

## BUSINESS CONTINUITY – SAN FRANCISCO SUMMARY OF RESULTS

### Priority of Business Continuity Planning

- ◆ Only one in three San Francisco company officers who have responsibility for business continuity planning at companies with annual revenues of \$25 million or more (32%) 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 three (33%) say business continuity planning is important but not a high priority, while 10% admit it isn't important at their company.
  - Companies with more than 500 employees place more importance on business continuity planning than those with fewer than 500 employees (45% always a priority, compared to 28%).
  - Not surprisingly, far more companies which have a plan in the event of a disaster say business continuity has always been a priority (42%) than those at companies without a plan (10%).
  - Business continuity planning is a higher priority at companies which have suffered a business disaster (75%) than at those which haven't (51%).
- ◆ Of the one in three San Francisco 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 (70%), the low probability a major disaster will hit their company (60%), expense (44%) and unfamiliarity at the company with the process required to ensure business continuity (26%).

### Having a Business Continuity Plan

- ◆ Only two in three San Francisco company officers who have responsibility for business continuity planning (67%) say their organization has a business continuity plan.
  - Companies with 500 or more employees are more likely to have a plan (83%) than are smaller companies (63%).
  - Only 40% of companies where business continuity is not a priority have a plan, compared with 89% of companies where it is a priority.
  - Nearly all businesses which have suffered a previous disaster (94%) have a plan, compared with 62% of those businesses which haven't suffered a disaster.
- ◆ Most organizations with a business continuity plan have updated it within the last six months (34%) or the last six to twelve months (36%). About one in four (27%) say it was last updated more than a year ago.
  - Companies with more than 500 employees are more likely to have updated their plan within the past six months (50%) than companies with fewer employees (26%).
  - Only 46% of companies where business continuity is rated as a high priority say their plan has been updated in the past six months.

- ◆ At only 57% of the companies with a business continuity plan has the plan been fully tested within the past year, with 22% saying it was tested within the past six months and 34% in the past six to twelve months. Thirty percent say their plan was last tested more than a year ago and seven percent concede their plan has never been tested.
  - Business with 500 or fewer employees are about as likely to have had their plan fully tested in the past year (60%) as companies with more than 500 employees (50%).
  - Only 68% of companies where business continuity has always been a priority have fully tested their plan within the past year, while 25% say it was last tested more than a year ago or never.
  - Companies which have suffered disasters in the past are no more likely to have tested their plans in the past year (47%) than those which haven't suffered a previous disaster (60%).
- ◆ The most common ways business continuity plans are communicated to employees are via meetings or conferences (73%), e-mail (60%), the employee handbook (48%), web postings (43%) and internal newsletters (27%). Only six percent admit they haven't communicated their plan to employees.

### **Monitoring Public Alert Systems**

- ◆ Seven in ten San Francisco company officers who have responsibility for business continuity planning (71%) say they monitor public alerting systems for warnings about terrorist threats or other potential disasters, with network or cable TV (56%), the Emergency Alert System (34%) and NOAA weather radio (14%) the most common systems monitored.
  - Company size has little influence on the probability a company will be monitoring these systems.
  - Companies which have a business continuity plan are more likely to monitor public warning systems (78%) than those who don't have a plan (53%).
- ◆ Only 10% of San Francisco companies implement specific protective actions when the federal terrorist alert level rises; at companies which have suffered from a previous disaster, only 13% implement specific actions.

### **Implementing Business Continuity Measures**

- ◆ The vast majority of San Francisco companies (65%) have implemented Internet security measures such as firewalls, intrusion detection, hacker protection and/or password authentication, or plan to in the next six months (13%), while two in three have established (55%) or plan to establish in the next six months (10%) redundant servers and/or backup sites. About one in three (32%) have used a service provider for outsourcing and another seven percent 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, 12% who plan to establish redundant servers and 9% who plan to use an outsourcing service. Even if these plans proceed, however, 37% of these firms will not have established redundant servers and/or backup sites and 40% will not have implemented any Internet security measures.
  - Among firms where business continuity is a priority, about nine in ten have already implemented Internet security measures or established redundant servers. Only 38% have or plan to use an outsourcing service.
  - Companies with more than 500 employees more likely than smaller companies to have taken every step but outsourcing, where results are similar among larger and smaller companies.

## Suffering from a Disaster

- ◆ About one in six San Francisco companies (16%) have suffered from a disaster which resulted in their organization having to cease operations for a period of time.
- ◆ The most common disaster suffered were earthquakes (31%), fires (25%) and power outages (25%), followed by cyber attacks (13%).
- ◆ Two in three companies which suffered a disaster lost business because of it (69%), generally less than \$100,000 a day (50%), although 13% say it cost their organization \$100,000 to less than \$500,000 a day and one says it cost their organization one million dollars a day or more. Only 6% say the stoppage cost the company nothing, while 25% admit they don't know how much it cost the company per day.
- ◆ All companies which have 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 (25%), obtaining a back-up server (13%), upgrading the communications system (13%) and moving the server off-site (6%).

## 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 San Francisco 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 25% recommend the purchase of IT or security products and/or services for the plan and 24% 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 (25%), vice president (8%), CIO (7%), MIS manager/director (7%), president (5%) and CFO (5%).*