

2008-2009

TRENDS IN BUSINESS CONTINUITY  
AND CRISIS COMMUNICATIONS SURVEY

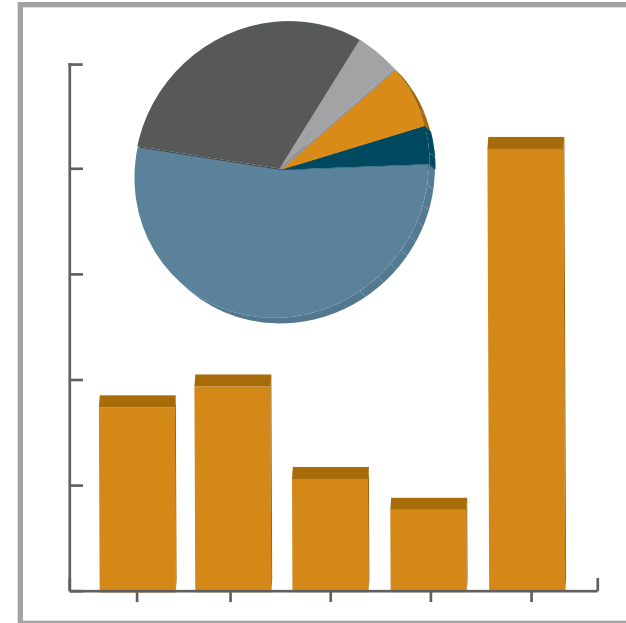
2008-2009

TRENDS IN BUSINESS CONTINUITY AND CRISIS COMMUNICATIONS SURVEY

The Second Annual *Trends in Business Continuity and Crisis Communications Survey* has been completed with over 700 participants from a wide range of industries and organizational sizes. **The Disaster Resource GUIDE** and **Varolii Corporation** conducted the study to determine both the changes since the 2007 survey was conducted and the trends that will define the future of business continuity and its related communications.

The increasing frequency of natural disasters, man-made disasters, and business interruptions, has made it absolutely critical that organizations quickly and accurately communicate with all stakeholders during an event. The mission of the Disaster Resource GUIDE has always been to “bring together” expertise from both the public and private sectors to enhance mitigation and to speed response during crises. This study, sponsored by Varolii Corporation, offers keen insights into the direction of business continuity and crisis communications as seen by emergency managers and business continuity professionals.

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### SURVEY OVERVIEW

In order to capture the current landscape of Business Continuity and Crisis Communications, Varolii Corporation and Disaster Resource GUIDE (DRG) conducted the 2008 - 2009 Survey of Business Continuity and Crisis Communication Trends. This condensed version of the survey, conducted from July 10th to August 29th, 2008, covers a broad range of topics, including:

- Business Continuity organizational trends and figures
- Major influences on Business Continuity planning and management
- The 'People Side' of Business Continuity
- Business Continuity communications (including emergency notification practices and system use)

Not only do the results of this survey provide insight into current trends across various industries, it highlights the changes and latest developments organizations are making to their Business Continuity programs over the past year.

We believe you will find the results useful and an informative guide for evaluating how your organization manages its Business Continuity program in relation to your peers.

### DEMOGRAPHIC BREAKDOWN OF PARTICIPANTS

**Industry** - The 727 respondents of this survey represented more than 12 different industries, the majority of whom come from financial services and government (nearly 40%). Healthcare/pharmaceutical, business services (accounting, legal, consultants), and "other" each ranged between 10% - 14%.

**Size** – Small to medium sized organizations were the majority represented with 43% fewer than 1,000 employees and 21% between 1,000 – 5,000. Organizations with more than 50,000 people made up 11%. 43% of participants work for organizations that have more than 20 locations.

**Job Function** – Most respondents participate in at least one of the following functions:

- Business Continuity program planning, monitoring and maintenance
- Incident Response/Emergency Management and communication
- Employee training and preparedness

### WHAT BEST DESCRIBES YOUR JOB FUNCTION?

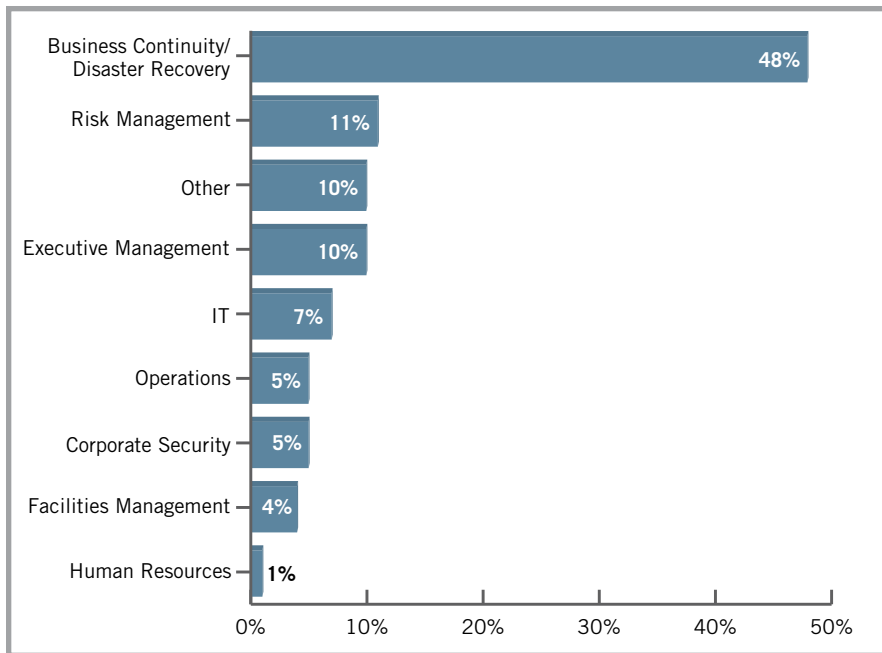
Most respondents' primary job function was business continuity/disaster recovery (53% of survey participants). Much of the remaining participants (47%) are in other functions such as risk management, executive management, IT, and other.

