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Isaac M. O'Bannon • Feb. 08, 2012



What would you do if all of your client data was suddenly gone?

Web-based applications are now an integral component of virtually every American's life, both personal and professional. From online banking programs for consumers, to professional programs that once were installed on local computers and servers, the benefits of these software-as-a-service systems is that they are

instantly accessible from anywhere, allowing us to be more mobile, and yet still as

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The primary concern of all computer users should always be security, especially those in professions such as accounting, tax compliance, financial advisory services and others that manage sensitive client information. However, over the 15-plus years that online programs and web-based backup have been available, it has been proven that online storage is not only secure, but is actually safer and more reliable than simply keeping the information on your office computers or servers, even when you perform backups in-house.

With Data Backup, Humans are the Weakest Link.

The main reason for this is the human element. As with any technology, a data backup routine is only as effective as the weakest component, and human error is the most common contributor to lost data. Whether it's getting lax on backups and performing them less and less frequently, storing the backups or having a backup drive located in the same office with the computers, or being too casual with passwords and office security protocols.

While it is easy to see the potential danger of theft related to the final point, the problem with where the backup is located becomes a factor when dealing with natural disasters or fires that may damage your office building and the contents within it. This wouldn't result in unauthorized access to the sensitive information, but suddenly losing all of your client information and their tax, accounting and financial data would have a crushing effect on your practice.

After the "weakest link" human factor, the most common cause of data loss without a fire, theft or natural disaster is system crashes. It's a simple fact of life in the technology age that we live in, that hard drives fail, including those in external backup devices. When this happens, sometimes the data can be recovered, but with total crashes, all is lost. The odds of both your computer and external hard drive failing simultaneously are about nil, but if you haven't been maintaining a near-

perfect backup routine then you may still lose days or weeks worth of client activity.

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businesses is that, after initial setup, they automatically perform the functions at pre-scheduled times (such as in the middle of the night, so it doesn't slow down your computers while you and your staff are using them).

When it comes to security, these online systems also stand above local solutions such as external hard drives or discs, and for several reasons. To start with, they automatically encrypt all data before it is uploaded and the data remains encrypted while it is stored at the backup service provider. Additionally, most advanced systems don't just back up your data to one location, but to at least two or more locations in geographically diverse areas of the country.

With no backup or with backup in your office, the data is at risk from fire, flood, tornados, earthquakes, hurricanes, theft, computer crashes and countless other disasters. With the redundancy and geographic separation of web-based backup, however, it is virtually impossible for the data to be lost because of one or more of these events. In addition to government-level encryption, all of the major data backup providers also have strong physical security at their locations, including armed guards, biometric technologies and many have security audits and testing, including meeting the requirements of the Statement on Standards for Attestation Engagements (SSAE) No. 16, which replaced SAS 70 as the new attestation standard for service organizations.

For those who note that even the government, banks and other financial institutions get hacked, yes, no system is perfect. But from a hacker's perspective, which would be easier to target: Several small accounting firms with bare bones security, or a technology powerhouse? The odds of cloud-based client data being compromised are much less than data stored within a firm's office.

What would you do if your client data went MIA tomorrow? With cloud-based, online backup, if one of the above disasters did happen to the computers in your

office, the client data and even all of the other entire contents, programs and even

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Boxout:

Five Reasons Cloud-Based Backup is Better than Local:

1. Automation of backup processes
2. Safer from natural disasters
3. Safer from computer/server crashes
4. Redundancy (data stored in more than one location)
5. Support when restoring data

Professional Online Data Backup Services

The following companies offer trusted online backup solutions that meet the needs of small and mid-sized businesses. While there are many consumer-level systems and also free versions of some of the business ones, they generally don't have the storage space required for accounting firms managing dozens or even hundreds of client QuickBooks files or other accounting data.

BarracudaNetworks (www.barracudanetworks.com/backup)

Carbonite Business Backup (www.Carbonite.com/business)

CrashPlan PROe (www.crashplan.com/enterprise)

eTegrity (www.compunite.com)

iBackup Professional (www.iBackup.com/professional)

IronMountain (IronMountain.com)

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about \$20 per month for essential data only, to \$50 - \$100 per month for backing up everything, depending upon the number of clients. Networked servers can also be backed up at reasonable costs, but they vary greatly, so check with a vendor.)

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