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Virtualization Takes Center Stage – How Your Financial Institution Can Benefit From This Cost Saving Technology

by **Jaine Kim**
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Virtualization. It's a recent buzz word in most every IT steering committee gathering at banks and credit unions across the country. Why, in a time when cost cutting is the mantra within the financial services sector, is this emerging technology taking center stage for forward thinking industry leaders?

Call it cutting edge technology, the next big thing, or the most logical step toward skinning down costs and earning a nod from the regulators for a risk and compliance program that's on the right track. Server virtualization is taking center stage at community financial institutions, emerging as the shining star in a formidable playbill co-starring a down economy, faltering consumer confidence in the financial sector, and a tangle of technologies reaching end of lifecycle. It's real, it's viable, and it won't cost you an arm and a leg. It'll cost you some physical servers and hardware, but you'll come out refreshed and a real winner when the curtains fall on act 1.

What does virtualization mean and what's in it for you? Aside from substantial cost savings, your institution can leverage virtualization technology as a huge benefit to your risk management and disaster recovery program. Let's take a peek in your server room. The rack of servers sitting with innocently blinking lights is not as docile as it leads you to believe. It's emitting heat begging to be cooled, sucking power day in and day out, and daunting you with the threat of, "if little ol' me goes down, and I do have a fickle temper, you're in trouble." So you compensate by backing up data both on-site and off-site, building redundancies, striking up impressive SLAs from your service providers and entrusting that they'll deliver on their promises no matter what. There's a lot of variables riding on that "no matter what." Power outages, system wide outages, hurricanes and ice storms, wildfires sweeping across acres and acres within your community, an asteroid falling out of the sky and landing smack in the middle of your unsuspecting bank, or just plain equipment failure. Your Dell decides to go up in smoke while you're checking your morning email. Where's your backup and how much does it all cost to maintain and protect? A typical institution carries one server per every eight full time employees. That breadth of data storage multiplied by the storage required for backups equates to a lot of disk space. Add to that the cost of all the hardware, maintenance and people resources needed to manage, operate and administer those servers on a daily basis and the total cost of ownership can be staggering.

And what happens if your failsafe measures, well, fail? The recent news of the Heartland Payment Systems data breach opened a lot of sleepy eyes to what data breach or data loss truly costs an institution. According to the Ponemon Institute's Cost of Data Breach study, cited from Bank Info Security.com, the average cost of a data breach or loss was \$202 per compromised record in 2008. This represents a 2.3 percent increase from 2007, when data breach/loss cost an average of \$197 per record. The average total cost per reporting company was more than \$6.6 million per breach, ranging from \$613,000 to almost \$32 million. The cost of lost business carries the highest impact, averaging \$4.59 million, or \$139 per record compromised. Lost business accounts for 69 percent of data breach or data loss costs. Tower Research Group said in a recent study that regulators are going to be putting the smack down on banks with a vengeance in 2009. Rightfully so. Afterall, your information and customer data records are arguably more valuable assets than the dollars and diamonds currently sitting in your vaults today.

So if one of your servers crashes, is it acceptable to wait for another server to be delivered and for a network engineer to re-configure and recover data from a few days ago in order to resume functionality in a few hours to a few days? You may not be an experienced IT professional but I'm sure you understand the criticality of your systems to the livelihood of your institution.

We are here to inform you that there is a better solution. Compushare's Critical Systems Recovery solution utilizes virtualization technology to extend the protection of your Data Assurance and Critical Systems Management programs, allowing for quick and complete business resumption in the event of data loss or server failure. Servers can be virtualized with the same network settings in less than 30 minutes directly from the Network Area Storage (NAS) device. Backups are captured every 15 minutes and an

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alert is received immediately at Compushare's Technology Management Center in the event of a failure. Within minutes, our Support Service Desk team can remotely select and deploy a point in time snapshot of your data – as recent as 15 minutes just before the failure event. The virtual server is completely transparent to end users allowing your employees to resume business as usual. Backups continue to occur after a server is virtualized so, when it comes time to restore back to physical hardware, you have the latest changes to your data. Backups can also be synchronized off-site through a secure encryption tunnel to a secure co-location (Colo) facility for added redundancy and coverage.

In summary, Compushare's Critical Systems Recovery solution allows for near immediate recovery of system failures while lowering your total cost of storage and backup. An exact, virtual replica of your failed server can be remotely deployed in minutes, providing a mirrored replica of your actual physical server reducing outages to a narrow 30 minute window with data as current as 15 minutes prior to device failure. Teamed with solid business continuity planning and testing, mobile branch recovery measures, hosted secure email and off-site data storage, Critical Systems Recovery is the final piece that ties together a truly comprehensive Business Continuity and Disaster Recovery strategy minimizing risks, consolidating vendors, and lowering total cost of ownership while delivering an improved competitive foothold for your institution and freed money baby.

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Compushare delivers viable and proven solutions exclusively for community financial institutions including areas of information security, risk management, business continuity, business resumption, data assurance, hosted email and critical systems and desktops management. Learn more about our approach toward **Strategy, Safety, Soundness** and **Support**.

To learn more on how your institution can benefit from Critical Systems Recovery and server virtualization technology, contact your Client Solutions Executive or **education@compushare.com**.

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