

## What happens to your business if the internet line goes down?

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**T**HINK of the last time your office lost connection to the internet. Did you welcome the chance for a bit of time off? Or did you suddenly panic about the deal you would lose if you couldn't send that vital email and did your blood pressure rise at the thought of your staff sitting there, unable to work but still costing you money?

Without email, remote connections and access to the internet, the majority of businesses are unable to work effectively and all of this downtime has a massive impact on the business' bottom line.

High-speed internet connections through broadband services such as ADSL and SDSL have revolutionised the way that many businesses operate. As costs of broadband services have fallen, so has reliance upon it increased.

It would be reasonable to expect that should a broadband line develop a fault, the telephone company supplying it will jump into action to quickly restore such a vital business lifeline. In reality however, BT, which provides the backbone to the vast majority of ADSL and SDSL lines, offers no service level agreement (SLA) for repairs to these lines. So no matter how good your internet service provider is (ISP) or your IT supplier maybe, if your connection fault is down to a problem with the line or the local exchange, you



could be waiting for over a week before you even see an engineer.

If in reality a few hours or a few days downtime would be a mild inconvenience, there's little point investing in contingency solutions. If, however, downtime would mean a significant loss of productivity or sales, you need to think about implementing some contingency as part of the business continuity strategy.

### Calculating the cost

In looking at the cost of downtime, you need to consider the lost productivity of staff and lapsed or missed business opportunities during the outage itself,

but also the impact on the image of the company and therefore potential loss of future business. The latter is difficult to quantify as internet downtime affects different companies in different ways.

Take the example of a small online retailer with a team of 40 employees. The average salary of each employee is £15k per year, equating to a cost of around £11 per employee per hour, when taking into account National Insurance etc. The company's annual turnover of £10m equates to around £5k per hour, of which 70% can be attributed to on-line orders. Assuming employees will only be around 20% efficient during downtime (and that is being conservative), this equates to a cost in terms of lost productivity of £352 per hour. In terms of lost

orders during downtime, if we assume that 80% of people who were trying to place an order on-line will go elsewhere, rather than picking up the telephone, this equates to around £2,800 of lost business per hour.

Overall the associated cost for the business is a staggering £3,152 per hour of downtime, or £12,608 for a four-hour period of downtime and so on until the connection is restored.

So before your office loses its connection to the internet, make sure that you've carried out a simple risk assessment on your internet dependency and put in place some continuity planning.