

# Second annual IT disaster and cyber recovery trends and insights report

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In 2024, **72%** of organizations experienced IT service outages, many recognize the need to increase investment in automation, and think AI will have a positive impact on IT disaster recovery.

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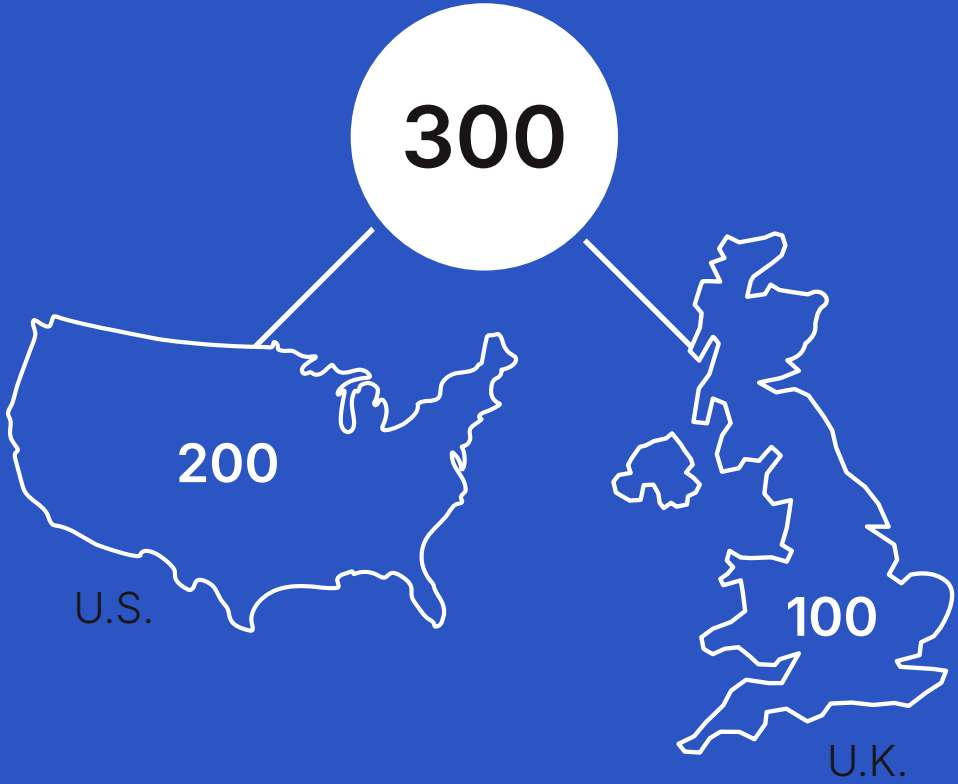
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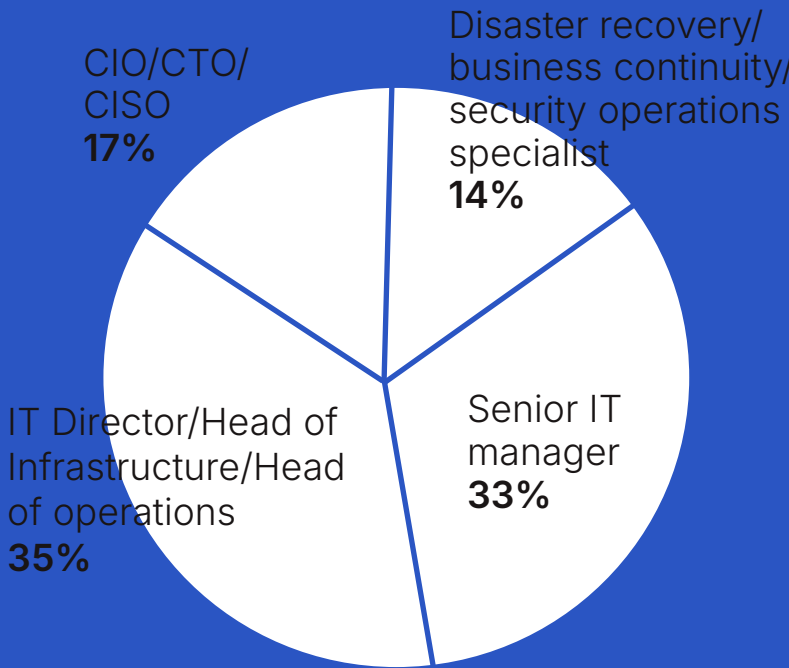
# About this report

The “Second annual IT disaster and cyber recovery trends and insights report” is written by Cutover, supported by Insight Avenue. The report’s findings are rooted in a survey of IT decision makers and influencers at major corporations, conducted in April and May of 2024. The 300 respondents represent 10 sectors (financial services, technology, manufacturing, health-care, transportation, energy, public sector, telecommunications, pharmaceutical and media) and two countries (U.S. and U.K.). More than half are Director level or C level with the remainder working as senior managers, or disaster recovery specialists. Over one-quarter work in enterprises with 10,000 or more employees and the remainder work in mid-size (1,000-4,999 employees) to large (5,000-5,999 employees) businesses. The report supplements the survey findings with secondary research. Cutover would like to thank the participants for their time and insights.

