

2009 Disaster Recovery & Business Continuity Survey

Research conducted by Agility Recovery Solutions and Hughes Marketing Group.

Survey reveals the number of small and mid-sized businesses with continuity plans is high. Though their recovery programs are not comprehensive and companies do not spend enough time creating and maintaining their plans.

Introduction

In the spring of 2009, Agility Recovery Solutions engaged Hughes Marketing Group to survey small and mid-sized businesses in North America about their disaster recovery and business continuity plans. The survey assessed their abilities and readiness to resume “business as usual” after interruptions caused by natural and man-made disasters, such as hurricanes, thunderstorms, telephone outages, server failures and more.

Over 700 small and mid-sized businesses in the United States and Canada participated in the online survey. Respondents encompassed a cross section of industries and company sizes. Especially significant were the numbers of insurance agencies (27%), credit unions (16%) and banks (13%) that responded. The majority of respondents were company officers (44%) like chairmen, presidents, CEOs, COOs, SVPs and owners, while many IT directors (11%), business continuity directors (8%) and compliance officers (4%) also participated. Seventy-six percent of respondents have less than 100 employees at their locations.

General Findings

Small and medium-sized businesses are woefully unprepared for disasters.

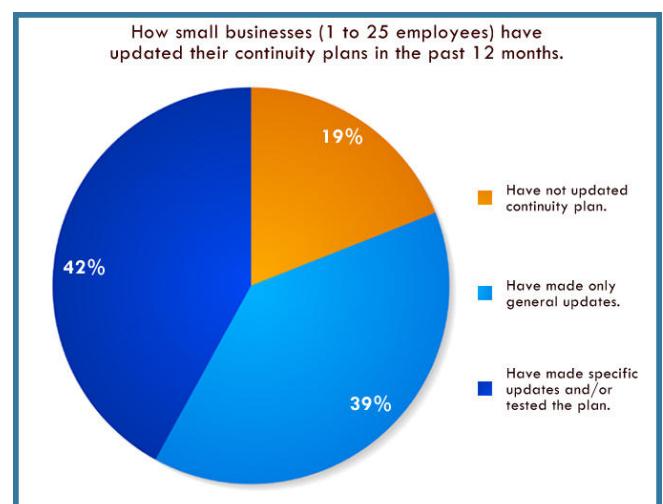
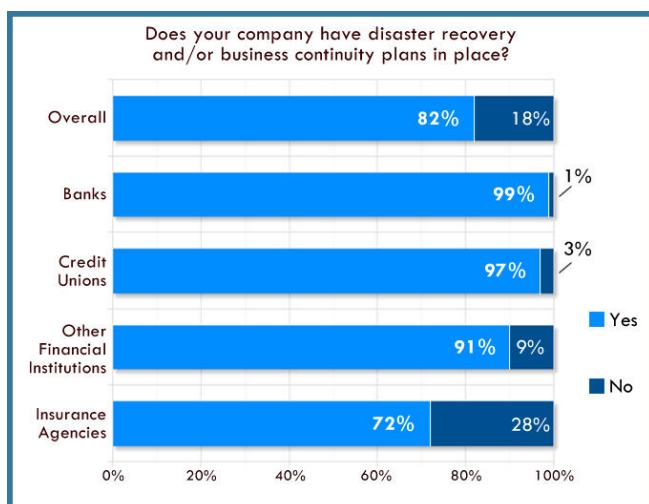
- 90% of smaller companies (<100 employees) surveyed spend less than one day per month preparing and maintaining their continuity plans.
- One in five (22%) spend no time maintaining their plans.
- Comparatively, 20% of larger companies (>100 employees) spend over 10 days per month on their continuity plans.

Data backup brings a false sense of security.

- 94% of companies have a formal data backup plan.
- 75% of companies say they have arrangements in place for employees to come back to work within days of a business interruption. Yet many companies that acknowledge having a plan have not addressed basic infrastructure and people recovery needs.

Responses indicate a difference between saying the “right thing” and taking action.

- Gaining C-level buy-in is a challenge. Regardless of business size, survey results show many companies have difficulties getting C-level executives to embrace the importance of continuity planning.
- Although 67% of respondents feel an effective business continuity plan is paramount to company success, only 53% think their company’s management team feels the same way.



Businesses Regularly Face Disasters

In the past two years, 52% of businesses experienced an unforeseen business interruption that halted productivity. Eighty-one percent of these interruptions forced an office to close for one or more days. Interruptions ranged from weather-related disasters and isolated floods to technology failures, power outages and more.

And 66% percent of companies say an interruption would have the same or more of an impact on their business than two years ago.

Continuity Plans Becoming a Priority

Business continuity planning is on most companies' radar screens, as 82% of respondents say their companies currently have plans in place. Banks (99%), credit unions (97%) and other financial institutions (91%) are among the most-prepared respondents, most likely due to their industries' regulations related to continuity planning.

Plans are Not Complete

In total, 17% of companies have no plan in place, and an additional 10% indicated their plans do not include the ability to get employees back to work within days of an interruption.

