

BUSINESS CONTINUITY – CHICAGO SUMMARY OF RESULTS

Priority of Business Continuity Planning

- ◆ Fewer than half of Chicago company officers who have responsibility for business continuity planning at companies with annual revenues of \$50 million or more (45%) say business continuity has always been a priority for their company, while 23% say it has only become a priority in recent years due to security and terrorist threats. One in four (26%) say business continuity planning is important but not a high priority, while 4% admit it isn't important at their company.
 - Business continuity planning is not more of a priority at companies with more than 500 employees (70%) than at companies with fewer employees (67%).
 - Not surprisingly, far more companies which have a plan in the event of a disaster say business continuity has always been a priority (56%) than companies without a plan (13%).
 - Companies which suffered a disaster are no more likely to say business continuity is a priority (53%) than companies which have not suffered a previous disaster (71%).
- ◆ Of the three in ten Chicago company officers who have responsibility for business continuity planning who say business continuity is not a high priority, the most common reasons they cite for it's lack of importance are other issues taking priority (80%), the low probability a major disaster will hit their company (60%), they consider the systems in place sufficient (43%), expense (40%) and unfamiliarity at the company with the process required to ensure business continuity (37%).

Having a Business Continuity Plan

- ◆ Only seven in ten Chicago company officers who have responsibility for business continuity planning (72%) say their organization has a business continuity plan.
 - Companies with more than 500 employees are *not* more likely to have a plan (73%) than smaller companies (70%).
 - Only 43% of companies where business continuity is not a priority have a plan, compared with 87% of companies where it is a priority.
 - Companies which suffered a disaster are not more likely than average to have a plan than companies which haven't suffered from a disaster (60% vs. 74%).
- ◆ Most organizations with a business continuity plan have updated it within the last six months (35%) or the last six to twelve months (42%); one in five (21%) say it was last updated more than a year ago.
 - Companies with more than 500 employees are more likely than smaller companies to have updated their plan in the last six months (52% vs. 25%).
 - New York companies are the most likely to have updated their plans in the past six months (61%), while those in San Francisco (34%) and Chicago are the least likely to have updated their plan in that time period.

- ◆ Just over half of Chicago companies (56%) have fully tested their plan within the past year, with 29% saying it was tested within the past six months and 26% in the past six to twelve months. One in five (21%) say their plan was last tested more than a year ago and another 19% concede their plan has never been tested.
 - Businesses with 500 or fewer employees test their plan just as often as larger businesses do.
 - Only 63% of companies where business continuity has always been a priority have tested their plan in the past year.
- ◆ The most common ways business continuity plans are communicated to employees are via meetings or conferences (75%), e-mail (57%), the employee handbook (28%), an internal newsletter (15%) and web postings (14%). Only 6% admit they haven't communicated their plan to employees.
 - Larger companies are more likely than smaller ones to communicate via web postings.

Monitoring Public Alert Systems

- ◆ Two in three Chicago company officers who have responsibility for business continuity planning (67%) say they monitor public alerting systems for warnings about terrorist threats or other potential disasters, with network or cable TV (45%), the Emergency Alert System (28%) and NOAA weather radio (21%) the most common systems monitored.
 - Larger and smaller companies are equally-likely to monitor all three systems.
 - Companies which have a business continuity plan are more likely than companies which don't have a plan to monitor public alert systems (74% vs. 46%).
 - Firms in Philadelphia (65%), Los Angeles (66%) and Chicago are least likely to monitor these systems.
- ◆ Only 13% of Chicago companies implement specific protective actions when the federal terrorist alert level rises.

Implementing Business Continuity Measures

- ◆ The majority of Chicago companies have implemented Internet security measures such as firewalls, intrusion detection, hacker protection and/or password authentication (69%), or plan to in the next six months (15%). In addition, most have established (61%) or plan to establish in the next six months (15%) redundant servers and/or backup sites. About one in three (37%) have used a service provider for outsourcing and another 7% plan to in the next six months.
 - Many companies where business continuity has not been a priority plan to take various actions in the next six months, including 37% who plan to implement Internet security measures and 13% who plan to establish redundant servers.
 - Among firms where business continuity is a priority, 89% have already established redundant servers and/or backup sites and 80% have already implemented Internet security measures. Only 53% have or plan to use an outsourcing service.
 - Larger companies are more likely than smaller ones to have established redundant servers and/or backup sites and used outsourcing services.
 - Washington (39%), New York (38%), Los Angeles (37%) and Chicago are the most likely to have already used an outsourcing provider.

Suffering from a Disaster

- ◆ Fifteen percent of Chicago companies suffered a disaster which resulted in their organization having to cease operations for a period of time.
- ◆ The most common disasters suffered were extreme weather (40%), floods (20%), fires (20%) and cyber attacks (13%).
- ◆ Most companies which suffered a disaster (80%) lost business because of it, generally less than \$100,000 a day (47%), although 27% say it cost their organization \$100,000 to less than \$500,000 a day and one respondent said it cost their company more than one million dollars a day. Twenty percent admit they don't know how much the damage cost their business per day.
- ◆ Only 73% of companies which suffered a disaster have taken any actions as a result of the disaster to reduce business interruptions in the future.
- ◆ The most common changes made as a result of the disaster were upgrading the communications system (18%), developing and/or improving their business plan (18%), obtaining a backup server (9%), adding alternate power sources (9%), improving their building in general (9%) and improving security in general (9%).

Methodology

These results are based upon 100 telephone interviews conducted by Opinion Research Corporation among officers at companies with annual revenue of \$50 million or more in the Chicago area who have responsibility at their organization for business continuity planning, particularly when it comes to telecommunications, websites and data networking. Interviews were conducted May 18-June 17, 2004.

The bulk of the respondents provide oversight and project management of their business continuity plan (44%), while 31% recommend the purchase of IT or security products and/or services for the plan and 22% are part of the project team designing and/or evaluating the plan. The most common job titles of those interviewed were IS/IT manager/director (41%), CIO (15%), CFO (8%) and Vice President (6%).

Industries of those who were interviewed include wholesale trade (27%), manufacturing (23%), services (16%), retail trade (14%) and finance, insurance and real estate (13%).