The Acronis Global Disaster Recovery Index: 2012

An Annual Worldwide Ranking of International Confidence in Backup and Disaster Recovery (DR) Readiness, Capabilities and Practices.
In conjunction with the Ponemon Institute.

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Executive Overview:
Protecting data in a tumultuous world

During 2011 thousands of businesses were directly or indirectly, affected by the political strife, economic turmoil and environmental disasters that shaped the year. Many of those hardest hit, perhaps the majority, will never recover.

Few businesses today can survive major data loss without a comprehensive backup and DR strategy in place. Yet most businesses face a common challenge – their business data is growing at an insane pace while their IT budgets are, in real terms, flat-lining. According to the survey findings in this report, a typical SMB today manages more than 100 servers, desktops and laptops and produces almost 40TB of fresh data each year. That is an awful lot of data to protect. IT managers told us the following about mounting levels of data they are managing:

- *"It's confusing and chaotic... it increases data loss"*
- *"It affects profitability and productivity"*
- *"It increases business risk"*

The Acronis Global Disaster Recovery (DR) Index 2012 is the industry's largest backup and disaster recovery benchmark. Businesses can look to this report and understand what it takes to be a leader in disaster recovery. The Index explores just how much has changed over the past 12 months and whether businesses around the world are taking the right steps to protect their second most valuable asset after their employees: their data.

The Index is based on a study commissioned by Acronis and conducted by the Ponemon Institute, an international research firm and respected think-tank on data protection trends. The survey is based on responses of almost 6,000 IT practitioners in 18 countries: Australia, Brazil, China, France, Germany, Hong Kong, India, Italy, Japan, Netherlands, Norway, Russia, Saudi Arabia, Singapore, Sweden, Switzerland, United Kingdom and United States. The Index was conducted across a broad range of industries

Core Findings:
Confidence is on the rise

The survey found that like-for-like global confidence has risen 14% over the past 12 months. The most noticeable increase in confidence is about having enough of the right resources (tools and environment) and the right technologies for the job to cope with a disaster.

Almost a third (32%) of businesses are still concerned that their backup and disaster recovery operations will fail in the wake of a serious incident, and a similar number (34%) feel they would suffer substantial downtime as a result.

There is growing room for improvement in several areas:

- Backup procedures and policies appear much less well documented and confidence in this area during 2011 dropped by 44%.

- Similarly, businesses are 16% less confident about having enough controls and procedures in place.

- Businesses haven't addressed a shortfall in qualified staff in 2010. 2011 saw an 8% decrease in confidence that staff are sufficiently qualified to handle a disaster or major outage, potentially due to tough economic times.

- Almost half (47%) now feel that business executives are not supportive of their backup and disaster recovery operations.

- While the volume of data has increased, DR budgets have stayed flat at 10% of all IT spend. Over a third cite lack of budget as a reason for why their backup and recovery is not given enough priority.

Key Global Finding 1: SMB adoption of virtualization will outpace that of the enterprise in 2012

The survey found that server virtualization is predicted to be adopted at a much faster pace among businesses under 1000 employees than amongst enterprises. A recent Gartner report showed that virtualization adoption will increase in the enterprise by 14% in 2012. Meanwhile, the Acronis Global Disaster Recovery Index shows that adoption will increase by 21% in the SMB this year. (Gartner's Virtualization Research Virtual machines will slow in the Enterprise, Grow in the Cloud Thomas J Bittman, Lydia Leong, 4 March 2011, RA1010182011).

In this survey, businesses had previously predicted that the percentage of virtual servers in use by 2011 would reach 33%. However, the average percentage of virtual servers in use during 2011 was reported at just 24%. Businesses have since revised their predictions downwards and expect just 29% of their servers to be virtual by the end of 2012, although this would still represent an annual increase of 21%.

Despite these apparently lower-than-expected figures, almost a third (32%) of those surveyed said that over half their production servers were virtual in 2011. Virtualization, while clearly making huge inroads into many businesses around the world, still represents a huge and long-term opportunity.

A healthy 38% of organizations surveyed expect to have over half of their production servers virtualized in 2012.

The top drivers for adopting virtualization cited by global businesses in this survey were:

1. Increased efficiency (24%);
2. Flexibility and speed of deployment (20%);
3. Cost savings (18%).

Key Global Finding 2:
Virtual data at greater risk than physical data

Despite virtualization gaining traction in the SMB space, most companies are falling short when it comes to protecting data accumulating on their virtual machines.

- A third (33%), the same as 12 months ago, admitted that they do not back up virtual servers as often as their physical ones.

- Almost half (49%) back up their virtual machines weekly or monthly.

- Barely a third (37%) back up virtual machines each day.

