



Vital records protection is key to a company's survival



RECORDS SECURITY

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The National Federation of Independent Businesses, the leading advocacy organization representing small and independent businesses, recently released statistics showing at least 30 percent of operating small businesses have been closed 24 hours or longer in the last three years due to a natural disaster.

The same group also conducted a survey that found 76 percent of all small business owners think that in the event of a major emergency or disaster, their insurance alone will provide the resources needed to recover quickly. This thinking can be dangerously flawed, and if a small or medium-sized enterprise does experience a calamitous event, it could likely cause the closing of the business for good.

For small and medium-sized businesses, it is next to impossible to restart business operations without a large amount of cash on hand, and in most cases the only way that can be secured is via an insurance payout. The real challenge arises when it is very difficult to get a rapid insurance payout if you are unable to display proof of loss, and showing proof of loss if your company's vital records are destroyed in the disaster

will be very difficult — to say the least. The solution to this problem is for small business owners to proactively draw up a Vital Records Protection plan (VRP) before a disaster occurs.

A Vital Records Protection (VRP) plan is designed to “protect from loss or destruction those records (both digital and paper) that are vitally essential to the organization's continued operation.”

So, in order to develop a VRP strategy, the first step is to assess the threats to the businesses' vital records. The first action is to identify specific risks (some regional in nature), such as: facility and equipment hazards that can result in flooding to records storage areas, risky storage practices that increase the risk of fire, and periodic electric storms. Luckily for the San Antonio area, our natural disaster risks are few, however the loss of a company's vital record records due to fire can occur just as easily as a result of man-made causes. In any case, regardless of the cause, the final outcome of a fire or other disaster can be as devastating.

Define vital data

After assessment of and identification of the specific risks, the next activity to take is to determine which categories of data need to be recorded and saved, and stemming from that, what data constitutes a vital record to the specific business. Categories of recorded data that typically fall under the label of vital may include:

- Contracts/agreements that prove ownership of property;
- Operational records, tax records;
- Current personnel and payroll records;
- Client account histories, current standard operating procedures (SOPs);
- Produced reports and summaries;
- Software source codes, licensed programs and systems and custom-developed applications and registration keys.

Media choice

How to protect vital records properly depends in large part on the media the recorded information is stored on. Additional protective measures are needed for vital records maintained on a media other than paper.

These “special records” will require specific environmental conditions (including temperature and humidity controls) and careful handling throughout their life cycle, in order to ensure their preservation. Vital records can include many different media aside from paper, such as: microfilm, magnetic tapes, disks and photographic materials.

For many small and medium-sized businesses, magnetic tape is the storage media of choice for archived data, since it has a long shelf life, usually a couple of decades. Specifically designed data cabinets and vaults can be used to provide on-site protection for magnetic tapes and disks. For example, vital records can be protected against theft and fire by storing them in fire

resistant safes or vaults with combination or electronic locks.

Remember, fire resistant file cabinets for paper and microforms do not provide sufficient protection for magnetic tapes, disks and diskettes, since the ignition point of paper and microfilm is much higher than magnetic media. They need to be stored in special units called “media vaults” that hold the temperature extremely constant during a catastrophic fire. Paper is destroyed at 400 degrees Fahrenheit whereas computer media is rendered useless at 125 degrees Fahrenheit and 80 percent relative humidity.

Storage options

There are many services available if you choose to outsource your VRP plan. Be sure to verify it yourself when off-site records storage facilities claim to offer “state of the art” protection from fire and flooding. Unfortunately, that sometimes means cardboard boxes in an open warehouse with a sprinkler system. Take the time to inspect the vault facility and ask for specifications on the vault chamber, and the vendor should be able to provide the shop drawings and performance standards for their vault.

If you opt to store vital records on-site, standard filing equipment is believed to offer fire protection by a large majority of consumers. This thinking, attractive to a small business owner because it “seems”

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RECORDS: Trust only tested products

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cheaper, can be risky. With reference to the product standards mentioned earlier, it is advisable to seek products that are tested by Underwriters' Laboratory (UL) or other nationally known independent testing labs. Absolutely steer clear of equipment with manufacturers' or non-independent ratings. UL, in particular, is the best, as no other testing and standards organization matches their reputation.

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