



Topical Tip

Could you access your key software if your supplier failed?

The pace of technological development seems to speed up every day. Many businesses are reliant upon the ongoing development and support of key software applications to third party suppliers.

This is not only for software installed in the business premises, but for hosted solutions, often cloud or web based. If the software suppliers are not around to support the product going forward then the business will be locked out from editing or supporting its business critical software as it does not have access to the source code. This element of risk needs assessing and addressing.

Escrow Protection

An important part of the business continuity planning must therefore address access to the source code of software running business critical processes. Providers of this continuity service call this holding the software source code in Escrow. This ensures that, should your service provider not be able to support or maintain the software, the business is able to access the building blocks of your software and ask another supplier to assist.

The source code for your software and the expertise to implement and maintain it sits with your software supplier or developer. This creates a potentially disastrous situation if you find that your software fails or requires maintenance and your supplier is no longer able to carry on supporting the product.



An escrow solution is a simple and effective arrangement which is specifically designed to minimise this risk and protect the interests of all parties involved.

By placing software behind business-critical functions into escrow, organisations can be sure that they can access it in the event that a supplier is no longer able to support them.

This means that they will be able to maintain that software, working from the original source code, on an on-going basis, whether that be in-house or by engaging with another supplier.

Businesses should be aware of this problem and consider its risk to the business.

Please contact your Barnes Roffe partner if you need any further information.

We are grateful to NCC Group Escrow for help in providing this information on their services. More details can be viewed at <http://www.NCCGroupEscrow.com> or alternatively, please contact Oliver Howard of NCC Group on 0161 209 5269.

Topical Tips is designed to be a simple and useful source of ideas and information for clients and contacts of Barnes Roffe LLP. If you are unsure about the implications of any idea contained therein please contact your Barnes Roffe LLP partner. Barnes Roffe LLP cannot take responsibility if the ideas are implemented without its involvement.