### TRENDS OF 2008

Respondents, whose primary job function was business continuity, security, or disaster recovery, dropped to 53%, vs. 70% in 2007 and the percentage of executive management participation increased from 2% in 2007 to 10% in 2008.

#### Key Takeaway:

*This may indicate that BC responsibilities are growing throughout the organization, and more departments have a stake in its planning and execution.*



### WHICH OF THE FOLLOWING BUSINESS CONTINUITY-RELATED FUNCTIONS DO YOU PARTICIPATE IN? (SELECT ALL THAT APPLY)

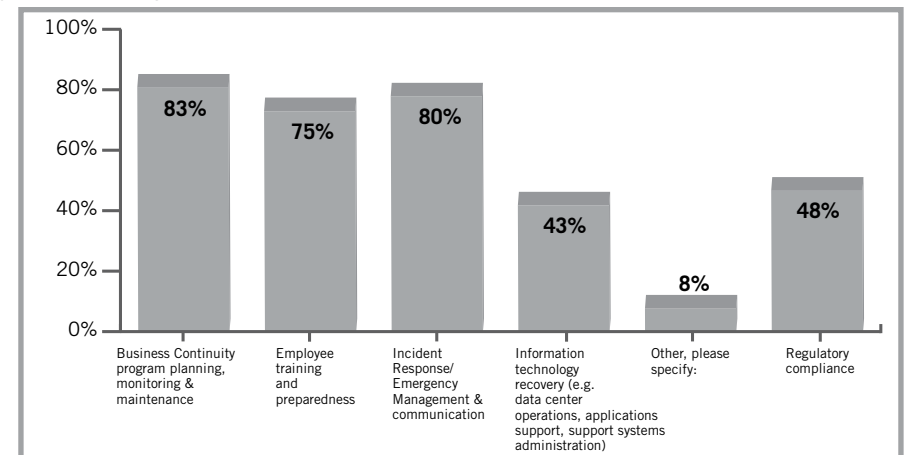
The majority of respondents to the survey participate in multiple fundamental business continuity functions within their organizations. For example, 83% of participants identified overall BC program planning, monitoring, and maintenance as their key function, and 80% are involved in incident response/emergency management and communication. 75% participate in employee training and preparedness. The remaining portion of respondents are involved in information technology recovery, regulatory compliance, and other.

### TRENDS OF 2008

2008 showed a significant increase in participants who listed 'employee training and preparedness' as a primary BC function (75% of participants listed this as a key function), whereas the percentage of respondents who listed IT and data recovery, and regulatory compliance as a primary BC function decreased from last year.

#### Key Takeaway:

*This may signal 1) a shift of BC focus away from IT and systems and more toward people, and 2) a decrease in the need for BC preparedness to fulfill a regulatory requirement only.*



### HAS THE SIZE OF YOUR DISASTER RECOVERY /BUSINESS CONTINUITY GROUP CHANGED IN THE PAST YEAR?

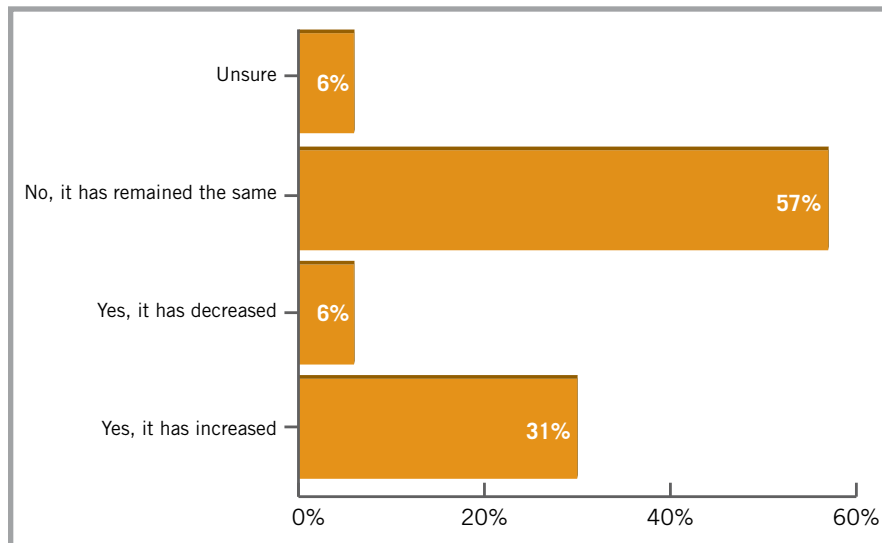
31% of respondents have increased the size of their DR/BC group, while 57% report that their group has remained the same size. Only 6% report a decrease in group size.

#### TRENDS OF 2008

From 2007 to 2008, there is still a significant increase in the size of BC groups, although the growth appears to have slowed – in 2007, 40% of BC groups grew, whereas in 2008, 31% of BC groups grew. The percentage of BC groups that lost headcount remained approximately the same (6% in 2008 vs. 8% in 2007).

