

State of IT Incident Management

Research Report, *December 2016*

Prepared by:

Everbridge

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Overview

The “State of IT Incident Management” research was conducted in September 2016. A total of 152 IT professionals across 22 industries were surveyed about their IT incidents, incident management tools, and processes. The goal of this research was to gain insight into the incident management trends and challenges facing today’s businesses, especially when it comes to managing and responding to major IT incidents.

The sample for this survey focused on larger organizations, with 86 percent of respondents from companies with more than 1,000 employees, and 52 percent of those respondents from companies with more than 10,000 employees. Survey respondents included a wide array of IT professionals, with the most common titles being *IT manager*, *IT project manager*, *IT director* and *IT operations manager*. Approximately one third (32 percent) of companies surveyed report that they deliver IT services over the Internet to online customers, while the remaining 68 percent of organizations mainly deliver IT services to their employees, and 45 percent have also either fully implemented, or are in the process of implementing, a DevOps methodology and culture.

Key Findings

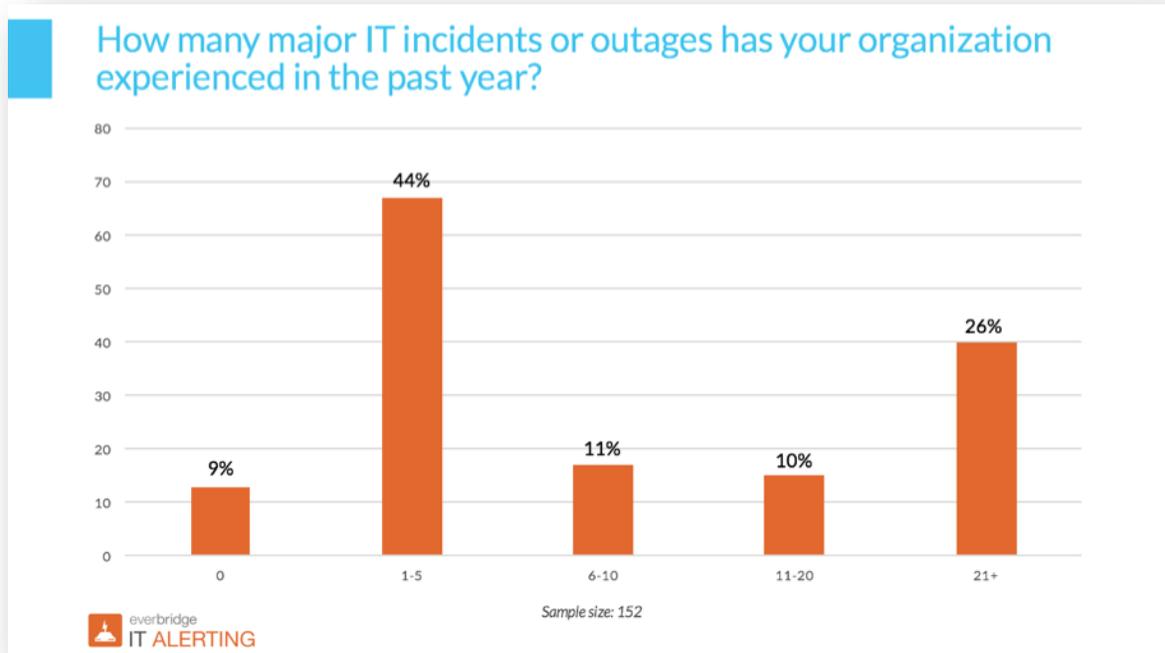
- More than 90 percent of respondents have invested in IT Service Management (ITSM) solutions to capture IT incidents and manage their resolution.
- 91 percent of respondents experienced at least one major IT incident or outage which had a significant impact on their business and on the IT team workload, within the past year. 36 percent experience on average about 1 major outage per month.
- Almost 60 percent of companies have IT incident response teams of 11 or more people; 29 percent of 51 or more.
- 43 percent of respondents manually reach out to response / incident management teams.
- 29 percent of respondents have no formal process in place to know who’s on-call if an IT incident or outage occurs.
- The average time it takes to assemble response teams in the event of an incident is 27 minutes.
- The average cost of downtime is \$8,662 USD per minute.
- Only 11 percent of organizations use a stand-alone IT service alerting solution to automate incident response and communications.

