What does downtime cost your business?

Internet downtime is a pain. It's also very costly. When cloud-based applications and technologies are inaccessible, costs mount up. Tangible, hard costs can include lost revenue, fines or penalties for SLA violations, and lost productivity.

There are other hard costs associated with recovery, such as consulting fees, data restoration, system repair, and replacement of software or hardware components.

Intangible costs can accrue, as well, due to damage to the company's reputation and a decline in customer satisfaction.

Understanding the true cost of downtime can help you prioritize the solution and to decide how much to spend on preventing recurrences.

Downtime costs vary

The cost of downtime can vary widely, depending on the duration and timing of the outage, the organization's size, number of locations, industry, and other factors.

According to a Gartner survey, the average cost of network downtime is about $5,600 per minute, or $336,000 per hour, in a range of $140,000 to $540,000 per hour.

Downtime costs of $100,000 or more are the norm, according to 98% of respondents to a survey by IT Intelligence Consulting.

It sounds like a lot, but when point-of-sale systems stop working at multiple locations, an ecommerce website goes offline, or business-critical applications are unavailable for a big group of employees, costs can add up fast.

Calculate the cost of downtime

How do you measure the cost of downtime? Gartner offers this bottom-line equation:.

Lost Revenue **+** Lost Productivity **+** Recovery Costs **+** Intangible Costs
= Your Cost of Downtime

For a more accurate estimate, break down each of the cost components.

Lost revenue = Revenue per hour **x** total hours of downtime **x** reliance on internet

Lost productivity = Number of employees **x** hourly pay **x** total hours of downtime **x** reliance on internet (%)

Recovery costs = Repair service fees **+** consulting fees **+** replacement parts **+** data recovery costs

Intangible costs = Damage to reputation **+** fines or penalities **+** opportunity costs

Unusable uptime

Even when circuits are up, they don't always perform as expected. Bigleaf discovered that uptime is fully usable only about 93% of the time, where the remaining 7% translates to an average of 604 hours per year. For 31 of those hours, the circuit is completely unavailable. For the other 573 hours, the circuit is available, but it's barely usable. During that "unusable uptime" the circuit doesn't support critical, internet-based tools like Zoom or Microsoft Teams. From the users' perspective, the internet is just not working well enough for them to do their jobs.

Prevent downtime and improve internet performance

Once you've analyzed the full cost of internet downtime, including unusable uptime, you can weigh the costs of mitigating and preventing the accompanying risks.

The best choice is to invest in a proactive solution like Bigleaf, with self-driving systems that automatically detect and resolve issues before they affect your operations and your users. Bigleaf also gives you the tools and information you need to right-size your investment in digital infrastructure and connectivity.

Bigleaf gives you the confidence to conduct business on the internet without disruption or delay. Bigleaf installs in minutes, and it starts working immediately to improve the reliability and performance of your internet connections automatically and autonomously.

Internet connectivity without complexity