

Flying Without a Net

Companies Without Computer Departments Face Pain and Surprises

Clifton, N.J. -- Mid-size and smaller companies without departments devoted to information technology (IT) or without the proper skills and procedures can face serious security breaches, loss of data, costly downtime and other risks.

Consider these two "live" examples:

A global textile company with offices in the New York metro area suffered for four days with a supplier that couldn't fix a glitch in the network. About 70 people were left idle.

A small retailer was attacked by a Trojan horse, known as the "graypigeon backdoor," that knocked out standard virus protection software, and threatened to bounce confidential information to banks in Brazil. The most likely source – e-mail.

Such problems are all too common, and they pose special challenges for companies or locations that have fewer than about 120 people. "Beyond that number, companies generally hire a full-time IT professional to manage the function," notes Bill Rooney, president of BDE Computer Services of Clifton, N.J., now in its tenth year serving the New York metropolitan area.

Small businesses rule, in numbers, if not in tech savvy. According to the U.S. Bureau of Labor Statistics, 98.4 percent of all firms in New Jersey have less than 500 employees. In New York, it's 99 percent.

About 70 percent of these companies have fewer than 100 people and many of them are vulnerable, Rooney says. "Keeping up with technology is no longer an option for small businesses, it's a necessity. Aside from new hardware, if a business doesn't update network security and software on a regular basis, they're going to get bit. It's just a matter of time."

According to a market research report by IDC, "Corporate concerns with endpoint security, regulatory compliance, spyware, spam, worms, viruses, digital identities, mobility and complexity will help to drive the security software market to achieve almost \$6 billion in revenue in 2009."

In 2004, more than 10,000 new viruses and their variants were identified, causing billions of dollars worth of damage. Despite the tide of security threats, the importance of technology and e-commerce continues to grow with burgeoning sales of PCs. And that contributes to growth in business productivity.

Nationwide, business productivity jumped 3.9 percent in the first quarter of 2006, compared with 2.5 percent a year earlier, according to statistics released by the U.S. Department of Labor in June.

While taking advantage of digital technology, many small- and mid-sized companies, concerned about service costs, often don't recognize their vulnerability until it's too late. A small problem can quietly grow until it cripples a system, if not an entire network.

"That's not just failing to plan, but planning to fail," Rooney says. "The cost of downtime, lost productivity and customer satisfaction, all become very real when a system goes down. Malware [disruptive software] can even threaten a business and put its reputation on the line. The sad part is, in many cases, those kinds of problems are completely avoidable."

In a report issued in June, Microsoft found that of 207 million consumer and small business PCs scanned during a 15-month period, 5.7 million were infected with malicious software, and more than 60 percent of those had at least one backdoor Trojan.

Avoiding the Bite

The cost of contract services may not be as high as some office managers might imagine, all things considered. Rooney notes that a single in-house technician might cost between \$65,000 to more than \$100,000 a year, depending on location and experience. He points out that an annual service contract can keep maintenance costs down while boosting efficiencies -- and experience is a part of the reason. "We see more viruses and network problems in a month than an in-house guy would see in a year," Rooney says.

In an annual contract, among other things, a technician visits the premises at least once a month to ensure that all virus protection, computer systems and backups are running smoothly, and to install new software and upgrades, and new hardware when required.

"Just by being there, we learn about the business and can often make recommendations that can make a company more efficient and profitable," Rooney says.

Among recent projects:

A growing public accounting firm wanted its CPAs to spend less time on tedious tasks and more time at client offices to be more competitive. BDE developed a secure system so CPAs can enter information into their laptops from source documents at client locations, and store them securely on main office computers. None of the client information remains on the laptops.

The holding company for more than 20 Foot Locker stores on the East Coast wanted to restrict employee access to the Internet. The security system BDE implemented is boosting productivity while cutting exposure to liability.

A major pet hospital wanted a better way to store X-rays and other images. BDE created a virtual "paperless office" that includes a digital mass storage system that reduces handling, improves file sharing and access time between locations, and minimizes file space.

And what about turnaround? Contract customers, of course, get first priority. "We always have technicians on the road, so we can usually have someone there usually in about an hour, and often have it fixed before someone else could even get there," Rooney says.

For the textile company mentioned at the beginning of this story, BDE identified the problem and worked almost around the clock to get the network up and running. "What couldn't be done in four days, we did in a day and a half. And we recovered 100 percent of their data," Rooney says.

BDE Computer Services, formed in 1996, is a comprehensive technology service provider, dedicated to meeting and exceeding the technology needs of its business clients. It supplies a broad range of equipment and offers consulting services spanning hardware, software, networking, Internet and security/firewall services.

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