

Cost of IT downtime

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Why the study?

- Investment in business/systems resilience
- Insurance costs

Aims

To produce formulae to calculate the business cost of IT downtime for given scenarios

The approach

- Filtering
- Focus groups
- Analysis
- Modelling

Filtering

- Determine incidence of failures
- Causes
- Potential risks
- Resilience strategies
- Contextual information

Results

- 75% experienced some failure
- 40% loss of single service for > 1 day
- 40% loss of multiple services
- Reasons
 - Power failure
 - Systems/programming failure

Identified risks

- Power
- Shortage of skilled staff
- Inadequate infrastructure
- Security/denial of service

Focus groups

- Involved staff from all areas of the business
- Examine the impacts
 - Loss of income
 - Increased costs
 - Contingent liabilities and intangible costs
 - When the impact would occur
 - Impact of impact
 - If it would recur

Focus groups

- Consider key events
- Consider some key systems
- Assess magnitude

Identified impacts

- Wide range across focus groups
- Some commonality
- Variation of timings, magnitude
- Key systems impact

Focus groups – second phase

- Consolidate impacts
- Confirm relevance
- Can it be measured?
 - An amount
 - A percentage
 - A range

Loss of income

- Quantify potential loss
 - Consider longevity of impact
 - Mitigation?
 - Cost recovery?
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- Similar for increased costs
 - Related risks and impacts

Conclusions

- Method not formulae
- Impact review
- High magnitude impacts
- Full calculation

Example

- Loss of systems during September payroll
- Loss of income
- Additional costs – staff time
 - To generate cheques
 - To process adjustments
- Related risks and impacts
 - Reputation

Questions?

www.ucisa.ac.uk/downtime



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