



2007 AT&T Business Continuity Study BOSTON Results

Methodology

The following results are based on a telephone survey of 100 Information Technology (IT) executives in the Boston metropolitan area. The sample of participating companies was drawn from Dun and Bradstreet's business list of companies with at least \$10 million in revenue located in the Boston DMA (Designated Market Area). Interviewing in Boston was conducted between January 24 and February 13, 2007, and the interviews averaged 10 minutes in length.

Of the 100 participating executives:

- 64% are Managers/Directors of IT or IS
- 45% provide oversight and project management for their company's business continuity plans, 26% are part of a team designing or evaluating the plan, and 25% recommend the purchase of security products/services for the plan
- 69% represent companies with revenues in excess of \$25 million (Dun and Bradstreet's information)
- 53% represent companies with 100 or more employees (information supplied by respondents)

Key Findings

- **Business continuity planning is seen as a "priority" by two-thirds (67%) of IT executives in the Boston area.** Four out of ten (39%) indicate it has always been a priority for their business, and more than one-fourth (28%) indicate it has become a priority in recent years due to natural disasters, security, and terrorist threats.
- **Similarly, three-fourths (75%) of Boston executives indicate their companies have a business continuity plan.** One-fourth (23%) indicate their company does not have a plan, and 2% don't know if the company has a plan or not.
 - A majority (51%) of companies have had these plans updated in the past 12 months, and almost half (43%) have had them tested during the same time period. Few have never had their plans updated (3%), while 15% indicate they have never been tested.
 - The types of business continuity measures that companies have already taken in Boston include implemented Internet security measures (75%), educated employees (61%), established redundant servers and/or backup sites (57%), and used a service provider for outsourcing (40%).

- **Eight out of ten (85%) Boston executives indicate that cyber security is part of their company’s overall business continuity plan. Boston ranks second after San Francisco in the proportion of companies who include cyber security as part of their overall business continuity plan (85% compared to 82%, nationally).** Only one out of seven (15%) indicate cyber security is not part of the plan.
 - Actions that Boston companies have taken when it comes to cyber security include educated employees (77%), defined corporate security policies (68%), and contracted with an outside service provider to manage security (29%).
 - Viruses and worms are the most significant perceived threats to cyber security in the minds of Boston IT executives. Three-fourths (74%) indicate this is one of the most significant threats, followed by “hackers” (41%).
- **Two-thirds (64%) of Boston IT executives view cyber security as a concern. Boston companies rank first nationally with regard to concern for cyber security (64% compared to 56%, nationally).** On a scale of one to five, where “5” means a top concern and “1” means not a concern, one-fifth (21%) rate cyber security as a “5,” and four out of ten (43%) rate it a “4.”
- **Of the 10 market areas included in the study, Boston ranks fourth in business continuity preparedness.**
 - The Business Continuity Rankings (from 1 to 10) were computed for each market based on responses on three components: ***Business Continuity Plan*** (having a plan, last time updated/tested, taking action when alerted by federal or state governments); ***Actions Taken on Plan*** (business continuity measures in place including Internet security measures, establishing redundant servers, educating employees, and using a service provider for outsourcing); and **Cyber Security** (cyber security is part of overall plan, actions implemented including educating employees, defining corporate security policies, and contracting with an outside service provider to manage security).
- **Boston ranks fourth after New York, Houston, and San Francisco in the Business Continuity Rankings. The rankings for the ten market areas are:**
 1. New York
 2. Houston
 3. San Francisco
 4. Boston
 5. Memphis/Nashville
 6. Atlanta
 7. Chicago
 8. Los Angeles
 9. Minneapolis/St. Paul
 10. Cleveland

- **If Boston IT executives can't sleep at night, it is because they are worrying about viruses/worms and security breaches.** Four out of ten (39%) indicate that worrying about viruses/worms is most likely to keep them up at night, followed by security breaches (23%), man-made disasters (10%), natural disasters (10%), and corporate/eCommerce sites crashing (8%).