#### Key Takeaway:

*This may signal that even while many companies are tightening their belts, the investment in BC is still one that many organizations are making.*



### WHAT OTHER GROUPS (BESIDES DEDICATED BC) ARE REPRESENTED ON YOUR COMPANY'S BUSINESS CONTINUITY PLANNING TEAM? (CHECK ALL THAT APPLY)

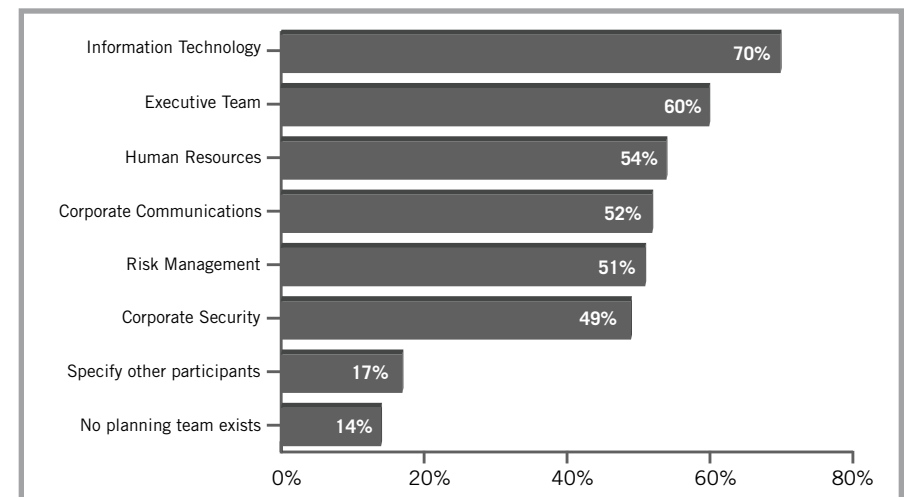
IT related-groups are most prevalent on BC planning teams. Closely following this percentage is representation from the executive team and human resources.

#### TRENDS OF 2008

From 2007-2008, the mix of groups participating in the BC planning team remained much the same. However, the percentage of people involved from Risk Management decreased by approximately 15%, while the percentage of people involved from Corporate Security rose dramatically.

#### Key Takeaway:

*Results may indicate that many companies place much of their BC focus on IT and infrastructure; however, the strong representation from human resources and the executive team may indicate that companies are emphasizing the people side of BC as well (e.g. ensuring Workforce Continuity, Employee Accountability and well-being in the event of a crisis).*

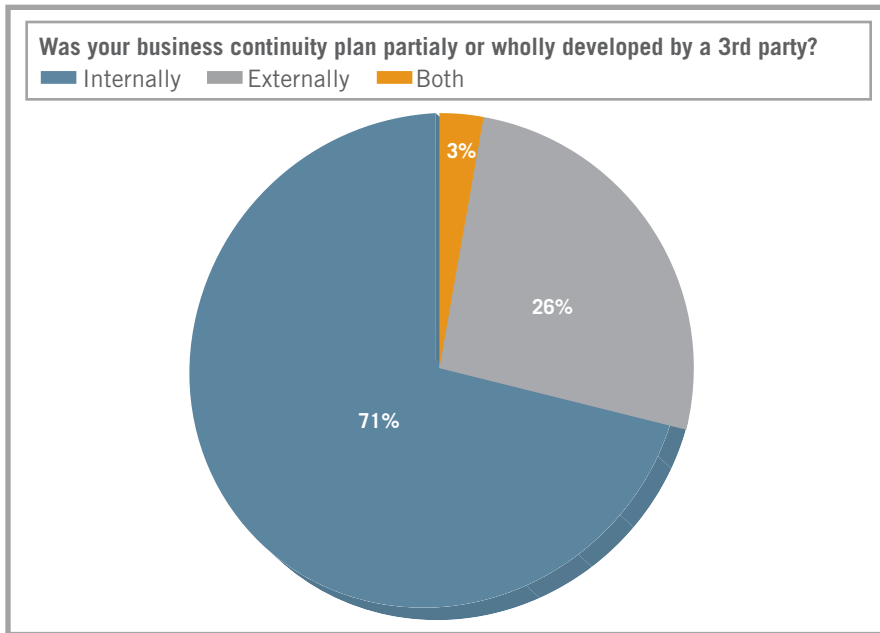


**WAS YOUR BUSINESS CONTINUITY PLAN PARTIALLY OR WHOLLY DEVELOPED BY A 3RD PARTY?**

Over two-thirds of respondents (71%) developed their BC plan internally. Much of the remaining respondents developed their entire BC plan externally, while a small margin (3% used a combination of internal and 3rd party resources

**Key Takeaway:**

*The overwhelming majority of respondents may develop their plans internally due to their reliance on internal processes and disbursement of information.*



**LISTED BELOW ARE TYPES OF EVENTS THAT MAY POSE A THREAT TO BUSINESS CONTINUITY AT YOUR COMPANY. PLEASE RATE EACH OF THE EVENTS BASED ON THEIR THREAT LEVEL TO YOUR ORGANIZATION.**

