

# The State of the BCP Profession

2002

## Executive Summary

The business continuity profession experienced a landmark year in 2002. Following the September 2001 terrorist attacks on the United States, business continuity planning was thrust into the spotlight. The successful recoveries in New York coupled with the newly realized threats gave many organizations pause to consider how prepared they were.

The unprecedented awareness and interest in BCP brought new thinking to the field. Discussion on standards, regulations, and best practices ensued. But in order to move forward, it is necessary to understand where the profession is. Strohl Systems, in conjunction with *Contingency Planning & Management*, magazine conducted a series of four BCP surveys during 2002 to provide a snapshot of the profession.

These surveys explored four different topics. In January survey participants were asked questions about their BCP program in light of the Sept. 11 attacks. In April, they were asked about their BCP budgeting and staffing. July's survey focused on activation and testing, and October's survey explored BCP products and services. Over 3,800 business continuity professionals responded to the four surveys during the course of the year.

All of the surveys were conducted using Strohl's BIA Professional® Web Server business impact analysis software. BIA Professional allows for surveys to be conducted online and provides instant analysis of data. Recipients were sent a link to the online survey and asked to answer six simple questions.

### Some interesting facts from the surveys include:

- In January, 76 percent of the respondents indicated that their organization had reviewed their business continuity plans since Sept. 11;
- 86 percent noted that their organization had experienced a heightened awareness of business continuity since Sept. 11;
- In the April survey, 21 percent of the respondents indicated that their organization had an established BCP program for less than a year and 43 percent said they had a BCP program for one to five years;
- 36 percent responded that the IT department was in charge of their organization's BCP program;
- In July, 38 percent of the organizations responding indicated that they had activated their business continuity plan;
- 50 percent said that they were most concerned about accidental disasters, such as power outages, equipment failures, or software errors;
- October's survey discovered that 43 percent of organizations use a third-party to host their alternate site. Slightly less - 35 percent - choose to use an internal solution for their alternate site strategies.

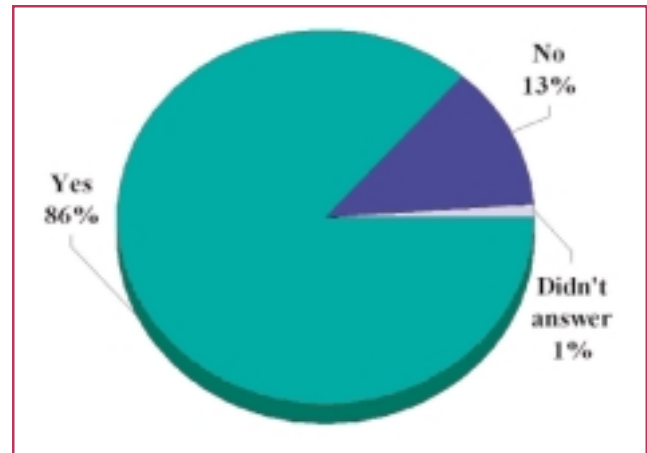
The complete details and statistics<sup>1</sup> of all of the surveys along with some analyses are provided in the following pages.

## BCP in Current Events

From January 15-31, 2002 Strohl Systems and *Contingency Planning and Management* magazine surveyed business continuity planning professionals to ascertain how the Sept. 11 terrorist attacks had affected BCP. Over 1,400 people responded to the six-question survey. BCP professionals from over 30 countries participated. Nearly 15 percent of the responses came from outside the United States.

## The Effect of September 11

When asked if their organization had experienced a heightened awareness of BCP since Sept. 11, 86 percent responded "Yes" while 13 percent said "No." Undoubtedly, Sept. 11 was the single most influential event on the BCP industry. Its impact will be felt far into the future. (See Figure 1.)



**Figure 1: Has your organization experienced a heightened awareness of business continuity since Sept. 11? (January 2002)**

Respondents were also asked in which area they thought Sept. 11 would have the most impact on their organization. The majority of participants indicated that they were most likely to see an increase in security – 41 percent chose increased physical security and 24 percent chose increased information security. As far as BCP is concerned, 17 percent felt they would see an increase in their continuity budget. Additionally, 13 percent thought there would be a decrease in travel and three percent thought there would be an increase in telecommuting.