The worst culprits are in Britain (60%), France (58%), Italy (56%) and Brazil (57%), where over half of the organizations questioned admitted to not backing up their virtual servers as frequently as their physical ones.

When you consider that the monetary value of data hosted on virtual servers is admitted by respondents as almost equal to that hosted on their physical servers, this is worrying.

> **A third of organizations do not back up virtual servers as often as physical ones.**

Key Global Finding 3: Cloud gains momentum but still not delivering on the hype

Of the 6,000 respondents questioned, 83% now have some form of cloud-based infrastructure, which is a growth of 13%. But overall, the cloud represents only 19% of their entire infrastructure.

However, more than one in four (26%) are predicting that more than 50% of their IT infrastructure will be cloud based in 2012.

There are still some serious concerns regarding the use of cloud as part of the backup and disaster recovery operations that need to be addressed. Respondents cite recovery of data in the event of a disaster (56%), security risks in the cloud (39%) and workload and complexity (33%) as the top three issues and these haven't changed from last year.

A significant amount of companies have cited a real lack of trust in cloud providers. More than one in five companies in Sweden (25%), France (19%), Italy (23%), Norway

(23%) and Brazil (21%) still don't have any of their current infrastructures in the cloud.

> The hype could become a reality with more than one in four predicting that more than 50% of their IT infrastructure will be cloud based in 2012.

The top three benefits of using the cloud for backup and disaster recovery include lower IT operating costs (50%), additional or flexible storage space (20%) and improved compliance. The first two benefits are identical to last year but cloud backup for compliance reasons has grown by 60% (16% up from 10% in 2010).

Key Global Finding 4: Offsite backup strategy still lacking

Automatically, and regularly, sending a copy of your data to another location is the basis of any good offsite backup strategy.

Almost a quarter (23%) of all businesses still don't have an offsite backup strategy in place today. This is a near identical finding to the previous year and indicates that attitudes towards offsite backup have not changed.

Instead of automating offsite backups, it appears that almost half (42%) are still relying on a more traditional method of physically backing up onsite on either a tape or disk backup and then taking it offsite each day. Because this relies on an individual employee being responsible for and remembering to carry out this task, this is where human error can occur.

What the majority are not doing is harnessing the easy offsite resource that cloud computing offers. Just over a fifth (21%) are backing up to the cloud. Sweden and Norway are leading the way to cloud backup with 33% and 35% of organizations using it today.

> Almost a quarter of all businesses still don't have an offsite backup strategy in place today. This is a near identical finding to the previous year and indicates that attitudes towards offsite backup have not changed.
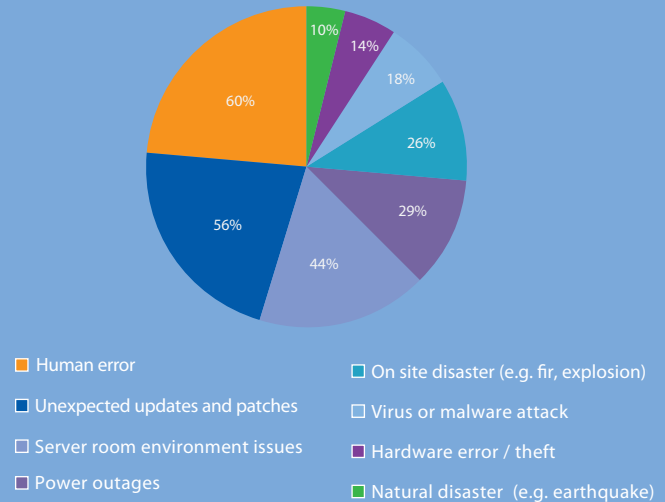
Key Global Finding 5: Downtime costs most businesses USD $366,363 a year – human error biggest culprit for loss

While nature might be the cause of the most dramatic disasters to befall a company, human error is still the most common cause (60%) of system downtime.

The vast majority of organizations surveyed (86%) had experienced one or more instances of system downtime during the past 12 months that had, on average, lasted 2.2 days. Businesses calculated that the lost productivity due directly to this downtime costs them each approximately USD $366,363 per year.

One of the problems is that 44% are still carrying out file-only backups instead of system and file backups. Taking a backup image of the full system, including the operating system, applications and system preferences, allows organizations to recover an entire server or workstation quickly. This approach avoids the need to carry out the

painstaking task of manually loading and configuring software that is, more often than not, the longest part of the recovery procedure.

