

The Value of Proactive Application Performance

Micro Focus® Network Virtualization customer survey result

What Was the Average Number of Production Incidents Requiring Remediation Per Month before Deploying Network Virtualization Software?

The average among all responses was five incidents per month. Over 50 percent of the respondents indicated the need to remediate at least four production incidents per month. 20 percent of respondents indicated the need to remediate between seven and 15 production incidents per month.

What Was the Average Number of Production Incidents Requiring Remediation Per Month after Deploying Network Virtualization Software?

The average number of incidents occurring in production and requiring remediation after deploying Network Virtualization software is 3.7. Two-thirds (66 percent) of the respondents indicated the need to remediate three or fewer incidents after deploying Network Virtualization software.

The greatest differential reported was a reduction of five network performance incidents per month. Nearly one-third of respondents (30 percent) reported that they have for Micro Focus; and among that 30 percent, the average reduction was 4.4 incidents per month.

of incidents per month before deploying Network Virtualization

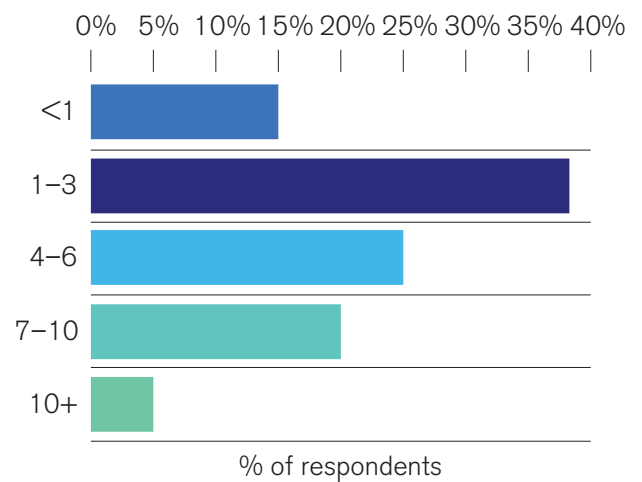


Figure 1. Average number of production incidents requiring remediation per month before deployment

of incidents per month after deploying Network Virtualization

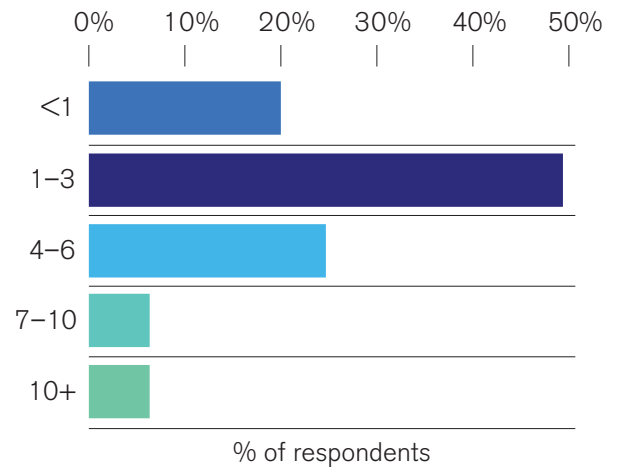


Figure 2. Average number of production incidents requiring remediation per month after deployment

How Many Days on Average Does It Take to Resolve a Production Incident?

The average number of days required to resolve a production incident was six. Nearly half of respondents (48 percent) reported it took three or fewer days. 35 percent reported time to resolution of at least seven days, and the highest estimate was 30 days.

How Many People Are Typically Involved in Resolving Application Performance Incidents?

The average number of people involved in resolving application performance incidents was seven. 40 percent of respondents indicated that at least seven people were required. The minimum reported was four, and the highest number reported was 20.