With regards to reviewing and updating plans after Sept. 11, 52 percent said they had reviewed their plan and made some changes. Another 14 percent said they reviewed it, but did not make any



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changes and 10 percent said they completely overhauled their plan. All together, over 76 percent of organizations had reviewed their plans since Sept. 11. Approximately one fifth (21 percent) of all respondents indicated that they neither reviewed nor revised their continuity plan a full four months after Sept. 11.

Overall, the survey showed without a doubt, the events of Sept. 11 exponentially increased the awareness of business continuity planning. However, it was slightly surprising that more organizations didn't at least review their plans.

Along the same line of thought, respondents were asked if they had conducted a business impact analysis (BIA) since Sept. 11. Fourteen percent indicated that their organization had conducted a BIA since Sept. 11. A significant number – 38 percent – said they had conducted a BIA in the previous 12 months, 15 percent said within the previous two years, and 15 percent said they had conducted one more than two years ago. An additional 14 percent said that their organization had never conducted a BIA.

BIAs allow organizations to determine vulnerabilities, operational and financial impacts, and help prioritize recovery goals. In light of the new risks exposed by Sept. 11, Strohl Systems highly recommends that all organizations conduct or update their BIA to determine the impact of the new threats.

## Plan Coverage and Maintenance

Fifty-three percent of participants indicated that their plans cover all business units, while 23 percent said their plan covered key internal functions and 21 percent said their plan covered only IT functions. (See Figure 2.)

The final question asked in January was, "How often is your plan updated?" Almost half – 48 percent – said their plans were updated whenever needed. Other responses included, yearly – 22 percent, quarterly - 19 percent, monthly – five percent, and daily – less than two percent.

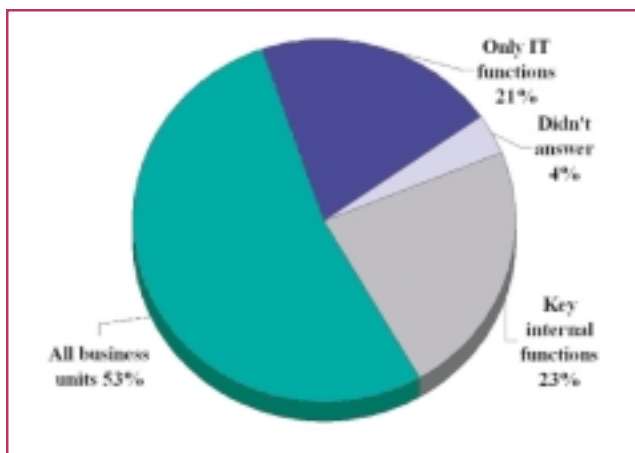


Figure 2: Does your plan cover: (January 2002)

Strohl Systems and *Contingency Planning and Management* magazine will continue to track the influence of Sept. 11 on BCP. Future surveys will ask similar questions. The numbers will be compared and contrasted to the responses from this survey to determine the lingering effect, if any, the disaster will have on the industry.

## Budgeting and Staffing

From April 24 to May 8, 2002 a second survey discussing BCP budgeting and staffing was conducted. The survey received over 830 responses from individuals in more than 30 countries.

### BCP Staffing

The first question in this survey asked recipients to state which department was ultimately responsible for BCP in their organization. The responses were distributed across the board. In 36 percent of organizations, BCP reports to the IT department. In 11 percent, BCP falls under the risk management department. Recipients reported that BCP falls under security at eight percent of organizations and under the financial department at six percent of organizations. Interestingly, 18 percent of the organizations reported having their own BCP department and 20 percent said BCP fell under other departments. Other responses included facilities, operations, administration, and BCP committees. (See Figure 3.)

Participants were also asked to indicate the title of the executive sponsor of their organization's BCP program. Vice President was the most frequent answer with 30 percent, followed by Other with 22 percent, CIO with 15 percent, CEO/President with 13 percent, Manager with 11 percent, and CFO with six percent.

Additionally, survey participants were asked to indicate how many employees are involved in plan maintenance. The majority – 51 percent – said they have less than 10 employees, 29 percent said between 10 and 50, seven percent said between 50 and 100, and 12 percent said over 100 employees.

