



No Such Thing as Free File Transfer

Maximizing ROI with a Managed File Transfer Solution

"Free File Transfer Tools and manual processes actually COST your organization money."

The Hidden Costs of File Transfer: When "Free" is Surprisingly Costly

Aberdeen Group 2016

EXECUTIVE SUMMARY

Every business engages in some kind of information exchange, whether it's a small retailer attaching an invoice to an email or a hospital sending hundreds of patient records between departments. Some methods of exchanging files, like using FTP or a file sharing app, seem like an inexpensive way to deal with your transfers. In the long run, however, the shortfalls of these tools will likely cost your company significantly more than the investment in a comprehensive managed file transfer (MFT) solution.

A [study by the Aberdeen Group](#) found that free file transfer tools and manual processes actually cost your organization money. This guide breaks down the reasons why MFT gives your company a better ROI than any other file transfer method.

MFT Saves Time

Legacy file transfer tools, scripts and manual processes can waste costly hours. Organizations need to look for ways to move beyond these traditional file transfer approaches and move toward an automated MFT solution.

Dealing with Exceptions

As with any process, your file transfers aren't always going to go smoothly. While even a basic tool will work most of the time, you'll inevitably run into the occasional problem which will require you to divert members of your staff away from more important projects to help deliver the files. Aberdeen's analysis found that those who don't use MFT have more than twice as many of these errors and exceptions as MFT users. With a single-function file transfer tool, the operator is solely responsible for checking if the transfer succeeded and trying it again if it failed. A good managed file transfer solution has ways of dealing with issues that arise—for example, the software could automatically reconnect and resume a file transfer that dropped mid-stream.

Moreover, the MFT solution will provide visibility into the status of automated file transfers and let you know if something goes wrong. This allows you to attack the problem immediately and get back to your more strategic initiatives as soon as possible. A basic tool or script may cause you to waste hours just trying to determine what happened to your files.

Upgrades and Modifications

A common solution for moving files is with custom scripts. This seems like an easy option at first. Your company has talented programmers and it's not too hard to create a homegrown FTP script that gets the job done. The first few times you need a modification or a new feature, that's not difficult either. But very soon your company is transferring thousands of files every day and your homegrown solution is severely lacking in error-handling, security, and logging capabilities. Keeping that growing number of scripts updated will cost expensive programmer hours. Or maybe the original creator of the scripts has left the company and those hours will be spent just trying to figure out how it all works.

Managed file transfer has the features you need as your data exchange requirements grow more complex. You can trust that it will continue to be updated when necessary and upgrades won't require the same technical expertise as maintaining a homegrown tool does.

Compliance Requirements and Auditing

Storing and tracking detailed audit information is crucial for staying compliant with PCI DSS, HIPAA, state privacy laws, and other regulations. A managed file transfer solution will store audit records for all file transfer and administrator activity and provide that data in an easily accessible format to authorized users. If you are legally obligated to collect this information, there's no better time-saver than implementing managed file transfer software that stores the audit data automatically.

Furthermore, compliance requirements can always change or new regulations can be put in place. While you may already have a process for complying with current regulations, MFT provides the flexibility to respond to new security requirements without creating additional time-consuming work.

Avoiding Downtime

According to [Gartner](#), just one minute of unplanned system downtime costs a company an average of \$5,600. Make sure your file transfers keep running even if a server goes down by using MFT software that implements active-active clustering. This means you have a group of linked servers running concurrently, with each installation of your MFT tool sharing the same set of configurations and trading partner accounts. The servers in the cluster are in constant communication with each other, so if one fails, the remaining systems in the cluster will continue to service the trading partners. With the fast pace of modern business, you can't afford to let your transactions wait while you take the time to get your systems functioning again.

Every minute that your business isn't paying employees to fight fires, write custom scripts, or compile audit reports is a minute that can be put towards the work that helps the bottom line.

Secure MFT Prevents Data Breaches

With new corporate data breaches in the news seemingly every day, it's no surprise that security is a top concern for IT professionals. However, file transfers are an area where many companies are still vulnerable. FTP, the protocol used in most file transfers, is not just a time waster—it [comes with inherent risk](#). It's especially worrisome that, as [TechRepublic](#) points out in a recent article, FTP is actually becoming popular again. Other common file transfer solutions, like file sharing apps, come with their own security concerns such as data control and leakage, snooping and key management.