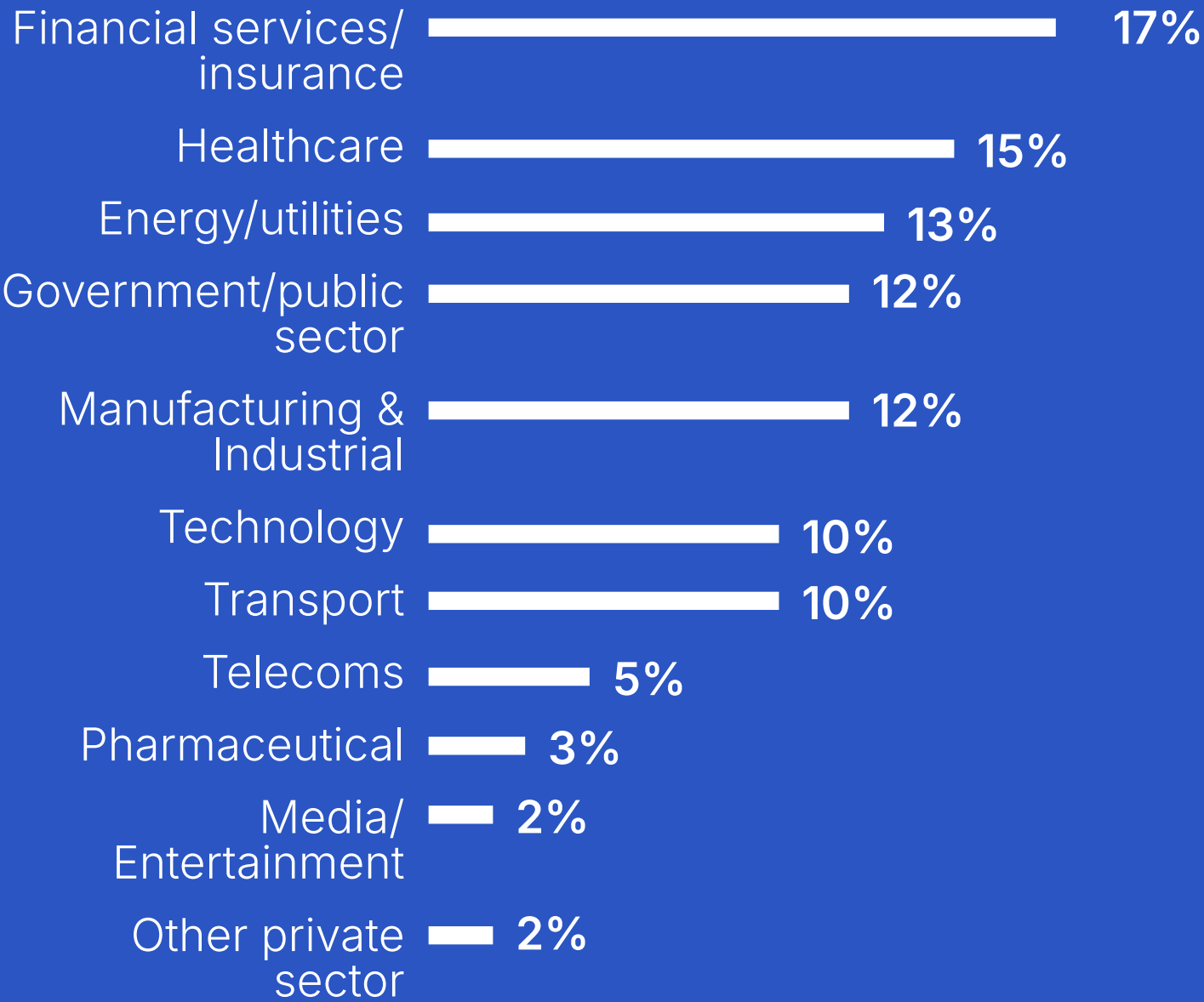
## RESPONDENTS



## JOB FUNCTION / ROLE



## INDUSTRY SECTOR



## NUMBER OF EMPLOYEES



# Executive summary

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Most enterprises have experienced some degree of IT-related business disruption in the last 12 months.

While most organizations are taking advantage of the benefits of cloud hosting, this hasn't necessarily led to less disruption. In fact, our research shows that enterprises face an increase in service disruption related to cloud architecture as well as cyber attacks.

Cutover, supported by Insight Avenue, conducted a survey of IT executives, decision makers and influencers located in the U.S. and U.K. Our research found that:

## Outages continue to increase while full recovery for businesses slows

This year the trend continues with enterprises seeing both an increase in outages and thinking that outages take longer to fully recover from. 83% of enterprises believe that cloud architecture outages take longer to fully recover from now compared to last year.

## The cloud creates resilience confidence, but doesn't always deliver on potential

IT disaster recovery continues to be a key focus when operating in the cloud. While organizations believe that operating in the cloud makes them more resilient, cloud architecture outages are still cited as the most common form of outage. However, only 52% of enterprises use multi-site active/active architectures for mission-critical or tier-one applications.

## Outdated IT disaster recovery: A major business risk, yet plans left on autopilot

While most businesses [69%] are aware of the significant risks of outdated disaster recovery procedures, one-third are still not evaluating or updating their DR plans regularly. Similar to 2023, the top two biggest risks of outdated DR procedures are increased vulnerability to cyber attacks and ongoing and intensifying problems due to continued failures. Unlike last year, however, the third biggest risk this year is a people issue: unnecessary pressure and stress put on the IT team.

## IT DR automation is on the rise but skills gaps are a concern

82% of organizations recognize they need to increase investment in IT disaster recovery automation, but cite various barriers. Nearly half of organizations [45%] cite a lack of the skills needed to support a more automated approach as the key barrier to automating DR.

## AI for IT DR excitement dampened by lack of skills, high costs and data concerns

AI is taking every industry and facet of IT by storm, including disaster recovery. The survey shows that 75% of businesses anticipate that AI will transform DR - both in the design and execution of plans. Before incorporating AI and machine learning into DR processes, organizations are considering many different criteria, with the lack of AI skills internally as the top consideration.

# Introduction



Companies continue to adapt to the ongoing changes and volatility in global markets. While IT spending may not be increasing<sup>1</sup>, businesses are still looking to embrace emerging technologies, like artificial intelligence (AI) and machine learning (ML). While AI is being inserted into technologies across the board and bringing widespread innovation, businesses are considering the impacts and barriers to incorporat-

respondents said they have experienced some degree of IT-related business disruption in the last 12 months. The increase in IT service disruptions and outages is correlated to cloud architecture and cyber attacks and, to a lesser degree, on-premises architecture. Most IT executives expressed concern about recovering from different technology scenarios including cyber attacks, software failures, network outages and more.

of businesses say there are significant associated risks to their businesses due to outdated disaster recovery processes. Despite the risks, businesses aren't keeping pace with consistently reviewing and updating their plans. As a result, businesses are looking to automation and emerging

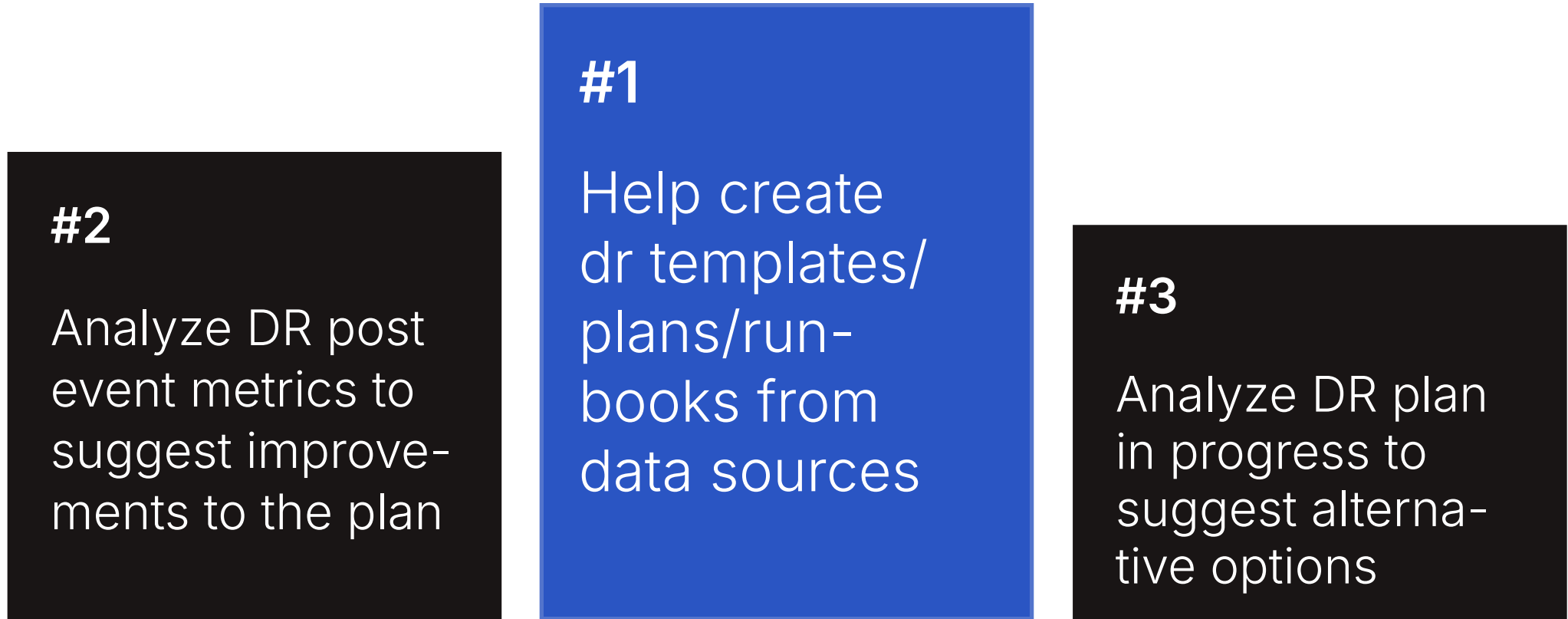
technologies. AI is top of mind for businesses, with over three-quarters of them thinking that AI will transform the design and execution of IT disaster recovery plans. Overall, most are excited about the opportunities AI will bring to disaster recovery.

89% are concerned about recovering from a cyber attack

ing it into their IT disaster recovery processes. In this survey of U.S. and U.K. technology executives, 72% of

The trend continues this year with only 13% of businesses constantly reviewing and updating their disaster recovery plans. However, 69%

In what ways do you expect AI and machine learning will impact DR processes in the next 2-3 years?