Detailed Findings

Priority of Business Continuity Planning

- **Business continuity planning is seen as a “priority” by two-thirds (67%) of IT executives in the Boston area.** Four out of ten (39%) indicate it has always been a priority for their business, and more than one-fourth (28%) indicate it has become a priority in recent years due to natural disasters, security, and terrorist threats.
 - Nonetheless, three out of ten (31%) Boston execs say business continuity planning is “not a priority.”
 - Reasons for business continuity planning not being a priority include other issues take priority (17%), the probability of a major disaster at the company is small (17%), the probability of a disaster causing business disruption is small (17%), systems in place are considered sufficient (13%), and business continuity planning is too expensive (11%).

Business Continuity Plans

- **Three-fourths (75%) of Boston executives indicate their companies have a business continuity plan.** One-fourth (23%) indicate their company does not have a plan, and 2% don't know if the company has a plan or not.
 - A majority (51%) of companies have had these plans updated in the past 12 months, and almost half (43%) have had them tested during the same time period. Few have never had their plans updated (3%), while 15% indicate they have never been tested.
 - One-third (33%) of executives indicate they implement specific protective actions when the state or federal government issues an alert for an impending disaster.
 - The types of business continuity measures that companies have already taken in Boston include implemented Internet security measures (75%), educated employees (61%), established redundant servers and/or backup sites (57%), and used a service provider for outsourcing (40%).
 - In the next six months, Boston companies plan to implement business continuity measures including establishing redundant servers and/or backup sites (18%), educating employees (13%), implementing Internet security measures (13%), and using a service provider for outsourcing (13%).

Experience with Disasters

- **Three out of ten (29%) Boston companies have suffered from a natural or man-made disaster.** The majority of companies (69%) have no experience with disasters.
 - The most frequently experienced disasters include blackouts (18%), cyber attacks (11%), and other extreme weather or snow (10%). Similar to New York executives, Boston executives are more likely to mention blackouts as the disaster suffered (18% compared to 11%, nationally).
 - For most Boston companies, financial damages from disasters were less than \$500,000. Sixteen companies had financial damages of less than \$100,000, four had damages between \$100,000 and \$1 million, and three had damages of \$1 million to more than \$5 million.
 - Given the low experience levels with disasters, the non-financial impact of the disasters appears minimal with thirteen executives indicating the disaster negatively impacted customer relationships, eight indicating it resulted in a loss of employee confidence, five indicating it resulted in a reduction in employee workforces, five mentioning the disaster tarnished their company's reputation, four indicated it negatively impacted supplier relationships, and three mentioning a loss of stockholder confidence. Ten executives indicate their companies experienced none of these non-financial damages.
 - Even so, almost all (25 out of 29) companies that suffered a disaster did take action to reduce business interruptions in the future.

Cyber Security

- **Eight out of ten (85%) Boston executives indicate that cyber security is part of their company's overall business continuity plan.** Only one out of seven (15%) indicate cyber security is not part of the plan.
 - Actions that Boston companies have taken when it comes to cyber security include educated employees (77%), defined corporate security policies (68%), and contracted with an outside service provider to manage security (29%).
 - Viruses and worms are the most significant perceived threats to cyber security in the minds of Boston IT executives. Three-fourths (74%) indicate this is one of the most significant threats, followed by "hackers" (41%).
 - Other perceived threats to cyber security include SPAM (37%), an internal accident (33%), internal sabotage (28%), and customer, partner, and/or vendor access to internal systems (21%).

- **Two-thirds (64%) of Boston IT executives view cyber security as a concern.** On a scale of one to five, where “5” means a top concern and “1” means not a concern, one-fifth (21%) rate cyber security as a “5,” and four out of ten (43%) rate it a “4.”
 - Another one-fourth (23%) rate cyber security as a “3,” while only 13% rate it as not a concern (a “2” or a “1”).

IT Worries

- **If Boston IT executives can’t sleep at night, it is because they are worrying about viruses/worms and security breaches.** Four out of ten (39%) indicate that worrying about viruses/worms is most likely to keep them up at night, followed by security breaches (23%), man-made disasters (10%), natural disasters (10%), and corporate/eCommerce sites crashing (8%).