

Here an office, there an office

Backup work sites help companies stay in business

By **CLAUDE SOLNIK**

When the blackout hit New York on Aug. 14, 2003, Gemini Fund Services in Hauppauge had to scramble to get back up and running. The firm that provides services to mutual funds sent workers to a local hotel, where they set up shop in a conference room.

Gemini has learned from that experience. If the firm faces another disaster, it will have a place to conduct business. Gemini pays for the right to use five seats at Woodbury-based American Business Continuity Centers, which provides a backup office complete with desks, computers and power generators.

"This is a better solution," said Mark Gallagher, network systems manager for Gemini, owned by Omaha, Neb.-based Northstar Financial Services. "They're set up with machines already. We've used them during testing."

While possible terrorist attacks attract attention, companies also are using backup sites to be ready for small, run-of-the-mill disasters such as power outages.

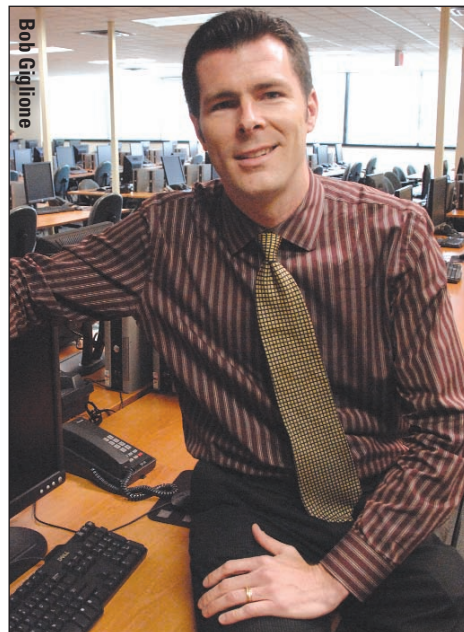
And while these seats are viewed as a kind of insurance policy, Long Island companies also use them when they experience technical problems.

Although many employees can work from home by plugging into the Internet following disasters, "there are still millions of people who need to go to work, because the thing they do requires them to be in place with other people," said Gregory Tellone, chief operating officer of American Business Continuity Centers.

"There's a lot of stuff that can't be done

at home," Gallagher said. "Fund accountants have to check their work. There are processes that wouldn't be practical to do at home."

Not all firms look to outside outfits for backup. Big companies typically operate their own backup offices. JPMorgan Chase & Co. has a backup center in New Jersey and Citibank has one in upstate New York.



Certain job processes aren't practical to do at home, making backup sites a necessity for some companies, according Gregory R. Tellone, COO of American Business Continuity Centers.

And companies with multiple locations often use one site as a fall-back for problems with another.

SunGard and IBM also provide backup sites similar to American Business Continuity, although often on a much larger scale.

Tellone's clients typically are companies with at least 150 employees, and they lease space for about 20 percent of their work-

force. "The seats that they buy are typically meant for the mission-critical operations," Tellone said.

He said law firms, financial service providers, insurance brokers and stockbrokers are contracting out for backup sites with disaster-protection firms.

In addition to its Woodbury backup site, his company is opening a second site in Pearl River, N.Y., about 30 minutes north of New York City.

Companies sometimes contract for backup sites with his firm – typically at \$40 per seat per month – to win business.

"Large companies are requiring that their subcontractors have some type of business continuity in place," Tellone said.

Gemini runs quarterly drills, sending accountants to the backup site who connect with the firm's Omaha server and process funds from the disaster site, while others work as normal in the office.

If a massive disaster hits, there could be a huge demand from Tellone's clients who would divvy up seats.

Tellone said that companies wouldn't be turned away, but might receive a smaller number of slots than they would otherwise be entitled to.

His firm also helps his clients set up strategies to access data remotely in case of disaster, whether from home or from seats at backup sites.

That way, even people who don't have a seat at the fall-back location can keep on working.

If a big Nor'easter hits, that might not lead to an immediate spike in demand for seats at the back-up site.

"Back in Louisiana, during Hurricane Katrina, people weren't going to work," said Tellone. "They were taking care of their families. In the bigger disasters, people are going to take care of themselves first and then slowly start coming back to work." ■

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