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## BALTIMORE BUSINESS JOURNAL

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### Data disasters

Don't let computer crashes bring down your business

Baltimore Business Journal - by [Gary Haber](#) Staff

Jay LaPointe can recite the kind of horror stories about companies losing their computer data that make a small-business owner grab for a bottle of Maalox.

Like the catering company, whose computer crashed just before Thanksgiving. The outage wiped out all of the company's recipes, menus and client information, just as it was preparing for its busiest months of the year. It took countless hours of employee time to try to create all that data.

Or the insurance company, whose data center was flooded by a burst pipe, frying the company's computers. Then there is the retailer whose computerized cash registers wouldn't work for days after Verizon accidentally cut a fiber optic cable.

"The lights were on, the power was on, but they couldn't sell anything," said LaPointe, vice president of sales and marketing for a [DP Solutions](#), a Columbia computer consulting firm.

"You think it's not going to happen," he said. "It happens."

Businesses rely on their computers for everything from writing contracts to communicating with clients. Some small-business owners think they can't afford the cost — typically no more than \$3,500 — of putting a plan in place to back up their computer files and retrieve them in the event of a disaster.

However, experts say the costs are less expensive than people think and that companies can't afford not to be without a plan. If a business lost its data, it might not be able to bill its customers, defend itself in a lawsuit or create the names, e-mail addresses and phone numbers of key contacts.

It can be a particular problem for hospitals, physicians and other health care providers who have to preserve records under the Health Insurance Portability and Accountability Act, or HIPAA, and for public companies that have to hold onto their data to comply with Sarbanes-Oxley, said Bill Walter, a senior network engineer with accounting and consulting firm Gross Mendelsohn's [Technology Solutions Group](#), which designs data backup and recovery solutions for clients.

"More companies are realizing that without computers, productivity grinds to a halt," Walter said.

Gross Mendelsohn has had a backup and recovery system since the firm started its Technology Solutions Group about 16 years ago, Walter said. The current system automatically backs up the company's data and stores a copy electronically at off-site storage centers on the East Coast and West Coast.

It's not just the foreseeable disasters that companies have to worry about. For every hurricane that knocks out power, there's the careless employee who hits the wrong button on the computer, sending data into the neverland of cyberspace.

Walter said his company's "easiest sale" is to the business owners who didn't have a data backup and retrieval plan in place. When something happens, a panicked business owner quickly becomes a convert to the need for backing up their data.

Walter estimates it can be much more expensive to try to recover lost data than it would be to install a proper system in the first place. A backup system for a small business could cost between \$600 and \$3,500, compared with \$5,000 to \$15,000 to try to recover data of a damaged computer hard-drive, he said.

The ideal backup and recovery system involves storing the data off-site, experts say. The price, depending on the amount of data stored, can range from a few hundred dollars a month to several thousand a month. That avoids the problem of backing up the data on a tape and having an employee take it home each night and return it the next day, leaving open the possibility of the tape being lost or stolen.

Small-business owners might want to consider several low-cost services, such as Mozy or Carbonite, that can be downloaded onto a computer and automatically backs up the data several times daily.

Pat Pathade, CEO at [Fantail Consulting & Technologies](#), an Ellicott City computer company, has been using Mozy for the past two years on his personal computer. When he launched Fantail in August, he started using the online backup system on his office computer, too.

"I'm a tech guy, so I know the importance of it," he said.

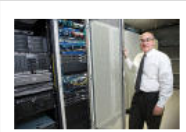


Photo by Christopher Myers, Contributor

'You think it's not going to happen. It happens,' Jay LaPointe, CEO of DP Solutions, says of computer crises.

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Michael Dailey doesn't want his law firm to be one of those unlucky businesses that find their data gone.

Electronic data is the lifeblood of Dailey's six-lawyer Baltimore law firm, which defends liability and worker's compensation cases. Its 2,000 to 3,000 closed files are stored electronically rather than on paper. It's not uncommon for a worker's compensation case to be reopened, meaning Dailey and the other lawyers need to have access to those files.

"The concern was, what would happen if your system failed and that data couldn't be retrieved?" he said.

So Dailey's firm worked with Gross Mendelsohn to install a backup system that creates a duplicate of all the files on the firm's computer system. The tape is backed up each night and locked in a fireproof safe.

The system cost about \$2,000 but it puts Dailey's mind at ease. Still, Dailey said he's considering Walters' advice that he move the data storage off-site.

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