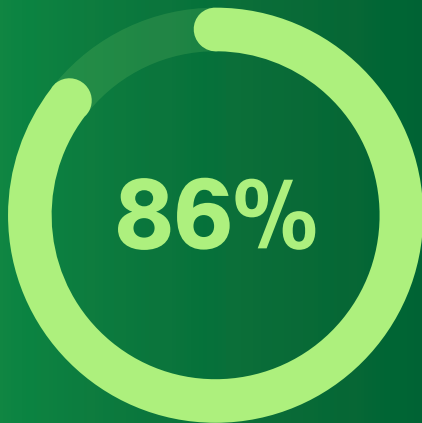


Not 'if' but 'when': 88% of execs expect an incident as large as the July global IT outage within the next year

Global survey: 86% believe companies are not focused enough on service disruptions, too much on security

In today's digitally connected world, IT outages are at best an inconvenience and at worst disastrous incidents. They can be caused by everything from cyberattacks to power outages to human error, and can be extremely costly, robbing companies of money, morale, and data integrity. **A recent survey of 1,000 IT and business executives with a minimum seniority of director conducted by Wakefield Research for PagerDuty revealed that 88% believe another major incident as large as the July global IT outage will occur in the next 12 months.** Further, a strong majority in the U.K. (91%), U.S. (89%), Australia (88%), and Japan (78%) believe that it's not a matter of "if" but "when" service disruptions happen and how prepared they are to handle them. This puts the onus on companies to not only try to prevent these incidents, but to have plans in place for mitigating the damages.

Not enough focus on resilience



of executives now realize that they've been prioritizing security at the expense of readiness for service disruptions.

Course correcting. The silver lining of the July global IT outage could be that it was a learning experience. **86% of executives now realize that they've been prioritizing security at the expense of readiness for service disruptions.** The reality is that a focus on preventing service disruptions, which can often be security-related, is imperative for organizations today. Preparedness in terms of people, process and culture is key to ensuring disruptions are minimized to limit revenue and reputational harm.

New attitude. The acknowledgement that security has been prioritized over service disruptions means executives are making changes within the company. **A majority (55%) have observed a mindset shift towards continually evaluating and improving preparedness instead of a one-time move into investments in new systems or protocols which are now complete (45%).** This is consistent regardless of market (57% U.K., 56% Australia, 54% U.S., and 54% Japan) or function (56% IT executives and 55% business executives).

Inevitable incidents



of executives believe another major incident will occur in the next 12 months.*

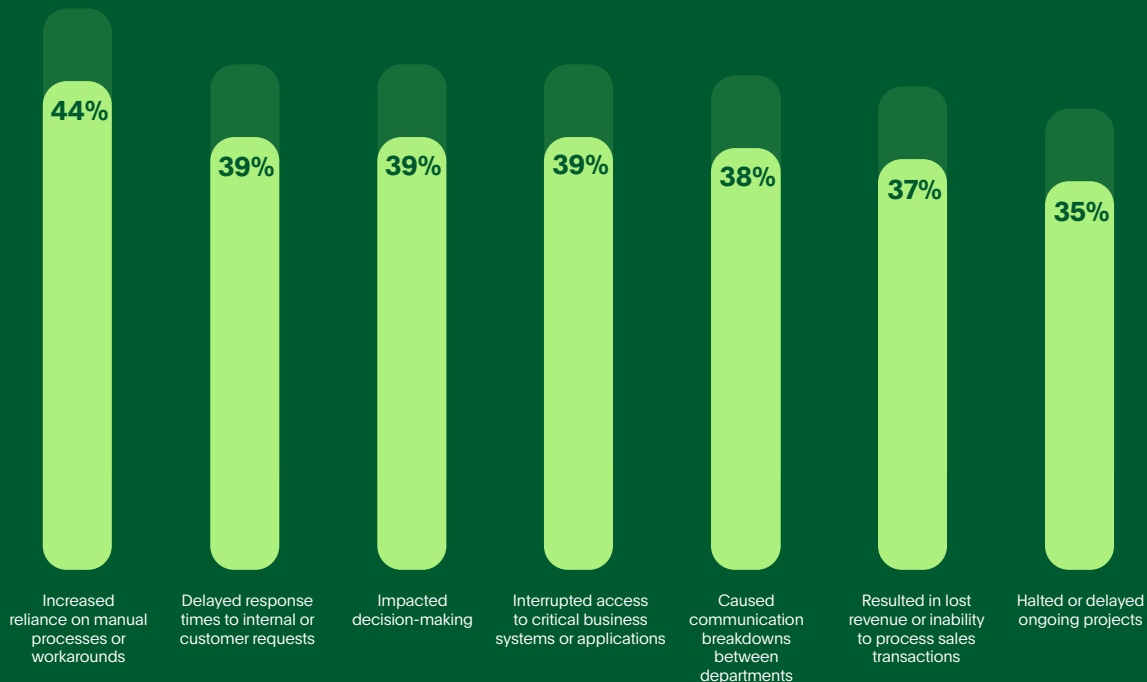
*Asked among 1,000 IT and Business executives, with a minimum seniority of Director, at companies with a minimum annual revenue of \$500M USD, in the following 4 markets: U.S., U.K., Australia and Japan.

