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What value is your data?

I have been making money thanks to personal computers since way back in 1988. That was the year I first published the original NoteSmith loan servicing software and released it to the public. Since then, I learned a lot about data.

If all my tangible assets were lost in a natural, or unnatural, disaster today, I'd buy a new laptop computer and my business would be fully functional tomorrow almost as if nothing ever happened. But if I lost my data today, I could not recover all of my business if I plugged away at it for the rest of my life.

How valuable is your data? More importantly, how safe is it? Here are some thoughts to help you safeguard your data and your business in this electronic age.

- Bad things happen, but the worst things happen when two bad things happen together. I know you've experienced this. You drop your toast, but of course it lands butter side down. You drop your contact lens, and the sink plug just happened to be up. You discover your data is bad and it is now the identical data that appears on your only backup. To guard against two things going wrong together, keep two safeguards in place at once. Make two sets of backups at two different times. I always recommend an odd and even backup. Have an odd monthly backups done on the first of odd months and an even backup done on the first of even months. Also have odd and even daily backups done on odd and even days. You will probably do a full backup monthly, but might do a quick "incremental" backup daily of just the files you used today.

- Get your data off site. Sometimes bad things happen in threes, and then it's really bad. We've had three business associates tell us their offices burned down during the last three years. If your office burns down, you don't want your computer and your backups to be five feet from each other. Give a copy to your neighbor, take one home from the office, mail one to your mom, or use one of the online services.

- Test your backup. We get one call a year from someone who hired a consultant to install their NoteSmith CD. The consultant, of course, was unaware of the company's backup routine, so he did nothing to include NoteSmith in it. The backup routine was set up by a different consultant long before the latest programs were added. NoteSmith periodically backs itself up but the user never grabs a diskette to get it off site because they know that a full backup is automated in their office by someone else. You know what happens next.

- Forget the fireproof safe. These things were invented to save paper. When they get hot, they emit water vapor to keep the paper inside from reaching flash point. A safe is not safe for electronic backups, which can be harmed easily from either water vapor or heat.

- CDs do not last forever. The CDs that you make yourself (it's called "burning" but this isn't the appropriate time to use that jargon) have about a 5 year shelf life. The silver program CDs that come from Microsoft will probably last a generation, but the blue-green home use versions that are made with a laser will fail eventually, quicker in hot and humid sections of the country like Texas and Florida. Ditto for ZipDisks and diskettes, which have movable parts and are subject to earlier failure.

- Create a MyData folder on your computer and have all your programs store their data in that folder. Then you only have one folder, albeit large, to back up. There is no need to back up the operating system or your programs because you have those installation disks available. Your data: Priceless. For every other program disk, there's MasterCard.

- Digitize your paper. We all have important, original papers. Consider scanning them and saving the digital image. The paperless office is unlikely in the near future, but think paper-less (meaning less paper). Do your part to store electronically any paper that you receive. The UK is doing so with medical records and will save over a billion cubic feet of storage space. Modern scanners will save your images as compressed, ubiquitous PDF files that can be viewed with a free Adobe Acrobat Reader. Copy them to CDs to make them portable, then simply recopy them once every five years or so to get a fresh yet identical image. PDF may be the most popular format at the moment and is likely to remain that way for many years. TIF and JPG are other compressed formats that are likely to be usable far into the future. Do what you can to avoid creating paper in the first place. Email and fax-to-email services go a long way to saving trees.

And a few bonus thoughts to protect your money, whether you bank in person or online:

- No bank, credit union, or mortgage company ever lost your account number or Social Security Number. Sure, your number may have been stolen on paper or electronically, but your financial institution still has your SSN. PayPal and eBay won't need you to give them your password a second time. No matter how real it looks, never respond to an email asking you to verify anything. You are likely to lose money as well as jeopardize the data on your hard drive.

- No one ever discovered the investment of a lifetime because someone knocked on their door, mailed them a letter, or sent them an email. If I knew how to make 50% yields guaranteed, I certainly wouldn't be sharing 25% of that with an investor I never met. And if I knew how a person could generate \$45,000 a year working part time from their kitchen table, you can be absolutely sure that I would hire as many of them as I could for \$10 an hour.

- No one died in Nigeria with 12 million dollars. And if someone does one day, the money will be spent long before they need your help moving it.