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Business Continuity

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To have your customers to depend upon your IT services in order to communicate, purchase, or manage orders is great for your business. It fosters customer loyalty as customers happily bind their interests with yours. But all this may shatter when your applications or Web sites are suddenly unavailable. Customers get frustrated when you don't respond to their emails or can't provide order status. Worse, they may assume that you've forgotten their urgent email message due to which your relationship is critically offended when you don't respond. And you don't even know that there's a problem born!

Gartner estimates that U.S. business losses due to ecommerce disruptions have reached $50b in 2005. Recent studies show the cost of disruption to be as much as 16 percent of a company's annual revenues. Unfortunately, most companies are not properly protected against IT interruption, and the losses are largely invisible and unrecorded. Customer relationships suffer as orders are delayed or emails are unanswered; employees can't perform their jobs; partners can't book sales; and it silently hits your bottom line.

At one time, ensuring that your IT systems supported your business without a glitch during tornados, hurricanes, bombings, widespread power grid failures, or just plain server downtime was a very expensive proposition. It required duplication of all equipment, highly-skilled staff that could develop and continually update highly-complex IT continuity plans, and frequent testing (an expensive exercise) of disaster recovery capability. The alternative for most companies was to back up critical business data on tape and resign themselves to days or weeks of recovery effort should disaster strike.

Affordable services are now being offered by Adaequare that eliminate disruptions of any kind. **Customers, employees, traveling professionals, partners, and branch offices need never know that IT is stump the server room**. Adaequare can deliver most of the necessary expertise embedded in technology, rescuing companies from relying on less-than-expert staff to manage continuity procedures.

The benefits delivered by Adaequare's business continuity solutions include:

- Uninterrupted Customer communications ensuring that there is no damage to relationships
- Uninterrupted access to online services for Customers and Partners, ensuring that there is no loss of business

• Employees work continuously and are able to finish their jobs in time

The Future of Business Continuity

Business Continuity and IT

The constantly connected world of today has given businesses great opportunities to bind themselves with customers resulting into deep relationships. When customers can do business with your company in an easier, faster, and more reliable way, they reward you with more and more of their business—and they dislike leaving. They connect with you 24x7 via email and instant messaging, grab status information off your customer portal, automatically reorder via their supply chain systems, and quickly reschedule orders or check availability with your distribution partners. They love being able to choose the most convenient path—phone, email, Web application, or automated supply chain functions—to get their jobs done. They come to believe that your company and its employees and partners are always there for them.

But there are two sides to this coin: If deep connections could enable a relationship, then broken connections can sever the relationship. If IT automates key functions of the relationship, then what happens when IT is disrupted? Can your relationships survive the broken promises as your business fails to respond and deliver as expected?

Problems emerge on the Horizon

Natural disasters, network outages, email server attacks, and human errors cannot be averted, yet 77 percent of business owners admit that they aren't adequately prepared to recover from such events. Few companies have bothered to measure what these disruptions cost, but estimates range from 1 to 16 percent of revenues. Data center managers report their downtime costs at $1,500 to $800,000 *per hour*.

Why are these disruptions so expensive? Your company runs on electronic interaction, via Web commerce, email, and e-procurement. Customers expect to have up-to-date information on your stock levels and delivery, they expect to be notified if a shipment will be delayed, they expect instantaneous acknowledgement of orders, and they expect that their email request for help will be rapidly answered. Your company can meet none of those expectations if systems are down. Your failure to answer customers' expectations, or to support partners and employees in meeting customers' expectations, can result into losing orders today or a customer relationship forever.

There is another tragic component of system disruptions. Studies by Gartner, the Association of Small Business Development Centers, and the Hurricane Insurance Information Center indicate that “40 to 70 percent of companies that suffer a major IT interruption are out of business in one year”. Are you leaving your business to luck?

Be Prepared to Recover and Rebuild Systems?

How does your company address these risks? You may be among the 26 percent of businesses that regularly review and test their continuity and recovery plans. Or yours may be among the majority of companies which assumes that with copies of key data files your IT staff will be able to put the business back together again.

In our experience, this is a false hope. Data backup, and even software backup, is the most basic form of protection. In years of working with customers and data centers, we’ve never seen recovery from backup work perfectly. On more than one occasion, we’ve seen backups that were unusable and watched subsequent efforts to recapture critical data using last month’s printed reports.

