

Are SMBs Taking Disaster Recovery Seriously Enough?

Introduction

Small and medium-size businesses (SMBs) have the same challenges as larger organizations in terms of the need to protect data and keep applications available, but they often lack the resources to deploy traditional larger-scale disaster recovery measures. Entry costs and organizational issues, such as defining what constitutes a “disaster,” lead to a lack of a robust disaster recovery plan. The ability to inexpensively protect data and applications in the cloud will increase demand from SMBs for disaster-recovery-as-a-service (DRaaS) solutions.

In December 2014, Cisco commissioned Forrester Consulting to evaluate the drivers, challenges, and importance of a disaster recovery strategy for North American and European SMBs. To do so, Forrester leveraged data from Forrester surveys and supplemented that data with a custom survey of 167 North American and European disaster recovery decision-makers.

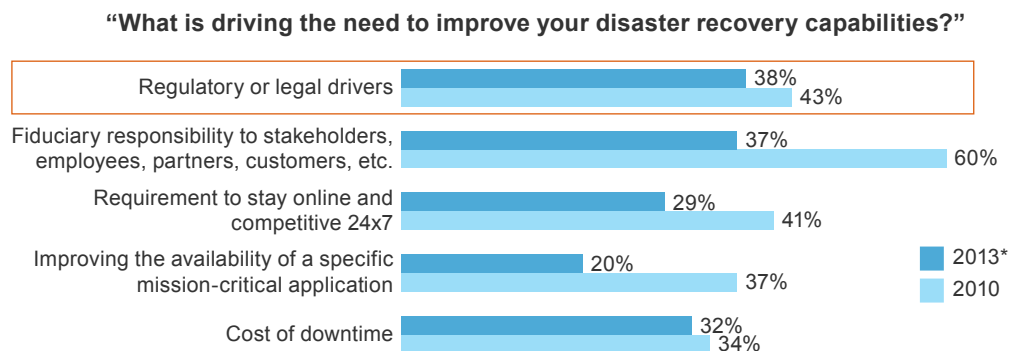
Disaster Recovery Is A Growing Priority

With more critical systems than ever before, extremely aggressive business requirements, and complexity invading from all sides, having a robust continuity plan is a growing priority.¹ Forrester's data shows 63% of SMBs, globally, consider purchasing or upgrading their disaster recovery or business continuity capabilities to be a high or critical priority.

Top drivers behind the need to improve disaster recovery capabilities are regulatory and legal pressures (38%), fiduciary responsibility to various stakeholders (37%), the cost of downtime (32%), and a requirement to stay online and competitive 24x7 (29%)(see Figure 1).

Despite these trends, 14% of SMBs that we surveyed don't have disaster recovery budgets in place, as solutions are seen as too expensive. The majority of SMBs (57%) set their disaster recovery budgets as a percentage of their overall IT budgets, rather than considering other strategic metrics such as potential fines for noncompliance (10%) or as a percentage of revenue (8%).

FIGURE 1
Disaster Recovery Drivers Are Shifting Over Time



Base: 200 global disaster recovery decision-makers and influencers

*Base: 94 global disaster recovery decision-makers and influencers

Source: Forrester/Disaster Recovery Journal November 2010 Global Disaster Recovery Preparedness Online Survey, Forrester Research, Inc.

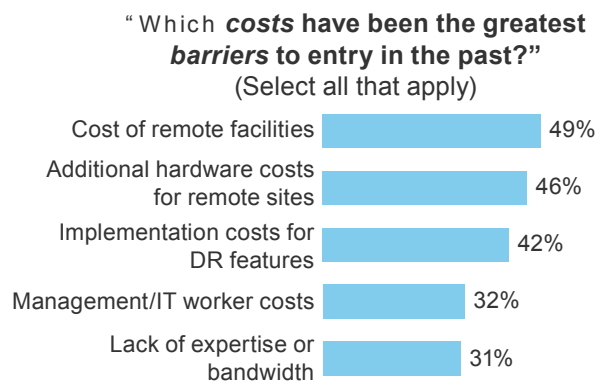
*Source: Forrester/Disaster Recovery Journal November 2013 Global Disaster Recovery Preparedness Online Survey, Forrester Research, Inc.