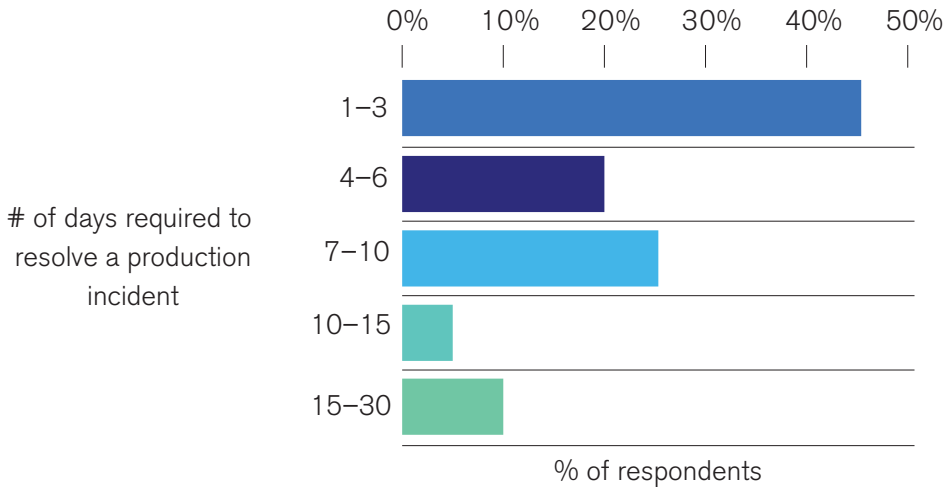


Figure 3. Average number of days required to resolve a production incident

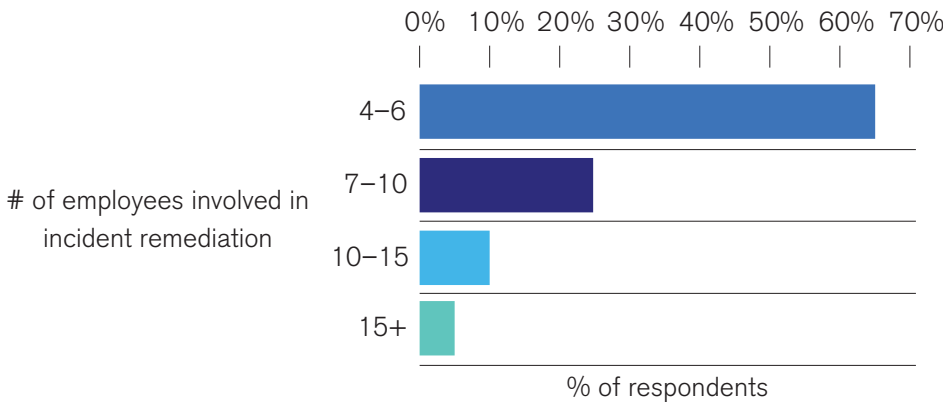
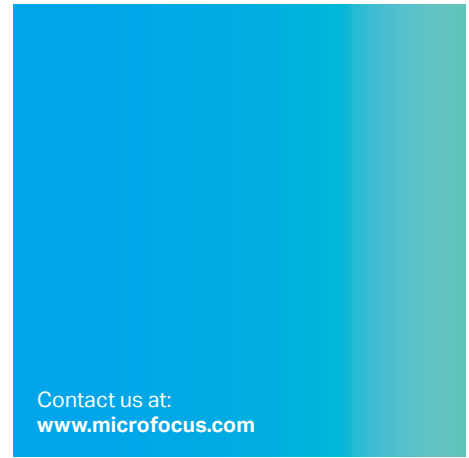


Figure 4. Average number of people involved in resolving application performance incidents (Note: Based on a survey size of 50 companies).

What Is the Cost to Remediate a Production Incident?

Remediation costs alone were estimated at anywhere from \$33,000 USD to \$142,000 USD per incident. The average of all responses was \$88,000 USD, and the highest reported cost was \$500,000 USD. It is important to note that this is the remediation cost alone; it is not an accounting of the total impact on the business.

Industry analysts, like Forrester, EMA, and others, agree that the average cost to a business of a production incident can exceed \$45,000 USD per hour. This cost includes multiple factors that impact the business, including the cost of resources to resolve the issue along with the impact of the issue on business factors like revenue, employee productivity, and customer satisfaction. The impact to the business'



bottom line varies on the function and criticality of the affected application.

Return on Investment

Based on the information collected, and the average cost of a production incident as reported by industry analysts, Network Virtualization software is helping customers save between \$468,000 USD (for an incident that requires one day to remediate) to \$2.8 million USD (for an incident which takes six days to remediate) per month.

Assumptions

- This calculation is based on the average reduction in production incidents requiring remediation of 1.3 incidents per month after deploying Network Virtualization software.
- Based on the analyst-reported \$45,000 USD per hour cost of a production incident, the fact that the average incident requires six days to remediate, and an assumption that the impact on business is only eight hours per day, we come to a number of \$2,160,000 USD in avoided costs for every production issue avoided.
- If we are conservative and assume only one day is required to remediate the problem, instead of six days, we find each avoided production incident equates to \$360,000 USD.
- In addition, with a three-day average remediation, each avoided incident equates to \$1,080,000 USD saved.

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