

The real cost of IT failures

for enterprises

Though unplanned outages are IT issues, they are, more importantly, **business issues**.
Unplanned outages never produce revenue for the company experiencing them.

The average total cost of an unplanned application downtime in **2019** was estimated to be between **US\$1.25 to US\$2.5 billion per year**

IT disruptions can affect the entire delivery chain of the products and/or services provided by a business

KPMG research reports that

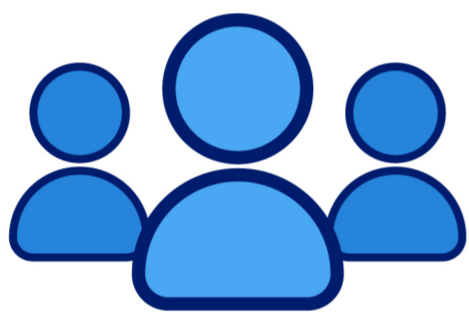
24% of organizations say 2+ hours of downtime is **UNACCEPTABLE**

48% of organizations say they can't tolerate more than **24H OF DOWNTIME**

59% of Fortune 500 companies experience a minimum of

1.6 hours of downtime per week
According to Dunn & Bradstreet

To put this in perspective...



An average Fortune 500 company has **10,000 employees**



Every employee is paid an average of **\$56 per hour**



Just the labor component of downtime costs **\$896,000 weekly**



which translates into more than **\$46 MILLION PER YEAR**



Average downtime costs vary considerably across industries, from approximately

\$90,000 per hour to about **\$6.48 million per hour**
for large online brokerages

A conservative estimate from Gartner pegs that...



the hourly cost of downtime for a company is about

\$42,000



so a company that suffers from worse than average downtime of

175 hours a year



it means that company can lose more than

\$7 million per year

But the cost of each outage affects each company differently, so it's important to know how to calculate the precise financial impact

Sources:

IBM Global Services
Information Management, How Much Does Downtime Really Cost?
Networkworld, How To Quantify Downtime

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