

Disaster recovery/business continuity planning top spending priority, according to Forrester

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Improving disaster recovery (DR) and business continuity (BC) planning is the top spending priority for small- to medium-sized businesses (SMBs) and the No. 2 priority for enterprises, according to a recent survey of IT decision-makers conducted by Forrester Research.

More than 70% of the 1,228 SMB budget decision makers in the Forrester's "Global IT budgets, priorities, and emerging technology tracking survey Q2 2010" said upgrading disaster recovery and business continuity capabilities is likely to be a top technology priority over the next 12 months. Of 1,575 enterprise decision makers, more than 60% said DR/BC -- second in the survey behind consolidating IT infrastructure.

While 55% of the enterprise and 54% of SMB respondents said their disaster recovery and business continuity budget would be about the same this year, more forecast an increase in spending than a decrease. Among SMBs, 30% said the budget would increase 5% to 10%, and 6% said it would increase more than 10%. In the enterprise, 25% said it would increase 5% to 10%, and 7% said it would increase by more than 10%. Only 8% of SMBs and 11% of the enterprises said their budget would decrease this year.

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Stephanie Balaouras
Analyst, Forrester Research

The survey was conducted between March and May 2010.

Analyst Stephanie Balaouras, lead author of Forrester's report on the survey, wrote that the results show company leaders are taking disaster recovery more seriously than in the past.

Historically, it has been difficult to build the business case for BC/DR spending because senior executives viewed it as an expensive insurance policy for risks which no one had determined the probability or accurately assessed the impact," Balaouras wrote. "When security and risk professionals tried to highlight certain threats to the business, the common response from senior executives was, 'I know there's a risk of XYZ event, but it hasn't happened yet.'"

The report said that "misperception of BC/DR spending" is changing because organizations have become better at identifying and measuring risks, have a better understanding of economic impact of disasters and less tolerance for downtime and data loss. Also, more regulations and questions from partners and customers about disaster recovery preparedness are prompting companies to take DR more seriously.

Forrester suggested organizations planning their 2011 budget should try to spend between 6% and 7% of their overall IT budget on business continuity. This number varies by a company's recovery objectives -- a financial services firm would likely spend more and an organization with a 48-hour recovery target could spend less. The report also advises U.S. organizations to select one of three standards adopted by the Department of Homeland Security as a framework for their business continuity management program. ■