Analysis

Companies have invested heavily in ITSM systems, however, these systems by themselves don't enable them to organize their responders to act quickly enough when an IT outage occurs. With the average cost of unplanned downtime totaling \$8,662 USD per minute according to respondents, every second counts. One area of the incident management lifecycle our research shows has yet to be optimized is the time it takes to assemble the IT response team, also known as the response process. In the event of a major IT incident, it takes respondents an average of 27 minutes, maxing out at 150 minutes in some cases, to assemble the response team.

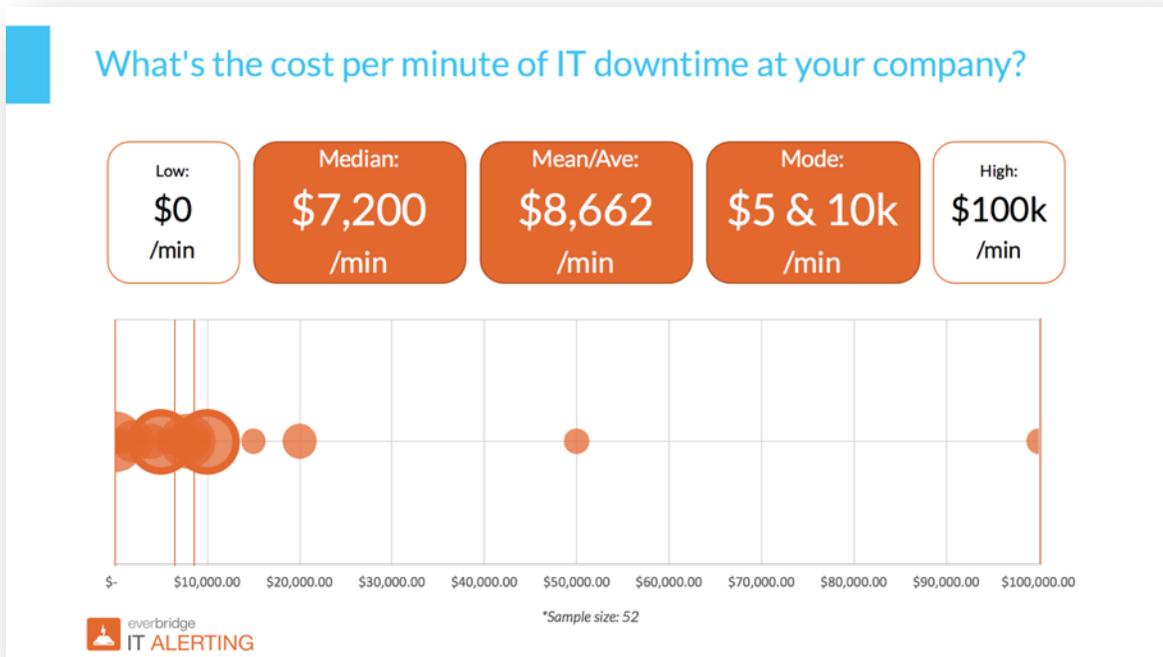
1. Major IT incidents a real area of concern

For more than 90 percent of the organizations, major IT incidents are a real area of concern as they report at least one per year. And only 9 percent of respondents declare that their organizations did not report any major IT incident in the past year. 36 percent of participating companies report 11 or more major IT incident per year which equates to an average of 1 major incident per month.