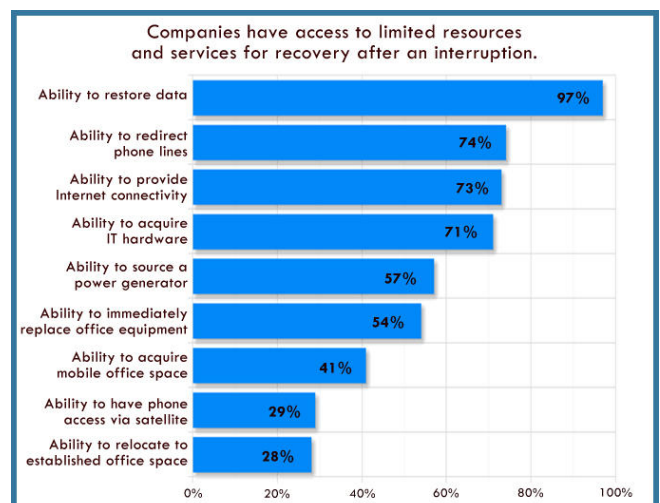
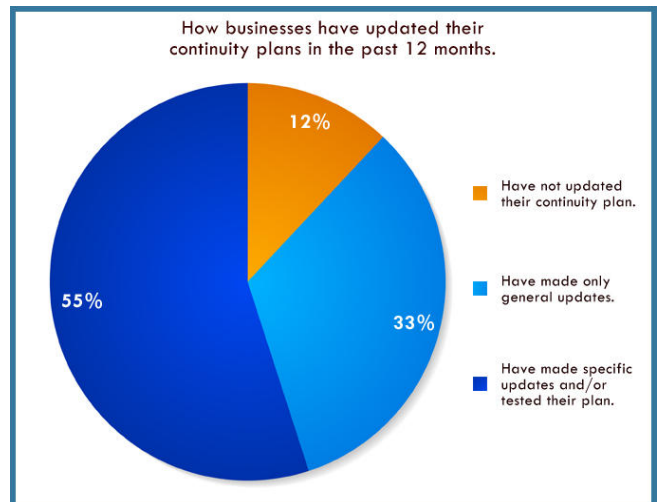
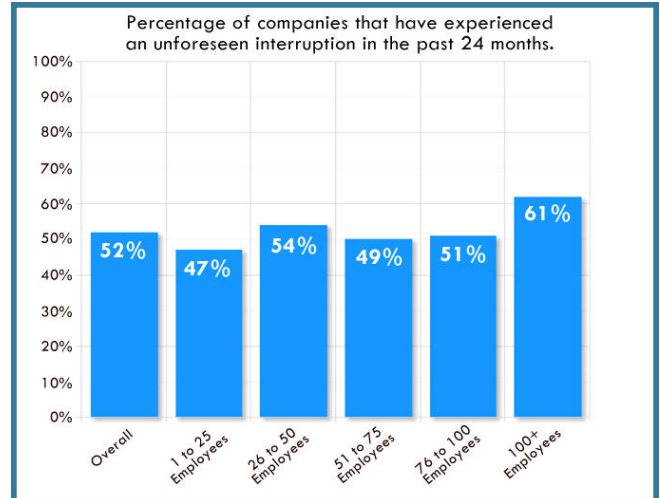
Larger companies are more likely than their smaller counterparts to have continuity plans that include contingencies to allow employees to continue working after an interruption, like temporary office space, technology and more.

In fact, 94% of businesses state they have formal processes for backing-up data, though only 86% feel this is one of the most important components of their plan.

Where plans are often strained is their depth in providing tangible efforts to keep a business open during an interruption. For example, while 75% of companies say they can have workers back to work within days of a disaster, only

- 28% have access to alternative office space.
- 41% have access to mobile office space.
- 54% could acquire temporary office equipment.
- 57% have access to power generators.

Although companies see the importance of recovering their employees, they're less likely to have plans in place for employee continuity than data continuity.



Plans are Not Updated

While many companies state that they have a continuity plan in place, their responses reflect the challenges faced in developing a truly effective and comprehensive recovery strategy.

One of these challenges is the need to continually maintain and update the plan. Of the companies with a plan, 12% have not updated it at all in the past 12 months. Another 33% have only provided general updates. This means that 45% of companies have a continuity plan in place, but have not taken the appropriate steps to regularly update or test its capabilities.

Allowing the plan to be dormant is especially more common among smaller companies (less than 25 employees) where 58% of respondents report they have made minimal, if any, updates in the last 12 months.

Small Companies Don't Put Time Toward Plan; Larger Companies are Better Prepared

The challenge for companies to keep and maintain a plan may be a result of the number of hours they put toward such an effort.

Over the course of a month, 90% of small companies (under 100 employees) spend less than a day (8 hours) planning or managing their business continuity plans. In contrast, one in five (20%) large companies (100+ employees) spend 10 or more days per month managing their continuity plans.