Outages continue  
to increase while  
full recovery for  
businesses slow



**70%** of organizations experienced an increase in cloud architecture service disruptions or outages in the last 12 months.

Similar to last year, enterprises indicate an increase in outages, particularly from cloud architecture and cyber attacks. While multiple factors may contribute to technology outages and a need for improved resilience, more than half [53%] of enterprises indicate IT skills shortages in the business as the leading contributing factor.

So it's not just a technology issue, it's also a people issue - and not just for outages. Many enterprises [45%] also state that skills are needed to support a more

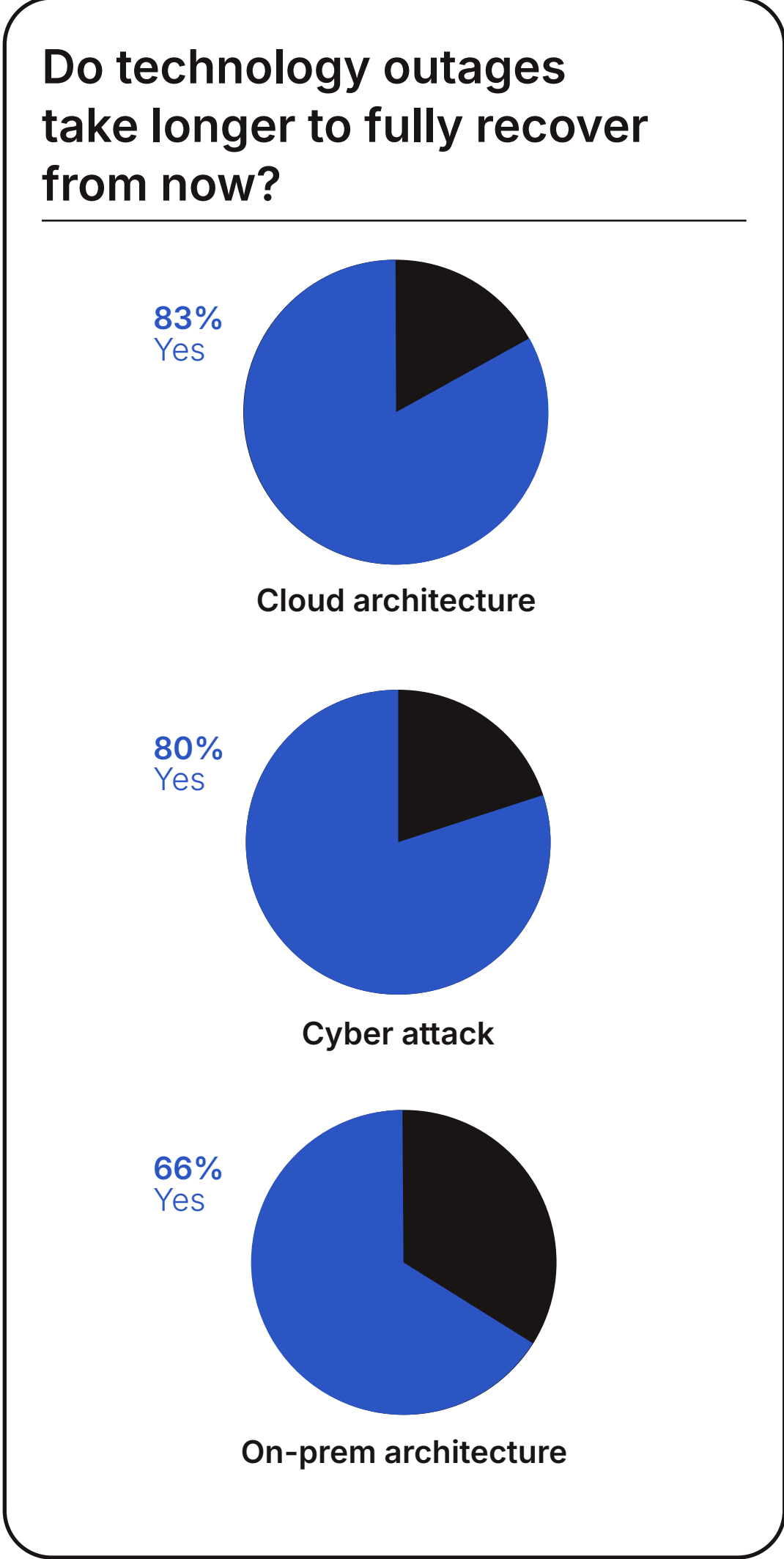
automated approach to IT disaster recovery. Furthermore, the lack of AI skills internally is the number one key consideration when incorporating AI and machine learning into disaster recovery processes.

While technology outages are increasing, the majority of organizations also think the outages take longer to fully recover from. 83%

of enterprises believe that cloud architecture outages take longer to fully recover from now.

**Similar to last year [2023], organizations are still concerned about recovering from multiple types of technology disaster scenarios. This includes:**

- Cyber attacks [89%]
- Network outages [83%]
- Outages caused by human error [80%]
- Software failures [77%]
- Machine or hardware failures [75%]
- Power outages [73%]



The cloud  
brings resilience  
confidence, but  
doesn't always  
deliver on potential



Similar to last year, disaster recovery is a key focus when operating in the cloud. While organizations believe that operating in the cloud makes them more rather than less resilient, cloud architecture outages are cited as the most common form of outage.

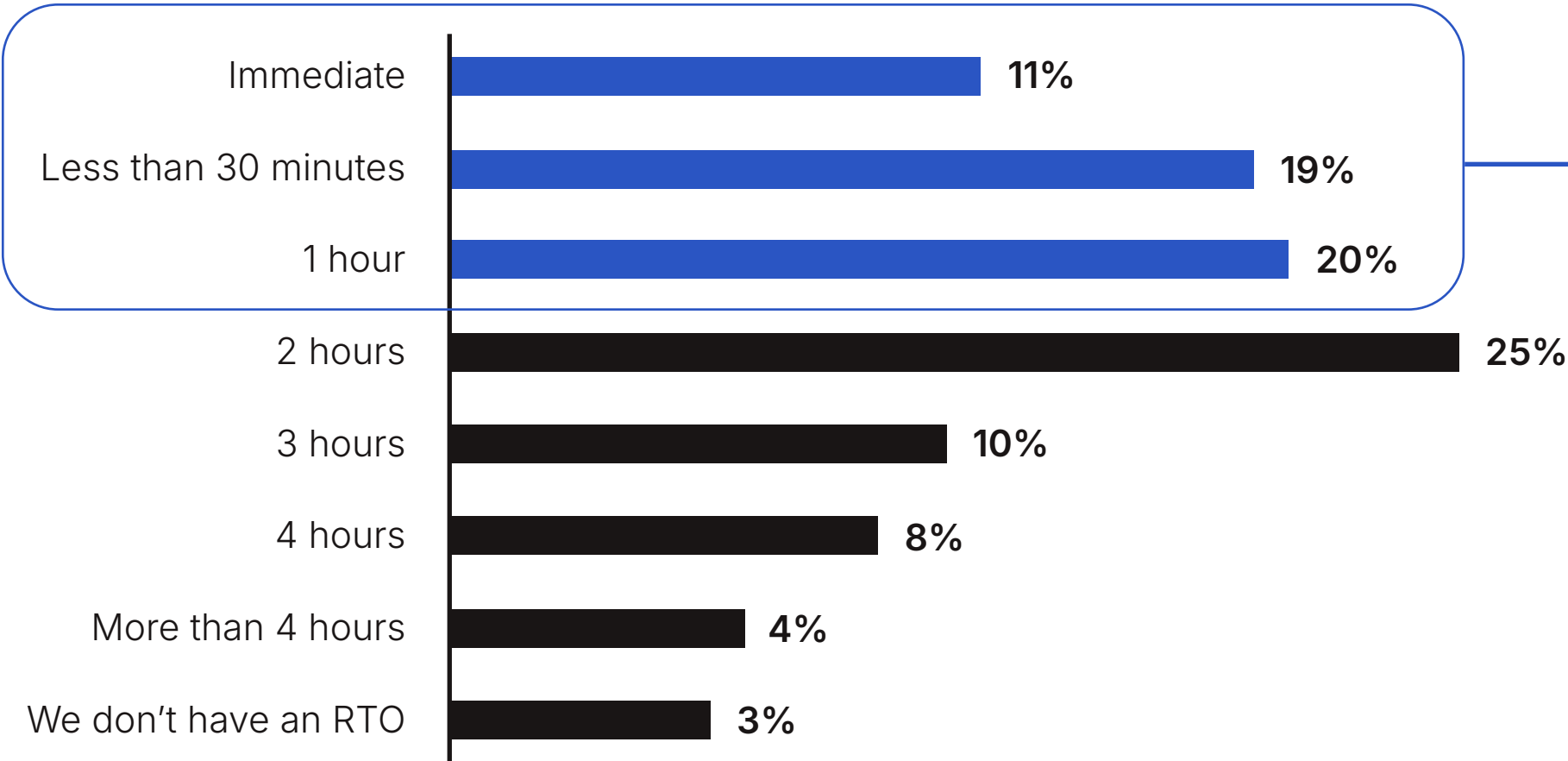
On a positive note, enterprises struggle less to adapt DR plans from on-premises environments to the cloud - 65% in 2023 compared to 55% now. This 10 percentage point reduction is coupled with a 12 percentage point increase in organizations saying that recovery time objectives (RTOs) for mission-critical applications are one hour or less [38% in 2023 and 50% now]. However, results are not consistent across geographies. For example, compared to the U.S., U.K.