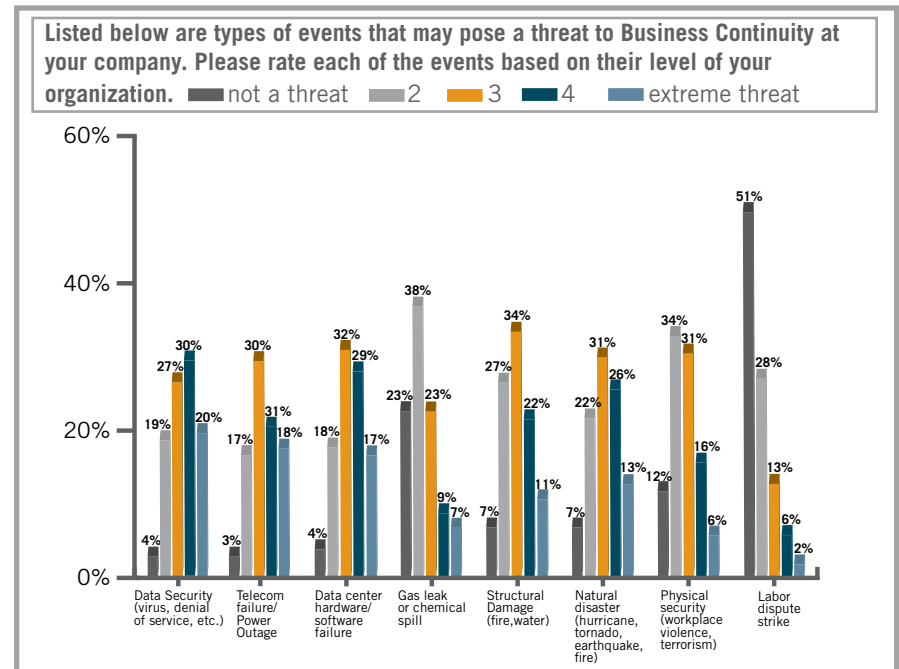
Top threats center on data security and telecom failure/power outage. This may signal that much of BC's focus remains to be systems and data-related, despite a new focus on the 'people' side' of BC. Conversely, labor disputes (which is a 'people' focused threat to BC) ranked lowest, with 51% of respondents identifying it as a low or non-threat.

**TRENDS OF 2008**

2008 results show that IT and infrastructure threats are still at the top toward priority, as they were in 2007.

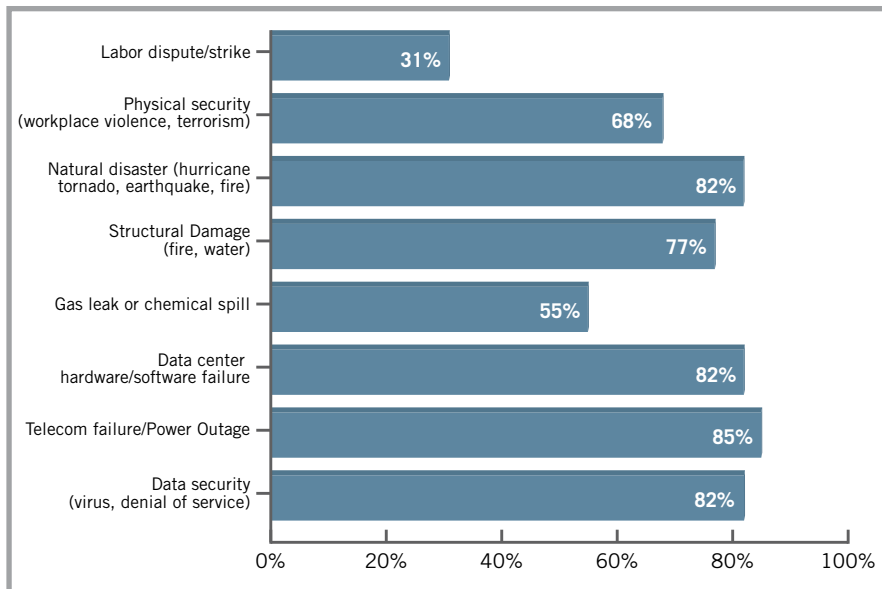
**Key Takeaway:**

*Perceived risk centers more on events that typically happen within the organization's system and infrastructure, such as data breach or telecom failure.*



**FOR WHICH OF THESE OF EVENTS DO YOU HAVE BUSINESS CONTINUITY PLANS IN PLACE? (CHECK ALL THAT APPLY)**

Respondents have BC plans in place for a majority of the event types listed, namely natural disaster, telecom failure/power outage, data failure, data security, and structural damage. These events range from 77% to 85%. The sole area where BC plans are rarely in place is for labor dispute/strike. This may indicate a low historical occurrence of labor conflict among the organizations surveyed.



