

Should you outsource your Disaster Recovery Services to a third party?

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In the past year, we have experienced horrendous weather patterns creating devastating storms throughout the United States. The news media has reported major floods, tornados, and high winds causing severe damage almost daily. In 2008, the highest recorded number of FEMA declared disasters had reached seventy-five. As of July 28, 2010, the United States has experienced a total of fifty-eight FEMA disasters. This statistic is in reach for an all time new record for FEMA disasters within a one year period. According to Wikipedia encyclopedia, as of July 23, 2010, there have been 1,071 tornadoes reported in the United States alone thus far (of which at least 481 were confirmed). The deadliest tornadoes on record in the nation have occurred largely in Illinois. Every state in the union has experienced unpredictable storms and extreme weather conditions. The current trend of continuous dangerous weather patterns have made many companies more aware of their potential loss of business if struck by a disaster. More than forty-three percent of businesses never re-open their doors and fifty-one percent close their business within two years after they have experienced devastation by a hurricane, tornado, flood or other destructive catastrophe. Consider the financial impact that would affect your institution if it were not able to open for business as a result of a disaster. What would be the impact if your institution could not restore business resumption within a day, a week, or an entire revenue period? It is an overwhelming concept, when you think of all the elements of your institution that would impair your normal business operations if disaster should strike.

In March of 2008, the Federal Financial Institution Examination Council (FFIEC) updated their Business Continuity Planning (BCP) Handbook to provide guidelines to the financial institutions in the event they experience a catastrophe. The FFIEC regulatory agency had made critical changes within the 2008 handbook focusing on management's responsibilities regarding oversight of the continuity planning process for business resumption and operations. While significant revisions have been made to the FFIEC 2003 BCP handbook, "the focus of this booklet continues to be based on an enterprise-wide, process-oriented approach that considers technology, business operations, testing, and communication strategies that are critical to business continuity planning."

In today's high-tech banking environment, financial institutions may believe that they cannot implement a full scale enterprise-wide disaster recovery test of their processes, technology, and business operations based on:

- The project would be too expensive to put into practice
- A time consuming process with limited personnel staff
- Impossible to demonstrate full business resumption without a secondary branch facility, computer technology and/or redundant high speed communication products
- Lack of Redundant file servers and storage devices just for disaster recovery and/or testing usage
- The overall business resumption testing process would be impracticable due to lack of technical expertise to define the critical components associated with restoring the institution that will meet the FFIEC requirement in its entirety.

How much time, effort, expertise, personnel, and cost would it take for your institution to fully restore all of your critical banking operations to meet the FFIEC requirements? Many financial institutions believe that the costs associated to implement a comprehensive, full scale business resumption disaster recovery test is too expensive and is too time consuming. Management understands that it is in the institution's best interest to implement the comprehensive test, but believes the time and cost associated out weighs best business practices. Financial institutions may wait until the regulatory agencies site them or write them up for noncompliance before they implement a business resumption test. Thereafter, the institution may pay substantially more money in demonstrating the ability to restore critical operations in the event of a catastrophe to the regulatory agency and Board of Directors.

What are the disaster recovery services that your financial institution would benefit from by outsourcing the complete project to an experienced company? If you are looking at outsourcing and streamlining the disaster recovery services/testing, you may want to make sure the company you select as your partner provides the following services.

- ✓ A fleet of mobile bank facilities complete with Drive-up Window, Teller Counters, Night Deposit Box, Private Office(s), Safe, Video Surveillance Camera's and DVDR Recordable device
- ✓ Experienced personnel focused on business resumption within the financial community with a proven track record (knowledge with banking software, Service Bureau and/or in-house banking application)
- ✓ All necessary bank specific technology, such as,
 - Pre-installed Windows file servers with assortment of tape drives
 - PC Workstations with antivirus and Microsoft Office,
 - Passbook , Validation/Receipt, Laser Printers,
 - Check Image Capture Devices
- ✓ FFIEC recommended Satellite Dish Network as a secondary means for communications to your branch network, Service Bureau, Internet or In-House applications
- ✓ Secure Virtual Private Network (VPN) device to encrypt data transmissions
- ✓ Voice over Internet Protocol (VoIP) Satellite Dish Network telephone communications with handsets
- ✓ Inclusive fee for consulting services to define the business resumption "road map" and the "how-to-restore-steps" for your financial institution to successful test all mission critical operations
- ✓ A Company that has the expertise to review your written Business Resumption Plan to meet the FFIEC financial institution mandates
- ✓ Technical expertise on-site within the test center which should be included with your enrollment subscription, not an additional fee
- ✓ Comprehensive annual disaster recovery testing that is performed within a mobile bank facility – complete mock disaster recovery test using technology and facilities as if a real catastrophe A solution that includes the fully documented disaster recovery test results report that will meet the FFIEC BCP regulatory requirements

- ✓ Demonstrated ability to restore your institutions enterprise-wide applications completed within 8-12 hours (time is subject to complexity of restoration tasks)
- ✓ Financially sound company

Recovery Solutions offers all key components to assure your institutions full business resumption and Business Continuity Planning. For further information regarding our mobile disaster recovery bank solution with annual testing, please contact Recovery Solutions at info@recoverysolutions.com or call us at (815) 577-1999.

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Federal Financial Institutions Examination Council Handbook – March 2008