- 🟧 Human error
- 🟦 Unexpected updates and patches
- ⬜ Server room environment issues
- 🟪 Power outages
- 🟩 On site disaster (e.g. fir, explosion)
- ⬜ Virus or malware attack
- 🟪 Hardware error / theft
- 🟩 Natural disaster (e.g. earthquake)

Key Global Finding 6: The 'pure play' dilemma: Businesses still fail to consolidate their backup and DR Tools

Almost a third (32%) of all respondents use three or more different solutions as part of their backup and DR strategy, a costly and inefficient strategy making the management of backup and DR, plus the migration of data across different environments complicated and time-consuming. However, 76% of those surveyed recognize that a comprehensive solution linking physical, virtual and cloud protection would offer the most significant enhancement to their backup and disaster recovery operations, and this is why:

94% of businesses want reliable and easy-to-use solutions, and it's the resellers that can help them choose the right solution and guide them to a solid backup and DR strategy.
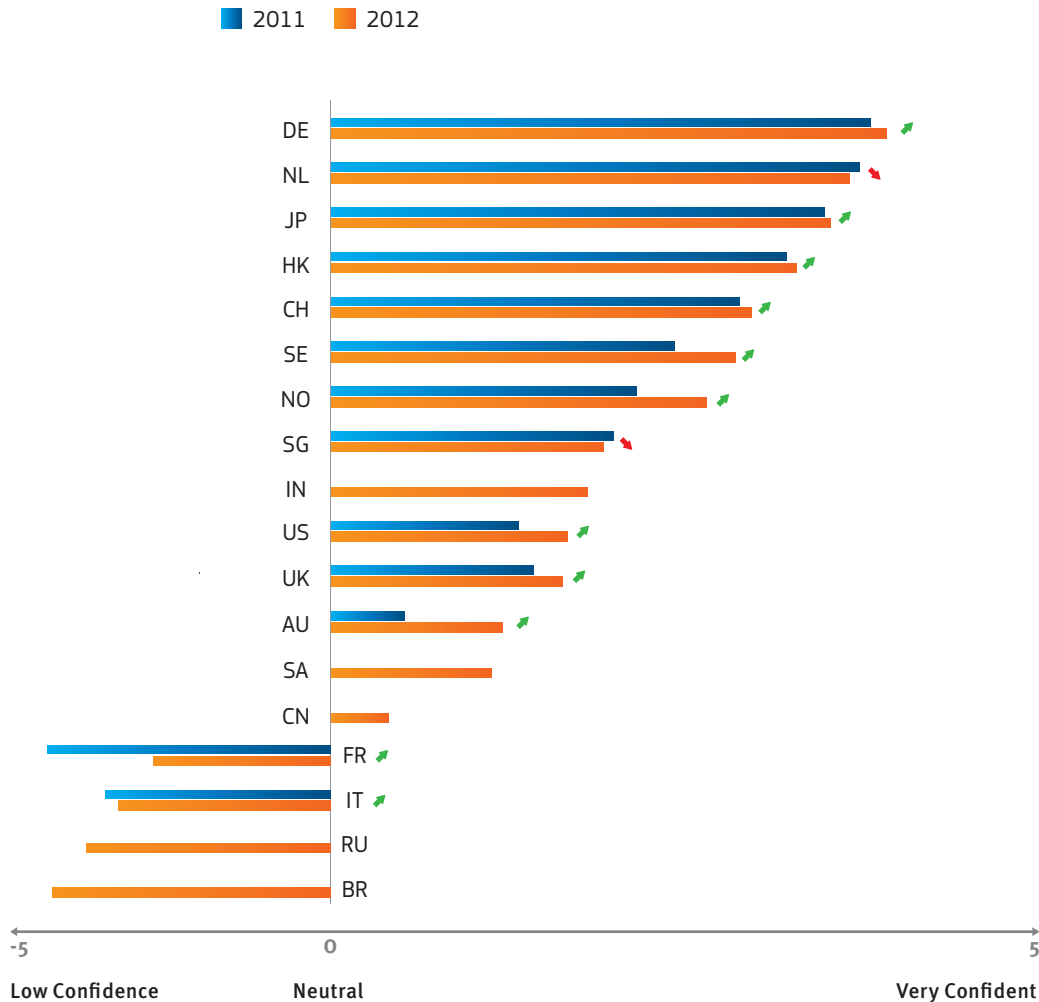
76% want a single solution to link physical, virtual and cloud environments

- • "It would make us sleep better at night"

- • "It reduces risk, complexity and TCO"

- • "Our CIO prefers one solution"

The Index Rankings

Despite a 14% increase in overall confidence, most of the country rankings have remained almost exactly the same. Sweden and Norway have improved, allowing them to leapfrog Singapore which has made no progress in the past 12 months.

There have also been some 'most improved' regions including Norway (improved 35%) and France (improved 48%). Most notable is Australia which more than doubled in confidence in the past year, showing that when disaster strikes it became more confident in its DR capabilities.