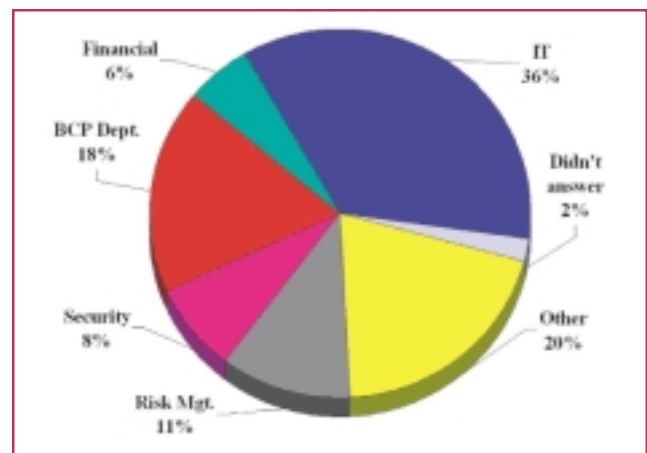


Figure 3: Which department in your organization is ultimately responsible for business continuity planning? (April 2002)



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## BCP Budgeting

In terms of budget, a majority of respondents indicated their annual BCP expenditures were under \$500,000 – 43 percent said less than \$100,000 and 26 percent said between \$100,000 and \$500,000. Of those who said their budget was over \$500,000, 11 percent said it was between \$500,000 and \$1 million and 14 percent said their budget was over \$1 million. (See Figure 4.)

Additionally, 39 percent of the survey participants indicated that their BCP budget was less than two percent of their overall IT budget, 14 percent said it was between two and four percent, five percent said it was between four and six percent, four percent said it was over six percent, and 35 percent of recipients said they were unsure what the percentage was.

While it is not recommended that companies base their BCP budget on a percentage of their IT budget, the numbers do give an indication as to the level of maturity of the BCP program when compared to the IT budget.

Finally, participants were asked how long their organization had an established BCP program. Twenty one percent said they had an established BCP program for less than one year, 43 percent said their program was in place between one and five years, 19 percent said six to 10 years, eight percent said between 11 and 15, and six percent said over 15 years.

Using these numbers as a crude benchmark, we can see that the typical organization has had a business continuity program that has been in existence for less than five years, falls under the IT department, has less than 10 employees responsible for planning, operates on an annual budget of less than \$100,000, and reports to a vice president.

Certainly, not all organizations are the same in terms of operations, budget, and staffing. Larger companies have more to protect and consequently will dedicate more resources to BCP. These

numbers represent the starting point for staffing and funding a business continuity program.

## Activation and Testing

The third survey conducted asked respondents to discuss plan activations and testing. From July 22 to Aug. 12, 855 BCP professionals from over 30 countries responded to the survey.

### Plan Activations

When asked if they have ever had to activate their plan for any reason, 38 percent said, “Yes;” 57 percent said, “No;” and five percent said they did not have a plan. (See Figure 5.)

These responses really illustrate the importance of business continuity planning. More than one third of organizations have activated some portion of their plan. It is no longer a matter of ‘if’ you have to activate your plan, but ‘when’ you will have to activate your plan.

Accidental disasters such as power outages, equipment failures, or software errors were the event about which most respondents were concerned. Fifty percent said they were most concerned about accidental disasters, while 29 percent were most concerned about natural disasters, and 21 percent said they were most concerned about intentional, manmade disasters such as war, acts of terrorism, or hacking.

Interestingly enough, these numbers vary dramatically by regions. In North America, accidental disasters were the number one choice (48 percent), followed by natural disasters (30 percent) and manmade disasters (22 percent). But in other parts of the world, the responses were quite different. In Europe, 76 percent were most concerned about accidental disasters, 14 percent chose intentional, manmade disasters and only nine percent were concerned about natural disasters. Central American and

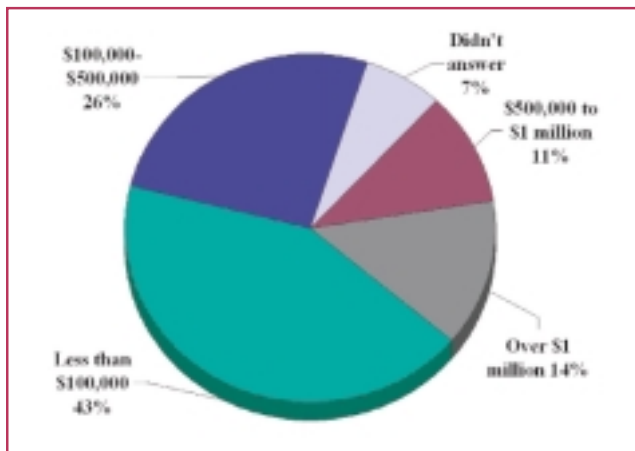


Figure 4: Is your annual disaster recovery/business continuity budget: (April 2002)