Why is recovery from backup so difficult? There are data, and then there are the systems, infrastructure software, programs, scripts, and configurations that use the data to perform business functions. The smallest inconsistency in these thousands of objects can impede business processing.

You don’t need to experience a disaster to test the truth of our assertion. Just glance through your system operations reports, and you’ll see evidence that even minor changes can disrupt processing. If carefully planned change can cause an outage, what do you imagine, will happen to, when IT must, under immense pressure, install and configure hundreds of software elements? It can easily take days to get critical business applications running, or weeks or months or it may never happen.

Opt for Zero Impact?

The best approach, the only foolproof approach, is to never have system disruptions that impact customers, partners, and employees. Email, instant messaging, customer Web portals, and e-procurement systems must always be available when needed. Uninterrupted business continuity has historically been very expensive, affordable only

to larger companies. It requires staffing by highly-trained IT staff exceedingly expert in all aspects of the system environment in order to design, implement, and continuously evaluate and test disaster recovery. Today, there are solutions that are within the reach of almost any company.

Adaequare's Business Continuity for all Stakeholders

Business continuity solutions are now offered, that are affordable and do not require superior expertise, yet ensure that your customers, partners, employees and other stakeholders can always reach the applications and data they need. These solutions, from Adaequare, make continuity a business solution rather than a technology and process management investment. These solutions are used by small, medium, and large companies While continuity solutions have, in the past, required budget and top-notch skills to accomplish high availability, complete data protection, or disaster recovery, Adaequare's business continuity services now automate much of the work. In essence, Adaequare solutions provide the expertise and efforts required to monitor and protect your most critical application environment.

Adaequare's support a broad range of continuity needs, including:

• **High Availability.** High availability means that systems are never visibly disrupted.

• **Disaster Recovery.** Disaster recovery means that your environment can be Recreated—nearly instantaneously—following a catastrophic event.

• **Data Protection.** Complete data protection means that not only do you always have a very recent copy of your information, you also have an automated way to roll back, or revoke, any changes that had corrupted your data.

• **Planned Server Downtime Continuity.** Coverage for planned server downtime enables IT to easily work on servers without affecting the smooth operation of business.

The Future of Business Continuity

Knowledge of the application environment, including which application files and registry settings require roll-back protection, ensures that only the impacted application data is restored from shadow copies, rather than an entire volume. You can quantify costs of the IT resources necessary to maintain the server environment and perform the disaster recovery. However, losses in employee productivity, profitability, missed sales opportunities, and the damage to customer confidence are immeasurable.

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How Companies Use Adaequare

A global design and business consulting firm with 7,000 staff working in 70 offices in more than 30 countries. At any one time, it has more than 10,000 projects running concurrently. Its professional consultants offer a wide range of technical expertise, and may be dispatched to any project in any country.

These professionals may be on site for months. In the event of a network or server problem, Adaequare's configures to automatically switch to an exact duplicate maintained on a different server. There is no impact on sending or receiving email. Shortly after Adaequare taking the responsibility, the Client email database in one location became corrupted. In less than an hour, a clean copy was sent for Client Enterprise Server from one location to other. Without Adaequare, all of their employees would have had to do resynchronization, doing without their email access for the duration.

Our client that serves small-sized enterprises and subsidiaries of international companies. It offers a broad range of personalized business services, including auditing, taxation, payroll processing, and management reporting. It has built its reputation on its quality of service.

Clients absolutely rely on the firm to process payroll transactions on schedule. As our client describes "We required a partner that could protect our internal processes against disaster, but more importantly we needed one that would make sure that information is available to clients and staff whenever they need it. A good example of this is our payroll services: we merely cannot afford to have any troubles that would affect our capability to process these payments for clients." This client chose Adaequare to provide the business continuity service. The firm implemented SQL Server, File Server and Exchange to monitor activity, synchronize the company's data center with backup systems off-site, and automatically switch to the backup systems if needed. Client asked for optimized network traffic, Data Rollback, which enables the firm to restore data to an earlier point in time should corruption by a virus or other technical problem occur. "Since the partnering with of Adaequare we have had continuous access to information and applications,".