organizations are 10 percentage points more likely to have an RTO of one hour or less.

When we dive into the DR strategy used for application tiers, only 52% of the respondents use multi-site active/active architectures for mission-critical or tier-one applications. And, financial services firms [66%] are more likely to use multi-site active/active architectures for mission-critical apps compared to other industry sectors. This isn't surprising considering the highly regulated nature of the financial services sector.

**50%**  
say that recovery time objectives (RTOs) for mission-critical applications are one hour or less

Current recovery time objective for mission critical applications



Q11: What is your recovery time objective for your mission critical applications?



Outdated IT  
disaster recovery:  
A major business  
risk, yet plans are  
left on autopilot



One-third of organizations last evaluated or updated their disaster recovery plans more than 12 months ago.

The trend continues this year with one-third of organizations not evaluating or updating their DR plans regularly. However, this trend is despite the fact that most businesses [69%] are aware of the significant risks of outdated disaster recovery procedures.

Similar to 2023, the top two biggest risks of outdated DR procedures are increased vulnerability to cyber attacks and ongoing and intensifying problems due to continued failures. **Unlike last year, however, the third biggest risk this year is a people issue: unnecessary pressure and stress for the IT team.**

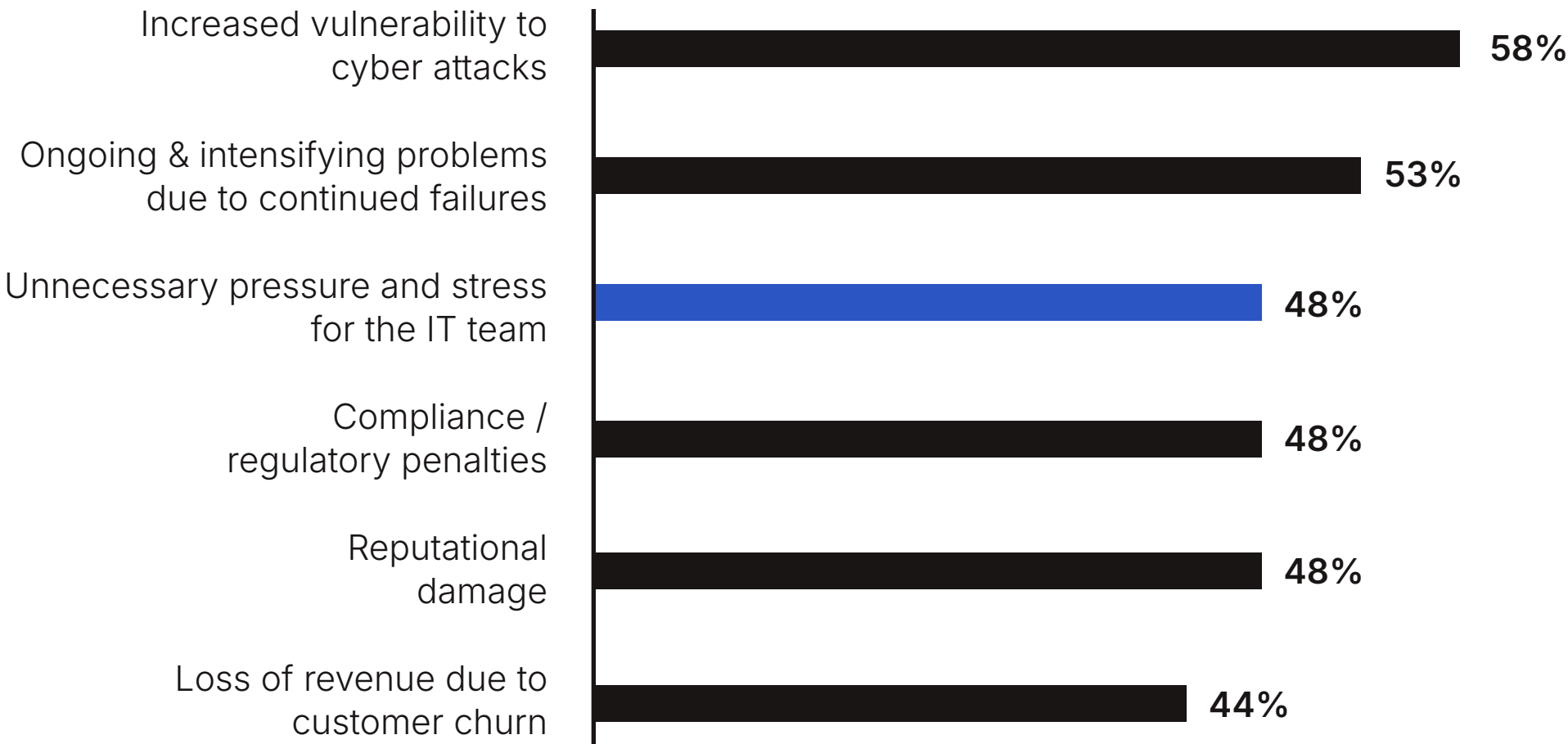
Outdated DR procedures can lead to inaccuracies or errors, stressing already strained resources.

# IT DR and the impact of Increasing regulations

Enterprises are feeling the impact of increasing regulation on resilience and DR processes and it stretches beyond the process itself. **Our survey finds that nearly half [48%] of enterprises are more thoroughly evaluating IT partners and vendors and 45% are giving more consideration to what types of applications they put in the cloud.**

Increased regulation is another factor impacting resilience and DR processes, leading to more focus on evaluating IT partners and vendors, and more consideration of which apps should be put in the cloud, as well as a strategic focus on cloud DR. Regulations now specifically outline frameworks and rules to mitigate risk from third-party vendors, often referred to as Information and Communication Technology (ICT).