**IS COMMUNICATING CRITICAL INCIDENTS TO CUSTOMERS PART OF YOUR BUSINESS CONTINUITY POLICY?**

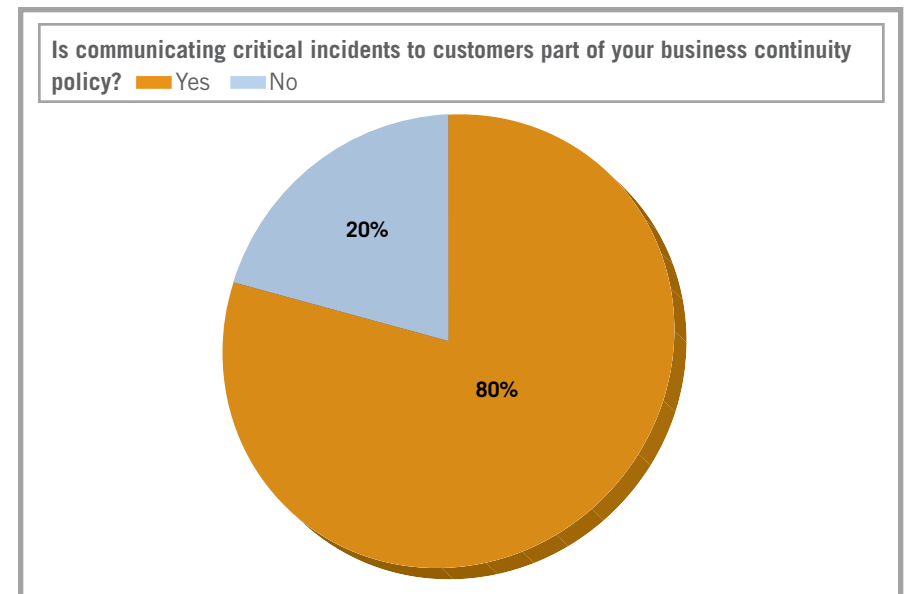
80% of those surveyed indicated that communicating critical incidents to customers is part of their BC policy.

**TRENDS OF 2008**

The percentage of those surveyed who indicated that communicating critical incidents to customers is part of their BC policy increased 11 percentage points – up from 69% last year.

**Key Takeaway:**

*This may signal that companies are increasingly more open in communication with customers about critical incidents.*

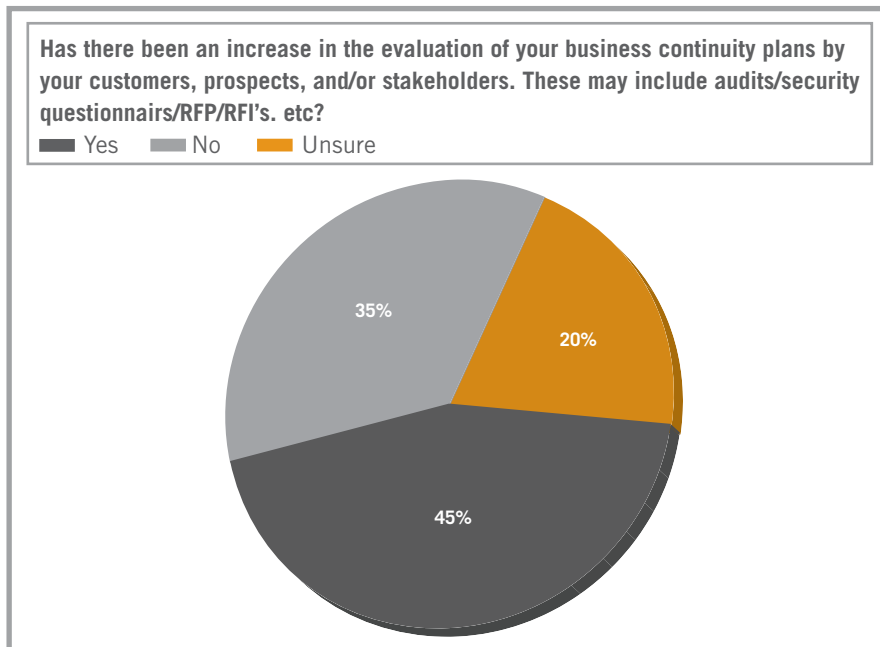


**HAS THERE BEEN AN INCREASE IN THE EVALUATION OF YOUR BUSINESS CONTINUITY PLANS BY YOUR CUSTOMERS, PROSPECTS, AND/OR STAKEHOLDERS? THESE MAY INCLUDE AUDITS/SECURITY QUESTIONNAIRES, RFP/RFI'S, ETC.**

45% indicated that evaluation of BC plans through the form of audits, security questionnaires, RFP/RFI's, and other means has increased, while 35% see no increase.

**Key Takeaway:**

*The increase may indicate that customers have a growing stake in their suppliers/ service providers' operations should a crisis occur, and may want additional 'proof' of their overall resiliency as to not disrupt their own operations.*

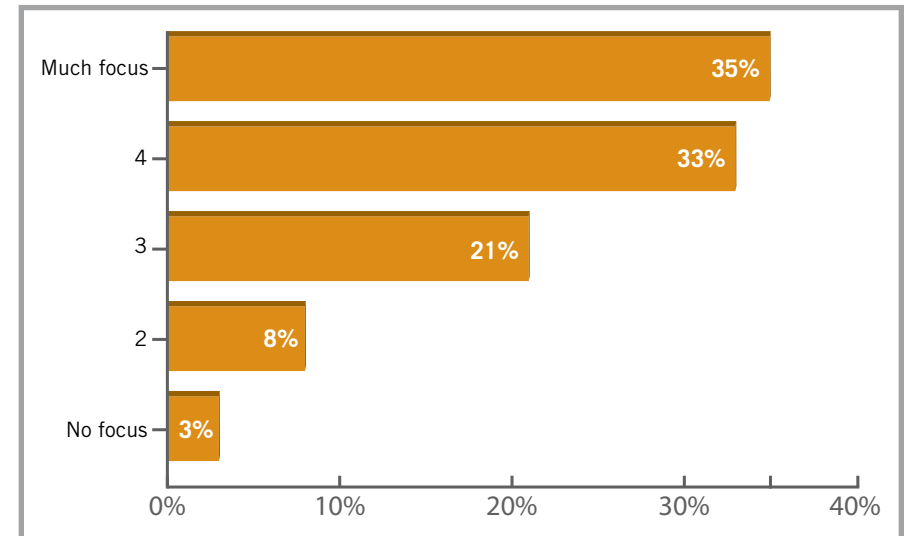


**HOW MUCH FOCUS DOES YOUR BUSINESS CONTINUITY PLAN PLACE ON EMPLOYEES (EMPLOYEE SAFETY, EMPLOYEE CONNECTIVITY, DETERMINING WORK AVAILABILITY) VS. SYSTEMS AND DATA?**

68% of respondents indicated that their BC plan places a very high focus (rated 4-5) on this aspect of Business Continuity.