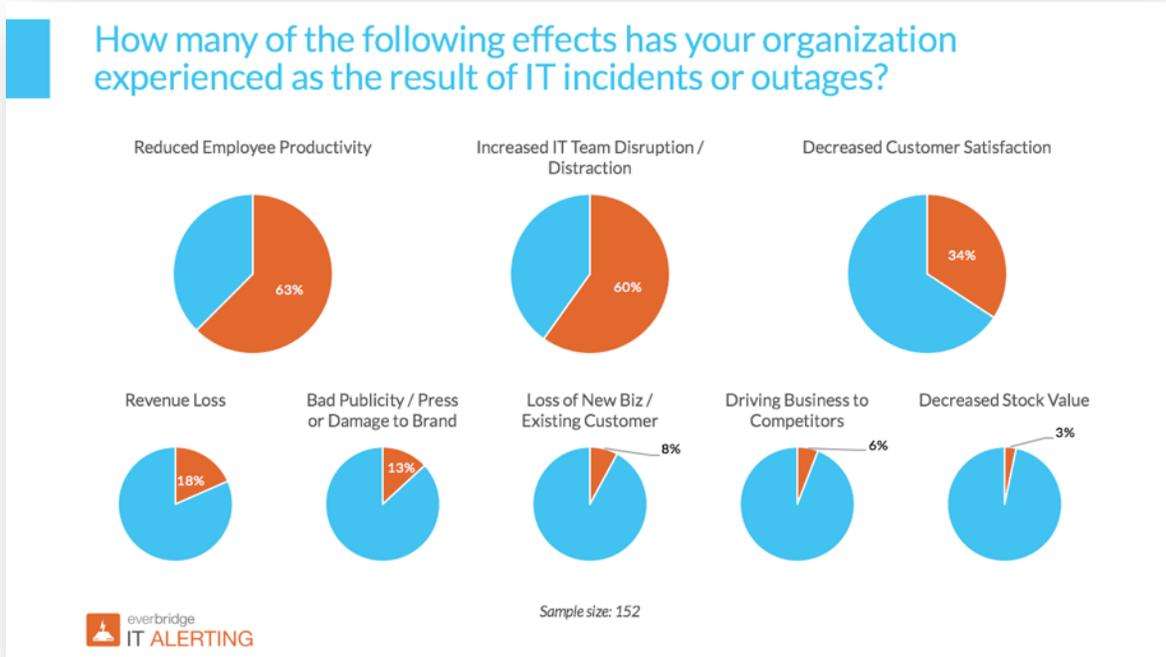


2. IT downtime significantly impacts an organization in many ways

Participants report cost of unplanned IT downtime had a large range; The average cost for organizations was \$8,662 USD per minute, with the median equating to \$7,200 USD per minute. Both \$5,000 and \$10,000 USD per minute, were the most reported costs, representing 27 percent of the responses, or 14 percent respectively.

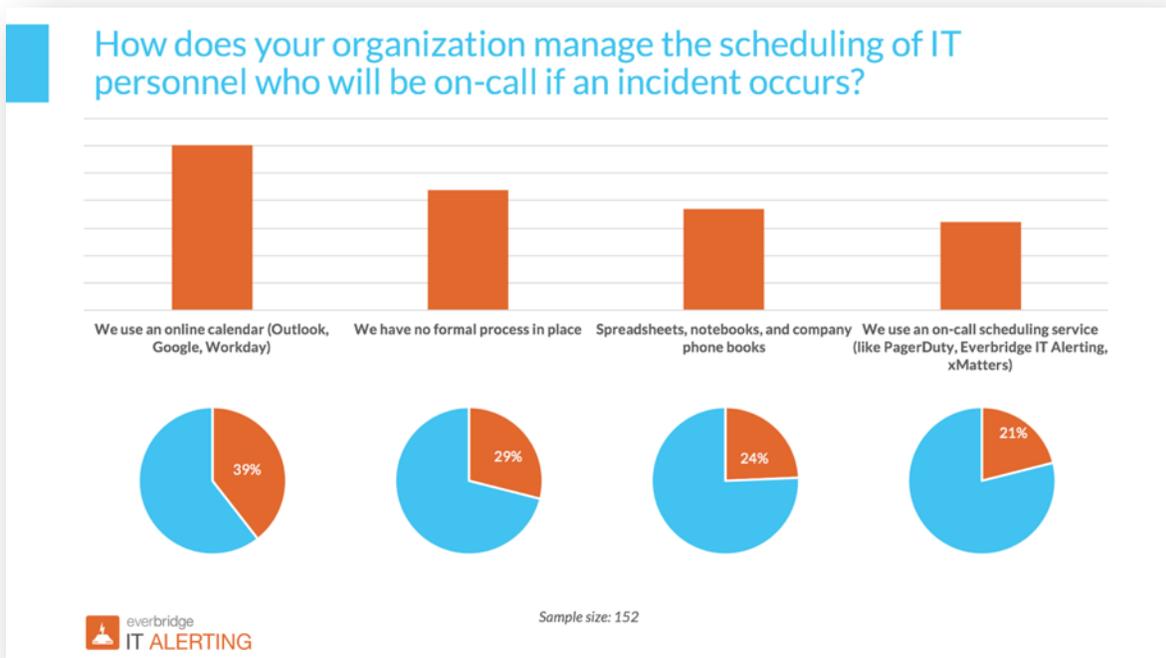


Over 3 in 5 respondents claim these IT incidents have reduced employee productivity (63 percent), and increased IT team disruption and/or distraction (60 percent.)



