THE IMPACT OF NETWORK OUTAGES
And the Real Cost of Reactive Break/Fix
Versus Preventative Monitoring
A typical midsize company experiences 5 network outages each month, resulting in a loss of $1 million a year.
It’s well known that network outages can cost organizations dearly, but do you know exactly how much you’re losing when it happens?

An average healthcare organization loses $690,000 per outage incident.¹ Government, educational and wholesale organizations each experience unique expenses when outages occur and don’t fare much better. In fact, a typical midsize company experiences five network outages each month, resulting in a loss of $1 million a year.²

The Ponemon Institute broke that amount down even further and found that, in its calculations, the average cost of an unplanned outage is nearly $9,000 per minute.³ Compare that to $5,600 per minute in 2010, and you’ll understand the growing financial danger network outages represent.

THE HIDDEN COST OF LOST PRODUCTIVITY

Despite common assumptions, the direct cost of fixing a network outage isn’t the major expense. Most IT professionals report at least one critical application was impacted during their last outage and that the outage lasted more than one hour.⁴ These problems trickle down into lost revenue and productivity, which can be much larger and much harder to measure. IHS Markit analysts attempted to do just that and revealed a shocking picture: The actual cost to fix the network outage is only a small portion (5%), lost revenue is a larger portion (17%), but the biggest cost—at a nearly 4-to-1 cost difference—is lost employee productivity (78%).⁵

This significant amount of lost productivity doesn’t just start and stop as network outages do. A Carnegie Melon study shows that for each interruption, users need 23 minutes to refocus on what they were doing, during which time there is a 20 percent decrease in cognitive function.⁶ In other words, the distraction not only sidetracks the IT team, but it can hinder productivity for an entire organization.

⁴ https://www.itproportal.com/features/what-does-a-network-outage-really-cost/
⁵ https://technology.ihs.com/572369/businesses-losing-700-billion-a-year-to-it-downtime-says-ihs
A NETWORK OUTAGE COSTS MORE THAN YOU THINK

The average cost of an unplanned outage is $9,000 PER MINUTE.
Which adds up to about $1 MILLION PER YEAR, PER MIDSIZE COMPANY.

THE PRICE TAG INCLUDES

- **78%** LOST PRODUCTIVITY
- **17%** LOST REVENUE
- **5%** COST TO FIX

Most IT professionals report at least one CRITICAL APPLICATION was impacted during their last outage and that the outage lasted MORE THAN ONE HOUR.

Sources:
THE REAL CAUSE OF NETWORK OUTAGES

Planned maintenance or unplanned events like hardware failures and security breaches are often the culprits behind network outages. One study by Dimensional Research shows a simple network change leads to an outage or performance issue nearly 75% of the time. And almost all network experts (97%) blame human error for at least some network outages.7

But the competency of your IT staff isn’t to blame. It’s more likely the break/fix mentality they’re forced to adopt. Once a problem is noticed as opposed to predicted, a decrease in productivity is already imminent. The growing complexity of network operations means predicting a problem before it occurs is the only way to avoid network outages.

EVOLVED NETWORK MONITORING

Many organizations have some sort of network monitoring in place, but those solutions are often piecemealed and have a hard time keeping up with today’s network demands. Gartner coined the term Algorithmic IT Operations (AIOps) as the sophisticated data collection, storage, analytics and visualization critical for diagnosing and troubleshooting network problems before they cause outages. According to Gartner, 25% of global enterprises will have strategically implemented AIOps platforms supporting two or more major IT operations functions by 2019.8

This move to more predictive and responsive platforms can help eliminate several network monitoring headaches including:

- Eliminating unnecessary or duplicate alerts with event correlation intelligence.
- Reducing reassignments and escalations, enabling fluid communication and faster resolution of incidents.
- Documenting and analyzing problems to reduce their occurrences and impact in the future.9

Overall, it’s enabled IT operations to evolve as networks rapidly become more dynamic. This is imperative as the business climate goes through its own, parallel transition to a faster and faster rate of change and evolution.

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8 https://www.gartner.com/newsroom/id/3674017
“[Traditional] IT operations are ill-equipped to deal with the high-volumes of data, varying data types, and speed of correlation needed to deal with...new technologies,” says Pankaj Prasad, principal research analyst at Gartner, adding that IT operations will need to keep themselves abreast of predictive and responsive innovations to future-proof their organizations.

AFFINITI NETWORK ASSURE VERSUS AN FTE NETWORK MANAGER
Affiniti Network Assure leverages predictive and responsive innovations to provide proactive, end-to-end network and equipment monitoring and management including network performance monitoring, trouble ticketing, and problem determination through resolution.

This ensures that a trained expert is always watching the network and resolving issues as soon as they are recognized, no matter the depth or severity. The technicians monitor infrastructure health, productivity, and security and make adjustments when needed.

A common problem with in-house monitoring is the restricted time-frame: checking and resolving issues during regular business hours utilizing responsive tools without proactive capacity. If an issue arises when the network manager isn’t monitoring, your entire staff could walk into work the next morning facing a day (or more) of lost productivity. But when your IT needs are co-sourced with Affiniti Network Assure, the NOC identifies and resolves issues behind the scenes, freeing up your IT staff to focus its sights on innovation and improved efficiencies.

Given this breadth of services—with sophisticated monitoring, analysis, and round-the-clock support—it’s easy to envision the benefits of using such a service over hiring a full-time network manager to maintain processes manually. But what about the cost? Based on data provided by PayScale, the average median salary of a full-time network manager outweighs the annual cost of Affiniti Network Assure 7 to 1.

CONTACT US
Whatever your organization’s size or industry, it’s no longer cost-effective to ignore network issues until they become problems. With millions of dollars at stake, there’s simply too much to lose. And with solutions like Affiniti Network Solutions at affordable prices, bring a dedicated network manager in-house solely to focus on preventing network outages may be a costly mistake. To learn more and to request a demo, visit us at affinitinetworkassure.com or call 888-334-4096.