wireless watchdogs

The High Cost of Downtime:

5 Reasons You Need a Failover Solution
(And Why You Should Consider 4G LTE Wireless)

Introduction

Every day, thousands of mission-critical applications are moved to the cloud, while businesses increasingly rely on the Internet for their connectivity, communications, and commerce. For companies of all stripes in today's ultra-connected digital age, it isn't a matter of if unplanned network downtime will happen but when.

> " **Failing to plan is planning to fail.**   **-Winston Churchill**

As critical as 24/7 connectivity is, many companies still consider simple, affordable failover solutions out of reach, citing expense, compatibility and complexity issues, and insufficient IT resources as the top three barriers.

Network outages arise from a variety of causes. According to the 2016 Ponemon Institute report, "Cost of Data Center Outages," the top reasons for downtime are, in descending order, UPS system failure, cyber crime, human error, and water/heat/CRAC failure.

Other causes include:
- ☑ Cybersecurity attacks
- ☑ Road work and construction
- ☑ Animal damage
- ☑ Planned maintenance

Whatever the cause, downtime can significantly hamper core systems and business capabilities, along with non-essential processes.

The effects of network outages can be harsh:
- ☑ Inability to accept and process point-of-sale transactions
- ☑ Inability to access part or all of your website
- ☑ No access to VoIP communications or email
- ☑ Lapse in critical data backups
- ☑ Decrease in employee productivity
- ☑ Disgruntled customers
- ☑ And more business and customer relationship-building obstacles

The direct and indirect costs of network downtime are steep and, in some cases, devastating. Among the hardest hit are high transaction-based, distributed enterprises with hundreds or thousands of sites and branch locations, including retail, hospitality, healthcare, and financial services. Applications that rely on Internet connectivity can also be hit hard, including ATMs, kiosks, and remote monitoring applications in oil and gas and other utilities.

To keep your employees, customers, partners, and suppliers connected and services uninterrupted, you need to plan for it. You need a business continuity plan that includes a proven failover solution.

The Cost of Downtime in Dollars

Monetary losses caused by downtime vary notably based on factors such as industry, company revenue, the number of people impacted, outage duration, and time the outage occurs. Losses will be considerably higher on a per-hour basis for businesses with high-volume data transactions such as banks and retailers. An unplanned outage during peak traffic time will cause more damage than an outage during off-hours.

Any way you look at it, however, the average cost of downtime is staggering. Consider the following findings. In a 2017 study conducted by IT Intelligence Consulting Research:

- ☑ 98 percent of organizations reported that one hour of downtime costs more than $100,000.

- ☑ 81 percent of respondents said that one hour of downtime costs their business more than $300,000.

- ☑ 33 percent of enterprises said that one hour of downtime costs their business $1 million to $5 million.

In its January 2016 "Cost of Data Center Outages" report, the Ponemon Institute found the average cost of unplanned downtime to be $8,850 per minute. According to a 2015 study conducted by IHS Markit, North American companies lose up to $700 billion a year related to IT outages, figuring in both lost revenue and lost employee productivity.

The importance of having a failover solution is best expressed by the toll network downtime can take on a company in terms of:

1. Lost revenue

2. Lost productivity

3. Data and IT system recovery

4. Customer dissatisfaction

5. Hit to brand reputation

5 Reasons You Need a Failover Solution

1. Downtime Sucks Up Revenue

In March 2015, an internal DNS error affected Apple's iTunes and iBooks stores, the App Store, and iCloud for up to 11 hours. It's estimated that Apple lost about $2.2 million in revenue for every hour its stores were down, for a total $25 million in lost revenue.

2. Downtime Zaps Productivity

During an outage, employees often lose the ability to access core systems and applications. It's not unusual for the total revenue loss of downtime due to wasted productivity to exceed the actual revenue loss. For example, 78 percent of the aforementioned $700-billion-a-year revenue loss reported by IHS Markit is estimated to be lost employee productivity.

3. Downtime Compromises Data and Systems

Although most organizations can tolerate a certain amount of downtime before irreparable damage occurs, it's essential to get IT and technology systems that support critical business functions back up and running as quickly as possible after an outage or other business disruption.

Downtime during work hours interrupts ongoing processes and can damage data or cause system errors. Additionally, unsaved data can be lost in a system outage. Repairing and recovering data costs businesses in both time and labor.

