# THE TRUE COST OF DATA LOSS FOR YOUR BUSINESS

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Losing data in your business can come in more than one form and level of severity.  Some can be small and easily fixable and others can be more severe and take weeks to repair.  Data loss needs to be taken seriously since businesses and economy are increasingly becoming more dependent upon its collection and safe storage.  EVault  Recovery Services  released information regarding data loss in a 2012 survey.  Overall $400 million is approximated to be lost each year from missing data.  This includes a deficit in total company income of 2-5% in IT companies that handle 2-7 TB of data.

## RISKS

There are levels of risk that range from minor to significant. Some examples of each include:

### Minor

Only one work station loses files and several hours of employee production while files have been backed up successfully.  A

customer history would be considered minor if lost as long as hard copies exist, though time to be re-entered can add to cost.

## Moderate

A database such as Customer Relationship Management or comparable has a crash without successfully being backed up.  A reduction in the productivity of more than one worker is lessened and revenue is lost until data is restored, possibly for days.

## Significant

Often after natural disasters or other occurrences causing days of power outages.  Close to 20% of data is not found, with a failed backup or

only some files being backed up.  A computer code being lost is significant because it must be rewritten.  Companies have to pay for high skilled software developers that have large fees and can take some time.

## CONSEQUENCES

Reduction in profit because of data loss can manifest itself in several forms:

### Loss of Revenue

A customer cannot be contacted because their information has been wiped out of the CRM.

### Productivity

Your employee has a hard drive crash, this hinders their ability to produce until it is fixed.

### Reputation

If you cannot retrieve information for a customer because of a data loss, your business's character can suffer.

### Time

It can take a lot of time to restore data or even re-create it, such as the lost computer code in a significant case.  Hard drives may crash and have to be sent out to specialists that restore them.

## TIME AND COST

On the average, the most common types of data loss can take six hours to recover, costing roughly $170 to pay an employee.  If the company does not employ a specialist in recovery of data, the company must go outside and spend more money.  Often outside specialists cost 2 to 3 times more than an in house worker.

If data is lost and cannot be retrieved, depending on the size of the company, costs can be estimated to be much more.  When it can be keyed in again in a small amount of time, the cost will be minimal.  The other side of that coin represents loss equating to weeks and hundreds of hours to restore with costs ranging from thousands to millions of dollars.

## SOLUTIONS

While some data loss may never be preventable, it is wise to have a backup solution.  Computer virus software and backup systems should be an investment by business managers.  Computers need to be protected by password to prevent theft as well as have computer-tracking services.  Emergency plans must be put into pace and practiced for IT departments in case of a significant loss.  Even having data on CDs can be a preventative measure that is minimal in cost, but the best method

is working with a reliable managed service provider to prevent lost data in the first place.

G6 Communications can provide you with the data backup and disaster recovery solutions you need to prevent revenue loss, productivity loss, reputation loss, and time loss. We'd love to talk to you about your business needs – contact us today!

## More Info

G6 Communications is located in Bluffton, IN but serves the entire United States. Contact us TODAY for your free IT assessment!

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## Get In Touch
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