

**CompuCom®**

# **IT Failure Nightmares:**

3 Worst Ways Downtime Hurts Your  
Financial Services Organization

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IT systems drive many of today's business operations, and this is especially true in the financial services industry. Retail banks, insurance providers and financial advisors rely on advanced applications and backend platforms to support their work, and customers require access to similar technology to perform important personal and business banking.

With so many important processes hinging on the use of IT, any interruption, outage or failure can have real ramifications for financial services providers. These instances are what nightmares are made of, and can keep executives and IT managers tossing and turning at night. But how, exactly, is business harmed, and what can be done to address this issue?

**GLOBAL IT SPENDING HAS BEEN ON THE RISE, AND WILL CONTINUE ON THIS TRACK IN 2017 AS WELL. THIS YEAR WILL SEE A 1.4 PERCENT OVERALL INCREASE, BRINGING WORLDWIDE TECHNOLOGY SPENDING TO \$3.5 TRILLION.<sup>1</sup>**

1. Gartner, "Gartner Says Worldwide IT Spending Forecast to Grow 1.4 Percent in 2017," April 2017.



# The Top Causes of Failure

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IT failures are more common than many organizations would like to admit. These days, you'd be hard-pressed to find a company inside or outside of the financial services industry that hasn't dealt with this kind of incident. Part of the reason for this trend is the fact that multiple different factors can lead to a failure.

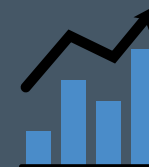
Some of the most common causes of IT failure and subsequent downtime include:



**SYSTEM OVERLOAD,**  
or when the demands being put on a system exceed the technology's capacity.



**MALICIOUS ACTIVITY,**  
including cyber attacks and data breaches. Unfortunately, these are happening more often – cyber attacks more than doubled between 2008 and 2016, reaching 1,453 reported attacks last year.<sup>2</sup>



**INCORRECT SYSTEM SCALING**  
is similar to system overload. This occurs when a technology simply doesn't have the available resources to account for greater usage.



These three causes only scratch the surface. An array of other factors, including coding errors, usage mistakes, utility outages and other issues can also cause critical IT systems to fail. However, the bottom line is the same no matter what the cause: significant revenue loss.



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# Losing Revenue: The True Cost of Downtime

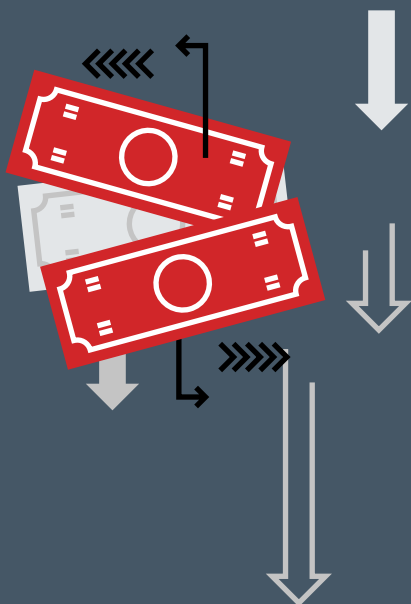
Without access to the most important IT systems, employees are unable to do their jobs and customers don't receive positive experiences. The overall result is a significant loss of revenue for the organization.

**IT DOWNTIME COSTS ENTERPRISES \$700 BILLION EACH YEAR, INCLUDING LOST REVENUE AND THE PRICE OF FIXING THE ISSUE.<sup>3</sup>**

Separate research from CA Technologies showed that the average business experiences 14 hours of downtime throughout a single year.<sup>5</sup>

These numbers all help to tell the same story – an inability to connect with important IT systems translates to an inability to help customers, and this means lost revenue.