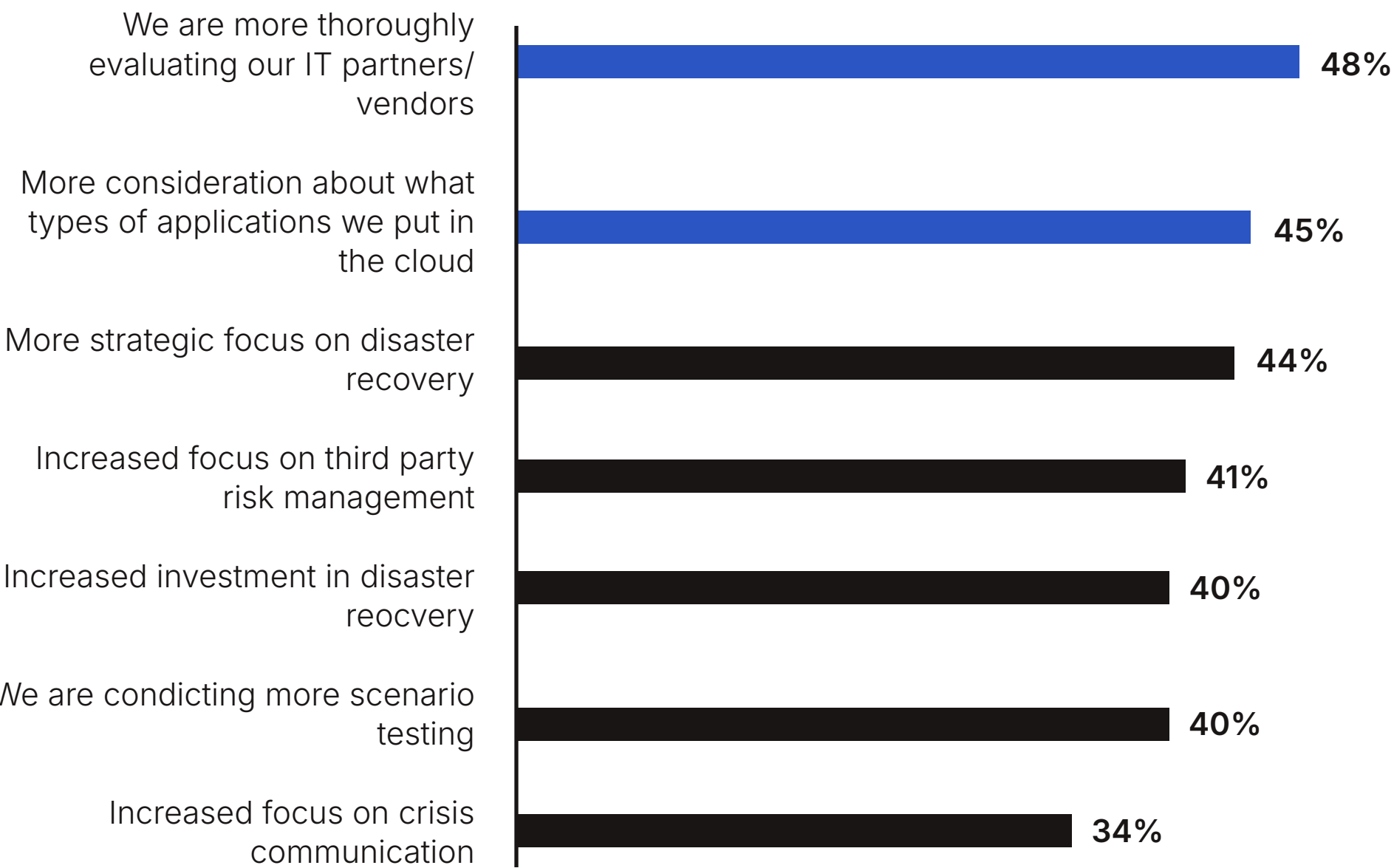
What are the biggest risks to your organization of outdated disaster recovery procedures?



Q.9 What do you see as the THREE biggest risks to your organization of outdated disaster recovery procedures?



How is increasing regulation impacting your resilience and disaster recovery processes?



Digital Operational Resilience Act (DORA) readiness

We asked only the financial services enterprises if they are ready to meet the upcoming deadline for the DORA regulation. More than half responded that they are ready, but 40% replied that they are looking at DORA now. With the deadline of January 17, 2025 fast approaching, this will put pressure on these financial institutions to get their recovery posture and resilience testing measures ready.

Q6a: How is increasing regulation impacting your resilience and disaster recovery processes?



IT disaster  
recovery  
automation is on  
the rise but skills  
gaps are a concern



Disaster recovery automation is another area in which enterprises see the need to increase investment, but cite various barriers. With technology constantly evolving at a rapid pace, it's not surprising that nearly half of organizations [45%] see a lack of the skills needed to support a more automated approach as the key barrier to automating DR. Knowing how and where to use AI is the second biggest challenge to automating DR and the third is knowing where to focus automation efforts. Last year, more enterprises cited knowing where to focus automation efforts as the biggest barrier, making it the number one challenge. This year, enterprises are more concerned with skills.

82%

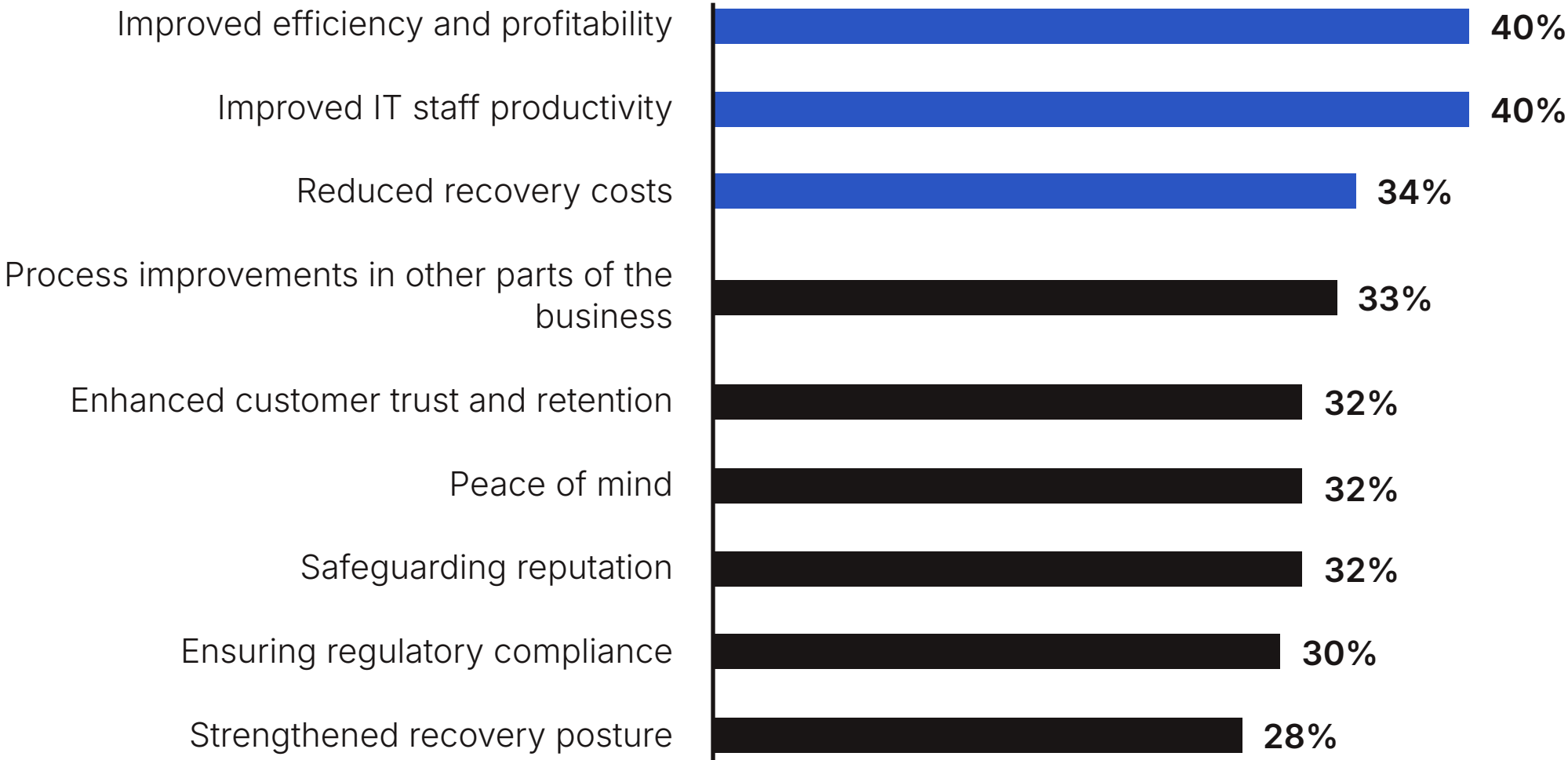
of organizations recognize they need to increase investment in DR automation

