

IT MELTDOWN THE BIGGEST THREAT TO SURVIVAL OF SMEs

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Having no computer system back-up plan can have devastating effects on small businesses, but various solutions are available, discovers COLIN CALDER

Spam emails are becoming an increasing menace to the smooth running of an SME with most having to deal with junk or virus e-mails on a daily basis.

Clearly it is an irritation, but for many businesses it can be far more sinister – in some cases criminals trying to steal the firm's identity or hack into its systems.

It is just another of the issues surrounding information technology against which SMEs have to take steps to protect themselves. Indeed, IT experts say many SMEs are burying their heads in the sand by ignoring the potential for an IT disaster – and stress that such a catastrophe is the biggest threat to the survival of independent firms.

Yet the alarming fact is that most SMEs don't have a back-up plan to enable their business to continue if their IT systems go into meltdown.

The good news, however, is that it is relatively easy for SMEs to make their email safer, according to Graeme Frew, IT Manager with Glasgow accountants Martin Aitken & Co

“In the past month we blocked around 33,000 spam messages and around 1,000 virus or phishing e-mails from the internet.”

“Many of these e-mails were simply a nuisance, advertising Viagra or weight-loss pills. But others contained the type of malicious program codes which attempt to steal personal information or hijack a computer remote control.”

“Computers compromised in this way can then be used to send more spam e-mails, or in co-ordinated backing attempts. Whatever the result, an infected PC is always bad news for the owner.”

Frew says most basic measures to “hammer the spammers” are simply about implementing good practice. For example, it often isn’t realised that simply opening an infected e-mail or web-page can cause problems.

The top recommendations are:

- Only open the emails you expect to receive and from people you trust.
- Be careful about passing on your email address and don’t advertise it on chat rooms.
- Re-type a web address rather than clicking on a link if in any doubt.
- Don’t reply to spam or click on opt-out links; this confirms your email address is active.
- Read up on spam regularly to keep up with developments.

“If your IT systems fail and you aren’t prepared, this is the one risk most likely to put you out of business”. *Doug Barnett AXA*

Ensure that automatic software up-dates are installed on a regular basis.

Technical solutions to the problem abound. Dedicated computers can be tasked with inspecting each e-mail before it reaches the inbox, but this software can cost a few hundred pounds.

For smaller companies, external companies or ISPs will charge about £1 per month to scan mail. Otherwise, most anti-virus products include e-mail protection in their software.

Frew adds, “A combination of measures is the best defence. Mixing a software solution with a measure of web sense will make e-life less risky all round.”

Other IT problems centre around what happens if your business suffers a hardware failure, power failure, fire or flood. More than nine in ten (91 per cent) of SMEs view IT

failure as a potential threat to the ongoing health and profitability of their businesses, according to a study of financial protection company AXA. More alarmingly, around a quarter (23 per cent) fear IT meltdown could put them out of business completely.

Yet despite recognising the importance of IT systems to their businesses, about two in five (39 per cent) had no plan to protect them in the event of IT, and other business failure issues.

“Fear of IT failure keeps small business bosses awake at night “says Doug Barnett, risk control strategy manager at AXA”. “One thing is clear, if your IT systems fail and you aren’t prepared, this is probably the one risk most likely to put you out of business.”

Technology experts preach the message that SMEs need to consider, urgently, all the risks they face and prepare a business continuity plan.

Jim Lee, managing director of Campbell Lee one of Scotland’s top independent firms of IT solutions providers, says making provisions for the unexpected is crucial for management today.

He adds “It is about creating resilient businesses – companies that are flexible and which can quickly identify and respond to challenges and threats. We live in uncertain times so making provision for the unexpected is a crucial concern for management today.”

“It is now about security and resilience. Many businesses did not survive the aftermath of the 9/11 because their workplace was devastated and crucial business information was not backed up remotely.

“The companies which did survive were those who had taken the relevant precautions”.

Lee says that resilience relates to the ability of an IT function to relocate and mirror its systems in the event of a melt-down.

Just over three years ago, the firm opened the first, fully-functioning, managed, business continuity centre in Springburn, Glasgow.

The facility is staffed 24 hours a day and allows workers to move in to the centre and continue business operations using replicated data in the event of a workplace crisis, virtually without interruption.

Outage time in the worst case scenario can be reduced to just a matter of minutes. Despite an increasing client-base, Lee – who has been at the helm of his business for 30 years – believes that IT is still not taken seriously enough despite how highly firms rely on IT equipment.

He says “IT firms offer a professional service – equivalent to lawyers and accountants – but they don’t get the recognition.”

“We are a service business but I don’t think we are viewed as that. People think we are technicians or salespeople. But what we offer is a professional service, where we have expertise in many different areas.” Lee says that growing demand for the firm’s continuity management services is coming not from businesses seeing sense in the service themselves, but from the insurance industry.

“Many companies are finding that their insurers will not provide loss-of-profits cover without a demonstrable disaster plan in place.

“A business continuity plan alleviates the fears of business owners that they won’t be able to keep the business running and they cannot insure against that risk”.

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