The Ponemon Institute found that a downtime incident can cost as much as \$5,600 per minute that services are unavailable, and the overall cost of downtime has increased 38 percent since 2010.<sup>4</sup>



3. Joe Staganelli, Network Computing, "The High Price of IT Downtime," January 2016.

4. Ponemon Institute, "Cost of Data Center Outages," January 2016.

5. Denise Dubie, CA Technologies, "IT downtime wreaks havoc on employee productivity," January 2011.



## 2 Losing Productivity: Employees Unable to Complete Critical Tasks

As noted, one of the main reasons companies lose so much revenue during IT downtime is because their employees are unable to use the applications, databases and other platforms that support their most critical daily tasks. While recovery planning can help offset this issue, certain functions simply cannot be performed offline.

Lost employee productivity accounts for the largest portion of downtime costs, according to IHS.

However, it's important to keep in mind that employees' ability to assist customers isn't the only important thing at stake here. Staff members working for a company without reliable IT systems likely won't be satisfied in their jobs, which can increase employee churn rates. For this reason, it's imperative that business leaders confirm that IT systems simply work – for the sake of their revenues, and to arm their staff members with the tools they need to do their jobs and be satisfied with their work.

**PRODUCTIVITY LOSSES  
CONTRIBUTE TO 78  
PERCENT OF DOWNTIME  
COST, WITH LOST  
REVENUE COMING IN AT  
17 PERCENT.<sup>3</sup>**



# 3 Losing Clients: Impacting Customer Satisfaction

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At the same time, financial service providers shouldn't overlook the impact an IT failure can have on customers.

Now that more capabilities are being offered online – including the ability to check balances, review investments and pay business vendors – any interruption to these services can severely impact customer experiences.

Now more than ever, customers expect financial service providers to have real-time, omnichannel capabilities. These functions all depend upon the use of robust IT technology, and when client-facing systems are unavailable or don't work as they should, the organization faces a serious risk of lost business.

**ALMOST 50 PERCENT OF CONSUMERS WILL AVOID AN ORGANIZATION IF DOWNTIME CAUSED THEM TO WAIT MORE THAN FIVE MINUTES FOR SERVICE IN THE PAST.<sup>6</sup>**

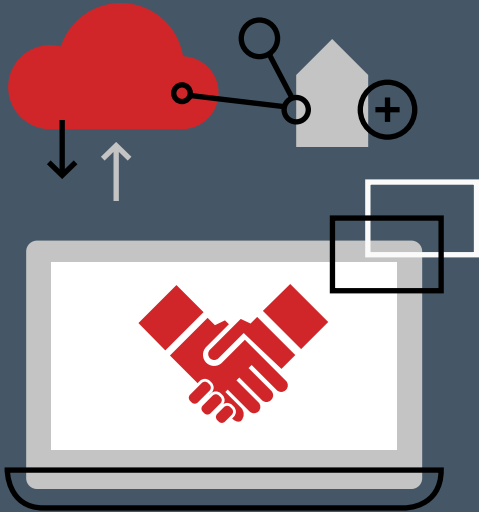


# Prevent Failure with an Expert IT Services Partner

To say that IT failures are a nightmare would be an understatement. This makes prevention a top priority, especially within the financial services sector. Because these instances can happen as a result of many different variables, one of the most optimal ways to combat failure is by working with an expert IT services provider.

In order to select an optimal partner, decision-makers should verify important aspects like the provider's references in the financial service sector, as well as any recommendations by industry analysts.

Such a service partner has specially trained staff whose job is to stop IT failures before they happen. A proactive stance like this is imperative for today's financial services providers, and can make all the difference when it comes to revenue, employee productivity and customer satisfaction.



To find out more,  
contact the experts at  
CompuCom today.





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**Sources:** 1. Gartner, “Gartner Says Worldwide IT Spending Forecast to Grow 1.4 Percent in 2017,” April 2017.  
2. Tim Fisher, CompuCom, “Biggest Mistakes Financial Services Technology Leaders Can Avoid,” June 2017.  
3. Joe Staganelli, Network Computing, “The High Price of IT Downtime,” January 2016.  
4. Ponemon Institute, “Cost of Data Center Outages,” January 2016.  
5. Denise Dubie, CA Technologies, “IT downtime wreaks havoc on employee productivity,” January 2011.  
6. Flavio Martins, WinTheCustomer, “The High Cost of Customer Service Downtime [Infographic],” August 2013.