When we compare results by region, we find:

- More enterprises in the U.K. are concerned with finding suitable vendors for DR automation (41% U.K., 31% U.S.)
- More enterprises in the U.S. perceive the scalability of automation as a key challenge (35% U.S., 26% U.K.)e
- More U.S. enterprises cite buy-in from leadership as a key barrier (31% U.S., 14% U.K.)

Despite these barriers, the benefits of DR automation are clear. The top three benefits of incorporating automation into DR processes include IT staff productivity [40%], an increase in efficiency and productivity [40%], and reduced recovery costs [34%]. The lack of a large disparity or single outlier illustrates that enterprises find merit in an array of benefits.

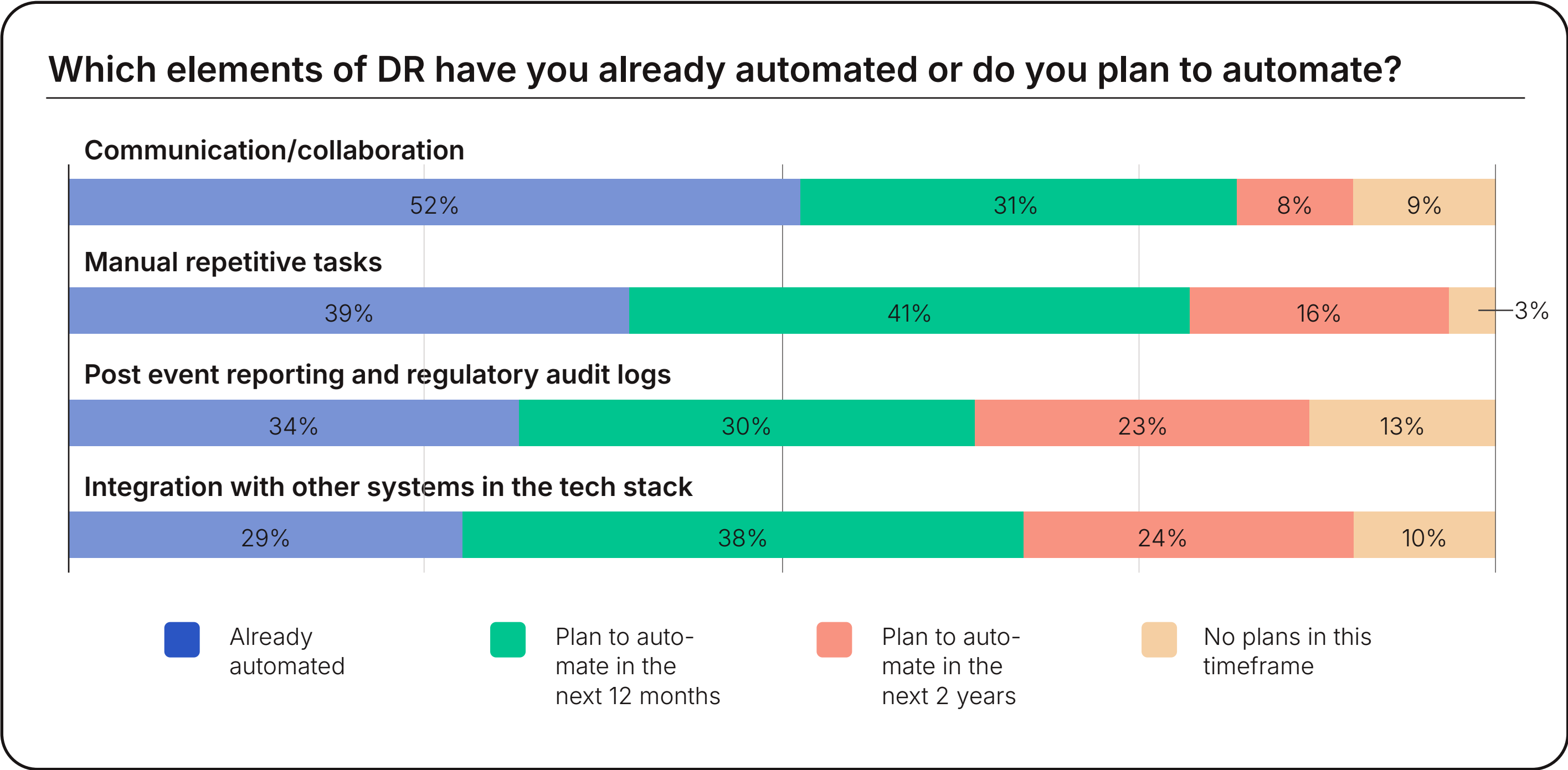
Biggest benefits to an organization by incorporating automation into its disaster recovery procedures



Q19. What do you think are the three biggest benefits an organization like yours has to gain by incorporating automation into its disaster recovery procedures?



In sum, despite the barriers, businesses know they need to increase investment in DR automation. Over half of enterprises [52%] have already automated the communication and collaboration elements of disaster recovery. However, enterprises still expect to automate specific DR processes in the next 1-2 years. Nearly two-thirds of businesses are looking to integrate with other systems in the technology stack and 57% plan to automate manual, repetitive tasks.



Q15: Which elements of DR have you already automated or do you plan to automate?

