

BUSINESS CONTINUITY – DALLAS SUMMARY OF RESULTS

Priority of Business Continuity Planning

- ◆ Fewer than half of Dallas company officers who have responsibility for business continuity planning at companies with annual revenues of \$25 million or more (45%) say business continuity has always been a priority for their company, while 25% say it has only become a priority in recent years due to security and terrorist threats. One in four (25%) say business continuity planning is important but not a high priority, while 4% admit it isn't important at their company.
 - Companies with 500 or fewer employees are actually *more likely* than those with more than 500 employees to say business continuity has always been a priority (52% vs. 31%).
 - Not surprisingly, far more companies which have a plan in the event of a disaster say business continuity has always been a priority (51%) than companies without a plan (29%).
 - Companies which suffered a disaster are no more likely to say business continuity is a priority (74%) than companies which have not suffered a previous disaster (69%).
- ◆ Of the three in ten Dallas 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 they consider the systems in place sufficient (83%), other issues taking priority (66%), the low probability a major disaster will hit their company (66%), unfamiliarity at the company with the process required to ensure business continuity (31%) and expense (28%).

Having a Business Continuity Plan

- ◆ Only three in four Dallas company officers who have responsibility for business continuity planning (77%) say their organization has a business continuity plan.
 - Companies with more than 500 employees are more likely to have a plan (94%) than are smaller companies (68%).
 - Only 52% of companies where business continuity is not a priority have a plan, compared with 89% of companies where it is a priority.
 - Companies which have suffered a disaster are somewhat more likely to have a continuity plan (84%) than business which haven't had a disaster (75%).
- ◆ Most organizations with a business continuity plan have updated it within the last six months (47%) or the last six to twelve months (31%); one in five (22%) say it was last updated more than a year ago.
 - Companies with more than 500 employees are no more likely to have updated their plan in the last six months (48%) than smaller companies (45%).
 - Companies which have suffered a disaster are more vigilant in updating their business plan in the last six months (75%) than companies spared a disaster (39%).

- ◆ Just over half of Dallas companies (57%) have fully tested their plan within the past year, with 27% saying it was tested within the past six months and 30% in the past six to twelve months. Three in ten (31%) say their plan was last tested more than a year ago and another 10% concede their plan has never been tested.
 - Businesses with fewer than 500 employees test their plan just as often as larger businesses do.
 - Only 62% of companies where business continuity has always been a priority have tested their plan in the past year.
 - Only 63% of companies which have suffered a disaster have tested their plan in the past year.
- ◆ The most common ways business continuity plans are communicated to employees are via meetings or conferences (84%), e-mail (56%), the employee handbook (44%), an internal newsletter (22%) and web postings (21%). Only 3% admit they haven't communicated their plan to employees.
 - Larger companies are more likely than smaller ones to communicate via meetings and conferences.
 - Companies in Dallas and Los Angeles (81%) are the most likely to communicate via meetings or conferences.

Monitoring Public Alert Systems

- ◆ The vast majority of Dallas company officers who have responsibility for business continuity planning (86%) say they monitor public alerting systems for warnings about terrorist threats or other potential disasters, with network or cable TV (62%), the Emergency Alert System (50%) and NOAA weather radio (35%) the most common systems monitored.
 - Larger and smaller companies are equally-likely to monitor all three systems.
 - Firms in Detroit (89%) and Dallas are the most likely to monitor public alert systems, while those in Philadelphia (65%), Los Angeles (66%) and Chicago (67%) are least likely.
- ◆ Only 17% of Dallas companies implement specific protective actions when the federal terrorist alert level rises.
 - Larger companies are more likely to implement actions when the terrorist alert rises (29%) than are smaller companies (11%).

Implementing Business Continuity Measures

- ◆ The majority of Dallas companies have implemented Internet security measures such as firewalls, intrusion detection, hacker protection and/or password authentication (77%), or plan to in the next six months (8%). In addition, most have established (65%) or plan to establish in the next six months (7%) redundant servers and/or backup sites. Three in ten (29%) have used a service provider for outsourcing and another 9% 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 17% who plan to establish redundant servers and/or back-up sites, 14% who plan to use an outsourcing provider and 14% who plan to implement Internet security measures.
 - Among firms where business continuity has always been a priority, 87% have already established redundant servers and/or backup sites and 73% have already implemented Internet security measures. Only 33% have or plan to use an outsourcing service.
 - Larger companies are more likely than smaller ones to have taken all three of these steps.

- Dallas and Miami companies (76%) are the most likely to have already implemented Internet security measures, while those in Philadelphia (20%) are the most likely to be planning to do this.

Suffering from a Disaster

- ◆ Nineteen percent of Dallas companies have suffered from a disaster which resulted in their organization having to cease operations for a period of time.
- ◆ The most common disasters suffered were extreme weather (42%), fire (16%) and loss of electricity (16%).
- ◆ Most companies which suffered a disaster (63%) lost business because of it, one in four (26%) less than \$100,000 a day and 26% \$100,000 to less than \$500,000 a day. However, one respondent said it cost their company \$500,000 to less than one million dollars a day and another respondent said it cost their company more than a million dollars a day. Sixteen percent admit they don't know how much the damage cost their business per day.
- ◆ Eight in ten companies which suffered a disaster (79%) have taken 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 developing and/or improving their business continuity plan (33%), improving their building in general (20%) and upgrading their communications system (13%).

Methodology

These results are based upon 100 telephone interviews conducted by Opinion Research Corporation among officers at companies with annual revenue of \$25 million or more in the Dallas 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 33% are part of the project team designing and/or evaluating the plan and 22% recommend the purchase of IT or security products and/or services for the plan. The most common job titles of those interviewed were IS/IT manager/director (41%), CFO (7%) and CIO (6%).

Industries of those who were interviewed include wholesale trade (28%), retail trade (20%), manufacturing (19%), finance, insurance and real estate (13%) and services (13%).