

## BUSINESS CONTINUITY – PHILADELPHIA SUMMARY OF RESULTS

### Priority of Business Continuity Planning

- ◆ Fewer than half of Philadelphia company officers who have responsibility for business continuity planning at companies with annual revenues of \$25 million or more (44%) say business continuity has always been a priority for their company, while 22% say it has only become a priority in recent years due to security and terrorist threats. One in four (23%) say business continuity planning is important but not a high priority, while 11% admit it isn't important at their company.
  - Companies with more than 500 employees are more likely than smaller companies to say business continuity planning has always been a priority (68% vs. 36%).
  - Not surprisingly, far more companies which have a plan in the event of a disaster say business continuity has always been a priority (57%) than companies without a plan (8%).
- ◆ Of the one in three Philadelphia 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 (74%), they consider the systems in place sufficient (68%), the low probability a major disaster will hit their company (65%), expense (32%) and unfamiliarity at the company with the process required to ensure business continuity (21%).

### Having a Business Continuity Plan

- ◆ Only seven in ten Philadelphia company officers who have responsibility for business continuity planning (72%) say their organization has a business continuity plan.
  - Companies with more than 500 employees more likely than smaller companies to have a plan (82% vs. 69%).
  - Only 38% of companies where business continuity is not a priority have a plan, compared with 89% of companies where it is a priority.
- ◆ Most organizations with a business continuity plan have updated it within the last six months (38%) or the last six to twelve months (40%); one in five (20%) 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 year than larger companies.
- ◆ Just over half of Philadelphia companies (58%) have fully tested their plan within the past year, with 35% saying it was tested within the past six months and 24% in the past six to twelve months. One in four (22%) say their plan was last tested more than a year ago and another 17% concede their plan has never been tested.
  - Businesses with 500 or fewer employees update their plan just as often as larger businesses do.
  - Only 66% 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 (68%), e-mail (47%), the employee handbook (38%), an internal newsletter (26%) and web postings (18%). Only four percent admit they haven't communicated their plan to employees.
  - Larger companies are more likely than smaller ones to communicate via their employee handbook and web postings.

### **Monitoring Public Alert Systems**

- ◆ Two in three Philadelphia company officers who have responsibility for business continuity planning (65%) say they monitor public alerting systems for warnings about terrorist threats or other potential disasters, with network or cable TV (39%), the Emergency Alert System (30%) and NOAA weather radio (24%) the most common systems monitored.
  - Larger and smaller companies are equally-likely to monitor all three systems.
  - Companies where business continuity has always been a priority are more likely to monitor systems for early warnings (80%) than companies where business continuity is not a priority (47%).
  - Firms in Philadelphia, Los Angeles (66%) and Chicago (67%) are least likely to monitor these systems.
- ◆ Only 15% of Philadelphia companies implement specific protective actions when the federal terrorist alert level rises.

### **Implementing Business Continuity Measures**

- ◆ The majority of Philadelphia companies have implemented Internet security measures such as firewalls, intrusion detection, hacker protection and/or password authentication (67%), or plan to in the next six months (20%). In addition, more than half have established (60%) or plan to establish in the next six months (14%) redundant servers and/or backup sites. About three in ten (33%) have used a service provider for outsourcing and another 6% 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 41% who plan to implement Internet security measures and 24% who plan to establish redundant servers.
  - Among firms where business continuity is a priority, about nine in ten have already implemented Internet security measures (86%) and eight in ten (82%) have established redundant servers. Only 39% 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 (77%) and Miami companies (76%) are the most likely to have already implemented Internet security measures, while those in Philadelphia are the most likely to be planning to do this.

### **Suffering from a Disaster**

- ◆ Only seven percent of Philadelphia companies suffered from a disaster which resulted in their organization having to cease operations for a period of time. New York companies are the most likely to have suffered a disaster (32%), while those in Philadelphia are the most likely to have been spared a disaster.
- ◆ The most common disasters suffered were fires (29%), power outages (23%) and water damage (23%).

- ◆ Most companies which suffered a disaster (71%) lost business because of it, generally less than \$100,000 a day (43%), although 29% say it cost their organization \$100,000 to less than \$500,000 a day. Twenty-nine percent admit they don't know how much the damage cost their business per day.
- ◆ Only four of the seven 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 adding alternate power sources (75%), obtaining a back-up server (25%) and upgrading their communications system (25%).

## 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 Philadelphia 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 (36%), while 30% recommend the purchase of IT or security products and/or services for the plan and 28% 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 (29%), CFO (13%) and Vice President (12%).*

*Industries of those who were interviewed include wholesale trade (33%), manufacturing (18%), services (18%), retail trade (16%) and finance, insurance and real estate (11%).*