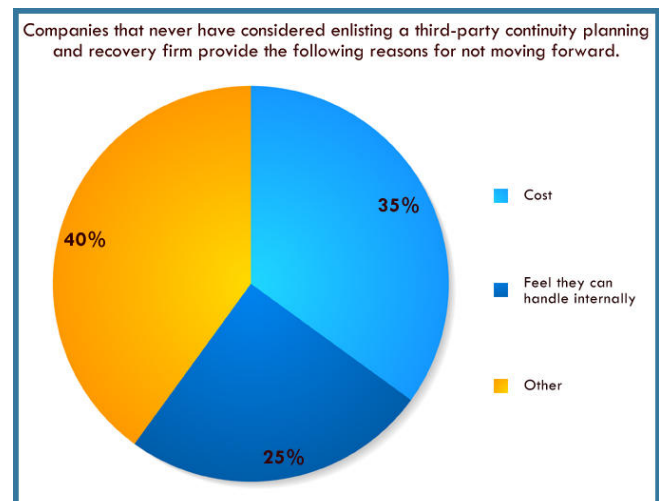
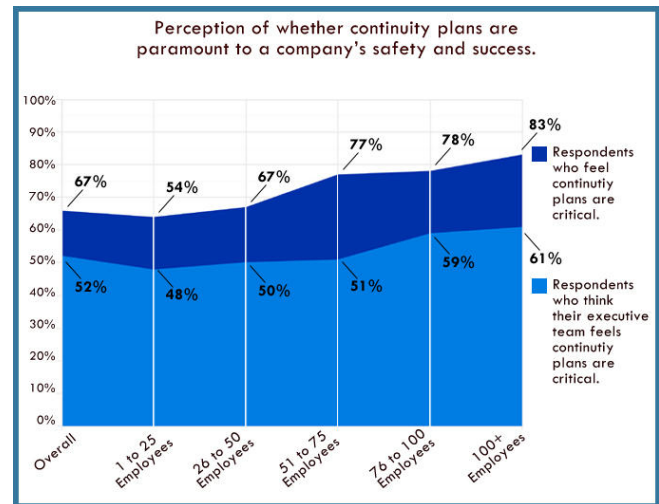
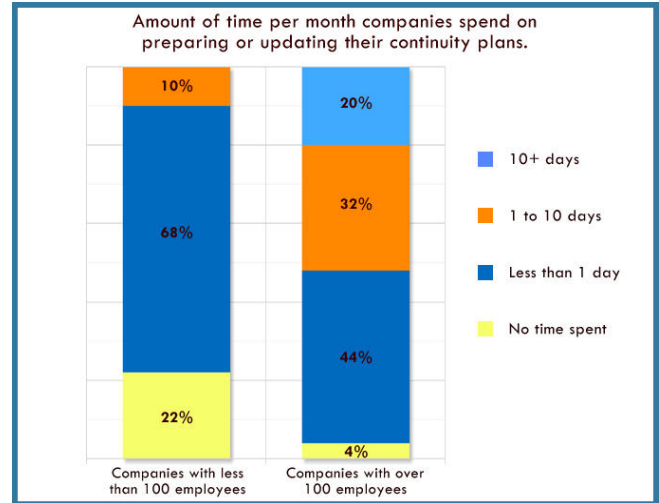
Gaining C-Level Buy-In is a Challenge

Regardless of business size, survey results show many companies have difficulties getting C-level executives to embrace the importance of continuity planning.

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Third-Party Support for Planning and Recovery

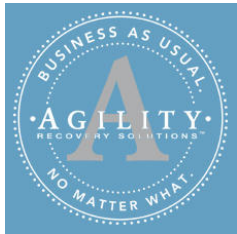
Thirty-four percent of companies engage an outside firm to help develop, manage and/or implement their continuity plans. Of those who don't use an outside firm, 35% attribute this to cost while 25% say they can handle all aspects of plan development and implementation internally.



Survey Methodology

These results are based on an online survey of over 700 small and mid-sized business owners, executives, managers and directors in the United States and Canada. Each responder is responsible for all or part of his/her organization's continuity plan development. Surveys were completed between May 7 and May 22, 2009, and lasted an average of 11 minutes.

About Agility Recovery Solutions



Agility Recovery Solutions offers on-site disaster recovery and business continuity services for small, mid-sized and large businesses throughout North America. The company focuses on services that are simple, cost effective and easy to use.

Agility Recovery's ReadySuite membership provides organizations any or all the resources needed to resume operations following an interruption, including power generators, mobile office space, computer and server technology, satellites for Internet and phone, and more.

For more information call (866) 364-9696 or visit www.agilityrecovery.com.

About Hughes Marketing Group



The Hughes Marketing Group is a Matthews, N.C.-based firm with expertise in helping clients develop strong strategic plans and differentiating brand positioning. By bringing together a high-level of strategic experience and creative appreciation, HMG provides

marketing and communications insight and support that make an impact in the market and fit the client's culture, resources and objectives.

The organization is led by Cory Hughes, whose experience includes 12 years as an advertising and marketing consultant in New York City and an additional 13 years as Director of Strategic Planning at LKM, an advertising creative force in the Southeast.

For more information call (704) 849-2799 or visit www.hmgresults.com.