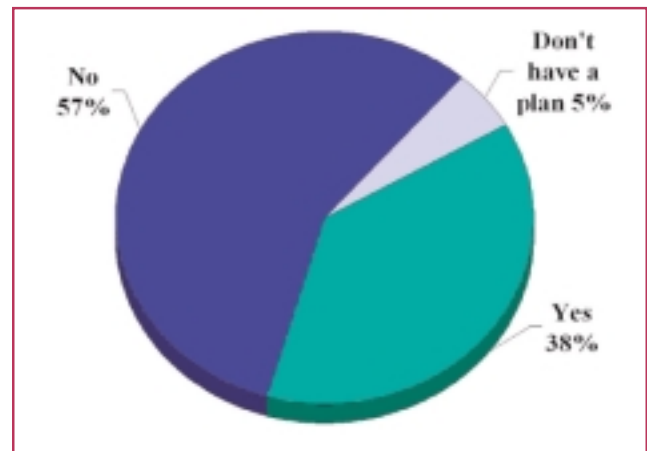


Figure 5: Have you ever had to activate your plan for any reason? (July 2002)



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Caribbean participants were most concerned about natural disasters (47 percent) followed by accidental disasters (37 percent) and manmade disasters (16 percent). In Asia, 50 percent chose accidental disasters, 29 percent chose natural disasters and 21 percent chose manmade disasters.<sup>2</sup> These numbers certainly indicate that concern about crucial events varies by region.

Overall, respondents seemed fairly confident that their plans would work as written should they need to be activated, with 55 percent saying they were “somewhat confident” and 26 percent indicating that they were “very confident.” Only 12 percent said they were “not very confident” and four percent said they were “not confident at all.”

## Plan Testing

Testing was also a major topic of this survey. Testing is one of the most critical aspects of continuity planning. An organization can have the most robust and comprehensive plan in the world, but what good will it do if it has never been tested? Testing the plan allows BCP professionals to adjust time estimates, resources, and prepare for the unforeseen. At the very least, plans should be tested annually.

Participants were asked how often they test their plans as well as the extent of their tests. Most organizations, 37 percent, conduct a BCP test yearly, 23 percent conduct a test every six months, 10 percent said they test quarterly, two percent said they test monthly, eight percent said they never test, and 20 percent said they have no set timeframe for tests.

Aside from the frequency of tests, participants were asked to identify the extent of their testing. To begin, 10 percent said they do not test their plan at all. Of the remaining responses, 15 percent said they conduct IT-specific tests, eight percent said they conduct a table-top walk-through, and less than eight percent said they conduct one of the following: call list tests, business unit

tests, and enterprise-wide, full-scale tests. Over half – 58 percent – said they conduct a combination of these tests.

The final question asked about virtual command centers. Eighty percent said they did not use a virtual command center when testing or activating their plans, while 16 percent said they used one. (See Figure 6.)

Using a virtual command center would allow organizations to test more frequently and more extensively. These products allow for simulated and scaled-back tests to be performed with minimum disruption to the business environment.

## Products and Services

The final BCP survey of 2002 explored the use of BCP products and services. This survey was conducted from Oct. 21 to Nov. 4 and received 701 responses - 15 percent coming from outside of the United States and Canada.

## Alternate Sites

The survey found that 43 percent of organizations use a third-party to host its alternate site. Slightly less (35 percent) choose to use an internal solution for their alternate site strategies. Eight percent use mirroring or shadowing, four percent indicated that they have a reciprocal agreement and nine percent chose none of the above. (See Figure 7.)

There has been an increased interest in internal solutions in recent years and this survey illustrates that trend. By in large though, more companies are still using third-party solutions and that probably won't change in the immediate future.

Recipients were also asked to indicate the length of their third-party alternate site vendor contract. Of those who said they use a vendor for their alternate site, 10 percent said their contract was for one year, nine percent said two years, 34 percent said three years, four percent reported a four-year contract, 30 percent

