

PagerDuty Survey Reveals Customer-Facing Incidents Increased by 43% During the Past Year, Each Incident Costs Nearly \$800,000

6/27/2024

The average incident takes nearly three hours to resolve and rising costs of incidents are largely compounded by lack of automation

90% of IT leaders reported that outages or disruptions have reduced customer trust in their organization

LONDON--(BUSINESS WIRE)-- **PagerDuty On Tour - PagerDuty, Inc. (NYSE:PD)**, a global leader in digital operations management, today released a **study** of 500 IT leaders and decision-makers of companies with more than 1,000 employees responsible for IT operations from the United States, the United Kingdom and Australia, that highlights the growing impacts of customer-facing incidents and the ways automation can help mitigate. The findings illustrate the significant length and cost of incidents: the average incident takes nearly three hours to resolve (175 minutes) while the estimated cost of downtime is \$4,537 per minute, meaning each incident can cost nearly \$794,000. As respondents' organizations saw an average of 25 high-priority/priority incidents in the last 12 months, the cumulative costs add up to just under \$20 million per year, per organization.

These are some of the results from a study of 500 IT leaders and decision-makers of companies with more than 1,000 employees responsible for IT operations from the United States, the United Kingdom and Australia, that highlights the growing impacts of customer-facing incidents and the ways automation can help mitigate. (Graphic: Business Wire)

“PagerDuty’s global survey found that incidents have been driven by increased complexity, rapid expansion of digital services and insufficient investment in IT

infrastructure maintenance,” said Eric Johnson, chief information officer at PagerDuty. “The costs of these incidents are significant both financially and in lost consumer trust, which is why companies need to invest in automation to mitigate the risk and shorten the time an incident lasts. Investing in automation needs to be at the top of IT leaders’ priority lists.”

Other key findings of the data include:

- Over half (59%) of IT leaders say that customer-impacting incidents have increased, growing by an average of 43% in the last 12 months.
 - 78% of IT leaders in travel say customer-impacting incidents have increased.
 - 68% of IT leaders in finance say customer-impacting incidents have increased.
- Organizations with at least five manual processes in incident response incurred \$30.4M in annual costs of customer-facing outages vs. \$16.8M for those with at least five processes fully automated.
- 69% of IT leaders say the board and management are failing to invest in protecting customer trust when outages occur.
- Nearly a quarter (24%) of IT leaders reported outages negatively impacting share prices.
- More than 1/3 (35%) of IT leaders have seen higher levels of employee burnout.
- More than 70% of IT leaders report that remediation, mobilizing responders, collaboration between teams and internal communications with stakeholders are yet to be fully automated.

Digital incidents continue to rise in number, last longer and cost more, but organizations are also understanding the critical role automation can play. 86% of IT leaders surveyed say that their organization is making strides towards fully automating the end-to-end incident response process.

“Digital incidents occur, and front-line responders are too often hindered in their ability to resolve incidents quickly due to fragmented IT environments, inadequate processes and inability to identify the right responders,” said Jeffrey Hausman, chief product development officer at PagerDuty. “Automation can be a key enabler in achieving resilience in these increasingly complex environments. With automation built into the **PagerDuty Operations Cloud**, businesses can streamline repeatable, critical work across incident response and service management to reduce the staggering financial costs of incidents.”

The survey was conducted online between May 31, 2024 and June 6, 2024 by Censuswide on behalf of PagerDuty. All survey findings and methodology are available **here**.

PagerDuty on Tour 2024

PagerDuty on Tour is a series of global events convening business leaders, technologists, DevOps practitioners, site reliability engineers and more. PagerDuty on Tour London will take place today, June 27 at The Ned, and in Sydney on July 31, and Tokyo on August 6. You can register for the event here: <https://www.pagerduty.com/ontour/>

About PagerDuty Inc.

PagerDuty, Inc. (NYSE:PD) is a global leader in digital operations management, enabling customers to achieve operational efficiency at scale with the PagerDuty Operations Cloud. The PagerDuty Operations Cloud combines AIOps, Automation, Customer Service Operations and Incident Management with a powerful generative AI assistant to create a flexible, resilient and scalable platform to increase innovation velocity, grow revenue, reduce cost, and mitigate the risk of operational failure. More than half of the Fortune 500 and nearly 70% of the Fortune 100 rely on PagerDuty as essential infrastructure for the modern enterprise. To learn more and try PagerDuty for free, visit www.pagerduty.com.

The PagerDuty Operations Cloud

The PagerDuty Operations Cloud is the platform for mission-critical, time-critical operations work in the modern enterprise. Through the power of AI and automation, it detects and diagnoses disruptive events, mobilizes the right team members to respond, and streamlines infrastructure and workflows across your digital operations. The Operations Cloud is essential infrastructure for revolutionizing digital operations to compete and win as a modern digital business.

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Source: PagerDuty, Inc.