

BUSINESS CONTINUITY – WASHINGTON, DC SUMMARY OF RESULTS

Priority of Business Continuity Planning

- ◆ Fewer than half of Washington company officers who have responsibility for business continuity planning at companies with annual revenues of \$25 million or more (39%) say business continuity has always been a priority for their company, while 36% say it has only become a priority in recent years due to security and terrorist threats. One in five (18%) say business continuity planning is important but not a high priority, while 6% admit it isn't important at their company.
 - Business continuity planning is not more of a priority at companies with more than 500 employees (75%) than at companies with fewer employees (74%).
 - Not surprisingly, far more companies which have a plan in the event of a disaster say business continuity has always been a priority (47%) than companies without a plan (13%).
 - Companies which suffered a disaster are no more likely to say business continuity is a priority (69%) than companies which have not suffered a previous disaster (76%).
- ◆ Of the one in four Washington 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 (79%), the low probability a major disaster will hit their company (71%), they consider the systems in place sufficient (50%), expense (50%) and unfamiliarity at the company with the process required to ensure business continuity (29%).

Having a Business Continuity Plan

- ◆ Only three in four Washington company officers who have responsibility for business continuity planning (74%) say their organization has a business continuity plan.
 - Companies with more than 500 employees are more likely than smaller companies to have a plan (88% vs. 66%).
 - Only 46% of companies where business continuity is not a priority have a plan, compared with 84% of companies where it is a priority.
 - Companies which have suffered a disaster are more likely to have a continuity plan (88%) than business which haven't had a disaster (71%).
- ◆ Most organizations with a business continuity plan have updated it within the last six months (42%) or the last six to twelve months (35%); one in five (19%) say it was last updated more than a year ago.
 - Companies with more than 500 employees are not more likely than smaller companies to have updated their plan in the last six months (46% vs. 37%).

- ◆ Just over half of Washington companies (58%) fully tested their plan within the past year, with 35% saying it was tested within the past six months and 23% in the past six to twelve months. One in four (27%) say their plan was last tested more than a year ago and another 8% concede their plan has never been tested.
 - Businesses with 500 or fewer employees test their plan just as often as larger businesses do.
 - Only 69% 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 (66%), the employee handbook (57%), an internal newsletter (36%) and web postings (27%). Only 1% admit they haven't communicated their plan to employees.
 - Larger companies are more likely than smaller ones to communicate via every method except the employee handbook, which both use at about the same level.
 - Companies in Washington are more likely than those in any of the ten markets to communicate their plan via their employee handbook.

Monitoring Public Alert Systems

- ◆ Eight in ten Washington company officers who have responsibility for business continuity planning (80%) 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 (41%) and NOAA weather radio (28%) the most common systems monitored.
 - Larger and smaller companies are equally-likely to monitor all three systems.
- ◆ Only 12% of Washington companies implement specific protective actions when the federal terrorist alert level rises.

Implementing Business Continuity Measures

- ◆ The majority of Washington companies have implemented Internet security measures such as firewalls, intrusion detection, hacker protection and/or password authentication (70%), or plan to in the next six months (9%). In addition, most have established (61%) or plan to establish in the next six months (16%) redundant servers and/or backup sites. Four in ten (39%) have used a service provider for outsourcing and another 11% 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 25% who plan to establish redundant servers.
 - Among firms where business continuity is a priority, 71% have already established redundant servers and/or backup sites and 84% have already implemented Internet security measures. Only 56% have or plan to use an outsourcing service.
 - Larger companies are more likely than smaller ones to have taken all three of these steps.
 - Washington, New York (38%), Los Angeles (37%) and Chicago (37%) are the most likely to have already used an outsourcing provider, while those in Washington and New York are also the most likely to be planning to in the next six months.

Suffering from a Disaster

- ◆ Sixteen percent of Washington 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 (50%), fire (19%) and floods (13%).
- ◆ Most companies which suffered a disaster (75%) lost business because of it, generally less than \$100,000 a day (44%), although 31% say it cost their organization \$100,000 to less than \$500,000 a day. One in four (25%) admit they don't know how much the damage cost their business per day.
- ◆ Eight in ten companies which suffered a disaster (81%) 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 alternative power sources (54%) and obtaining a back-up server (31%).

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 Washington 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 34% 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 (38%), CIO (14%) and Vice President (10%).

Industries of those who were interviewed include retail trade (30%), services (25%), wholesale trade (17%) and trade, insurance and real estate (15%).