SMBs Lack A Robust Disaster Recovery Plan

Many companies don't have a robust disaster recovery plan in place due to barriers to entry. Our study found that the greatest barrier to entry has been the cost of remote facilities, selected by 49% of respondents. Additional hardware costs for remote sites (46%) and implementation costs for disaster recovery features (42%) are next on the list (see Figure 2). This has led to the following results:

- › **SMBs are not performing the required planning and testing to protect their businesses.** Only half of the organizations surveyed are testing their disaster recovery plans at least twice a year (see Figure 3). With the rise of virtualization, this is shockingly infrequent, as patches are often implemented weekly. Security device managers (SDMs) add further complexity, as they introduce a whole new set of dynamic variables to be managed and often require daily changes to the environment. SMBs are taking huge risks by not ensuring that they can recover after these patch changes.
- › **Businesses are suffering.** Our study showed that 61% of respondents have experienced downtime. As expected, the majority of these companies lost worker productivity, but idle employees are not the worst of the outcomes that most companies are experiencing. Thirty-seven percent experienced a loss of revenue, and another 35% reported reputational damage as a direct result of their downtime (see Figure 4).

FIGURE 2
Costs Are Barriers To Entry For Disaster Recovery



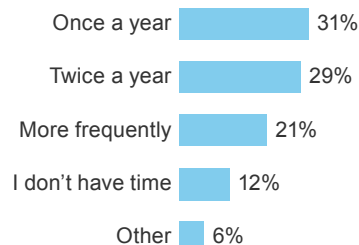
Base: 167 global SMB disaster recovery decision-makers

(multiple responses accepted)

Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco, January 2015

FIGURE 3
Less Than Half Of Companies Test DR Plans Twice Per Year Or More

“How frequently do you test your disaster recovery plan?”



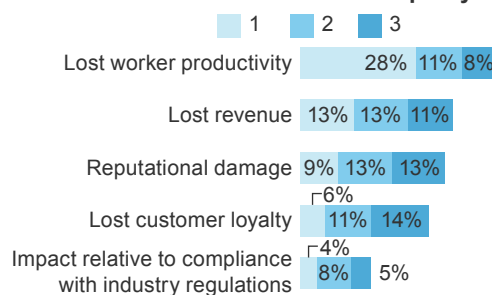
Base: 167 global SMB disaster recovery decision-makers

(percentages may not total 100 because of rounding)

Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco, January 2015

FIGURE 4
Companies Lose More Than Employee Productivity During Downtime

“What was the impact on your company of your most recent downtime event? Please rank up to your top three.”



Base: 102 global SMB disaster recovery decision-makers who have experienced downtime

Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco, January 2015

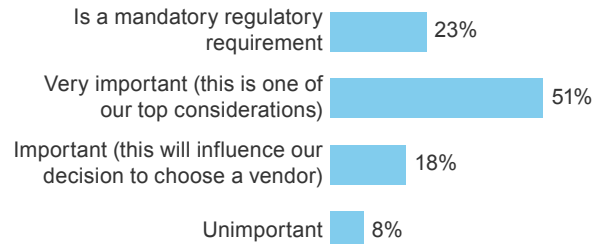
Disaster-Recovery-As-A-Service Is A Viable Option For Disaster Recovery

To boost their disaster recovery plans within the constraints of their budgets, many SMBs are now looking to disaster-recovery-as-a-service as a viable option. Disaster-recovery-as-a-service is a category of cloud-based resources that can be used for testing or, in case of an emergency, as an alternative to buying expensive duplicate infrastructure that sits mostly unused in many organizations. A number of DRaaS offerings have hit the market with the promise of speedy recovery in the cloud at competitive price points and with flexible contract terms compared with traditional recovery methods. Our study found that SMBs are considering these options:

