

BUSINESS CONTINUITY – MINNEAPOLIS SUMMARY OF RESULTS

Priority of Business Continuity Planning

- ◆ Fewer than half of Minneapolis company officers who have responsibility for business continuity planning at companies with annual revenues of \$25 million or more (41%) say business continuity has always been a priority for their company, while 19% say it has only become a priority in recent years due to security and terrorist threats. One in three (34%) say business continuity planning is important but not a high priority, while 4% 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 in the event of a disaster say business continuity has always been a priority (55%) than companies without a plan (9%).
 - Business continuity planning is **not** a higher priority at companies which suffered a business disaster than at those which haven't.
- ◆ Of the four in ten Minneapolis 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 (66%), the low probability a major disaster will hit their company (61%), they consider the systems in place sufficient (58%), expense (37%) and unfamiliarity at the company with the process required to ensure business continuity (26%).

Having a Business Continuity Plan

- ◆ Only two in three Minneapolis company officers who have responsibility for business continuity planning (66%) say their organization has a business continuity plan.
 - Companies with more than 500 employees are **not** more likely to have a plan (71%) than smaller companies (65%).
 - Only 45% of companies where business continuity is not a priority have a plan, compared with 80% of companies where it is a priority.
 - Businesses which suffered a previous disaster are more likely to have a plan than businesses which haven't suffered a disaster (77% vs. 64%).
- ◆ Most organizations with a business continuity plan have updated it within the last six months (39%) or the last six to twelve months (35%); one in four (25%) say it was last updated more than a year ago.
 - Companies with more than 500 employees are twice as likely to have updated their plan in the past six months (59%) as smaller companies (30%).

- ◆ Only half of Minneapolis companies (55%) have fully tested their plan within the past year, with 23% saying it was tested within the past six months and 32% in the past six to twelve months. Four in ten (38%) say their plan was last tested more than a year ago and another 8% concede their plan has never been tested.
 - Businesses with more than 500 employees are more likely to have tested their plan in the past year (68%) than companies with 500 or fewer employees (48%).
 - Only 58% 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 (79%), e-mail (58%), the employee handbook (41%), an internal newsletter (30%) and web postings (18%). Only six percent admit they haven't communicated their plan to employees.

Monitoring Public Alert Systems

- ◆ Three in four Minneapolis company officers who have responsibility for business continuity planning (76%) say they monitor public alerting systems for warnings about terrorist threats or other potential disasters, with network or cable TV (49%), NOAA weather radio (34%) and the Emergency Alert System (31%) the most common systems monitored.
 - Larger companies are slightly more likely than smaller ones to monitor all three of these systems.
- ◆ Only seven percent of Minneapolis companies implement specific protective actions when the federal terrorist alert level rises; at companies which suffered a previous disaster, only 15% implement specific actions. Los Angeles companies are the most likely to take action (20%), while those in Detroit (7%) and Minneapolis are least likely.

Implementing Business Continuity Measures

- ◆ The majority of Minneapolis companies have implemented Internet security measures such as firewalls, intrusion detection, hacker protection and/or password authentication (63%), or plan to in the next six months (18%). In addition, more than half have established (56%) or plan to establish in the next six months (13%) redundant servers and/or backup sites. About three in ten (28%) 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 21% who plan to implement Internet security measures and 48% who plan to establish redundant servers.
 - Among firms where business continuity is a priority, about nine in ten have already implemented Internet security measures (88%) and three in four (73%) have established redundant servers. Only half (49%) have or plan to use an outsourcing service.
 - There is little difference in the likelihood large and small companies have taken these steps.

Suffering from a Disaster

- ◆ One in eight Minneapolis companies (13%) has suffered from a disaster which resulted in their organization having to cease operations for a period of time.
- ◆ The most common disasters suffered were power outages (23%), network failures (23%) and fires (15%).
- ◆ All companies which suffered a disaster lost business because of it, generally less than \$100,000 a day (62%), although 31% say it cost their organization \$100,000 to less than \$500,000 a day and one says it cost their company more than one million dollars a day.
- ◆ All companies which suffered a disaster 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 (23%), developing or improving their business plan (23%) and obtaining a back-up server (15%).

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 Minneapolis 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 (49%), while 27% are part of the project team designing and/or evaluating the plan and 21% 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 (40%), CIO (9%), CFO (8%), Vice President (7%) and CEO (6%).

Industries of those who were interviewed include wholesale trade (25%), services (21%), manufacturing (19%), retail trade (17%) and finance, insurance and real estate (13%).