There's no doubt that data breaches are costly. The [2016 Ponemon Cost of Data Breach Study](#) puts the current cost at \$4 million per breach—\$158 per record on average. So it makes sense that an MFT solution to secure your file transfers would bring you a great potential return on investment since file transfer data breaches can be avoided.

"Just ONE MINUTE of system downtime COSTS a company an average of \$5,600."

The Cost of Downtime

Andrew Lerner – Gartner 2014

And yet, when you try to get internal approval for products to help with security, proving the ROI can be difficult. A good security tool is by nature preventative. If you haven't suffered a breach (or you have and don't know about it yet), you probably don't have a way to precisely calculate cost-savings.

Still, your data certainly has value, and you know you have to keep it secure. So how do you know you are protecting your file transfers with the solution that gives you the most value? By making sure the software you choose addresses all of the top file transfer security concerns within one solution—no additional purchases or custom scripting required.

A Variety of Secure Protocols

FTP has been proven vulnerable to hacking. For example, [7,000 FTP sites](#), including an FTP server run by The New York Times, had their credentials circulated in underground forums in 2014. In some cases, hackers used the credentials to upload malicious files.

It's essential for modern enterprises to turn to more modern and secure file transfer methods, such as:

- SFTP and FTPS: These secure FTP protocols greatly reduce the risk during data exchange by using a secure channel between computer systems.
- AS2: AS2 generates an "envelope" for the data, allowing it to be sent using digital certifications and encryption.

- HTTPS: The secure version of HTTP, HTTPS encrypts communications between browser and website.

Which of these methods your company implements may depend on several factors, like your industry compliance requirements or what your trading partners use. Your requirements may also change over time. That's why the best investment is a versatile managed file transfer solution that can handle any of these protocols and more.

Protection against People

When you imagine the security threat to your company, you might conjure up images of hackers working tirelessly to access your systems and use your data for nefarious purposes. The truth is, one of your biggest threats is probably in the office down the hall.

A 2015 study found that [internal actors were responsible for 43% of data loss](#). Half of this is intentional—disgruntled or opportunistic employees, contractors, or suppliers performing deliberate acts of data theft. But half of it is accidental, which can be solved with a data loss prevention software product that can be easily integrated into your MFT solution. People like to cut corners, and most employees in your company aren't likely to be as concerned about security as you are.

Any file transfer solution with a good ROI has to address the threat coming from within the business. You want to have role-based security options that limit each user to the servers and the functions of managed file transfer that they absolutely need to use. Detailed audit logs mean you always know who is doing what with the solution. Plus, an MFT solution should be able to integrate in with a DLP software product to prevent accidental sharing of unencrypted data.

Ensure Compliance

In many industries, inadequate security practices don't just put your own corporate data at risk, they can endanger highly sensitive information like credit card numbers and health records. For this reason, a number of regulations exist to protect personal data. A few of the most common are PCI DSS, Sarbanes-Oxley, and HIPAA, but your industry may have others.

***A 2016 study estimates the average cost of a data breach:
Globally: \$4 Million
United States: \$7 Million
2016 Cost of Data Breach Study –
Global & US Ponemon Institute***

[Ponemon's Cost of Data Breach Study](#) indicated that while the cost of a data breach averaged more than \$4 million globally and \$7 million in the United States, the total cost of a breach could be significantly reduced with an incident response team or plan, extensive use of encryption and utilizing BCM (Business Continuity Management) and DLP (Data Loss Prevention) strategies and technology. The potential cost savings clearly illustrate the ROI of having a security and compliance solution in place.

In the case of file transfers, your MFT platform should have a number of encryption methods available to protect sensitive data including SSL, SSH, AES, and Open PGP encryption. Audit trails should also be in place to track file transfer activity so you can easily determine what files are being sent, what time they are sent, and who the sender and receiver are.

Modernization and Scalability

Once you go through the effort of choosing a file transfer solution that will protect your company, convince management of its necessity, and implement the software, the last thing you want to have to do is change it two years down the road because your company is bigger, has more compliance requirements, is transferring a higher volume of files, or moves to a different OS for your servers, which your MFT solution does not run on.