"Aside from our planned quarterly test procedures, there have been two particular instances when the system has switched over to run on the (back-up) server. In both cases, there was no impact on user performance— in fact, the only reason I know that these switchovers have actually taken place was due to the email alerts I received."

You need business continuity if:

• Your customers expect your company to respond to their emails at any time.

• Your customers and employees rely on your Web sites to do their jobs.
• Your customers integrate your online services into their business processes
• Your partners need your IT systems in order to support your customers.
• Your local and branch office employees, mobile professionals, and distribution channels need IT systems in order to conduct business.
• You have business processes or functions that absolutely must not be interrupted for more than the time period allowed in your disaster recovery plan (Companies typically aim at bringing business back online within 2 to 24 hours).

The statistical probability of a significant disruption to your business this year is high. Email systems alone have a 75 percent chance of failure in a 12-month period. If your business is in a flood-, hurricane-, tornado-, or earthquake-prone area, if the power grid that supplies your area is less than reliable, if your region is prone to drought and fires, your chance of a disruption increases further. How lucky do you feel? According to a research, "The Costs of Downtime: North American Medium Businesses 2006," that companies of 101 to 1,000 employees end up losing an average of $867,000 per year to downtime. Costs to your own company depend on the type of disruption and its duration. Losses in larger companies are in the millions of dollars, and are largely invisible. If sales were down last month, was it a typical fluctuation, or the fact that customer transactions and communications were impeded by system problems?

CUSTOMER RELATIONSHIPS. Probably the worst immediate outcome of a systems disruption is impact on customer relationships. Ask yourself how much you'd be willing to spend to avoid losing one of your top 10 accounts, because you couldn't respond to their email during a critical juncture, or an application failure resulted in a lost order or other important transaction.

EMAIL COMMUNICATIONS. What's it worth to keep email running smoothly? What's the time lost by professionals when email isn't working? What's the personal impact to you of losing the contents of all your email folders?

APPLICATION DATA. In the long run, even with the best possible development and operational processes, application programming errors are a certainty whether made by your staff or by your vendors. Think of your most important data—perhaps your open orders or receivables—what would it cost you if you lost that data because the files were corrupted?

EMPLOYEE PRODUCTIVITY. When you have a major business process on the disabled list, can employees still be productive or would you have to send them home? Would you have to pay

overtime if they have to spend the weekend catching up on work they couldn't do, or rekeying work that was "lost" during recovery?

Total

Your first step is to assess your current situation. In particular, you want to identify the most critical risks to your business, quantify that risk, and address it first. Here are the questions you should consider:

• What are the most crucial applications, for example, customer support, sales, order processing, Web site, or email? You'll want to pick the one or two most important applications to focus on first.

• What is the cost of losing access to the application for an hour, day, and week?

You'll need this information in order to justify reducing the risk. Part of your planning for continuity must be to explicitly identify who in the organization really owns the problems caused by disruption to your most critical applications. For example, which executive will be intervening to soothe angry customers, whose performance is impacted if employees are unable to perform their jobs, and whose budget is hit if service agreements to customers can't be met? Being specific about responsibilities helps everyone in the organization understand the costs of disruptions, rather than glossing over any type of outage as "IT's problem to solve." Now that it's clear whose ox is gored, you have an approach to allocating the funds for the continuity solution. Executives not affected by critical application disruption probably shouldn't be expected to fund continuity for those applications.

Assess Your Company's Situation

We've already gone through a justification exercise. The total in the last row of the table above tells you the most you should spend on continuity for your critical applications. You should have a specific deadline for establishing continuity of your most critical application, and you should have a clear set of goals for that application's continuity. You should, by the way, test your solution to make sure it meets those goals. For example, if the goal is that the order processing system never fails, then you should test it with various hardware, power, network, and application errors. The complete timeline for achieving your business continuity goals should encompass all of your critical applications, over whatever period of time is appropriate to your risk and budget situation.

But make sure your plan is a work in progress. The process of identifying and quantifying risk should be a standard business practice that is repeated on a regular basis as risk constantly

changes. While the initial evaluation of application criticality and risk gives you your starting point, you'll want to periodically reevaluate your priorities, timeline and goals.

Your next step is to kick off a procurement effort to resolve your continuity requirements for your top application. Make sure your procurement approach reflects the appropriate level of risk and urgency, both in terms of the solution budget and the purchase decision process.