

PRODUCTIVITY

and the cost of downtime



Productivity

Productivity is the state or fact of being able to generate, create, enhance or bring forth goods and services. In other words, it is the state of doing or achieving a lot.

In business, when employees are not being productive tasks are not being completed, timelines are not being met, and money is not being made. We call this downtime and the cost of downtime can be devastating.

Technology has become the tool we use to run nearly all aspects of business. It helps us leverage our resources to do more with less and handle more business in less time. It has become the new "utility", where systems are expected to simply run, just as power, gas and water are not expected to fail, and are expected to be restored quickly if they do.

Keeping your technology up and running is crucial to maintaining high productivity and to keep business operating smoothly. This allows your people to do what they do best – their job – and it allows your business to focus on your customers so you can continue to grow.

Problem: Costs of Downtime & Continuous Technology Issues

No matter the size, businesses need technology to operate efficiently and to compete effectively. As reliance on IT grows, the resources needed to support an increasingly complex IT environment may not. In many small and medium businesses (SMBs), IT resources are limited and can be quickly overwhelmed. You may only have one internal IT professional dealing with all problems and if they fall behind in keeping up with things such as backups, patches and security, the odds greatly increase that you'll face an IT outage or another problem down the road that will negatively impact your business. If your email server, customer relationship management (CRM) system, financial application or network goes down, you will likely face substantial productivity and revenue losses as a result.



There are two ways to calculate potential losses during an outage based on revenue and labor costs:

$$\text{LOST REVENUE} = (\text{GR}/\text{TH}) \times \text{I} \times \text{H}$$

Where:

GR = gross yearly revenue

TH = total yearly business hours

I = percentage impact

H = number of hours of outage

$$\text{LABOR COST} = \text{P} \times \text{E} \times \text{R} \times \text{H}$$

Where:

P = number of people affected

E = average percentage they are affected

R = average employee cost per hour

H = number of hours of outage

So for instance, if the work of 1,000 people earning an average of \$60 per hour, including benefits, depends on a system that becomes unavailable for one hour, the value of the lost productivity can be estimated as \$60,000 for that hour.

What are some of the things that can impact your productivity?

Issues that might first come to mind such as software not working properly or being infected by viruses or malware are only the tip of the iceberg.

Not having a strategic IT plan in support of the companies key goals and initiatives can cause disconnect and a reactive state when issues arise.

Strategic planning for businesses, large or small, is a critical process to achieve goals and be profitable. Your goals should touch on all aspects of the business and understand both how a business uses their technology and how it can be used to strategically improve business processes, in turn making them more efficient and less costly.

Planning includes both short and long term to put the organization in a proactive state rather than reactive and allow for flexibility in the event of an unseen situation. Let's say your network goes down – do you have a plan for this? Can you stay and work in the office or will people be sent home to work? And if they are sent home is there a remote access plan in place considering they are not able to get back into the companies network? These may seem like big questions to ask but they are ones you should be able to answer!

In addition to having a plan, IT support should also be in tune with the demands of the business. For example, if your company has doubled in the last year and you only have two internal IT staff, they may become overloaded, unable to keep up with the demand of attending to user issues in a timely manner along with monitoring and managing infrastructure. This leaves employees sitting with computer issues as well as leaving your network at risk.

Speaking of employees sitting with computer issues... this could cause frustration on their end, prompting them to not even contact IT support with the idea they won't be helped which in the end will only make the issue worse and result in more lost productivity.

Hardware is another item that can be effected here. If monitoring and management of computers and servers isn't where it needs to be, updates may be missed and old or out of date hardware can also become an issue.

You need to know how old your technology is in order to plan for needing new equipment rather than waiting until it completely fails and puts you in a time crunch. If your service is 4 years old, the warranty is likely up the following year - not to mention at the rate of change technology has, 4 years is a long time – so you'll need to start budgeting for a new one.

One last thing we'll touch on is end user training – it is very important that employees not only know how to best work with your IT team, but that they know how to keep themselves, their systems and the company safe. From know who and how to contact support to not clicking the link, keeping everyone well informed is crucial to a productive environment.

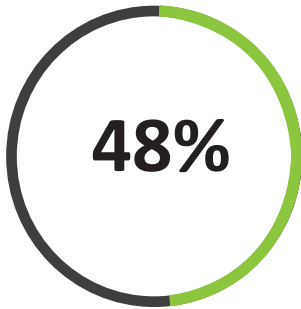
We have recently seen growing instances of fake email correspondence. In these situations, hackers are getting an email address for individuals who have high level access in a given company, then acting as imposters. For example, they may utilize the email address of the CEO and proceed to have email correspondence with another specific employee, potentially HR or finance, who has access to important data and information. This employee believes they are emailing with the CEO and it is not until information is given away or a face to face conversation occurs that people are realizing the emails are fake.

When dealing with sensitive data and important company information, it is very important for all employees to be trained to be cautious. If something seems off it probably is! Whenever dealing with sensitive information – always call to confirm the request.

The Impact of These Problems: Downtime & Lost Productivity

Unfortunately, if the right plans, processes and support are not in place, technology failure can cause a number of problems for any size business from direct tangible losses in revenues, wages or legal penalties to indirect intangible losses in business opportunities, employee morale and brand damage.

