

Off-Site Data Storage

New options for storing critical data emerge online

By Bridget McCrea

When Tori Trinder came aboard Highlands Independent Bank three years ago, the community bank in Sebring, Fla., was using a tape-based data storage system to back up its critical information. As the bank's new information security officer, Trinder knew there had to be a more efficient way to retain the data.

"Tape backup is a popular choice, but it's unreliable and time consuming," says Trinder. "We had to train tellers to change the tapes daily, and then there's always the issue of whether the data will be there when you need to recover it." With the 100-employee community bank's seven physical locations situated up to 45 miles apart, Trinder says, "the auditors didn't think that was sufficient distance to constitute offsite storage of our backup tapes."

For a solution, the 20-year-old community bank with \$315 million in assets turned to the Internet, where an increasing number of companies were offering backup solutions that required no physical tapes and little human intervention. "I checked out several options, then saw a demo of EVault,

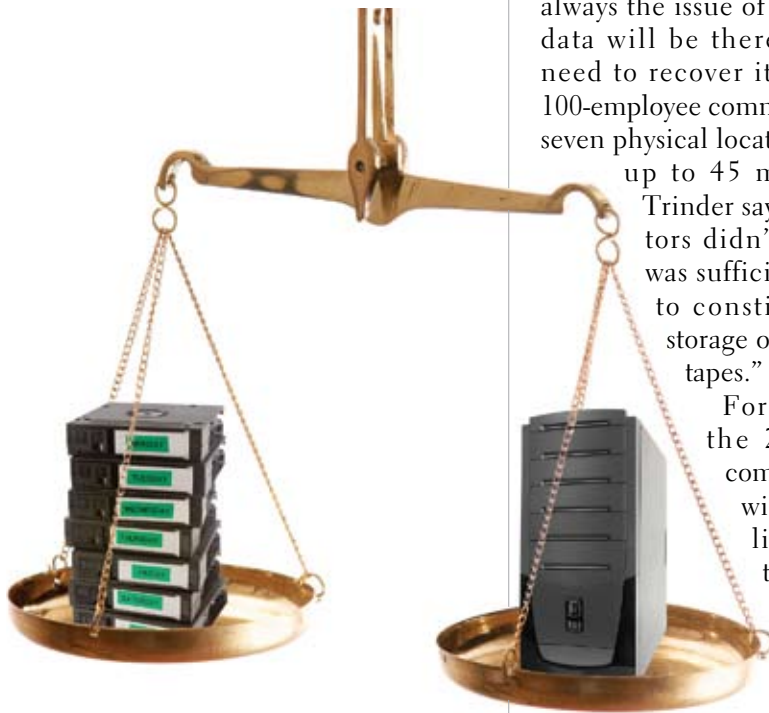
which looked pretty idiot-proof," recalls Trinder.

Historically, tape data backup has been the method of choice for most community banks looking to store their valuable data offsite. Tape is still a popular option for institutions, but it is now being augmented by online options that provide real-time data storage alternatives that can be easily accessed and restored when needed.

Companies like EVault, Iron Mountain and hal Systems Corp., are leading the charge in offering online data storage for community banks. Thought to be more reliable than data storage tapes (which have a limited shelf life and can become corrupted), the online options can be costly for institutions that need to transfer and store a high volume of data, some technology consultants say.

Raj Patel, a partner with Southfield, Mich.-based business advisory firm Plante & Moran, says most community banks use tapes to back up their data offsite. Many will schedule full backups every Friday night, supported by incremental backups on a daily basis. "They'll take the tape to an offsite location, such as an outside storage company," Patel explains.

The upside to data storage tapes is that they're fairly inexpensive and tangible. But unless the information on them has been encrypted, the tapes aren't secure from possible breaches. Finally, the loss of data on one tape could



find the bank having to go back a day (or even a week, depending on how often it backs up) to restore the lost information.

“You’re going to lose the data that was collected between your last backup,” says Patel, and the incident that caused the data loss, he adds.

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Online storage options also have their drawbacks. For example, Keith Steinberg, director at Fidelity National Information Services’ One Touch Customer Care in Birmingham, Ala., says online data storage is cost prohibitive for most community banks. For example, a bank that processes 30,000 checks would require about 650 megabytes of data storage, he says.

“That can get pretty expensive,” Steinberg says. “The bank may be better off spinning its own discs and storing them at a secondary location.”

Internet speed is another constraint, Steinberg points out, particularly for community banks that are processing a high volume of checks and need to transfer 650 megabytes or more via the Web. “Until we see Internet speeds go up and prices for the online option decrease,” says Steinberg, “online backup

won't be a good fit for the community bank."

Patel also sees pricing as a constraint, and says that the number of times a community bank has to access and restore its data over the course of a year may not warrant the cost of online backup at this time. "If you balance cost versus value, and if you're only restoring data two or three times a year, then tape is probably the better option," he says.

Looking ahead, Steinberg expects more community banks to begin using "virtual tape libraries" to back up their critical data. Using a system of disc-to-disc backup, banks can replicate their data in a read-only format, making it useable on both the original system and on the one that the data was copied to. "You basically take a snapshot and put it in a tape library," says Steinberg. The technology isn't out there right now, he says, but it's a concept that could eventually bear fruit as storage and memory get cheaper, and as banks try to avoid paying someone to take care of their data.

Regardless of which option they choose, Patel says, community banks should examine what data they're backing up and why. This would help avoid backing up too much data or the wrong information. He also cautions banks to do periodic tests of their backed up data to make sure the system will work when the situation demands it.

"Just because you have back up tapes doesn't mean you'll be able to restore the data," he points out. **fb**

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