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Epicor Survey Finds Gaps in Distributors' Protection of Critical Business Data

Business Continuity Scorecard Identifies Areas for Improvement in ERP Systems

YARDLEY, Pa., June 21, 2011 -- According to a recent survey conducted by Epicor Software Corporation (recently combined with Activant Solutions Inc.), a global leader in [business software solutions](#) for manufacturing, distribution, retail and services organizations, many wholesale distributors do not have comprehensive safeguards in place to protect their business data in the event of a disruption to their Enterprise Resource Planning (ERP) system.

"Business Continuity should be a very serious concern for distributors," notes Kevin Roach, executive vice president and general manager, Wholesale Distribution for Epicor. "Data loss is a cash flow killer. Research has shown that on average, every hour that your system is down costs your company \$80,000+ in lost sales and productivity. The reality is, we've seen distributors without a data backup plan or warm failover solution go out of business because they're unable to get back on their feet after something as common as a hardware failure."

Over 60 percent of distributors who completed the Epicor survey to obtain a personalized Business Continuity Scorecard for their company did not have a redundant Internet connection or an offsite copy of their data available for failover to a standby system, and the vast majority (87 percent) did not have a formal crisis management plan in place. Most also did not regularly test a data restore from onsite or offsite backups, or regularly review and test their Universal Power Supply (UPS) requirements to avoid the risk of a power shutdown.

According to Dan Heulitt, director of technical services, Wholesale Distribution for Epicor, "No matter what industry you support, or what marketplace you cater to, consistently servicing your customers in a timely and professional manner is the #1 rule that you never break. Rule #2 is: it's all about the data. The best continuity plans prepare for an unexpected outage, because history suggests it's not *if*, but *when* your company will experience a data loss. Therefore, it is vitally important for a company to have two data retention policies in place: **onsite** for level 1 data corruption and quick-recovery outages, and **offsite** for level 2 or unexpected prolonged, catastrophic outages."

Contrary to popular belief, the survey found that natural disasters were not the main threat to business continuity; the results indicated that for the 50 percent of distributors that had experienced a disruption, hardware failure was actually the #1 cause of data loss, followed by user error.

Heulitt observes, "It's important to note that today, e-commerce is just as vital as the traditional ERP system. Having a business continuity plan to keep your Internet/global presence functioning could be as simple as having a redundant Internet connection. And no matter what data retention policy is in place, or what your e-commerce strategy is, testing has to be done quarterly, with results being shared with everyone in the company."

On the positive side, over 90 percent of the distributors surveyed did have a consistent data archive strategy, and the majority employed daily business data backups, redundant hardware and dedicated power outlets in their server rooms, and monitoring software to provide notification of potential network or hardware issues.

However, the survey also suggested that as many as one-third of distributors do not conduct offsite as well as onsite backups of their database, and only half are doing a daily backup to an offsite location. "Ideally, the backups should be happening in real time to ensure zero data loss. Offsite backups are necessary in case your building and its contents are damaged due to catastrophic events, rendering your onsite backup useless. In some cases, we have found that alerts for failed backups end up going to an inactive e-mail (e.g., to the address of an employee who is no longer with the company). Of course, that doesn't do anyone any good. Best practice is to send the alert to a group e-mail," notes Heulitt.

Epicor's Automated Backup Solution for data storage is currently offered to Eclipse™ and Prophet 21® ERP platform customers. Explains Heulitt, "The goal of the solution is that a customer experiencing a catastrophic outage could fail over to our Tier 2 data center in less than an hour, and be able to access a dataset anywhere from last night's copy to real time. They could then run in our data center, leveraging over 50 years of IT experience, while they found a new temporary facility, purchased and configured new hardware, and took other steps to restore their business."

To complete the Epicor survey and obtain a **free** Business Continuity Scorecard for your company, go to <http://www.efm.activant.com/se.ashx?s=01529BC942477DA3>. For more information, visit www.epicor.com/distribution.

News Facts

- On average, every hour that a company's data system is down costs that company \$80,000+ in lost sales and productivity.

- A company should have two data retention policies in place: onsite for level 1 data corruption and quick-recovery outages, and offsite for level 2 or unexpected prolonged, catastrophic outages.
- No matter what data retention policy is in place, testing should be conducted quarterly.
- Epicor survey: <http://www.efm.activant.com/se.ashx?s=01529BC942477DA3>

About Epicor Software Corporation

Epicor Software Corporation (recently combined with Activant Solutions Inc.) is a global leader delivering business software solutions to the manufacturing, distribution, retail and services industries. With nearly 40 years of experience serving midmarket organizations and divisions of Global 1000 companies, Epicor has more than 33,000 customers in over 150 countries. Epicor enterprise resource planning (ERP), point of sale (POS), supply chain management (SCM), and human capital management (HCM) enable companies to drive increased efficiency and improve profitability. With a history of innovation, industry expertise and passion for excellence, Epicor inspires customers to build lasting competitive advantage. Epicor provides the single point of accountability that local, regional and global businesses demand. The Company's headquarters are located in California, with offices and affiliates worldwide. For more information, visit www.activant.epicor.com.

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