

Download this document at <http://www.softwareblueprint.com/Backup/Resources/Parachute.pdf>

Pack Your Own Parachute v1.1

Key Points

- Data Loss is **Serious Business**
 - Over 90% businesses that permanently lose their data go out of business.
 - Temporary downtime is also very expensive and is more than your business can afford.
- Less than Half of all Data Loss is due to Hardware Failure.
- A backup is not a backup until you've done a **Test Restore**.
- How many times in the last year has your IT Consultant done a **Test Restore**?



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The time to test your backup is not when you need it the most.

For a free assessment of your business exposure to data loss give us a call.

Data Loss Statistics

The following statistics were gathered from various sources:

- 30% of all businesses that have a major fire go out of business within a year. 70% fail within five years. (Home Office Computing Magazine)
- 31% of PC users have lost all of their files due to events beyond their control.
- 34% of companies fail to test their tape backups, and of those that do, 77% have found tape back-up failures.
- 93% of companies that lost their data center for 10 days or more due to a disaster filed for bankruptcy within one year of the disaster. (National Archives & Records Administration in Washington)
- 50% of businesses that lost their data center for 10 days or more due to a disaster filed for bankruptcy immediately. (National Archives & Records Administration in Washington)
- Fifty percent of companies that lose all their data go out of business immediately and a further 90 percent don't survive two years. (Study by the University of Texas)
- American business lost more than \$7.6 billion as a result of viruses during first six months of 1999. (Research by Computer Economics)
- Simple drive (for a single hard drive) recovery can cost upwards of \$7,500 and success is not guaranteed.

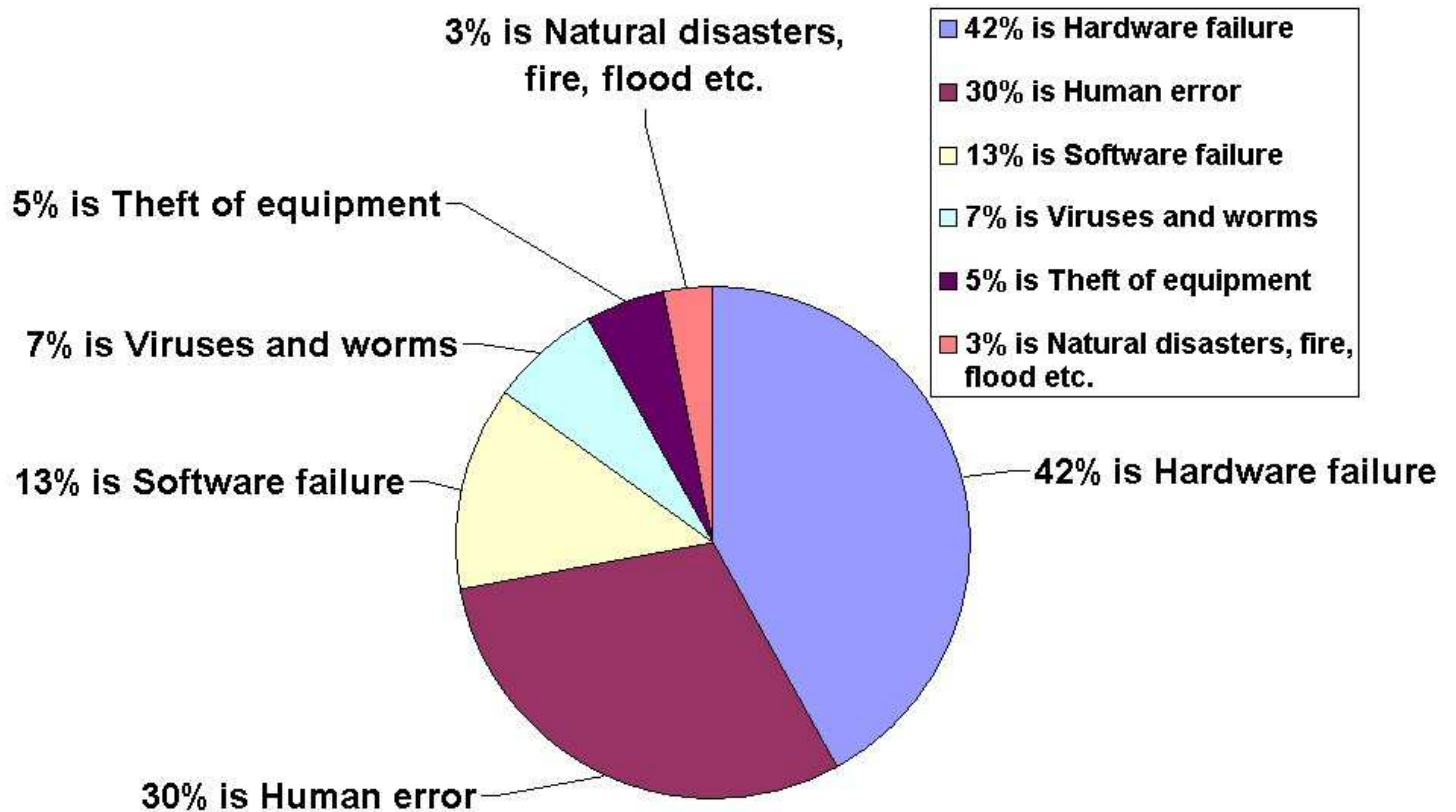
The good news is that the inverse corollary to Murphy's Law is also true -