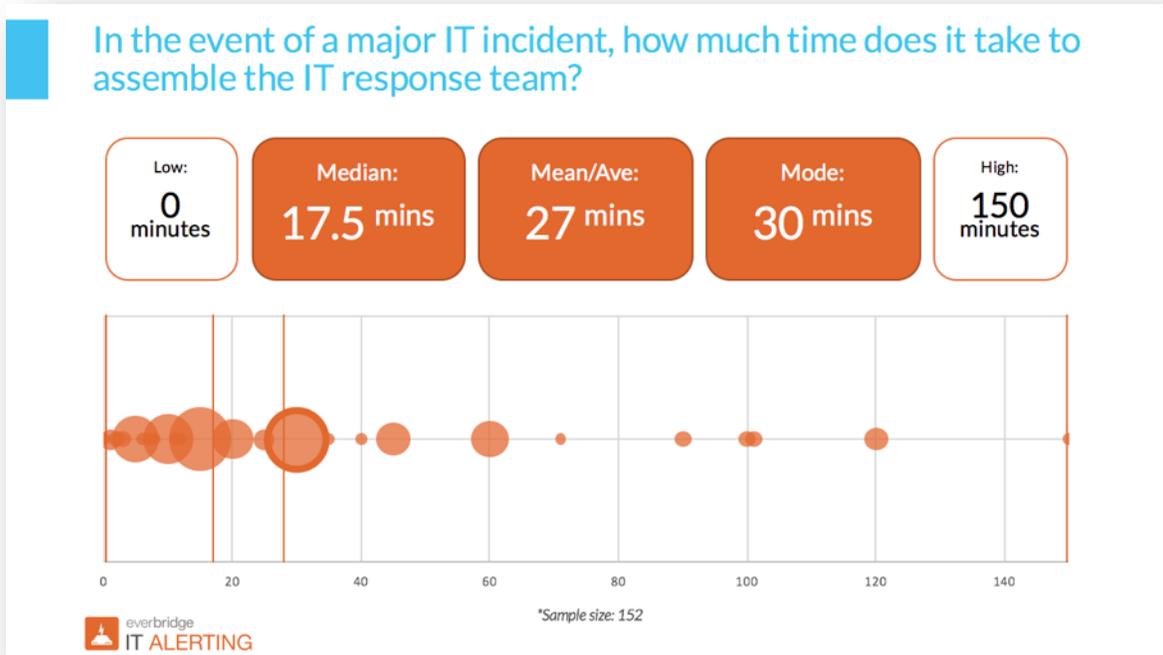
3. There's a large opportunity for organizations to streamline the way they manage on-call schedules and IT resources to improve response

29 percent of organizations surveyed have no formal processes in place for managing on-call schedules and 24 percent use spreadsheets, notebooks, and company phonebooks to manage scheduling of IT personnel. 39 percent leverage some type of online calendar, such as Outlook, Google Calendar or Workday, but only 21 percent use a dedicated on-call scheduling solution that integrates with their IT service alerting or communication solution.