**TRENDS OF 2008**

Respondents are more focused on the "human side" of BC rather than on IT and systems and data. 2008 showed an increase from 53% to 68% currently.

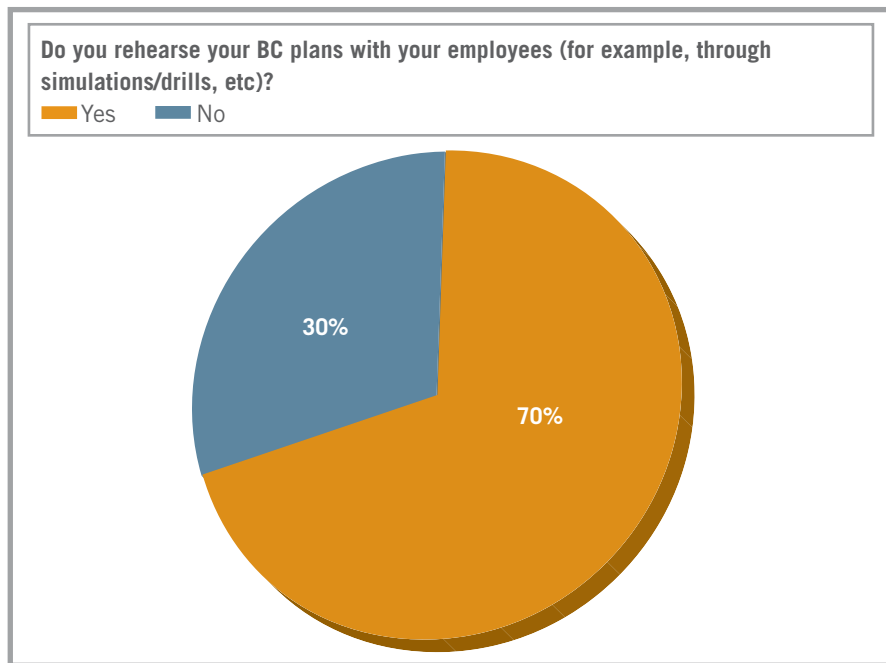


### DO YOU REHEARSE YOUR BC PLANS WITH YOUR EMPLOYEES (FOR EXAMPLE, THROUGH SIMULATIONS/DRILLS, ETC)?

The majority of respondents (70%) do rehearse their BC plans with employees.

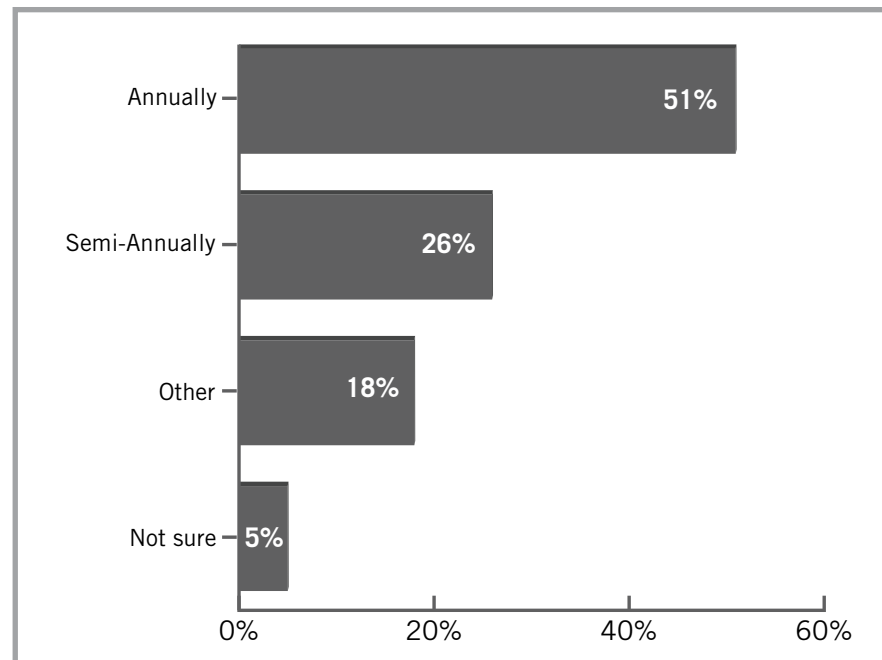
**Key Takeaway:**

While the majority of organizations don't share their BC plans to all employees, they still rehearse their plans to a select group who will be responsible at some level of its execution.