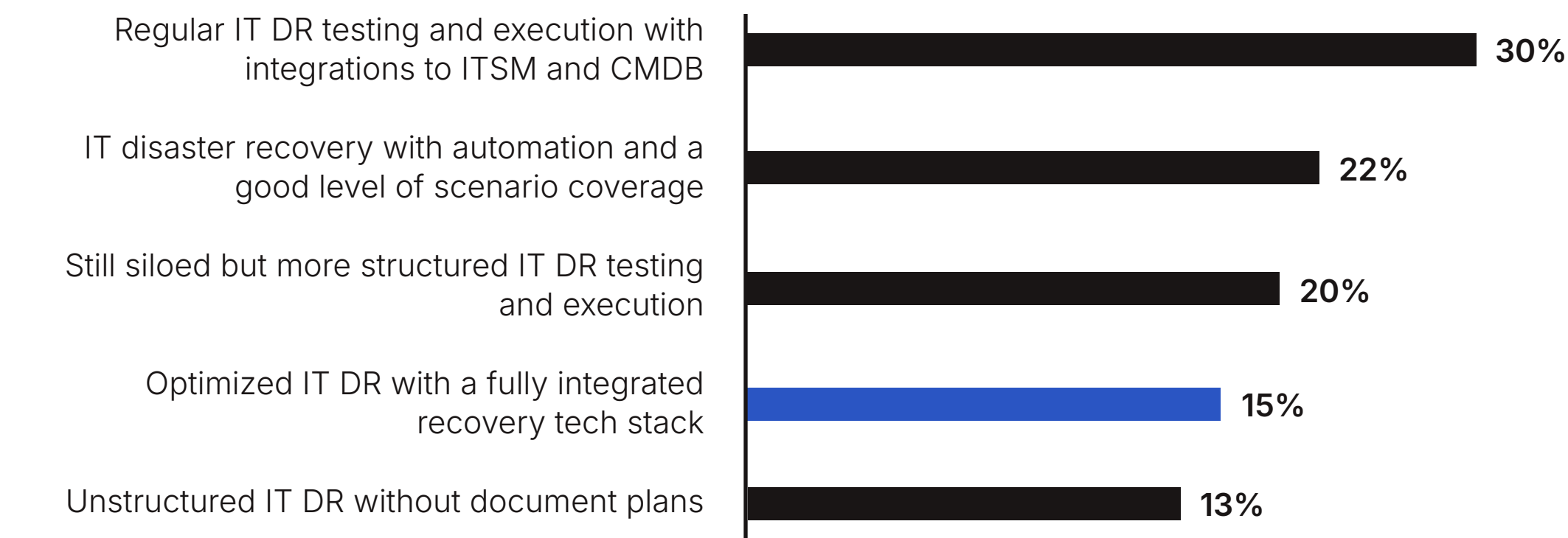


# Disaster recovery maturity

Only 1 in 7 organizations claim to be optimized with a fully integrated recovery tech stack.

While businesses know they need to increase investment in DR automation and understand its various benefits, they are incorporating automation at a slower pace. **Only 15% of businesses responded that they have optimized IT disaster recovery** while one-third of organizations describe themselves as less mature.

## What best describes your organization's maturity when it comes to incorporating automation into DR processes?



Q14: And which of the following best describes your organization's maturity when it comes to incorporating automation into DR processes?



AI for DR  
excitement  
dampened by lack  
of skills, high costs  
and data concerns



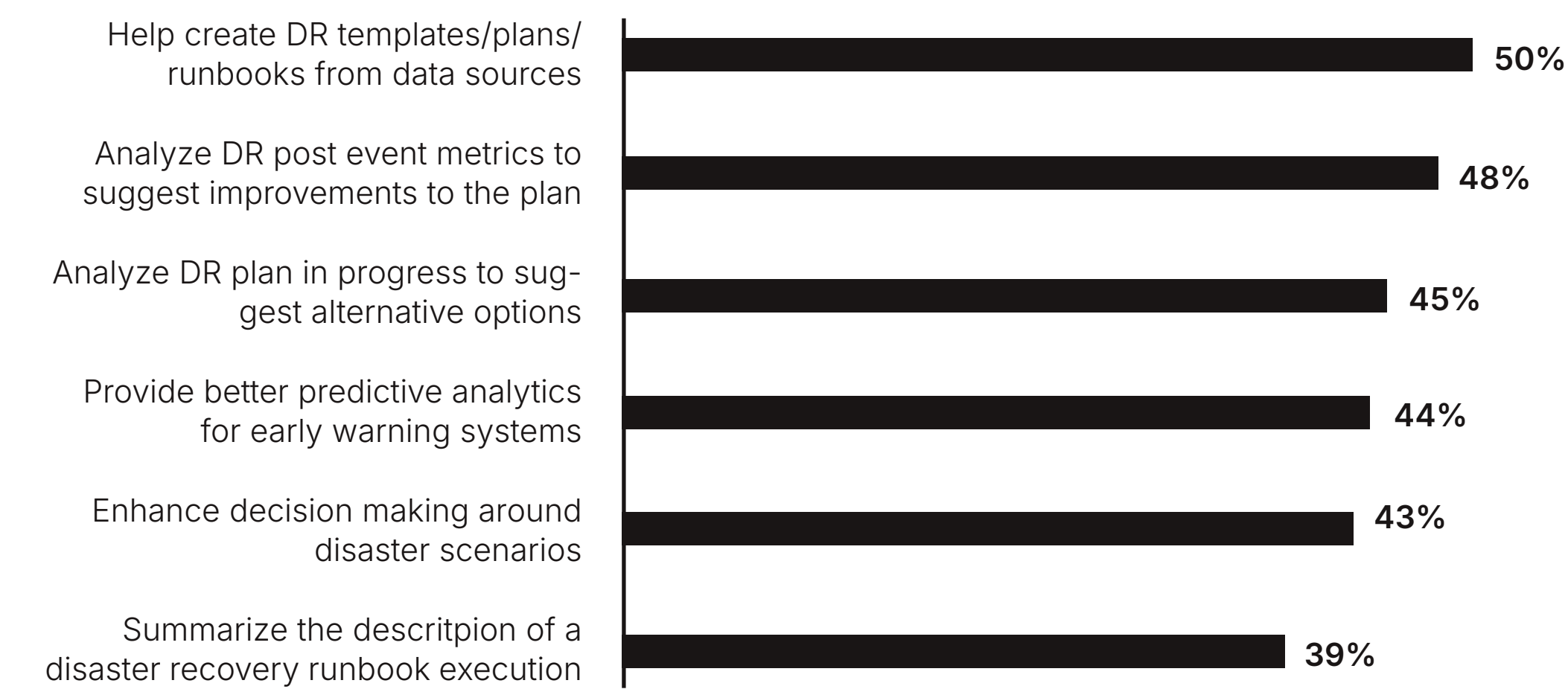
**A**I is taking every industry and facet of IT by storm, including disaster recovery. The survey shows that 75% of businesses anticipate that AI will transform DR - both in the design and execution of plans. Additionally, they expect the impact of AI on disaster recovery to be far reaching, including creating

templates and runbooks, analyzing plans, predictive analytics and summarization. See the chart below for a full breakdown of the anticipated effect of AI and machine learning on disaster recovery in the next 2-3 years.

98%

of respondents expect AI and machine learning to impact IT DR processes in at least one way in the next 2-3 years.

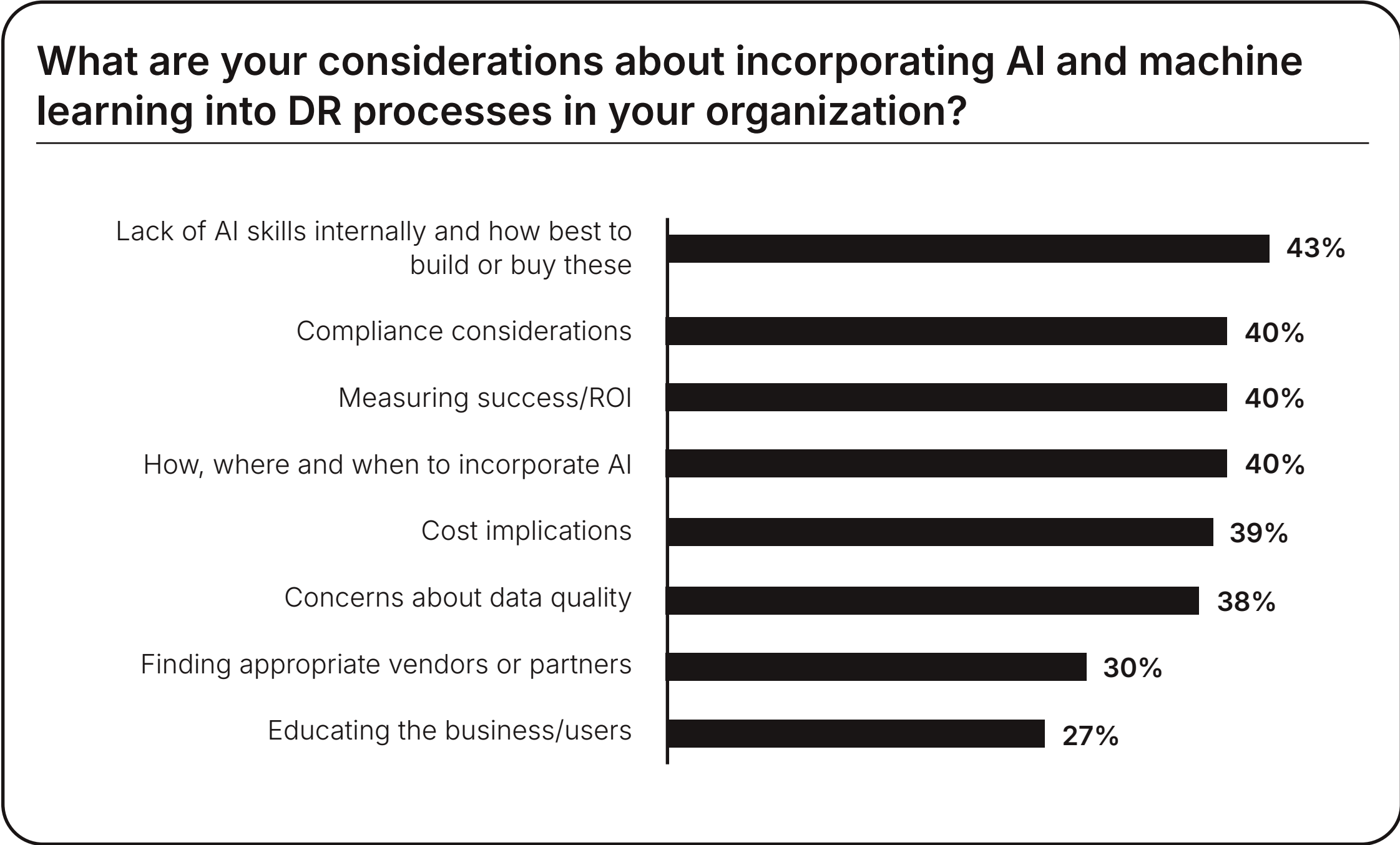
**In what ways do you expect AI and machine learning will impact DR processes in the next 2-3 years?**