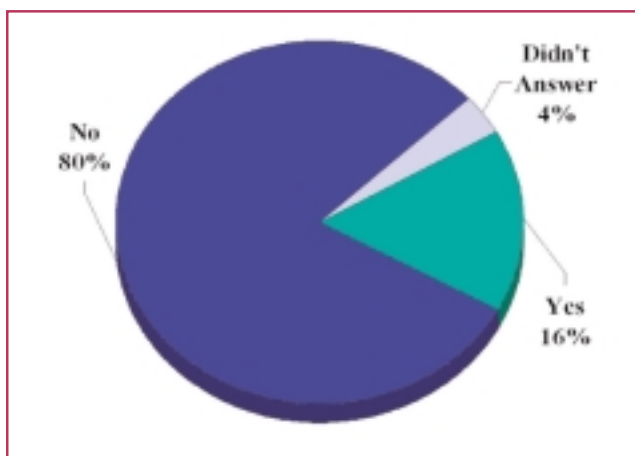


Figure 6: Do you use a virtual command center when testing or activating your plans? (July 2002)

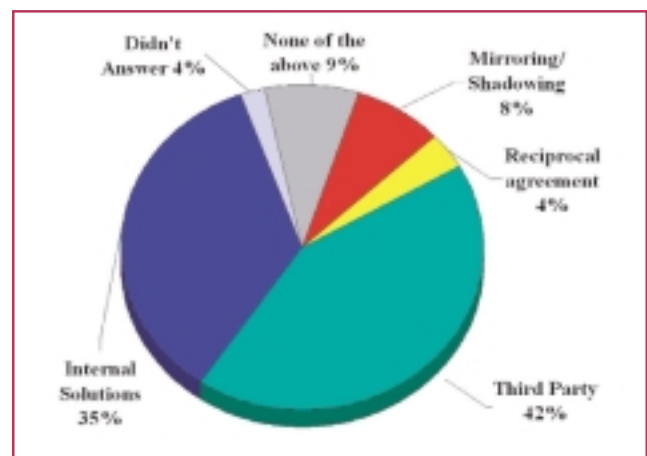


Figure 7: What is your primary alternate site strategy in your business continuity program? (October 2002)



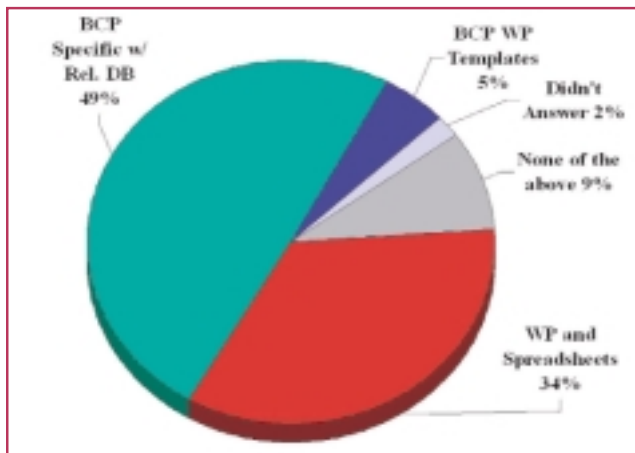
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responded five years, and 13 percent said their contract was for more than five years.

## BCP Software

Respondents were asked what type of BCP software they used. The most common, used by 49 percent of the respondents, was BCP specific software with a relational database. Word processing and spreadsheets was second with 34 percent, BCP word processing templates were used by five percent and nine percent said they used none of the above. (See Figure 8.)



**Figure 8: What type of software do you use for your business continuity planning? (October 2002)**

In the BIA software category, 45 percent said they used word processing, 25 percent said they used BIA specific software,

eight percent said they used a BCP software package, and 19 percent said they do not conduct BIAs.

Fifty three percent indicated that they do not use an automated notification system, 19 percent said they already employ one, and 26 percent said they intend to explore the option.

## BCP Consulting

The final question of the October survey asked recipients to indicate the extent to which they use BCP consultants. Forty-six percent said they used them not at all, 45 percent said occasionally when needed, and five percent said they use consultants to manage the entire program.

## Conclusion

In order for a profession to expand, an accurate understanding of where it is, is needed. The four surveys that were conducted in 2002 shed some much-needed light on the BCP profession and industry. Strohl Systems in conjunction with *Contingency Planning & Management* magazine will continue to conduct these surveys in the coming year in order to further understand the discipline.

Any questions about the surveys or requests to participate in future surveys should be directed to Strohl's Public Relations Coordinator, Kevin Miller, [kmiller@strohlsystems.com](mailto:kmiller@strohlsystems.com) or 800-634-2016.

## End Notes

<sup>1</sup> All numbers were rounded to the nearest whole number, accounting for the reason that the total responses for some questions does not equal 100 percent.

<sup>2</sup> Not enough responses were received from South America, Australia, and Africa to produce a significant understanding of the data.

