Downtime and how much it costs businesses

Information and communication downtime is costing North American business over $700 billion US on aggregate per year, according to a study conducted by IHS Inc. in 2016. Around 76% of this $700 billion loss is attributed to a halt in employee productivity during down times. Revenue loss accounts for 19% of the cost of IT downtime annually, and the final cost of downtime is due to the cost of fixing the issue, which accounts for about 5% of total cost.

What is at stake during downtime?

- Lost sales revenue
- Lost employee productivity due to malfunctioning systems or Internet (think in terms of salaries and benefits)
- Potential employee overtime costs to meet deadlines following a period of disruption
- IT recovery costs
- Cost of restoring IT systems (some data may be forever lost)
- Supply chain ripple effects
- Where applicable, compliance violations or materials lost
- Customer dissatisfaction
- Low employee morale or turnover due to stress/consequences of downtime
- Brand/loyalty damage
- Preventative strategies for these scenarios are key to protecting the bottom line of your business.

How can your business work towards reducing downtime?

Reduce downtime with the cloud. Most cloud SLA can guarantee 99.9% uptime, some even more, which equates to less than 9 hours of downtime throughout the whole year. This uptime is generally much higher than in-house IT. Some estimates place typical downtime from in-house IT to be around 89 hours of downtime per year, which equates to only a 99% uptime. When you take into account the massive difference between the two, the cloud becomes the obvious choice.

When all of your data is held only on local servers, your data is susceptible to disaster and is only available when your office has power. When anything occurs in the office; installing updates, network issues, hardware problems, and power outages, your business is offline and you no longer have access to mission critical data.

When your business is in the cloud, nothing is held on infrastructure that is housed in your office, no matter if you have any hardware problems, power outages, network issues, all you need to do is leave the office, or pick up another computer and you are ready to pick back up right where you left off. Downtime becomes minimal, and now you have the ability to work

wherever and whenever. Not only that, when new employees start they are up and running in the same environment, with access to all the information without the hassle of setting everything up and having different versioning. Outside the cloud, not only is your business susceptible to what occurs inside the office, but in the case of an emergency all that you have at your disposal is your in-house IT team, or the assistance of a third party emergency support team, which could be costly. With the cloud, built in 24/7 support is available from IT professionals who deal with the systems daily, giving you peace of mind in knowing that your business is protected from downtime.

Migrating to the cloud will give your business increased uptime, and allow you to save a large amount of hidden costs. Don't be one of the businesses that decides to move to the cloud because you lost money on downtime; make the switch before you suffer an outage.