

Disaster Recovery - Reviewing the Value of Business Insurance

Summary

Disaster Recovery (DR) provides insurance for business operations, particularly around Information Communication Technology (ICT). Proven by the delivery of utility infrastructure worldwide, a focus on naturally redundant systems, that can take up capacity when required, rather than duplicating infrastructure that is seldom used, may provide a more effective and cheaper insurance for a business.

1 Introduction

Having insurance is considered part of business and reviewing the insurance requirement on a regular basis to assure best value with current environment is just business as usual. Whilst the essence of Disaster Recovery (DR) for Information Communication and Technology (ICT) is an insurance for a business, is DR the best insurance for a business?

2 Insurance for the Business

With ICT no longer being an adjunct to business, the need to mitigate the risk around a loss of ICT has rightly received a business focus. One approach to mitigating the risk of loss of ICT has been the use of Disaster Recovery sites. This involves housing core ICT infrastructure, to differing extents, in another site to be used in the event of an emergency.

Whilst DR sites may be applicable to certain business needs, both operational as well as for ICT hosting, the nature of DR sites mean that:

- The set up of a DR site can be expensive for a business.
- There are costs to the business around site maintenance.
- Without routine testing of the capability of the DR and of the business to use the DR site, the effectiveness of the solution comes into question.
- DR sites are seldom used.

By taking the insurance based approach to DR capabilities, the question of “are DR sites the most effective solution for a business?” can be effectively asked and the answer readily determined.

From a simple business perspective, the idea of paying for duplicate infrastructure that is never going to be used does not seem to be effective. Then to be asked to keep paying for it makes it even harder. As business priorities change, the enthusiasm for maintaining the capability and for testing it fades. A business can quickly reach the point where they are paying for a capability that might not even work.

In addition, the short-term demands within business often push strategic considerations to a lower priority, including DR capability.

All of these factors combine to create a culture of “because it is ICT and it is not going to work, I’ll just accept the risk”.

Whilst this outcome is less than satisfactory, it is important to remember that it is the DR culture and approach which is delivering this result.

In essence, can the same outcomes be achieved for less cost, with better value to the business?”.

The answer is both a resounding “yes” and “why are we bothering with DR?”.

3 Utility Infrastructure

With recognition that ICT is a business utility (otherwise why would you need DR), comes the answer to the value approach. Rather than investing in DR, use the proven utility infrastructure principles to build redundancy into a solution.

Utility infrastructure is characterised by:

- Redundancy – built in at many levels including operating at 60% capacity so that extra load can be absorbed, through to multiple-layers of safe guard like the guidance system in an aeroplane or a Martian probe.
- Fail over – self-initiation and self-configuration are part of the solution as well as multiple layers of safeguard are built in so that if one fails, others will

automatically kick in, i.e. control of the situation is maintained.

- Load bearing capacity – proven ability to handle the load and scale.
- Not the latest everything – uses proven solutions and technology that are known to work and have been subject to extensive testing.
- Linking best of breed - bringing together the best of breed to form an integrated solution because one size does NOT fit all and one size can NOT do it all.
- Scalability – achieve scalability through the use of automation (if it can not be automated, it is not scalable) and the ability to add and swap standardised components;
- Kept simple - solution is clean, simple and each element does what it was designed to do. It does not try to be everything to everybody.
- Standardised and modularised – each element is standardised and can be swapped for a twin without collapsing the system.
- Distributed capability – maintain operations at multiple sites with the ability to take on additional capacity if required.
- Form an emergent behaviour – standardised components do what they do best and the resulting emergent behaviour delivers an industrial strength utility solution.

Whilst some DR capabilities may exist within utility infrastructure, the idea of duplicating a seldom used capability is NOT widely practised. Utility infrastructure focuses on building naturally redundant systems that can take up capacity when required.

Such an approach has the following advantages:

- Redundancy can be built, operated and maintained as part of routine business operations with a lower cost of creation and ownership.
- The desired outcomes are achieved without the need for specialist operations

and support. Achieving a lower cost of creation and ownership.

- When compared with the idea of paying for DR capability, something that is seldom valued by the business, the concept of in built redundancy can be readily sold to business people.
- The use of utility infrastructure provides other business benefits that are not always seen with the DR capability approach, e.g. a sustainable growth path.

4 Moving Forward

To provide the insurance that the business needs some fundamentals are required:

- Having the penalties incurred by ICT for under performance to be commensurate with the cost to the business incurred from a loss of ICT.
- ICT to be managed to business outcomes.
- Business to review its DR needs and revise accordingly.
- Moving the risk associated with a loss of ICT to the business and having the risk mitigation owned by the business.
- Focus on the development of ICT systems with a natural in built redundancy through the use of utility infrastructure principles.

Remember, it is the responsibility of the business to recognise DR for what it is and what is needed.

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