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# Executive Summary

The results of the Business Continuity Preparedness Survey Australia 2007 indicate that more than half (54%) of the Australian organisations represented in the survey are well prepared in the event of a serious disruption to their critical business activities.

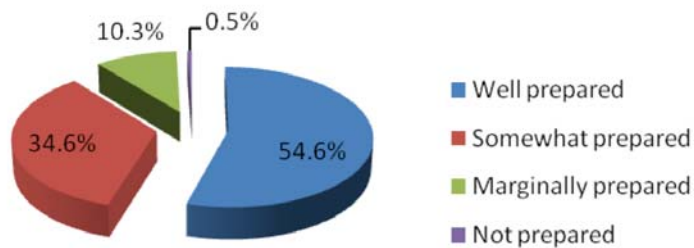


Figure 1: Overall state of preparedness

This rating of preparedness is supported by a high correlation with the status of their BCM plans, as one would expect:

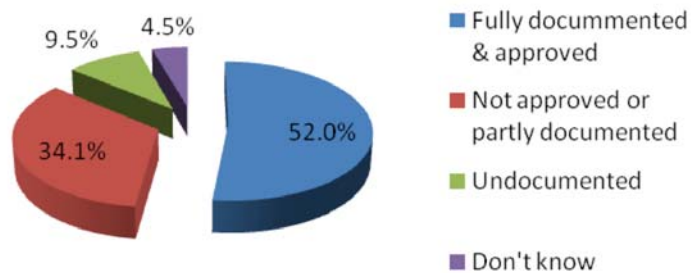


Figure 2: Status of BCM plans

Trend for BC preparedness in Australia cannot yet be established because, as far as can be ascertained, no such survey with a comparative content and coverage has been conducted previously in the past five years in Australia. However, similar surveys have been conducted in the US and the UK and their results have been referred to in this report for comparison purposes.

Other significant findings were established and these are articulated in the **Key Findings** chapter of this report.

Finally, appreciation is being conveyed to all the respondents who made the effort to complete the survey questionnaire and thus made the survey a reality.

# Survey Objectives

The 2007 Business Continuity Preparedness Australia 2007 Survey was designed to determine the current state of BCM initiatives across a wide range of public and private sector organisations in Australia. The primary focus, however, was to determine the state of BC preparedness of organisations within Australia.

The survey concentrated on the following key indicators:

- State of Business Continuity preparedness
- State of BCM plans
- Disruption profile
- Alternate site positioning
- Drivers, barriers and budget

Where possible, the survey results were compared with those from similar surveys - in Australia and overseas - to get a feel for how Australia is faring in comparison with the rest of the world.

# The Survey Process

The survey was conducted in February 2007. It consisted of a questionnaire with 27 questions. It was developed by a BC practitioner and based on similar surveys conducted in the US and the UK.

The survey was open to all respondents representing organisations - private and public - within Australia. No specific group of respondents was targeted. 179 completed the online survey. The average time taken to complete the survey was 6 minutes.

The survey was conducted totally online using commercial-grade survey software.

The results were tallied, analysed and presented as a report. This report will be made publicly available through the BCI Australia website. [www.thebci.org.au](http://www.thebci.org.au).

Where possible, the results are compared with other similar surveys from Australia and overseas.

It is aimed to conduct this survey annually in Australia so that trends can be established. It will also provide an opportunity to continually improve the survey methodology and thereby produce more meaningful and unbiased results.

## Response Profile

Majority (56%) of the 179 respondents came from senior management level (i.e. BC Manager, Risk Manager, IT Manager) level. Only 9% came from executive management level (i.e. CEO, CFO).

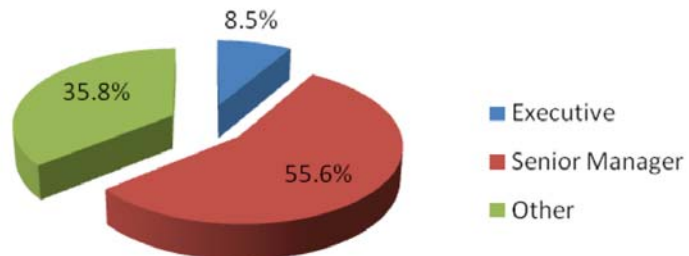


Figure 3: Respondent position within the organisation

The overall profile of the organisations represented by the respondents is as follows:

- 52% came from the private sector and 48% from the public sector
- Employed between 100 to 10,000 people (74%)
- Annual revenue upwards of \$100M (77%)
- Principal place of work is either NSW or VIC (81%)

# Key Findings

## State of Business Continuity preparedness

55% of respondents claim that their organisations are well prepared (i.e. plans are in place and tested annually). 35% claim their organisations are somewhat prepared (i.e. plans were prepared but have not been maintained).

