

The Hidden Cost of “Regular” Internet for Modern Enterprises

The internet is the heartbeat of business operations. But, just as with heartbeats, there are strong pulses and weak ones. Your choice of internet connection can make the difference between a thriving business and one that’s merely surviving.

Broadband: The Shared Pipe Dilemma

Most companies initially rely on broadband as their primary digital gateway — a shared pipe, promising certain download and upload speeds. However, speeds advertised as peak performance metrics can often be misleading. They are optimal rates achieved under perfect conditions (which never really exist). The shared nature of broadband means actual speeds can fluctuate, particularly during high-traffic times. The reality? **The connectivity your business receives almost never matches what you thought you were paying for.**

The Real Cost of Asymmetrical Bandwidth

Where data-driven decisions and cloud-based tools are fundamental, both upload and download speeds become essential. Regular broadband often offers slower upload speeds than download speeds, known as “asymmetrical bandwidth.” This discrepancy can lead to:

- **Lost Productivity:** Slower upload speeds can affect video conferences, file uploads, cloud backups, data syncs, and more.
- **Compromised Customer Experience:** Delayed response times can frustrate customers, leading to churn.
- **Employee Frustration:** Waiting for files to upload, dealing with slow applications, fighting through glitchy meetings (or dropped calls) all impact morale and efficiency.
- **Operational Delays:** Every minute spent waiting for systems and data is a minute lost in potential revenue, productivity, or innovation.

Calculating the Business Impact

Before diving into the specifics, it’s essential to grasp the overarching equation:

Cost of Downtime (per hour) =



Employee Costs

+



Lost Sales

+



Tech Support Costs

Let’s break this down with a hypothetical example. Consider a business with annual revenue of \$15 million, equating to approximately \$1.25 million monthly. If we assume 20 business days in a month, this translates to a daily revenue of \$62,500.

Calculating the Business Impact (cont.)

Employee Cost per Hour:

With 150 employees at an average of \$40/hour, the total employee cost per hour is \$6,000.

Lost Sales:

To calculate hourly sales revenue:
 $\$62,500 \div 8 \text{ hours} = \$7,812.50$.

Tech Support Cost for Downtime:

We'll estimate this at \$100/hour for the sake of our example.

Using the equation we started with, for just one hour of downtime:

Cost of Downtime (per hour) =



\$6,000 (Employee Costs)

+



\$7,812.50 (Lost Sales)

+

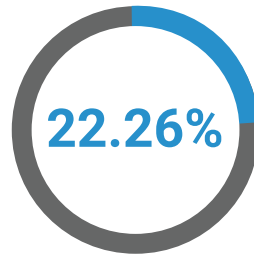


\$100 (Tech Support Costs)

= \$13,912.50

That means for a mere 60 minutes of downtime, your losses could shoot up to approximately \$13,912.50. That's 22.26% of your daily sales gone! Extend that to a 2-hour downtime, and the losses double, approaching nearly half your daily earnings.

And the ripples don't stop there. The direct costs illustrated here don't even factor in potential long-term losses stemming from eroded customer trust and loyalty. According to a recent Forbes article¹, **47% of users won't wait longer than two seconds for a website to load**. Even more concerning, **40% will abandon a site if it takes more than three seconds**. The business repercussions of a poor digital experience? Slow-loading websites, often a consequence of poor upload speeds, potentially cost businesses a staggering **\$2.6 billion in lost sales each year**.



**of daily sales are lost
in 1 hour of downtime**

Connectivity in Focus

From making clear video and VoIP calls and analyzing data in real time to using cloud tools smoothly, businesses need their internet to be rock solid. When those connections falter, the losses from standard broadband can quickly overshadow any upfront savings.

As digital reliance grows, so does the demand for dedicated capacity. Terms like "best effort" when it comes to connectivity should be approached with caution. For businesses truly looking to capitalize on their network investment and get better performance, quality, dedicated Internet connections are essential.

Facing this reality, businesses realize they can't gamble with the inconsistencies of shared broadband. Each momentary lapse, no matter how brief, chips away at revenue and erodes hard-earned trust. The difference between success and stagnation could very well be the quality of your internet connection.

About Conterra

If you're looking for a network provider that aligns with the highest industry standards, consider Conterra. Our focus on service, innovation, and reliability means that your business remains connected and competitive.

¹ https://www.forbes.com/advisor/business/software/website-statistics/#sources_section