MAJOR INCIDENT MANAGEMENT TRENDS
Introduction

Reliance on digital infrastructures has dramatically increased the impact and frequency of major incidents. In fact, more than 90% of large businesses report major incidents occur at least several times a year and nearly 60% report major incidents occur at least monthly. A survey of more than 400 IT professionals reveals that IT and business leaders within individual companies are mostly aligned on what constitutes major incidents and how to resolve them. However, standard definitions and processes are lacking between companies and across industries. Without these standards, IT departments lack benchmarks and best practices to help drive improvements.

A more complete picture reveals itself when we combine our recent survey results with our customers’ experience and our own expertise. In this report we will attempt to put the results of the latest survey in context for better analysis.

Key Findings

Only 52% of companies have a major incident team

Only 44% of companies staff major incident teams with dedicated personnel

In the absence of a major incident team, various roles lead the major incident response

76% of business stakeholders are tolerant that major incidents are an unavoidable fact of business

87% say executives must be informed during major incidents

64% have target resolution times

76% frequently miss those target resolution times
Industry Standards

Businesses do recognize the importance of rapid and effective response to major incidents. However, they differ in how they define a major incident and organize response teams.

A number of factors determine whether an event rises to the level of a major incident.

Numerous Factors Determine When an Incident Becomes a Major Incident

For your company what factors determine whether an incident is classified as a Major Incident?

Most respondents still choose traditional indicators like length of an outage and customer impact. However, some of our customers recognize even degraded service or specific system outages as major incidents, and these views are reflected in the results as well.
Barely half of companies have a major incident team, and our survey respondents bear out that a major incident team is still not universally the norm. Aligning with what customers and other businesses tell us, larger companies are more likely to have major incident teams.

Only 52% of Companies Have a Major Incident Team

Does your company have a Major Incident Management team?

Company Size vs. Major Incident Team Y/N

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<tr>
<th>Company Size</th>
<th>Yes</th>
<th>No</th>
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<tbody>
<tr>
<td>All</td>
<td>52%</td>
<td>48%</td>
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<td>500 - 1,000</td>
<td>41%</td>
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<td>1,000 - 5,000</td>
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<td>5,000 - 10,000</td>
<td>67%</td>
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<tr>
<td>More than 10,000</td>
<td>67%</td>
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For companies without a major incident team, leadership falls to any number of roles, including IT operations and IT executives. Interestingly, all responses were in the IT department but only a quarter indicated the IT service desk.

The size of major incident teams varied as well, but 80% of teams in our survey have 10 employees or fewer. However, fewer than half the businesses in our survey have dedicated personnel on their major incident teams.

In keeping with our customers, though, the result varies by company size and bigger companies are more likely to have employees dedicated to major incident management.

In the Absence of Dedicated Team Various Roles Lead the Major Incident Response

For those members of the Major Incident Management team, how many have this as a full time role?

Only 44% of Companies Staff Major Incident Teams with Dedicated Personnel

For those members of the Major Incident Management team, how many have this as a full time role?
Company Size vs. MIM Team Being a Full-Time Role

Major Incident Response

Many IT executives, managers, and employees are assessed based on their ability to limit the number, duration, and severity of incidents. Most companies in our survey have SLAs in place, but many report that they breach their SLAs regularly.

Nearly two-thirds of respondents have SLAs, but the time frames target resolution times vary. However, more than 75% of respondents say they exceed their SLAs.

64% Have Target Resolution Times

Are there specified target times to resolve a Major Incident?
Wide Range of Resolution Target Times for Major Incidents

How fast are the target times to resolve a Major Incident?

76% Frequently Miss Target Resolution Times

How often are resolution targets missed?
Most companies report several major incidents a year, but results vary by company size. For instance, 51% of companies with 5,000 to 10,000 employees and 30% of companies with more than 10,000 employees report a major incident at least monthly.

Some of our larger clients report several major incidents per week, and the discrepancy could be a result of different definitions of a major incident.

Company Size vs. # of Major Incidents

Automated notification platforms are fairly popular, but we were surprised that more than half use manual communication methods.

Again, though, larger companies are more likely to use automated notifications. Nearly two-thirds of companies with at least 5,000 employees report using an automated notification platform.

