

The Trend to Internal Recovery

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Having been in this great industry of continuity and recovery for almost 30 years, I have seen many trends evolve, or come and go. One of those trends, which seems to have firmly planted itself, is the trend towards organizations migrating from a shared recovery solution to one that utilizes internal or dedicated, but in all cases, non-shared resources.

It is important to note that internal and dedicated are two versions of the same “non-shared” solution. In my opinion, internal means that a company is providing the recovery solution itself, in a company controlled facility. Dedicated, on the other hand, means that a vendor might be providing the solution, but with non-shared resources that cannot be utilized by any other firm.

Share and Share Alike

First, let’s make sure we all agree on the concepts of a “shared” recovery site. Having run several of the shared site vendor businesses, I have a pretty good perspective on this. When this industry began in earnest in 1979 and 1980, vendors such as SunGard and Comdisco offered “shared” hot sites. A shared site was one in which there was a distinct computer configuration that was available to multiple companies on a first-come, first-served basis.

There was one variation on that theme that allowed for organizations to attempt to share the resources of a single system. However, the concept of leveraging resources based on the probability that an outage would not simultaneously affect multiple firms at the same time was primarily the same. Originally, up to 100 companies could subscribe to a single computer configuration, assuming that only one would need it at a time.

The industry blossomed in the 1980s, as the existing vendors added more facilities and computer systems. IBM entered the business of shared site recovery in the late 1980s, creating more options for clients and spreading the risk of a multiple disaster event affecting multiple clients of any one vendor site. The industry also expanded on the shared computer idea with shared work area solutions.

Throughout the 1990s, the shared recovery site business flourished. Vendors expanded their offerings, adding new sites and more systems to keep up with the demand for this recovery solution. A few boutique vendors entered the business and several larger firms entered and left the

business, but essentially the model exists today as it did back then. Europe and parts of Asia/Pacific picked up on the model, and it became the de-facto standard recovery solution around the world.

The economics of the offering were attractive to thousands of companies. Rather than pay to build, equip, and staff my own recovery site, I could subscribe to a shared site at a fraction of the cost, and get a highly trained team to assist me with my testing and recovery. After all, what are the chances multiple firms would need to recover at the same time? Sounds great, and it was for a long time. I know personally that it works, and works well.

Mine and Mine Alone

So, if this tried and true and cost-effective model has worked so well in the past, why do we see a significant (32 percent by some industry surveys) move away from shared site offerings to an internal or dedicated model?

I think there are several factors that are influencing companies to consider and potentially implement dedicated or internal recovery solutions. Understanding these factors will help you determine if this trend is something you should look into.

First, business function and applications availability is becoming so critical that recovery times are now measured in minutes and hours, allowing no time to shift centers or work facilities if a multiple disaster prevents access to your shared primary center. Think about the potential logistics of re-routing your data, networks, and people over hundreds or thousands of miles, potentially in the face of compromised transportation, and you can easily see how that potential problem would impact your recovery time objective dramatically.

Second, the shrinking cost delta between a shared site offering and a dedicated site offering makes the economics of a dedicated site more attractive. Many years ago, contingency budgets were measured as being 1 to 2 percent of the IT budget. Today, as companies are placing specialized equipment into vendor sites to augment shared equipment; providing dedicated network connections into shared sites; and spending significant sums to provide dedicated storage and networks to support mirroring or replication, the cost differential can be surprisingly closer.

Third, the increased risk of a multiple client event, as the number of shared sites remains fairly static and the number

of clients increases, has many organizations concerned about their ability to gain access when they need it. As more and more of the larger clients go internal, greater numbers of smaller firms take their place, potentially increasing the risk of someone declaring before you can. You may be offered a secondary site, but you need to understand ahead of time what those options are and whether the secondary site meets all of your equipment, network, and other needs.

Fourth, the trend towards electronic data protection (mirroring, replication) solutions and the inherent risk of having your dedicated data reliant on access to shared servers or processors is gaining the attention of clients. It is not as easy to move your data when it is spinning on disks as it is in a traditional tape-based recovery scenario. Most people have not considered this increased risk when they build their strategies, but I believe the time will come when a client finds their data as an island, potentially hundreds or thousands of miles from the processors required to support it, while the processors they counted on are serving another client. Think how that will impact your recovery time!

Fifth, the availability of multiple data centers as a result of mergers, acquisitions, or technology footprint downsizing has freed up facilities and space that can be repurposed for internal recovery solutions. Many organizations are looking for reasons to use facilities, and continuity can be a compelling option.

In addition to these reasons, there is another major trend that has many organizations considering a move to an internal or dedicated solution. That trend, defined as the move towards building resiliency into the production operations of an organization, often finds companies building recoverability into their IT architecture, rather than adding it on. We'll explore this trend towards resiliency in my next column. **CI**

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