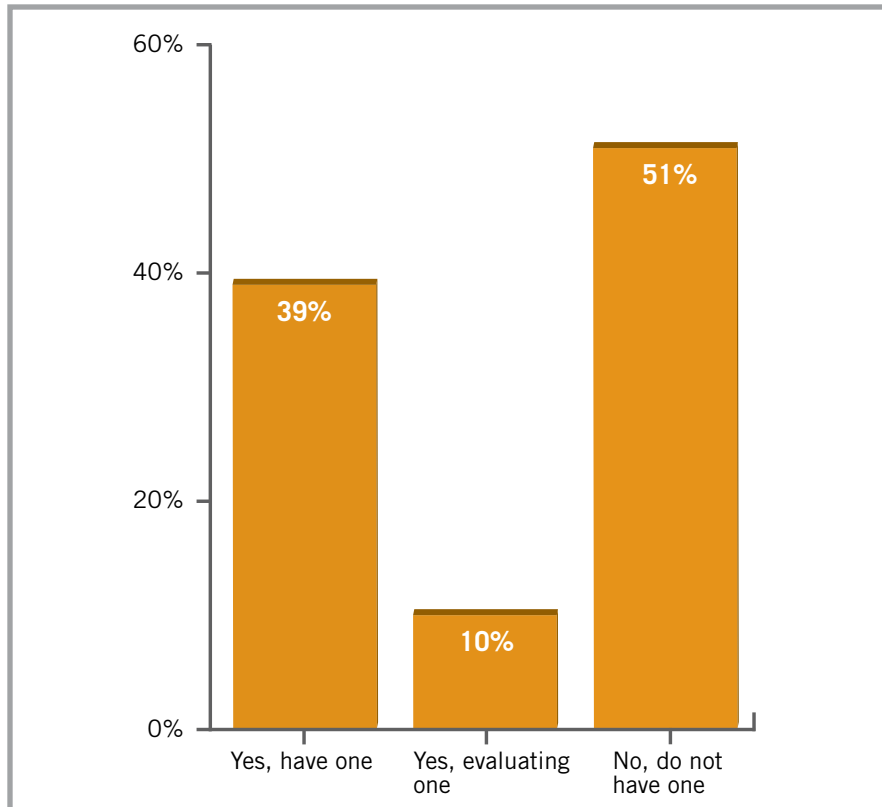
### IF YES, HOW FREQUENTLY?

The majority of survey respondents rehearse their BC plans annually (51%) or semi-annually (26%).



**DO YOU HAVE A BUSINESS CONTINUITY PLANNING TOOL, OR ARE YOU EVALUATING ONE?**

Over half of the respondents indicated that their organization does not have a BC planning tool, while 10% is in the process of evaluating one.

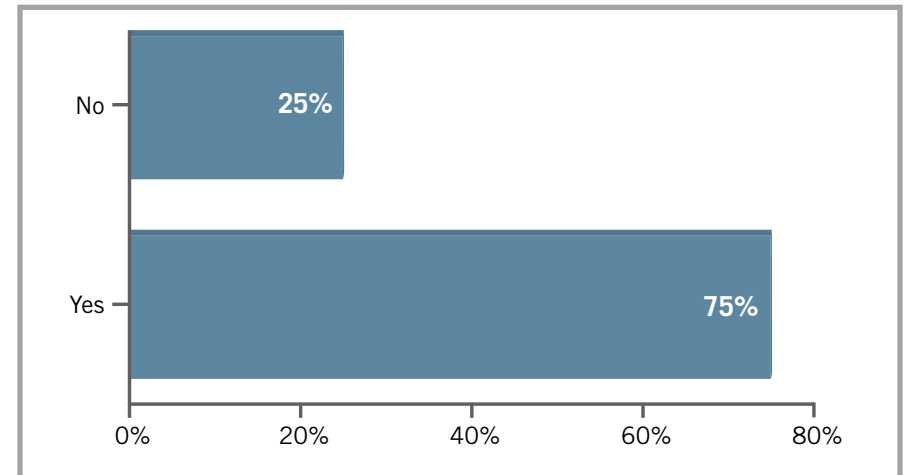


**DO YOU HAVE A FORMALIZED EMERGENCY NOTIFICATION PROCESS?**

Most respondents polled (75%) had a formalized emergency notification process.

**TRENDS OF 2008**

The percentage of people who indicated that they have a formalized emergency communication process actually dropped from 2007 when it was 86%.

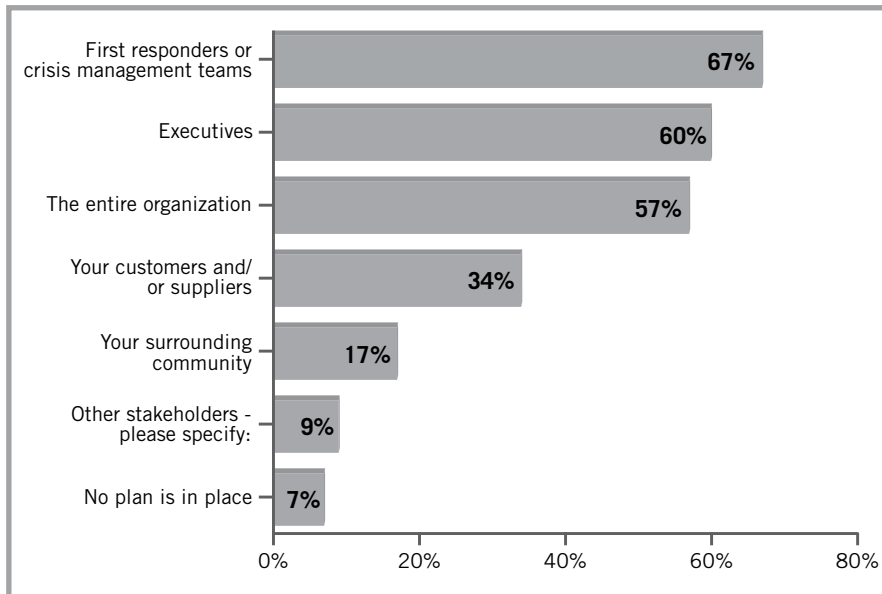


### WHICH GROUP(S) DOES YOUR CRISIS COMMUNICATIONS PLAN PRIMARILY TARGET? (CHECK ALL THAT APPLY)

Most respondents surveyed indicated that their crisis communications plan targeted first responders or crisis management teams (67%) and executives (60%). Over half of respondents also polled noted that their communication plan reached out to the entire organization, while much smaller percentages of respondents indicated that their communications plan reached outside of the organization.