Regardless of the system, 40% of respondents send mass notifications to everyone in IT instead of to specific resolution team members.

It’s no wonder that companies are automating their notifications, especially since more than 82% of respondents say business application downtime significantly affects revenue. To be honest, this was kind of a no-brainer response because many of our customers consider revenue risk a major factor in declaring a major incident.
Less Than Half Use an Automated Communications Platform For Notification

How are IT team members notified in the case of a major incident?

Almost Half of Companies Use Mass Notifications for Major Incidents

Which best describes your company’s notification process for a major incident?

82% Confirmed Downtime Equals Revenue Risk

For your company, does business application downtime have a significant impact on revenue?
Companies Do Have Areas of Agreement

Definitions and opinions vary widely across industries and business areas, but they seem pretty well aligned within individual companies. This is a promising trend because aligned lines of business can only help companies resolve major incidents faster.

Over 80% of respondents say IT and the business are aligned on what constitutes a major incident. There is even stronger agreement on the need for IT to keep the business informed during a major incident.

In fact, executives accept that major incidents are a fact of doing business, but they have no tolerance for being left in the dark while incidents are happening.

In relating to the question about what constitutes a major incident, nearly 100% of respondents said service outage or security breach. But more than half of respondents also included intermittent service outages, and a large minority pointed to service degradation, a sign of lower tolerance for anything below optimal service.

More than 75% of business stakeholders accept that major incidents occur. In fact, they voice more frustration over lack of communication during a major incident than they do for the occurrence of a major incident.

82% Say IT and Business are Aligned

In your opinion are the IT teams and the business aligned on what constitutes a Major Incident?
Outages and Security Breaches Are Major Incidents, as is Basic Service Interruptions

For your company which of the following are considered Major Incidents?

- Service outage: 98%
- Security breach: 95%
- Intermittent service availability: 52%
- Performance degradation: 42%

87% Stated The Business Must Be Informed During Major Incidents

Are business stakeholders and management OK with being kept completely in the dark until Major Incident is fully resolved?

- Yes, the business is willing to patiently wait: 13%
- No, the business demands regular status updates: 87%
Businesses are More Frustrated about Lack of Information Than the Actual Incident

In your experience which of the following is more frustrating to the business stakeholders?

- Lack of timely communication during the Major Incident 56%
- The occurrence of a Major Incident 44%

Conclusion

IT departments have been concerned with major incident management for many years, but it’s a new and maturing area of focus for business leaders. As companies find their own way and create their own definitions and processes, it’s only natural that they won’t always agree.

By peeking behind the curtain, we learn that executives have come to grips with the occurrence of major incidents, but they insist on effective communication. Over the next few years, we expect more definitions to become standardized. Right now there is no one right way to organize teams or resolve major incidents.

Hopefully these findings give you a look where you stand in relation to your peers.
Methodology and Participants

### Size

- More than 10,000: 24%
- 5,000 - 10,000: 14%
- 1,000 - 5,000: 36%
- 500 - 1,000: 26%
- 250 or less: 15%

### Industry

- Financial Services: 16%
- Manufacturing: 16%
- Technology: 16%
- Healthcare: 13%
- Education: 9%
- Services: 7%
- Energy and Utilities: 5%
- Transportation: 4%
- Retail: 3%
- Telecommunications: 2%
- Non-profit: 2%
- Hospitality: 1%
- Other: 7%

### Location

- United States or Canada: 80%
- Europe: 10%
- Australia or New Zealand: 3%
- Mexico, Central America, or South America: 2%
- Asia: 4%
- Middle East or Africa: 1%
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Participant Demographics

Role with IT

- I am a front-line IT or technology professional: 64%
- I manage a team of IT or technology professionals: 36%

About Us

xMatters’ cloud-based solutions enable any business process or application to trigger two-way communications (text, voice, email, etc.) throughout the extended enterprise during time-sensitive events. With over a decade of experience in rapid communication, xMatters serves more than 1,000 leading global firms to ensure business operations run smoothly and effectively during incidents such as IT failures, product recalls, natural disasters, dynamic staffing, service outages, medical emergencies and supply-chain disruption. xMatters is headquartered in San Ramon, CA with additional offices in London and Sydney.