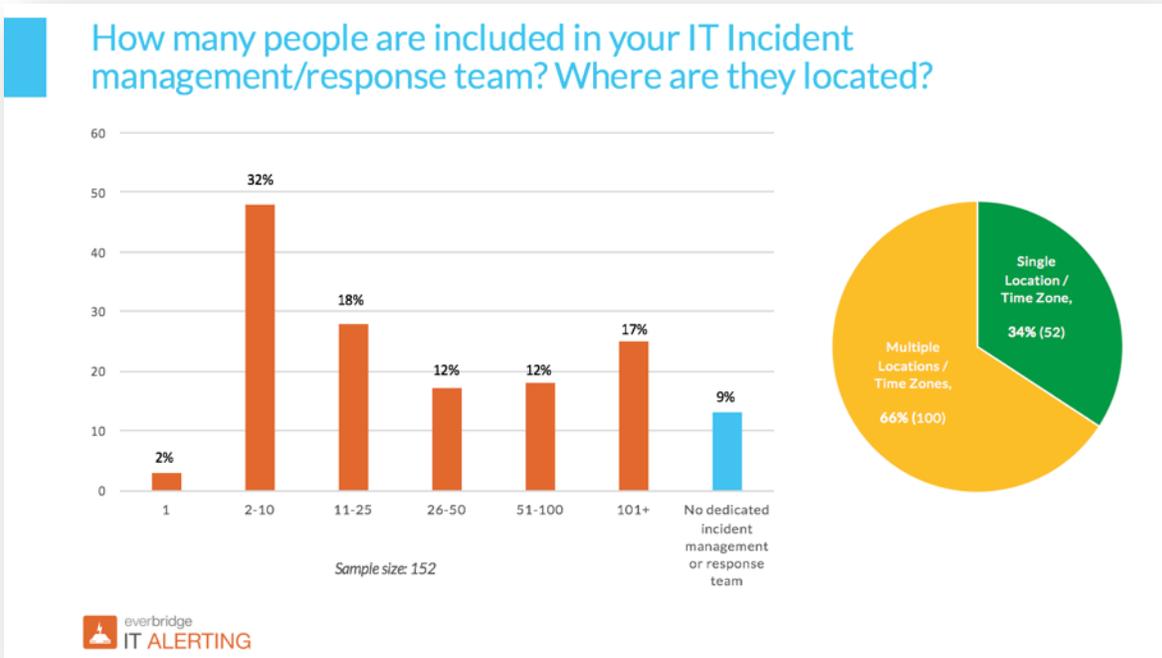


4. Inefficient communication and notification processes inhibit speedy incident resolution and is an area for significant cost savings to the business

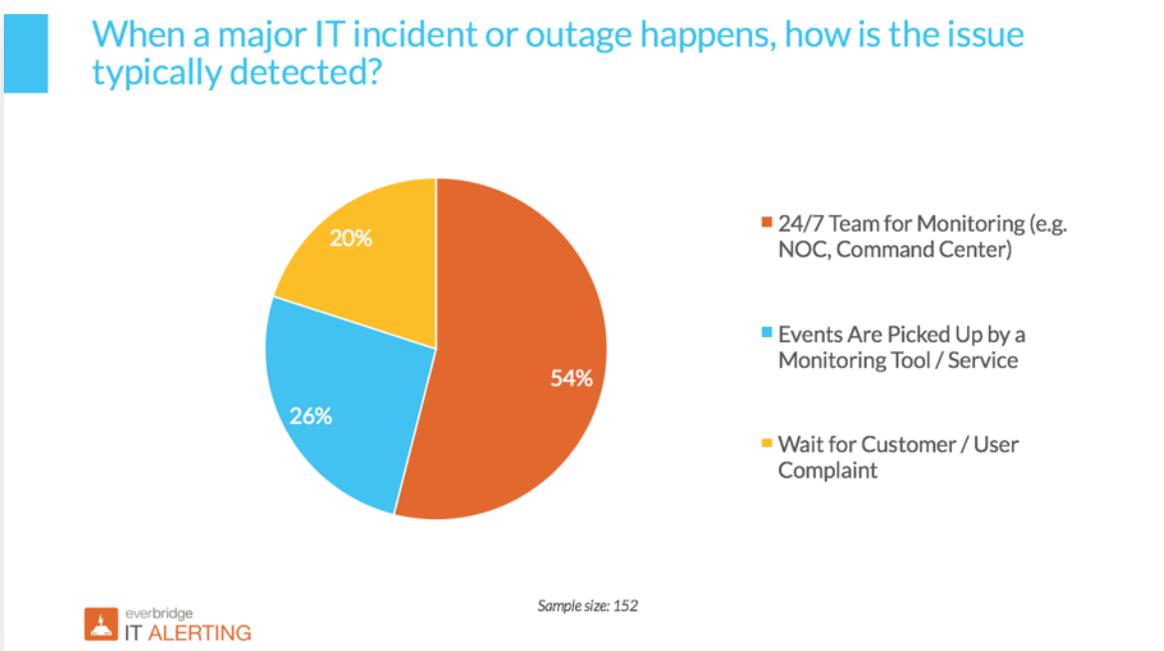
The research shows that the mean time to assemble the IT response team is 27 minutes with a maximum of 150 minutes reported. Using the average cost per minute found in this research, we can calculate that it costs an organization an average of \$233,874 USD between the moment IT has been made aware of an incident and the time the IT responders start investigating the issue.