A reliable managed file transfer provider will ensure their product is regularly updated with new features and security enhancements to address the latest security threats and compliance procedures. Furthermore, if your volume of file transfers increases, you won't need to invest in a new tool to

handle the workload. The software should have the flexibility to add additional nodes to a cluster in order to manage such needs.

Preventing data breaches alone makes managed file transfer worth the investment. But what if your MFT solution could help you grow your business at the same time?

MFT Increases Scalability

One of the most common reasons businesses have for not optimizing processes or implementing modern software solutions is simply that “we’ve always done it this way.” Simply put, your file transfer process is a little time-consuming and your FTP tool doesn’t have the most up-to-date security features, but your business is doing fine. Why spend the time and money to implement a new solution?

Here’s an often overlooked reason: scalability. A robust managed file transfer solution implemented now is key to business growth—and increased profits—down the road.

Automate Processes

Martin Zwilling writes in Forbes that one of the keys to a scalable startup is to “[automate to the max](#),” as the business will not be able to grow if it is both labor-intensive and staff-intensive. File transfers are often critical to a wide variety of processes in businesses of all sizes, so companies can find themselves adding staff to cover the hours of manual work. This is especially true when you add in tasks like checking for file arrivals or compressing and encrypting files before the transfer.

A managed file transfer solution can handle movement of files, but finding a solution that can also interpret multi-step workflows automatically, so increasing your volume of file transfers won’t require hours of additional labor or more employees is important.

Adoption of managed file transfer is increasing every year. That means that others in your industry have chosen to move beyond basic FTP tools. Given the pace of modern business, it will become increasingly difficult to maintain a competitive edge without automating your file transfer processes.

*One of the keys to a scalable startup is to
"AUTOMATE TO THE MAX"
10 Tips For Building The Most Scalable Startup
Martin Zwilling – Forbes 2013*

Anticipate Changes

A growing company often not only faces more hours of work, but new requirements. As you add trading partners, you may need to use a variety of transfer methods. It’s worth the investment to implement an MFT solution that can handle [multiple protocols](#) and encryption methods rather than trying to juggle several tools. You may already be dealing with some industry regulations. The [work involved in staying compliant](#) and keeping adequate records for an auditor will only grow as your business grows. We’ve already mentioned the need for a managed file transfer tool that automatically keeps a detailed audit log to simplify compliance. This will also help if you face new regulations in the future.

IT environments tend to become more complex over time as disparate applications are added to critical processes. In the case of acquisitions or mergers, you may find yourself with multiple applications for the same purpose. Your managed file transfer software should provide commands and APIs for interfacing with your applications.

When confronted with new business requirements, too many organizations turn to custom scripting. Custom scripts are time-consuming for any business, but they pose special risks as you grow. Maintaining and updating the scripts whenever your requirements change can become the full time job of your most valuable programmers. Implement a scalable managed file transfer solution and let your team get back to more important work.

Balance Your Workload and Avoid Disaster

Clustering multiple installations of your managed file transfer solution provides a distributed environment for handling file transfer services for the enterprise. This provides two advantages essential to your growing organization. The first is [high availability](#). If one system suffers a network or hardware failure, the remaining systems in the cluster will continue to process file transfers and run workflows—especially important as you have to meet an increasing number of SLAs.

Secondly, clustering allows you to scale the solution horizontally by adding additional systems to the cluster. The workload can be distributed across all systems in order to increase performance.

CONCLUSION

Free or inexpensive file transfer methods will cost your business in the long run. Implementing managed file transfer software gives you an immediate ROI thanks to time savings, increased reliability, and protection against security risks—and don't forget to also take into consideration the future payoff as your business scales. Ready to give managed file transfer a try? [Get a free trial of GoAnywhere](#).

GoAnywhere® MFT is an enterprise-ready managed file transfer solution which stream-lines and encrypts the exchange of data between your systems, employees, customers and trading partners. It provides a single point of control with extensive security settings, detailed audit trails and reports.

GoAnywhere® Gateway is both an enhanced reverse proxy and forward proxy that provides an additional layer of security when exchanging data with your trading partners by closing inbound ports into your private network and keeping sensitive data out of your DMZ.

What is YOUR ROI?

*Use our interactive calculator
right now to find out
INSTANTLY.*

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*Learn more about the GoAnywhere
Managed File Transfer solution at
www.GoAnywhere.com.*

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