### TRENDS OF 2008

2008 showed a marked increase in the reach of respondents' crisis communications plan. Communications plans that covered the entire organization increased from 51-57%, and 34% indicated that their communications plan included customers and suppliers – a large increase from 2007.



### LIST THE PRIMARY CONSIDERATIONS IN EVALUATING AN EMERGENCY NOTIFICATION VENDOR (SCALE: 1 = LEAST IMPORTANT, 5 = MOST IMPORTANT).

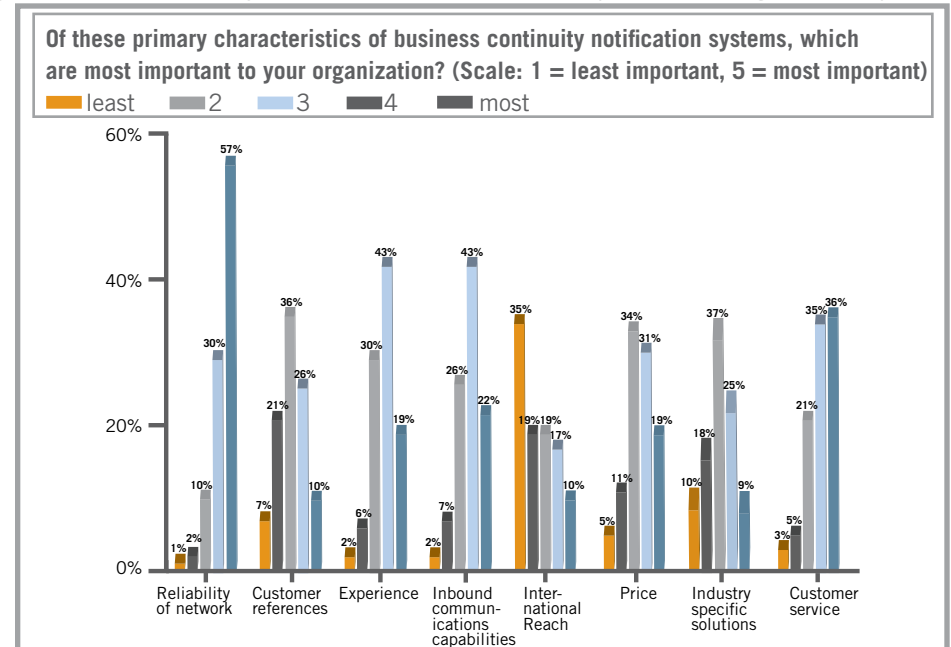
Respondents placed most emphasis on network reliability as a primary evaluation point in selecting an emergency notification vendor. 57% placed it as a most important consideration. Experience and Inbound communication capabilities ranked very high as well. Price of the solution and customer service was a notable – but not the most important—consideration.

### TRENDS OF 2008

A key change from 2007 to 2008 is the much greater emphasis on reliability and experience. A much lesser emphasis was placed on customer service, which was the most important consideration in 2007.

### Key Takeaway:

*This may indicate that purchasers need assurance that emergency communications system are consistently reliable—and for vendors to prove it through their experience.*



### IN SUMMARY - KEY TAKEAWAYS

The results of this survey indicate that a growing emphasis is being placed on Business Continuity and Crisis.

### PLANNING & DEVELOPMENT

Across all industries surveyed, Information Technology (IT) remains the single most consistently represented group involved in BC planning programs, which may signal that much focus around Business Continuity is still on data and systems. The majority of those surveyed (64%) said that actual development and execution of BC programs was headed by a dedicated BC group.

### CUSTOMER/STAKEHOLDER DEMAND AND INTERACTION

Nearly half of respondents said that customers have demonstrated an increased interest in their BC plans and 64% said that there has been an increase in BC planning requirements in RFP/RFI/RFQs issued to their companies. Further, organizations are increasingly including customers and stakeholders into their BC planning and management. 80% of respondents report that they communicate critical incidents to their customers as a formalized part of their BC policy.

### CRISIS COMMUNICATIONS

Crisis Communication is a priority among the organizations of those surveyed, with 75% claiming to have a formalized emergency notification process (either automated or manual). But only 24% of those surveyed have an emergency notification solution that is integrated into an enterprise application.

### EXECUTIVE SPONSORSHIP AND PARTICIPATION

A growing portion of executives are actively participating on Business Continuity planning teams, which may indicate a growing emphasis on the importance of BC planning and management within organizations.

### EMPHASIS ON EMPLOYEES - "THE PEOPLE SIDE" OF BC

68% of respondents emphasize employee-focused BC planning (determining employee safety, employee connectivity, determining workforce availability, etc.).

### OTHER TAKEAWAYS INCLUDE:

- **Data Security and Telecom Failure/Power Outage** was ranked highest among issues considered a threat or extreme threat to their organizations
- In addition to data security, other top concerns include **data center failure and natural disasters**
- Over half (57%) of respondents indicated that their **crisis communications plan targets the entire organization**