- › **IT-recovery-as-a-service.** Forrester's data shows that 77% of SMBs are interested in or have implemented IT-recovery-as-a-service based on virtual infrastructure at the service provider; 73% are interested in or have already implemented do-it-yourself disaster recovery at a cloud service provider.
- › **Data sovereignty.** SMBs consider data sovereignty to be a critical consideration when evaluating DRaaS vendors. Ninety-two percent of respondents stated that the proximity of a DRaaS provider to their headquarters is an important consideration for a vendor, with 23% of respondents stating that it is a mandatory regulatory requirement (see Figure 5).
- › **On-demand capacity and scalability (75%), improved disaster recovery and business continuity (73%), and lower cost of ownership for servers (73%).** These are the top drivers for infrastructure-as-a-service (IaaS) adoption in general (see Figure 6). All of these drivers map to the key benefits that Forrester has found for DRaaS, which include easier, more frequent, and less expensive testing; more flexible short-term contracts; and pay-as-you-go pricing.²
- › **Security, location, and testing abilities.** SMBs most highly value security compliance (56%); location, such as proximity to place of business, with performance or access in mind (41%); and the ability to regularly conduct full tests of disaster recovery plans (38%) as the most valuable attributes of a disaster recovery provider.

FIGURE 5
DRaaS Is A Consideration For SMBs

“How important is it that your DR service provider should keep your data within your country/region?”

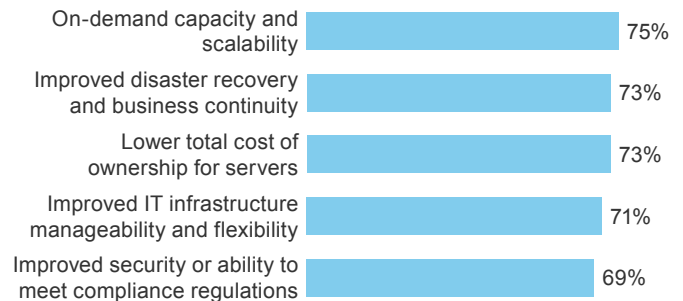


Base: 167 global SMB disaster recovery decision-makers

Source: A commissioned study conducted by Forrester Consulting on behalf of Cisco, January 2015

FIGURE 6
Disaster Recovery Is A Top Consideration For IaaS

**“How important were the following in your firm’s decision to adopt public cloud?”
(important or very important)**



Base: 98 global SMB disaster recovery decision-makers

Source: Business Technographics® Global Infrastructure Survey, 2014, Forrester Research, Inc.

Conclusion

Though IT professionals recognize the importance of building out a robust disaster recovery plan, they are often underprovisioning or delaying investments due to associated costs. Disaster-recovery-as-a-service requires fewer hardware costs and offers more flexible pricing (with generally shorter contracts) than do traditional disaster recovery providers such as managed service or colocation vendors, and as such is a more viable option for many SMBs. When looking at DRaaS providers, SMBs value those that can host data within their country or region while also providing regular testing, offering superior resiliency, and filling gaps in technical expertise. By finding the right partner, SMBs can achieve the same functionality while avoid being saddled with high upfront investment costs or paying for unneeded resources.

Methodology

This Technology Adoption Profile was commissioned by Cisco. To create this profile, Forrester leveraged its Business Technographics Global Infrastructure Survey, 2014. Forrester Consulting supplemented this data with custom survey questions asked of North American and European disaster recovery decision-makers at firms with 1,000 employees or less. The auxiliary custom survey began in December 2014 and was completed in January 2015. For more information on Forrester's data panel and Tech Industry Consulting services, visit www.forrester.com.

Endnotes

¹ Source: "The Forrester Wave™: Disaster-Recovery-As-A-Service Providers, Q1 2014," Forrester Research, Inc., January 17, 2014.

² Source: "An Infrastructure And Operations Pro's Guide To Cloud-Based Disaster Recovery Services," Forrester Research, Inc., March 20, 2012.

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