

## ALERT

### From the Federal Financial Institutions Examination Council

The FFIEC<sup>1</sup> agencies are jointly issuing a statement to alert financial institutions that the discontinuation of support for the Microsoft Windows XP operating system (XP) could present operational risk to financial institutions. The agencies expect financial institutions to identify, assess, and manage these risks to ensure that safety, soundness, and the ability to deliver products and services are not compromised.

## STATS

- 39% of PCs world-wide still rely on XP
- Windows 7 has been installed on only 45% of PCs world-wide
- Windows 8 operating system introduced in 2012 is running on 3.2% of PCs
- Annual cost per PC to support XP is \$870 while comparable WIN7 costs \$168 per PC per year.



## DISCONTINUED WINDOWS XP

### OVERVIEW

April 8, 2014 Microsoft will end support for Windows XP, meaning financial institutions (FIs) that still rely on this operating system will no longer receive monthly security patches, system updates or technical assistance. This poses a critical risk potential for these FIs with desktop, server, virtual and web based platforms dependent on XP.

Windows 7 was designed to eclipse XP, but since its introduction nearly four years ago, its installation has been slow and has leveled off. Reasons include consumer preferences for smartphones and tablets away from PCs; bad upgrade problems with Vista; and the launch of Windows 7 during a recession.

FIs large and small adopted XP a decade ago and used it to write custom applications to run their businesses. But, because of the problems, many FIs decided to make do with XP a little longer.

But the time has come for FIs to face either rapid upgrade or pay high-price custom support agreements with Microsoft. Those that have not reacted to upgrading will face the purchasing of new hardware and costly, time consuming re-writes of their applications.

### POSSIBLE PROBLEMS MAINTAINING XP

- Application incompatibilities
- Degradation in the delivery of products & services
- Increased potential for data theft
- Unauthorized additions, deletions and change of data
- Non-compliance possibility with Payment Card Industry Data Security Standard (PCIDSS)
- Increasing levels of downtime due to: security threats, help desk response delays, and time spent rebooting systems
- Internet Explorer compatibility challenge

### DEPLOYMENT TO WINDOWS 7

An FI must start the Windows 7 deployment planning process immediately that is in accordance to their risk management processes and includes:

**Performing risk assessments** including business continuity and disaster recovery situations.

**Cost assessment:** review the costs and potential risks of replacing vs. maintaining XP over time.

**Planning:** developing a solid plan and timeline defining priorities of changes, ensuring appropriate change management procedures and monitoring third party activities as warranted.

**Due diligence:** monitor implementation to the level acceptable for risk for your organization. Controls should be tested periodically and reported to senior management or board of directors as appropriate to ensure risk continues to be managed.



## DISCONTINUED WINDOWS XP

### HARD & SOFT DOLLAR UPGRADE BENEFITS

- New PCs with integrated WiFi, Bluetooth, faster USB ports and hi-res monitors, PCs can be poorly supported or incompatible with XP.
- Lower operational costs. Simply stated, older technology has a higher maintenance cost.
- Compliance integrity issues. Certain industry-specific regulatory requirements mandate that software be maintained and kept current with patches & fixes.
- Consumers often influence the technology used by their FIs to avoid poorly performing old technology, application crashes and system reboots.

### BLM YOUR PROJECT DELIVERY PARTNER

Collectively, all IT activities account for 11.3 hours of time spent per PC per year when using Windows XP. FIs that have moved to Windows 7 enjoy a far lower cost, spending 2.3 hours per PC per year on maintaining those systems. The cost of staying with Windows XP is the consumption of an additional 9 hours per PC per year. One way to rationalize the magnitude of the impact of that high support cost is that for every 230 PCs an organization supports, the equivalent of one additional full-time resource (40 hours per week) is required to maintain Windows XP. A move to Windows 7 frees up an equal number of hours, and for every 230 PCs an organization upgrades to Windows 7, one full-time equivalent of

staff time is freed up to work on other projects that bring direct value to the business<sup>3</sup>.

As you take into contemplation hardware costs, IT operational costs, end-user operational costs plus the aggregated costs associated with ongoing support and maintenance in responding to outages, hardware and software failures, patch management, consider BLM as a partner to alleviate some of these costs.

Organizations that continue to retain a Windows XP environment not only are leaving themselves exposed to security risks and support challenges but also are wasting budget dollars that would be better used in modernizing their IT investments.

BLM's flexible project delivery programs can be customized to meet the specific needs of our customers increasing ROI by keeping down their costs and improving uptimes. We perform enterprise wide refresh projects across multiple locations and install software and/or perform software updates or changes.

With over 25 years in the industry, BLM Technologies is a partner that understands the complexity of software migrations and is able to provide single-source technology solutions needed for success. Through the project delivery services we offer, BLM can address multiple IT needs giving you risk mitigation, less downtime and the most for your hard-earned dollars. Our leadership is well recognized through the strong relationships we have with our world-class technology vendors, our customers and competitors.

**BLM Headquarters &  
National Service Center**  
15300 25<sup>th</sup> Ave N, Ste 600  
Plymouth, MN 55447

**To Learn More:**  
[www.blmtechnology.com](http://www.blmtechnology.com)

**Contact Us Today:**  
Tel: 1-877-287-6435

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1 Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, National Credit Union Administration, Office of the Comptroller of the Currency, Consumer Financial Protection Bureau, State Liaison Committee. 2 *Microsoft Pulling Plug on Windows XP* by Steven D. Jones. 3 *Mitigating Risk: Why Sticking with Windows XP is a Bad Idea* by IDC