Q12: In what ways do you expect AI and machine learning will impact DR processes in the next 2-3 years?

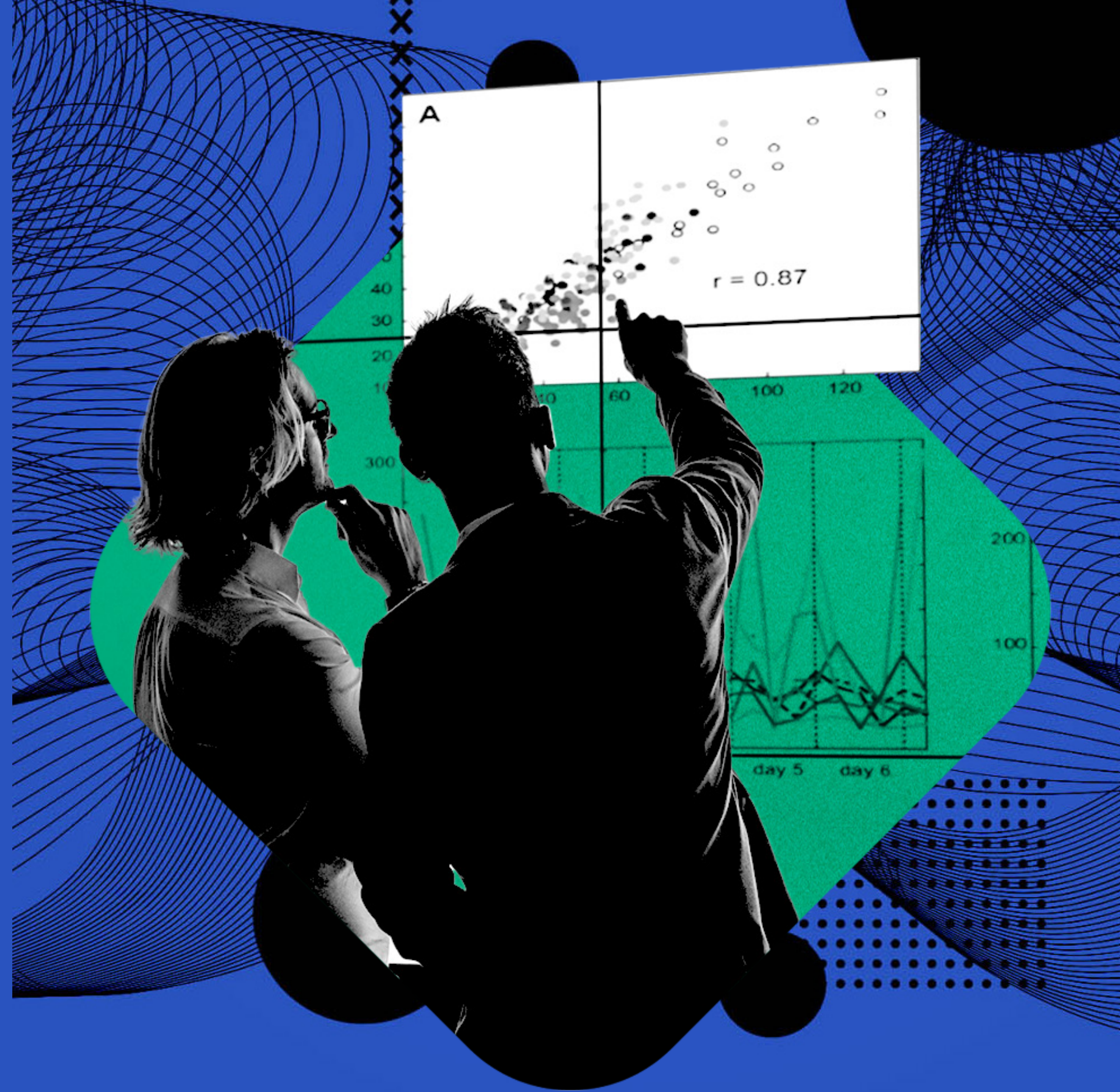


Only 29% of businesses view AI as a leading characteristic of best-in-class DR automation, which is the lowest ranking of all the characteristics. However, 76% say they are excited about the opportunities AI will bring to DR. Before incorporating AI and machine learning into DR processes, organizations are considering many different criteria. Although only by a slight margin, businesses are considering the lack of AI skills internally as the top consideration. Compliance considerations, measuring success or ROI, and how to incorporate AI are other key considerations.



In summary, there’s a lot to be excited about and businesses have a positive outlook, but there’s a lot of work to be done. Businesses need to consider their overall strategy for disaster recovery automation, integrating across the tech stack and how AI will impact DR planning and execution.

# Summary



## IT disaster recovery continues to evolve with automation and AI leading the way

It's not quite business as usual this year, but many of the 2023 IT disaster and cyber recovery trends are still prevalent. Organizations are still facing an increase in IT outages and longer recovery times and look to automation for potential benefits. 82% recognize that they need to increase investment in IT disaster recovery automation.

As enterprises continue to embrace cloud computing, we found that organizations believe that operating

in the cloud makes them more rather than less resilient. However, more enterprises cite cloud architecture outages as increasing, surpassing cyber attacks. Operating in the cloud, there's an emphasis on evaluating IT partners and vendors, with regulations being a driving force.

There's a new concern over the lack of skills, particularly for automating IT DR and incorporating AI. However, enterprises clearly

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# 77%

of organizations are excited about the opportunities that AI will bring to IT disaster recovery.

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see the benefit of automation and potential impact of AI on IT disaster recovery.



Since 2015, Cutover's Collaborative Automation SaaS platform has helped enterprises standardize and automate technology operations processes for IT DR, cyber recovery, release management and cloud migration to increase efficiency and reduce risk. Cutover's automated runbooks provide visibility across the entire process while keeping people in the process for decision making.

Learn more about how Cutover's automated runbooks help enterprises increase efficiency and reduce risk with streamlined disaster recovery processes.





Automated runbooks for technology teams

To find out more about how the Cutover platform can help your organization visit [www.cutover.com](https://www.cutover.com).