Acronis Global Disaster Recovery Index 2012

■ 2011　■ 2012

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IT
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-5　　　　　　　0　　　　　　　5

Low Confidence　　　Neutral　　　　　　Very Confident

A) Undefeated champions: Germany & the Netherlands

Confidence clearly has a ceiling even amongst the most thoroughly organized, highly qualified and well-resourced regions.

- German confidence in their backup and DR operations rose 21% in 2011 with 70% of having little concern that their backup and DR operations will fail in the event of a serious incident.

- Meanwhile, Dutch organizations were 25% more confident that they had the right resources (growth from 51% to 64%) and 30% more confident they had the right technologies to address backup and DR.

B) The challengers: Nordics & Swiss closing in fast on Asia

- Japan has the highest confidence in their backup and DR operations with 78% having little concern that their backup and DR operations will fail, perhaps a sign that, when put to the test, the country is largely prepared for disaster.

- Amongst this group, Hong Kong businesses struggle the most when it comes to getting support from the board. Almost a third (31%) claim their business executives are not supportive of their backup and DR strategies, an increase of 35% on the previous year (11%).

- Accounting for its comparatively higher position on the Index, Norwegian organizations are 28% more confident they have boardroom support, 33% more confident that they have enough resources, and 12% more confident that they have the necessary technologies than during the previous year.

- Similarly, Swedish organizations were 22% more confident that they have boardroom support, 42% more confident that they have enough qualified staff, and 23% more confident that they have the necessary technologies than during the previous year.

C) The middle ground: English-speaking regions fall short, again

Despite the US, UK and Australia reporting below-average confidence levels for the second consecutive year, each region has seen confidence levels improve.

Although Australia scores the lowest of the three, its confidence more than doubled in 2011 growing by 136%. Australian organizations are 36% more confident that their backup and DR operations won't fail. This increase over the previous year is supported by the facts that organizations in Australia were:

- 22% more confident that they had boardroom support;

- 32% more confident that they have enough resources;

- 39% more confident that they had the necessary technologies.

Confidence amongst US organizations improved twice as much as the UK (35% vs. 17%) and as a result the US overtook the UK in the Index rankings. However, both still have a long way to go.

D) The laggard: China

Although overall confidence amongst Chinese organizations is extremely low, the Chinese are fairly confident in some areas - 36% feel that their backup and DR is well managed and 46% believe that they have the qualified IT staff necessary to manage backup and DR. At the same time, 43% are concerned that their backup and disaster recovery operations would fail in the wake of a serious incident or event and the lack of executive support is below industry average (39%).

E) Room to grow: Brazil, France, Italy, Russia and Saudi Arabia

Of the regions surveyed last year, Italy and France remain the least confident about their backup and DR, most likely because they claim to have the least support and resources and the worst practices and processes.

They are joined in this category by Russia, Brazil and Saudi Arabia who have a lot of work to do in getting their backup and disaster recovery strategies right. India is the only BRIC member that is actually above average in confidence levels.

While Italy's confidence levels have barely shifted, France experienced one of the largest year-on-year increases in confidence of 48%. Key reasons for French confidence increasing include being:

- 12% more confident that they have enough resources;

- 21% more confident in documentation of backup and DR process and procedures.

> 78% of Japanese IT managers have little concern that their backup and DR operations will fail, perhaps a sign that when put to the test, the country is largely prepared for disaster.

Recommendations for backup and disaster recovery;
A perspective from the survey sponsor

For most businesses, a service's success is underpinned by its ability to deliver ease of use, cost effectiveness and flexibility, and by its ability to implement measures quickly enough to affect a near immediate positive impact. The fact is, few businesses today can survive a major data loss without a comprehensive backup and DR strategy in place. The longer it takes to recover due to poor tools, processes or policies, the greater the direct negative impact will be on productivity.

With IT budgets under pressure, future investment in backup and DR solutions is likely to remain flat. Businesses face a triple whammy in 2012. They need to protect more data, fund it from a shrinking budget, and do it across more environments than ever before.

The fact is that hybrid environments will continue to flourish and we will see a shift to more vendors developing multi-hypervisor and multi-environment solutions. Managing data in a hybrid world remains a challenge and some of this is down to a lack of understanding about technologies available. Companies need to make sure they have one backup and DR solution to protect their hybrid world.

To find out more about the results from the largest DR benchmark in the industry and to take the survey yourself please visit: http://acronisinfo.com

About Acronis

Acronis is a leading provider of easy-to-use disaster recovery and data protection solutions for physical, virtual and cloud environments. Its patented disk imaging technology enables corporations, SMBs and consumers to protect their digital assets. With Acronis' disaster recovery, deployment and migration software, users protect their digital information, maintain business continuity and reduce downtime. Acronis software is sold in more than 90 countries and available in up to 14 languages. For additional information, please visit **www.acronis.com. Follow Acronis on Twitter**: **http://twitter.com/acronis.**

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