

## Escrow Validation Service: Turning IT-Escrow into real benefit

The worldwide economic downturn is starting to leave traces in virtually all economies around the globe. This often ends in companies going bankrupt or ceasing to exist. If this happens to a company supplying IT services or software, all of its customers, regardless of size, find themselves in a precarious position; They not only lose a software vendor but they lose their main contact for every change request, bug fix or enhancement. This means the delivered application might still run but usually no change can be applied to this system. At the end this inability to adapt may lead to their whole IT asset landscape becoming unstable or even untenable. At least the system itself becomes useless very soon.

To counter this risk, companies may require their vendors to put software assets developed for them or delivered to them as part of a software development effort in escrow, with the stipulation that the customer will have the right to access, use and develop the code and all related documentation in the case of vendor bankruptcy.

Unfortunately, due to the enormous complexity of modern-day IT systems, such an endeavour is substantially more complex for software than it is for other, physical, assets. For instance, the customer usually has very little benefit if the code basis is not complete, if the files are corrupt or not in a consistent state, if vital documentation or configuration data has been forgotten or if the code put into escrow is tainted by 3<sup>rd</sup> party intellectual property.

To counter this very real threat, SQS offers an escrow validation service for software assets. This validation service comprises a series of checks to guarantee that the IT-Escrow-Service really makes sense, i.e.

- the system can be further developed, extended and maintained by the customer itself with a reasonable amount of effort for analyzing, understanding and hosting the whole application.
- the system can be outsourced to a different supplier by handing over the escrow content which enables the new supplier to analyze, understand and host the application.
- the system can systematically be phased out over time since all material explaining the used algorithms and interfaces is available in the escrow content.

The checks are covering different artefacts and aspects. Some typical examples are:

- Are all files readable, are necessary passwords for files, archives, and documents available, are the files virus-free etc.
- Is the software accompanied by instructions on how to build the applications from the source files, can the software be rebuilt and does there exist a minimum (smoke) test environment,
- Are any 3<sup>rd</sup> party intellectual properties violated, is the technical quality of the system compliant to the state-of-the-art and is long-term sustainability guaranteed by a high maintainability.

This type of service should be applied to all running escrow services BEFORE the supplier goes bankrupt or ceases to exist. Any identified gap can subsequently be worked on together with the supplier to turn the escrow-service into a real benefit.