Monetary loss. As executives work towards solutions, they are taking stock of the damage the July global IT outage caused in many areas of business. **For more than a third (37%), it resulted in lost revenue or an inability to process sales transactions.** But it wasn't just a loss of revenue that turned companies upside down, the major outage also meant delayed response times to customer or internal requests (39%).

Wreaking havoc. Global outages aren't just a financial burden, they can also affect employee morale. **Nearly all of the executives surveyed believe such incidents are disruptive to their teams (Japanese 96%, U.K. 95%, U.S. 93%, and Australian 88%), with 9% overall calling them severely disruptive.** Among those impacted by service outages, there were communication breakdowns between departments (38%), delays in workflow and projects put on hold (35%). Overall, 39% of executives saw an impact on decision-making.

Critical consequences

How teams were affected by the July IT outage



*Asked among 1,000 IT and Business executives, with a minimum seniority of Director, at companies with a minimum annual revenue of \$500M USD, in the following 4 markets: U.S., U.K., Australia and Japan.

The fallout. For many who experienced disruptions during service incidents, the July IT outage meant a return to the old ways of doing things as 39% observed interrupted access to critical business systems or applications. **44% saw increased reliance on manual processes or workarounds following the incident, showing just how much organizations rely on digital tools.**

System failure. Inefficient processes and data silos continue to slow down incident response and service restoration. During incidents, responders need to have information available immediately, such as identifying contributing factors and diagnostics in a safe and secure environment. While major IT incidents cause chaos, 71% of executives across key markets agree that certain factors could make them even worse. **Nearly half in the U.S. (48%), Australia (48%), and the U.K. (47%), along with a majority in Japan (53%) believe that limited access to real-time data tools will further hinder their organizations during an outage, if approaches to service disruption are not prioritized.**

Tech Debt and Complexity. The technology footprint of organizations continues to grow increasingly complex as new applications and services are built on top of old ones, resulting in numerous interdependencies across the stack. Many executives point to outdated technology or software as another critical vulnerability — 50% of executives in Australia, followed by 44% in the U.S., 42% in Japan, and 38% in the U.K..

Caught off guard. A major IT outage is one surprise party no one wants an invite to. A significant 83% of business and IT executives admit the July global IT outage caught them off guard, exposing gaps in their preparedness for service disruptions. **Executives in the U.K. (89%) admit to being surprised more than those in the U.S. (84%) and notably, those in Japan (80%) and Australia (77%).** How they move forward with this knowledge will be key in determining future failures or successes.

Marked unprepared. There is a greater awareness among IT leaders about the risks of inadequate preparation. **Nearly half of IT executives (47%) believe that insufficient incident management planning will exacerbate the impact of major IT outages on their organizations, a concern shared by 41% of business executives, if approaches to service disruption are not prioritized.** However, when it comes to neglecting business continuity planning, 43% of both IT and business executives agree that oversights like this would worsen the effects of major IT outages.

More than 80% of business and IT executives admitted that the July global IT outage caught them off guard, exposing gaps in their preparedness for service disruptions.





Spotlight 1: Replaced by AI?

Service disruptions remain a critical concern for executives globally. The vast majority (84%) acknowledge that consequences of these outages can't be fully mitigated, including 90% in Japan, 87% in the U.S., 81% in the U.K., and 78% in Australia.

When it comes to strategies for prevention and mitigation, opinions diverge. In Australia (58%), Japan (57%), and the U.K. (52%), most executives favor using AI tools for proactive prevention over working with an incident management expert.

However, executives in the U.S. are evenly divided, with 50% preferring AI tools and 50% favoring expert collaboration, signaling the sentiment that executives still see value in human involvement. These results also reveal a consensus on the gravity of service disruptions, paired with varied approaches to addressing them effectively.



Spotlight 2: Preparation is key

Recent major IT outages, like the global incident in July, have shifted leadership priorities, with 100% of IT and business executives reporting a heightened focus on preparing for future service disruptions.

One key area of action has been increasing budgets for technology solutions (41%). **Executives in Japan (49%) have seen an increase in the budget more than their counterparts in Australia (40%), the U.K. (38%), and U.S. (37%).**

Beyond financial investment, many leaders are also improving communication about preparedness protocols. Executives in Australia (41%), the U.K. (37%), and the U.S. (37%) report increased communication frequency, a contrast to Japan, where only 28% have seen this change.

While Japan is particularly focused on bolstering budgets for technology compared to Australia, the U.K., and the U.S., these three markets are making it a priority to ensure their teams are well-informed and ready to respond.

Methodological notes

The PagerDuty IT Outages Survey was conducted by Wakefield Research (www.wakefieldresearch.com) among 1,000 IT and Business Executives, with a minimum seniority of Director, at companies with a minimum annual revenue of \$500m USD. The research was conducted in the following 4 markets: U.S., U.K., Australia and Japan with a quota set for 250 respondents per market, within each market a 50/50 quota was set for IT Executives and Business Executives, between October 28th and November 4th, 2024, using an email invitation and an online survey.

Results of any sample are subject to sampling variation. The magnitude of the variation is measurable and is affected by the number of interviews and the level of the percentages expressing the results. For the interviews conducted in this particular study, the chances are 95 in 100 that a survey result does not vary, plus or minus, by more than 3.1 percentage points in the global sample, and 6.2 percentage points in each market from the result that would be obtained if interviews had been conducted with all persons in the universe represented by the sample.