IF you have a backup - nothing will go wrong in the first place ☺

Six Main Causes of Loss of Data

It's interesting to note that less than half of all data loss is due to hardware failure. The implication here is that traditional hardware data redundancy (RAID 5, Mirrored Drives, etc.) and higher quality expensive computer components are not nearly as important as a proven Backup/Recovery strategy.

(Research by www.ontrack.com)



Are you backed up?

How many times did your IT Consultant do a test restore last year?

Test Restores (AKA Data Fire Drills)

Everyone understands the need for fire drills. Test your backup before you need it.

Your backup may be all that stands between you and business failure.

Your recovery is only as good as your backup. According to recent research by the Enterprise Storage Group, 38% of enterprise and mid-tier companies report that 20% or more of their tape-based backups fail.

Backup/Restore ranked #1 among issues plaguing IT departments (Enterprise Storage Group 2004)

Microsoft's take on the need for Test Restores

<http://www.microsoft.com/Resources/documentation/SBS/2000/all/reskit/en-us/sbrk0026.mspx>

Harry Brelsford (Small and Medium Business IT Guru) also understands that a --

“A Backup is not a Backup until it has been Test Restored”

<http://www.windowstlibrary.com/Content/329/11/4.html?Ad=1&>

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Backup/Recovery Nightmare Stories

Computer Data Backups: Test Now or Cry Later

<http://ezinearticles.com/?Computer-Data-Backups:-Test-Now-or-Cry-Later&id=20978>

Arkansas town loses 6 years' worth of computer data

http://www.usatoday.com/tech/news/2004-11-26-ark-crash_x.htm

"We still have paper documents of everything so it's more of an inconvenience than anything else," City Treasurer Jennifer Humphrey said Wednesday.

She said the city hoped to have a new server in about 14 days. After that, employees will begin re-inputting the data. The city plans to get new accounting software but that could take much longer to get up and running, Humphrey said. In the meantime, the city may have to hire outside companies to handle certain work, such as payroll and year-end tax reports.

Disaster Recovery – Horror Stories

http://computerperformance.co.uk/w2k3/disaster_recovery_restore.htm

I'm Sorry, But The Dog Ate Our Data

<http://www.baroudi.com/Blogs/Weblog8Nov2004.htm>

Try to explain to the CEO why the company is going out of business ...

... will try to avoid the blame. 'We didn't have sufficient funds to invest in a comprehensive disaster recovery system,' 'We never expected the DBA to make such an awful mistake,' 'We knew we were taking a risk, but what were the odds of getting hit by the worst local flooding in the past 30 years?,' 'We didn't see e-mail as a mission critical system so the back-up we provided was minimal' etc.

When Plan B doesn't work, go to Plan C: Pray

<http://blogs.zdnet.com/index.php?p=494>

According to a CNN Report, a system failure is what led to a loss of communications between air traffic controllers and pilots which in turn resulted in some near misses between aircraft. Says the report, "a backup computer system was activated, but it failed too." Stories of backup systems failing at the most pressing time of need are a dime a dozen. **If there's one golden nugget of information that's comes out of this it's that you have to do frequent 'fire drills' that simulate failure of your primary systems.** I distinctly remember Gartner analyst Donna Scott saying, "the time to test your backup system is not when your primary system fails for real." So. Have you tested your business continuity plan lately?