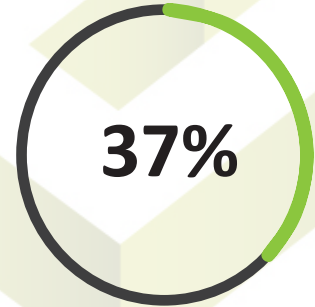
Surveys of CEOs and business directors worldwide found:



had daily tech-performance issues



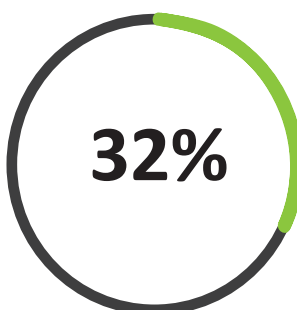
time 86% said the average incident lasted



of employee productivity was lost during downtime



of computer issues were due to neglected IT



number their ability to generate revenue was reduced by



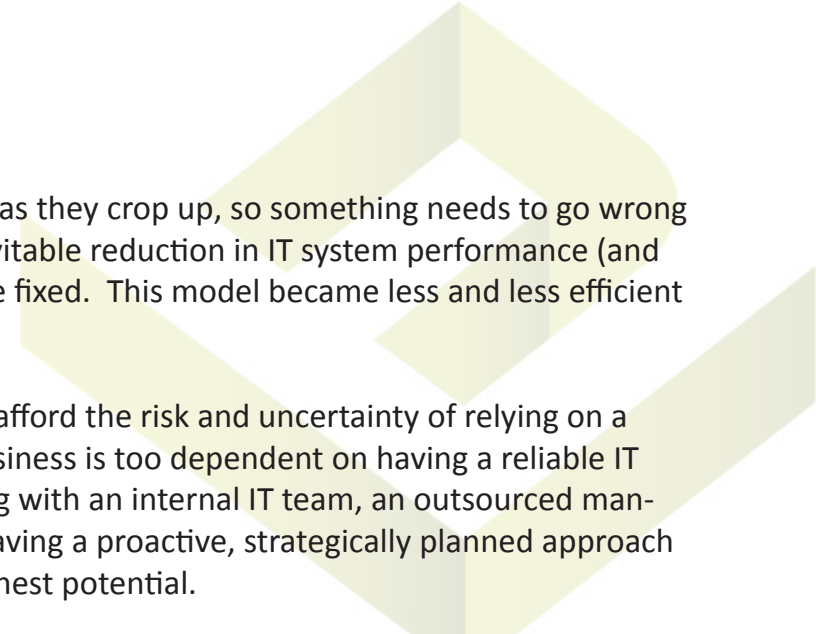
said downtime damaged their reputation

Not only are businesses seeing daily IT issues, the issues are lasting a full 2 days before being resolved. To put that into perspective, say that is only one person in your company with one issue, it still potentially leaves up to 16+ hours of lost productivity.

The unfortunate part is, so much of this lost time and productivity is due to neglected IT and so much of it can be prevented with better managed systems, networks and infrastructure. With technology as such a critical component of business, how are we not investing more into it?

Solution: How to Handle These Issues:

Years ago, technology maintenance started as IT break-fix services. Much like when your furnace breaks and you call the repair man, when something IT related broke, the company called the service provider and they came running to fix it... hopefully.



This break-fix maintenance model fixes problems as they crop up, so something needs to go wrong before you receive any service resulting in an inevitable reduction in IT system performance (and productivity) while you wait for the problem to be fixed. This model became less and less efficient as technology became more and more advanced.

Today, no business, no matter the size, can really afford the risk and uncertainty of relying on a “break-fix” maintenance service because your business is too dependent on having a reliable IT system. This is why – no matter if you are working with an internal IT team, an outsourced managed service provider (MSP), or a mix of both – having a proactive, strategically planned approach to IT is your key to reaching productivity at its highest potential.

It means that the technicians and engineers you are working with are the best. They have years of experience, qualifications, certifications and are constantly learning to stay up to date on both threats and new technology to fight them. They know their stuff so you can leave the talent within your organization to focus on things that are most critical to the bottom line, and the things you and your people are passionate about – and good at!

They put processes into place proactively monitoring and performing maintenance on a company’s workstations and infrastructure so they can see when something happens or looks wrong allowing the issues to be addressed before they become a larger problem. MSPs help to prevent fires, rather than fight them.

With new and updated software, monitoring, managing and maintaining your infrastructure is that much easier and more efficient.

Great service providers and IT teams often manage all of your vendor relationships so issues with internet slowness/outages or any applications are dealt with directly and time-efficiently. Coupled with “eyes-always-on” network monitoring 24 hours per day, businesses are left with an additional level of comfort and security.

So what are you waiting for?

Technology in business is only getting bigger, better, and more complex. No matter what industry you are in or the size of your company, technology is now a critical and integral part of running a business and we just don’t have time for it to fail.

At Envision IT Partners, it is our job to make sure your technology stays up and running, providing you the people, processes and technology to drive optimal productivity in your workforce. We do this through our Complete IT Monitoring, Management + Support service called EncompassIT™.

EncompassIT™ Managed Service provides proactive enterprise-grade support which actively monitors, updates, patches and performs preventive maintenance on all the systems on your network. Our proactive management of those systems allows our certified engineers to stay ahead of the threats that may cripple your IT infrastructure. When issues do occur your users have unlimited access to our Colorado-based HelpDesk support team. Our EncompassIT model has consistently proven to reduce downtime risks by as much as 85%.

By taking the time to understand who you are, what you need and industry best practices, we are able to deliver the right solution, specifically scaled to your business. We're only successful if you're successful, so let us get you there.