



2006 AT&T Business Continuity Study WASHINGTON, DC Results Summary

Methodology

The following results are derived from a telephone survey of 100 Information Technology (IT) executives in the Washington, DC metropolitan region. “Overall” or “national” data comparisons reflect the complete results of a telephone survey of 1,000 IT executives encompassing 10 markets in the United States, including Atlanta, Chicago, Dallas, Detroit, Los Angeles, Miami, New York City, Seattle, St. Louis, and Washington, DC.

Washington, DC Market Key Findings

- **Overall, business continuity planning is deemed a “priority” by 67% of Washington, DC IT executives surveyed.** However, a higher percentage of DC companies (75%) actually have a business continuity plan in place, indicating a relatively high level of overall preparedness compared to the other nine markets surveyed.
- **While one-third (31%) of Washington, DC IT executives say business continuity planning is NOT a “priority,” 40% say business continuity planning “has been a priority in recent years,”** among the highest of the other nine markets surveyed.
- **While a higher number of companies in Washington DC (45%) have updated their business continuity plan, only 32% of executives say they actually tested their plan in the last six months** – slightly lower than the national average of 34%.

Washington, DC Market Results Summary

Priority of Business Continuity Planning

Overall, business continuity planning is a priority in the minds of IT executives in DC. Two-thirds (67%) in the city say it’s a “priority,” albeit slightly lower than the national average of 70%.

- One-third (31%) say business continuity planning is NOT a priority, slightly higher than the national average of 28%. Notably, however, 40% of these IT executives say business continuity planning has been a priority in recent years, more than any of the nine other markets surveyed.
- Of those who say business continuity planning is NOT a priority in DC, most (65%) say it’s due to the fact that “other issues take priority” – marginally higher than the national average (60%).

- Of those who don't consider continuity planning to be a priority, 55% cite their belief that "the probability of a disaster causing a business disruption is small."

The Importance of Having a Business Continuity Plan

A majority of companies in Washington, DC (75%) have a business continuity plan in place, slightly higher than the national average of 73%.

- Of those with a plan in the city 45% say it's been updated within the last 6 months compared to 48% nationally. An additional 21% say their business continuity plan has been updated in the last 6-12 months, compared to 32% overall. Of those with a business continuity plan in DC, 25% say their plans have not been updated in over one year.
- An additional 32% say their plan has been TESTED in the last six months – largely consistent with the national average of 34%.

Protective Actions for Government Warnings

In all, only 44% of companies surveyed in Washington, DC say they implement specific protective actions when the state or federal government issues an alert for an impending disaster, among the lowest percentage of any other market surveyed.

- Nearly 45% say they don't take action when the state or federal government issues an alert for an impending disaster.

Implementing Business Continuity Measures

All Washington, DC (100%) companies with a business continuity plan say they've at least implemented Internet security measures such as firewalls, intrusion detection, hacker protection, and/or password authentication systems.

- Furthermore, 83% of those who have a plan in place in the city say they've already established backup or redundant servers.
- In addition, 81% of DC companies with a BC plan say they are "educating employees" – in-line with the national average of 82%. By contrast, 90% of the companies in Atlanta say they are "educating employees" about business continuity measures.
- Washington D.C businesses are NOT any more likely to outsource their business continuity measures than businesses in other markets. In all, 45% of those with a plan in the region say they've "used a service provider for outsourcing" as a business continuity measure – equal to the 45% national average.

Suffering from a Disaster

In all, 24% of Washington, DC companies have suffered from a disaster compared to the 28% overall average.

- Blackouts are seemingly the most common disaster in Washington, DC – affecting 54% of those who have been impacted by a disaster in the region.
- In total, 37% of those companies affected by disaster in Washington, DC say they were impacted by Hurricanes Katrina, Rita, Wilma, or Isabelle.
- Overall, 58% of those companies in the city affected by a disaster say it cost them less than \$100,000 a day, and 4% said it cost more than \$1 million. The high incidence of financial losses caused by a disaster in DC potentially correlates to why companies show a higher level of preparedness. By comparison, 17% of New York City companies affected by a disaster say it cost them at least \$1 million or more – and 76% of companies in the city consider business continuity planning to be a priority.
- One-fifth (21%) of IT executives who say their company suffered from a disaster in Washington, DC say it “negatively impacted customer relationships” and 29% added that it resulted in “reductions in the employee workforce,” compared to 22% nationally.
- Of the 24% of companies in Washington, DC who say they’ve suffered from a disaster, 71% of these companies say they’ve taken actions to reduce business interruptions in the future, moderately less than the 78% overall average.

Cyber Security

Overall, 82% percent of executives who have responsibility for business continuity planning in DC say cyber security is part of their overall business continuity plan in 2006, consistent with 81% nationally.

- One-in-six (17%) say that cyber security is NOT part of their overall business plan – a number largely consistent with most markets surveyed.

Of those who say cyber security is part of their overall business plan, most (83%) say “defining corporate security policies” (compared to 80% overall) is one of the steps they have taken, followed by “educating employees” (79% in DC compared to 84% overall).

- In D.C, 26% say they’ve contracted an outside service provider to manage security, lower than the 33% national average.

Viruses, worms, and spyware are the most significant threat to cyber security in the minds of Washington D.C IT executives surveyed, 78% agree these are one of the most significant threats, followed by “hackers” at 42%.

- Other threats to cyber security include an internal accident (31%), SPAM (30%), and internal sabotage (29%). The threat of internal sabotage is higher among executives in Washington, DC than any other market surveyed.

Washington, DC IT executives see cyber security as a “top concern” for their organization. In all, 23% rated it as a five on a scale of one to five -- where “5” means cyber security is a top concern and “1” means cyber security is NOT a concern. An additional 39% of DC executives rate cyber security a “4.”

- In all, 29% rated cyber security as a “3,” while just 9% rated cyber security a 2 or lower.
- The overall mean score of 3.7 is in-line with the 3.7 national average.