



# WHY ORGANIZATIONS STILL STRUGGLE TO DIGITALLY TRANSFORM & INNOVATE

Examining the real-world  
impacts when service  
Availability goals are not met

2017 Veeam Availability Report

Executive Brief

## Executive summary

We've never been as dependent on technology as we are today, nor have we had as many critical business functions and personnel that rely so heavily on their data. For organizations to achieve their business goals, they are looking to digital transformation and the cloud to deliver more efficient, agile, and reliable services to meet user needs. As part of this transformation, enterprises have to do an increasingly better job to ensure their systems' Availability and protection and are looking at heterogeneous and hybrid environments to drive efficiencies and performance optimization.

The unfortunate reality is that too many business-accelerating and digital transformation initiatives are being hindered by inadequacies in their current IT systems' Availability. Because teams are burdened with keeping their existing systems running, they aren't able to move their systems and architecture forward to help their organizations evolve.

To better understand these Availability challenges, Veeam® commissioned the Enterprise Strategy Group (ESG) to survey more than 1,000 business professionals and senior decision makers for the sixth annual Veeam Availability Report. This report seeks to (1) quantify whether organizations are meeting their Availability goals, (2) assess the impacts to organizations that are insufficient in their IT service levels, and (3) understand how these challenges are affecting strategic business initiatives such as digital transformation and the move to hybrid cloud.

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# 82%

of enterprises are facing a gap between user demand and what IT can deliver, or an 'Availability Gap'

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# \$21.8M

is an average financial cost of Availability and Protection Gaps for the enterprises

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# 66%

of enterprises admit that digital transformation initiatives are being held back by unplanned downtime

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The research study reveals that organizations across the globe continue to struggle with Availability assurance within their IT environments, with the vast majority of organizations lacking levels of confidence in their ability to reliably protect/recover data within their virtual environments. **82%** of respondents recognized their “Availability Gap,” based on the inadequacies of their recovery capabilities when compared with SLA expectations of their business units, which is consistent with the last two annual surveys.

Even while some organizations are endeavoring to improve, the heightening expectations of the business units, combined with the ever-evolving and diversifying business landscape and the move to heterogeneous and hybrid environments, continue to create challenges in providing adequate service Availability. This causes wider issues for the business in terms of customer and employee confidence. Similarly, three out of four organizations acknowledge that they have a “Protection Gap,” whereby they are unable to protect their data frequently enough to ensure that their business units’ expectations against data loss are met.

The ramifications of these inadequacies averaged **\$21.8M (US)** in direct financial costs, but also often resulted in impacts to other modernization efforts, such as virtualization endeavors, embracing cloud capabilities, and broader digital transformation initiatives, as well as a range of indirect consequences:

- Externally, half of organizations believe that Availability challenges led to loss of customer confidence, as well as impacted brand integrity, reduced stock price, and revocation of licenses/accreditations.
- Internally, many believe that their Availability challenges led to a loss of employee confidence, as well as a diversion of resources away from long-term or business-critical projects.

The findings of this study are consistent with past ESG research and past Veeam reports, all clearly illustrating that organizations must reconsider their data Availability, protection, and recovery capabilities. A company’s failure to better align these key resiliency capabilities with the expectations of their business constituents will continue to put their organizations at risk and hinder innovation and digital transformation strategies.

My organization has an Availability Gap between how fast we recover applications and how fast we need applications to be recovered to be an Always-On Enterprise™