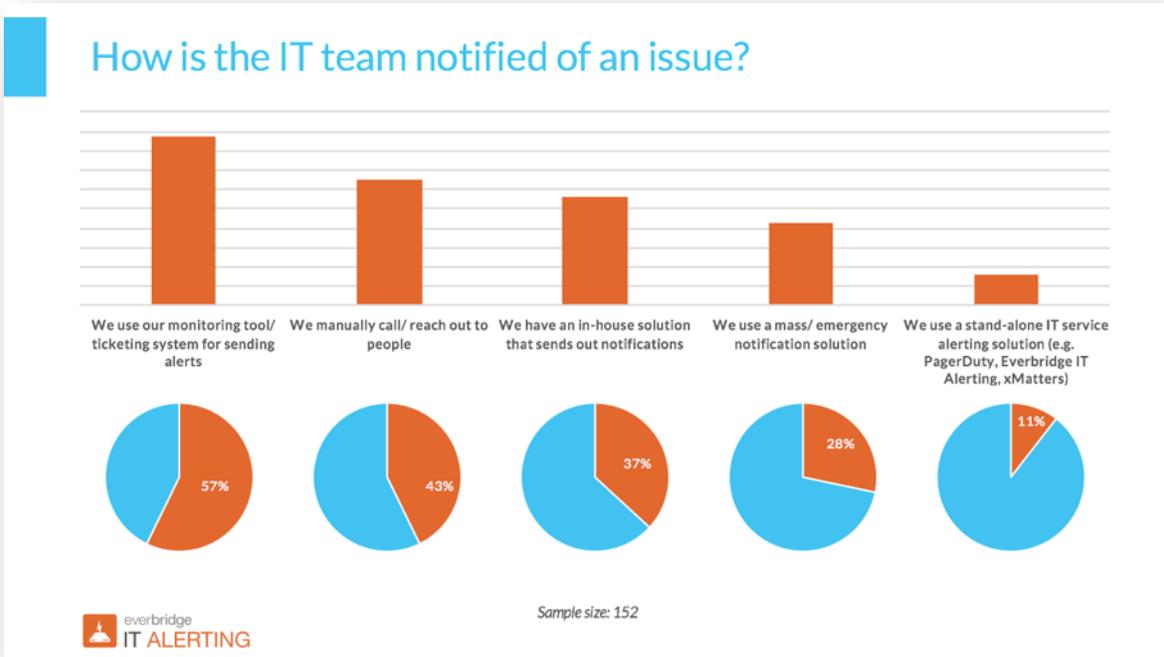
Almost 60 percent of respondents have IT response teams of more than 10 people and 29 percent of more than 50 people. The bigger the size of the response team and the bigger the time to engage impact on the overall time to restore; additionally, two thirds (66 percent) of organizations have IT personnel required to respond to incidents spread out across multiple locations and time zones.



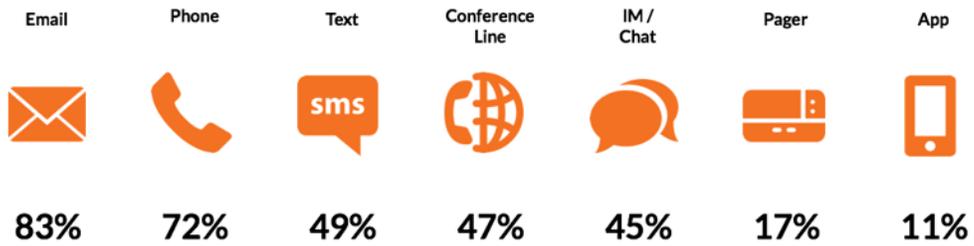
The vast majority of respondents also have a non-automated method to detect IT incidents where 54 percent of organizations have a 24/7 team to monitor, and 20 percent wait for a customer or end-user to complain.



The survey shows that only 11 percent of participants use IT service alerting solutions to automate the notification processes and engage the proper IT personnel quickly and efficiently. Others rely on manual processes (43 percent) or monitoring/ticketing system alerts (57 percent) to notify IT personnel or the broader IT team. The most used channel for reaching out to the IT response team is email (83 percent) according to respondents.



What methods are used to communicate within the IT team when an IT incident or outage occurs?



About Everbridge

Everbridge, Inc. (NASDAQ: EVBG), is a global enterprise software company that provides applications which automate the delivery of critical information to help keep people safe and businesses running. Everbridge's SaaS-based critical communications solutions are used every day by over 3,000 corporations and organizations to quickly and reliably deliver the right message to the right people, via more than 100 different communication devices, in over 200 countries and territories – all simultaneously. In case of a disruption of IT service, customers can quickly and systematically engage the right IT staff based on who's on-call, inform stakeholders and notify the impacted customers. Everbridge IT Alerting application increases businesses IT performance and availability while minimizing the impact of major incidents on the business.