

## BUSINESS CONTINUITY – DETROIT SUMMARY OF RESULTS

### Priority of Business Continuity Planning

- ◆ Only one in three Detroit company officers who have responsibility for business continuity planning at companies with annual revenues of \$25 million or more (37%) say business continuity has always been a priority for their company, while 31% say it has only become a priority in recent years due to security and terrorist threats. Thirty percent say business continuity planning is important but not a high priority, while 3% admit it isn't important at their company.
  - Companies with more than 500 employees **do not** place more importance on business continuity planning than companies with 500 or fewer employees.
  - Not surprisingly, far more companies which have a plan say business continuity has always been a priority (42%) than companies without a plan (18%).
  - Business continuity planning is **not** a higher priority at companies which suffered a business disaster (38%) than at those which haven't (36%).
- ◆ Of the one in three Detroit 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 its lack of importance are other issues taking priority (64%), they consider the systems in place sufficient (61%), the low probability a major disaster will hit their company (58%), unfamiliarity at the company with the process required to ensure business continuity (27%) and expense (21%).

### Having a Business Continuity Plan

- ◆ Only seven in ten Detroit company officers who have responsibility for business continuity planning (70%) say their organization has a business continuity plan.
  - Companies with 500 or more employees are more likely than smaller companies to have a plan (88% vs. 66%).
  - Only 52% of companies where business continuity is not a priority have a plan, compared with 79% of companies where it is a priority.
  - Most businesses which have suffered a previous disaster (81%) have a plan, compared with 67% of those businesses which haven't suffered a disaster.
- ◆ Most organizations with a business continuity plan have updated it within the last six months (42%) or the last six to twelve months (34%). Only 20% say it was last updated more than a year ago and one percent concede their plan has never been updated.
  - Fewer than half of companies with more than 500 employees (47%) and with 500 or fewer employees (40%) have updated their plan within the past six months.
  - Companies which have not suffered a disaster are just as likely to have updated their plan in the last six months (44%) as those companies which suffered a disaster (38%).

- ◆ Most Detroit companies (61%) have fully tested their plan within the past year, with 34% saying it was tested within the past six months and 27% in the past six to twelve months. Twenty-five percent say their plan was last tested more than a year ago and another 8% concede their plan has never been tested.
  - Companies where business continuity is a priority are more likely than companies where it is not a priority to have updated their plan in the past year (69% vs. 35%).
  - Companies which have not suffered disasters in the past are just as likely to have tested their plans in the past year (62%) as companies which have suffered a disaster (57%).
- ◆ The most common ways business continuity plans are communicated to employees are via meetings or conferences (63%), e-mail (58%), the employee handbook (39%), an internal newsletter (28%) and web postings (23%). Only four percent admit they haven't communicated their plan to employees.
  - Companies with more than 500 employees are more likely than smaller ones to communicate business continuity plans via internal newsletters and web postings. Smaller companies are more likely than larger ones to communicate via meetings or conferences.

### **Monitoring Public Alert Systems**

- ◆ Nine in ten Detroit company officers who have responsibility for business continuity planning (89%) say they monitor public alerting systems for warnings about terrorist threats or other potential disasters, with network or cable TV (59%), the Emergency Alert System (50%) and NOAA weather radio (29%) the most common systems monitored.
  - Company size has little influence on the probability a company will be monitoring these systems.
  - Companies which have suffered a previous disaster are no more vigilant in monitoring alert systems than companies spared a disaster (77% vs. 93%).
  - Firms in Detroit and Dallas (86%) are the most likely to monitor public alert systems, while those in Philadelphia (65%), Los Angeles (66%) and Chicago (67%) are least likely.
- ◆ Only 7% of Detroit companies implement specific protective actions when the federal terrorist alert level rises; at companies which have suffered from a previous disaster, only 12% implement specific actions. Los Angeles companies are the most likely to take action (20%), while those in Detroit and Minneapolis (7%) are least likely.

### **Implementing Business Continuity Measures**

- ◆ The vast majority of Detroit companies have implemented Internet security measures such as firewalls, intrusion detection, hacker protection and/or password authentication (64%), or plan to in the next six months (19%). In addition, two in three have established (53%) or plan to establish in the next six months (16%) redundant servers and/or backup sites. About four in ten (33%) have used a service provider for outsourcing or plan to in the next six months (8%).
  - Larger companies are more likely than smaller ones to have implemented all three actions.
  - Among firms where business continuity is a priority, three in four have already implemented Internet security measures or established redundant servers. Only 46% have or plan to use an outsourcing service.

## Suffering from a Disaster

- ◆ One in four Detroit companies (26%) 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 an electrical blackout (62%), a computer virus (11%), cyber attacks (8%) and extreme weather (8%).
- ◆ Six in ten companies which suffered a disaster lost business because of it (62%), generally less than \$100,000 a day (38%), although 12% say it cost their organization \$100,000 to less than \$500,000 a day, one respondent says it cost their company \$500,000 to less than one million dollars a day and two respondents say it cost their companies one million dollars a day or more. Only 19% say the stoppage cost the company nothing, while 19% admit they don't know how much it cost the company per day.
- ◆ Nearly all companies which suffered a disaster (77%) 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 adding alternate power sources (30%), improving security in general (25%) and developing and/or improving their business continuity plan (10%).

## Methodology

*These results are based upon 101 telephone interviews conducted by Opinion Research Corporation among officers at companies with annual revenue of \$25 million or more in the Detroit 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 (37%), while 32% are part of the project team designing and/or evaluating the plan and 27% 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 (37%), CFO (12%), Vice President (8%), CIO (6%) and CEO (5%).*

*Industries of those who were interviewed include wholesale trade (32%), manufacturing (27%), retail trade (19%) and services (13%).*