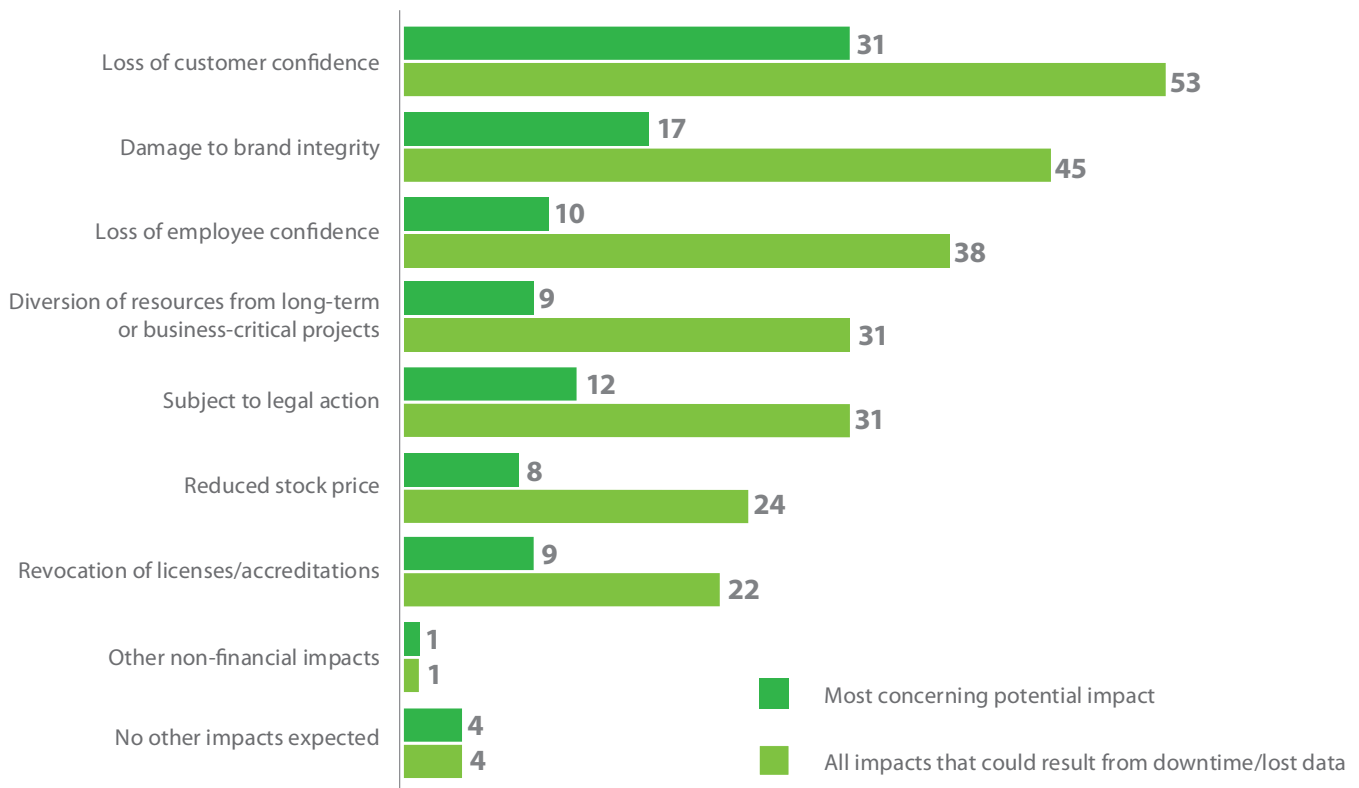


My organization has a Protection Gap between how often we can backup applications and how often we need applications to be backed up to be an Always-On Enterprise



Strongly agree    Agree    Disagree    Strongly Disagree

**Figure 1. Please rate your agreement with the following statements. (Percent of respondents, N=1,060)**



**Figure 2. What other impacts – if any – could result in your organization from application downtime or lost data? Which impact is most concerning for you? (Percent of respondents, N=943)**

## Next steps

The first and most crucial step in ensuring the viability of your IT systems in service to your business units and customers is to accept that you have an Availability Gap (until you can prove otherwise). Too many organizations that lack accurate metrics or monitoring processes presume that their systems are sufficient and are therefore hindering their organizations through their naiveté. Instead, presume that you have the problem and then quantify it.

Next, quantify your business unit's SLAs and assess your own protection mechanisms and recovery capabilities. Only by comparing your Availability and protection expectations with your real-world capabilities will you be able to determine the size of the gaps in your strategy.

And then, convert your gaps into impact analyses by simply asking, "If [system] were to fail, what would that cost us [in economics, process, perception, etc.]" By looking at past systems logs, most will discover that those systems have had interruptions in the past, which can now be quantified as business impact.

With an accurate understanding of the frequency and duration of outages within your environment, compared with the SLA expectations of your constituents, and an assessment of the economic and perception impacts specifically to your organization, you are ready to reimagine what it would take to become an Always-On Enterprise.

Moving forward, reducing downtime and data loss will require business decision makers (BDMs) to acknowledge that downtime and data loss have costs, so doing nothing will almost assuredly cost more than any solution. Meanwhile, technical decision makers will need to reimagine that Availability and protection really are attainable, if you first stop using legacy approaches and embrace an IT strategy that is underpinned by agile virtualization and complemented with cloud-services wherever possible, with reliable protection and rapid recovery as foundational elements of the design. Only with those elements accomplished can the organization transform its digital strategy to accomplish its greater goals.

To view the full findings of the research, go to: [go.veeam.com/2017-availability-report](http://go.veeam.com/2017-availability-report)

#### **About Veeam Software:**

[Veeam](#)® recognizes the new challenges companies across the globe face in enabling the Always-On Enterprise™, a business that must operate 24.7.365. To address this, Veeam has pioneered a new market of *Availability for the Always-On Enterprise*™ by helping organizations meet recovery time and point objectives (RTPO™) of less than 15 minutes for all applications and data, through a fundamentally new kind of solution that delivers high-speed recovery, data loss avoidance, verified recoverability, leveraged data and complete visibility. [Veeam Availability Suite](#)™, which includes [Veeam Backup & Replication](#)™, leverages virtualization, storage, and cloud technologies that enable the modern data center to help organizations save time, mitigate risks, and dramatically reduce capital and operational costs, while always supporting the current and future business goals of Veeam customers.

Founded in 2006, Veeam currently has 45,000 ProPartners and more than 230,000 customers worldwide. Veeam's global headquarters are located in Baar, Switzerland, and the company has offices throughout the world.

To learn more, visit <https://www.veeam.com>.

#### **About ESG**

ESG is an IT analyst, research, and strategy company, founded in 1999, with headquarters in Milford, Massachusetts. It conducts research with and for IT vendors, IT professionals, business professionals, and channel partners. ESG maintains ongoing analyst coverage in cloud computing, networking, storage, data protection, cybersecurity, data management and analytics, enterprise mobility, systems management, and channels.

#### **About the Principal Analyst for This Study**

Jason Buffington is the Principal Analyst at ESG focusing on all forms of data protection, preservation, and availability. He has actively deployed or consulted on data protection and storage solutions for 28 years, working at channel partners, multiple data protection software vendors, and Microsoft. Jason has been a featured speaker at many server-infrastructure, business continuity, and storage events around the world, and his articles have appeared in numerous IT industry journals.