Recovery Service Customer Testimonials

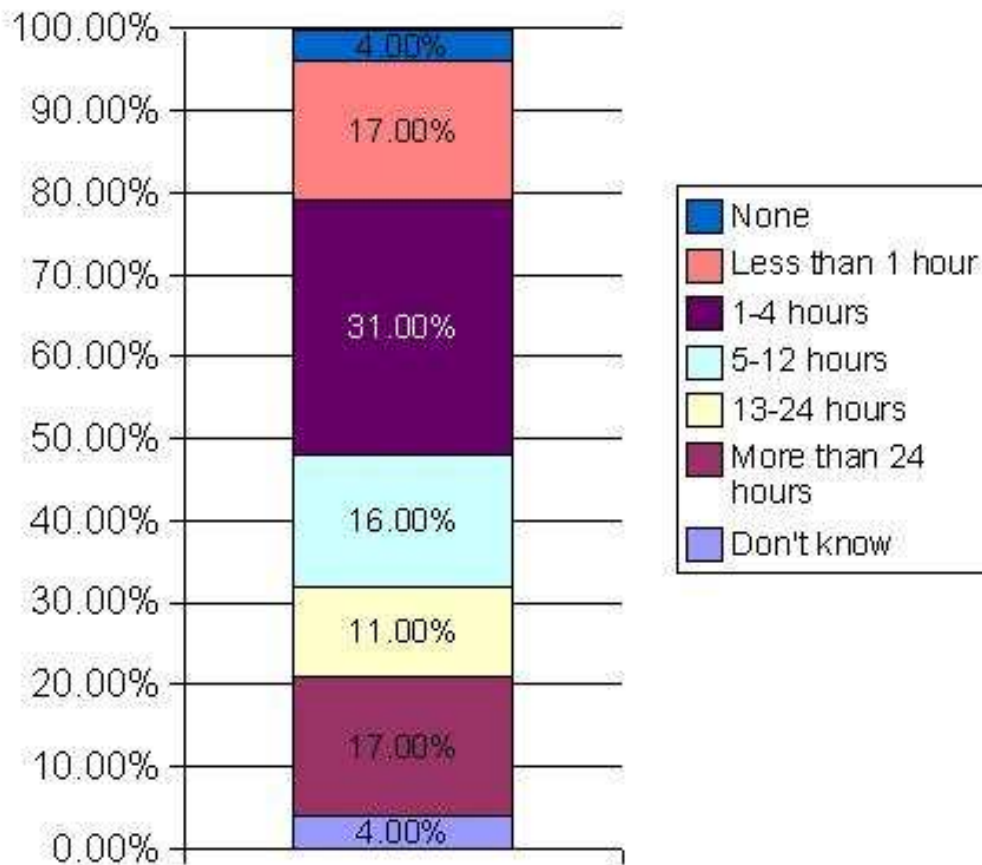
<http://www.ontrack.com/testimonials/>

<http://www.ontrack.com/partner/casestudies.asp>

"We had purchased a new Dell Computer with the intent to consolidate personal data and corporate data into a single platform. The data was transferred from three other computers over a period of about six months. The "backup" process that was used daily employed the CD RW drive to hold all critical documents. Unknown to us, the CD drive had failed months ago with no indication of error. Six months later, the hard drive(s) failed without warning. After discovering the backup CD's were not usable ...

Application Downtime

"For your most critical applications, how much application downtime can your organization tolerate before you experience significant revenue loss or other adverse business impact?" (Percent of Respondents, N=186)



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Cost of Downtime

The Cost of Downtime from the Perspective of Lost Revenues and Employee Idle Time

As more and more business transactions are automated and rely on information systems, the losses incurred for each unplanned downtime event can be quantified in terms of overall business loss of revenue and productivity losses by Revenue/Employee-Hour. Across all US companies, average revenue loss is estimated at just over \$1 million per hour, or just over \$205 per revenue/employee-hour with losses as high as \$2.8M and \$569/hour in some industry sectors.

Table 1-1 -The Cost of Downtime from the Perspective of Lost Revenues and Employee Idle Time

Industry Sector	Revenue/Hour	Revenue per Employee Hour
Energy	\$2,817,846	\$569
Telecommunications	\$2,066,245	\$187
Manufacturing	\$1,610,654	\$134
Financial Institutions	\$1,495,134	\$1,080
Information Technology	\$1,344,461	\$184
Insurance	\$1,202,444	\$371
Retail	\$1,107,274	\$244
Pharmaceuticals	\$1,082,252	\$168
Banking	\$996,802	\$131
Food/Beverage Processing	\$804,192	\$153
Consumer Products	\$785,719	\$128
Chemicals	\$704,101	\$195
Transportation	\$668,586	\$108
Utilities	\$643,250	\$143
Healthcare	\$636,030	\$143
Metals/Natural Resources	\$580,588	\$153
Professional Services	\$532,510	\$100
Electronics	\$477,366	\$74
Construction/Engineering	\$389,601	\$216
Media	\$340,432	\$120
Hospitality/Travel	\$330,654	\$39
AVERAGE	\$1,010,536	\$206

Source: IT Performance Engineering & Measurement Strategies: Quantifying Performance Loss, The Meta Group, Stamford, CT. October 2000.

Every business is unique. Here is a '**Cost of Downtime Calculator**' that you can use to estimate the cost to your business of losing data. <http://www.SoftwareBlueprint.com/Resources/Backup/CostDowntime.htm>

What kinds of data are businesses backing up?

Overwhelmingly, SMBs (Small and Medium Businesses) say that e-mail is their most important application from a backup and recovery perspective.

**"What are the top three applications that are most critical to your organization from a backup and recovery perspective."
(Percent of respondents citing each application, N = 186)**

