do on offices, warehouses, and factories combined. As a result of these large investments, the consequences of any disasters are likely to be profound and lasting. As Cavusoglu, Mishra, and Raghunathan showed, firms that experienced Internet security breaches subsequently lost an average of 2.1 percent of their market value within two days, resulting in a loss in market capitalization of over $1.6 billion each. TJX saw an initial short-term drop of 1.7 percent in stock price on January 30th, 12 days after the security breach was announced. Its stock took a further 3.6% drop two days later in response to a class action lawsuit and a call for the Federal Trade Commission to investigate TJX for possible negligence. While their stock eventually rebounded, and has gone on to outperform their