4. Downtime Makes Dissatisfied Customers

Last, but certainly not least, companies should find out what kind of support an MMS offers and whether their organization will have the bandwidth to handle the load. Determining whether the MMS provider offers 24/7/365 international support to their customers is also important, especially for enterprises with an extended remote workforce that has operations in locations across the globe -- and is a strong indicator that the provider will be able to save a business money by reducing help center and support costs, instead of generating new costs and expenses.

5. Downtime Tarnishes Brand Reputation

Customer confidence in a company is exceedingly important. A single incident can destroy years of customer rapport-building in an instant, leading to loss of business and poor reviews along with the potentially negative impact of customers venting their irritation on social media.

A significant hit to your brand can have long-term consequences more damaging than revenue losses.

Catching up after a system outage can be **time consuming and costly.**

When Downtime Isn't an Option

To combat the serious direct and indirect costs of network downtime, you need to put an automatic failover solution in place to back up your primary broadband connections in the event of an outage. Traditionally, companies increased network availability by upgrading to T1 line or by adding a secondary wired line. However, as cellular technology advances, companies are increasingly looking toward 4G LTE wireless failover.

4G LTE wireless has compelling advantages over traditional failover solutions. Chief among them:

☑ Greater availability and reliability.

☑ Easier implementation and management.

☑ Faster time to resolution.

☑ Lower operating cost.

Greater availability and reliability.
Wired solutions aren't available in all locations, particularly in remote or rural areas. On the other hand, 4G LTE doesn't have geographic limitations. What's more, wireless solutions typically have 99.99 percent uptime, that's greater than traditional wired solutions because wireless is less susceptible to many events that cause landline outages, including construction mishaps, cut lines, and damage by animals.

4G LTE cellular technology provides a **better, faster end-user experience.**

Easier implementation and management.
4G LTE failover provides out-of-band management (OOBM) capability, which is essential for successfully managing a distributed network remotely. With OOBM, your IT staff has the visibility needed to remotely troubleshoot, configure, and reboot network equipment and servers securely and reliably.

Most 4G LTE failover solutions come with a customizable dashboard to configure and monitor the health and status of your network devices. You can schedule firmware uploads and device reboots, perform network diagnostics and adjustments on the fly, and easily create reports and usage alerts.

OOBM capability significantly reduces downtime and eliminates having to dispatch technicians to remote sites and branch locations.

Because cellular networks are already in place, a 4G LTE failover solution can be rolled out virtually anywhere in a matter of hours. Wireless solutions seamlessly integrate with your existing network infrastructure.

Faster time to resolution.
A 4G LTE solution automatically kicks in when the primary line fails, getting the affected site back online within minutes. End users usually don't even notice an impact.

Lower operating cost.
Deploying a redundant wired line in multiple locations is a costly failover proposition. And the secondary wired line will be exposed to the same risks as the primary wired line. You can get a wireless failover solution at a fraction of the monthly cost of traditional wired line and T1 solutions.

How 4G LTE Failover Works

An on-premises solution, 4G LTE failover bundles cellular-enabled routers with cellular connectivity. If a primary Internet or landline fails, cellular data is automatically converted to Ethernet for a seamless failover to 4G LTE. When the primary connection is restored, traffic is automatically routed back.

Summary

In today's digital age, all forms of communication with employees, customers, partners, and suppliers are inextricably tied to the Internet and your network. In an outage or network failure, access to business-critical information can be lost or compromised. Having a reliable failover solution is critical.

To keep your employees, customers, partners, and suppliers connected and your services uninterrupted, you need to plan for it—not fail to plan.

A 4G LTE wireless solution provides distributed enterprises and other companies across industries a reliable, secure, easy-to-manage, and fast way to keep cash registers ringing and critical business communications open.

About Wireless Watchdogs

Since 2001, Wireless Watchdogs has been providing customized solutions that turn businesses with mobile device challenges into loyal customers. We work with companies in a range of sizes and industries, because we know optimized mobile systems are critical whether you are building houses, taking care of patients, or trading stocks.

Ready to learn more about the benefits of a manged mobile solution?

Please contact us for more information about how Wireless Watchdogs can help make your future less costly and more secure.

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