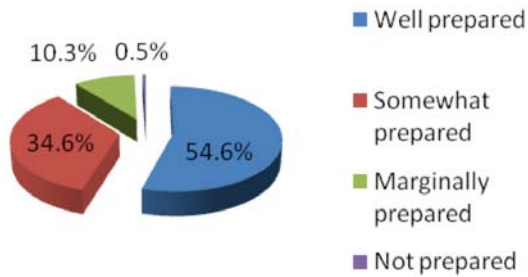


Figure 4: Overall state of preparedness

The survey also shows that a high percentage (47%) of companies who have gone out of their way to have their overall preparedness endorsed by an industry expert.

Note also that the status of BC preparedness appears to be highly correlated with the status of the BCM plans (see below), further enhancing the credibility of these results.

## State of BCM plans

The survey results indicate that:

- 52% of respondents indicated that the BCM plans of their organisations are fully documented and approved. Only 14% either do not have documented plans or do not know the state of their plans.
- 57% believe that their BCM plans are effective. 33% believe their plans can be improved.
- Annual is the most popular frequency for plan testing for IT DR plans, and quarterly for BC plans.
- 71% of BC plans are untested compared to 29% of IT DR plans.

Note that a survey conducted in 2003 in Australia for Commonwealth government agencies indicated that 42% of plans were fully documented and approved. (Refer to Appendix 3). Taking this as a guide and being mindful the comparison is not exactly “apples to apples,” it would appear that the status of fully documented and approved plans has improved only slightly in 4 years (i.e. , compared to 57% for 2007 as shown in this survey).

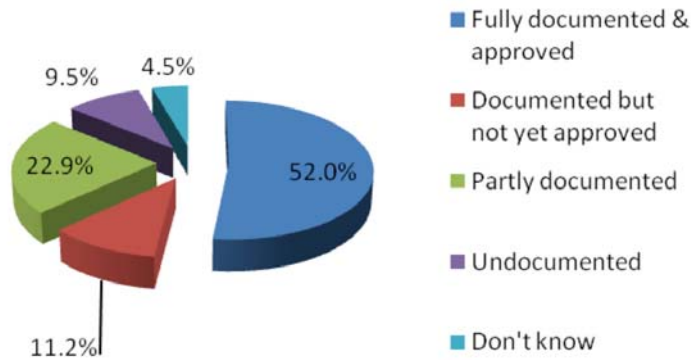


Figure 5: Status of BCM plans

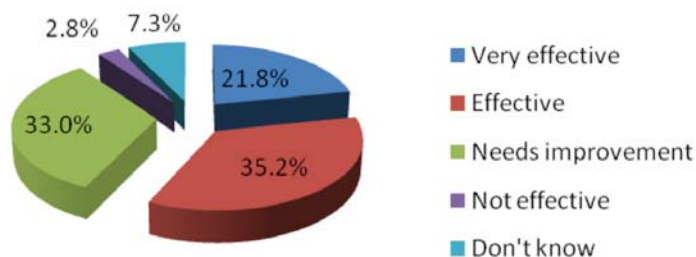


Figure 6: Effectiveness of BCM plans

## Disruption Profile

71% of respondent indicated that their organisation had no encounter with any serious disruptions to critical business activities in the last 24 months.

Those who had a serious disruption indicated that

- The main causes are:
  - Loss of IT (24%)
  - Power outage (17%)
- Major durations of the longest disruption are:
  - 1 - 4 hours (19%)
  - 4 - 24 hours (28%)

Only 7% have a duration of less than 1 hour.

Overall perspective of the most probably potential threats to critical business activities:

- Loss of IT (22%)
- Power outage (12%)

Majority (32%) of the disruptions experienced tended to be once a year. However, there was a significantly high percentage (45%) of respondents who did not know how often disruptions were experienced.

A comparison of the actual disruptions with what are perceived to be the probable disruptions is shown below. As can be observed, there is some correlation, particularly for Loss of IT and Power outage.

Terrorism, considering its high-profile, does not appear to be considered a major threat.

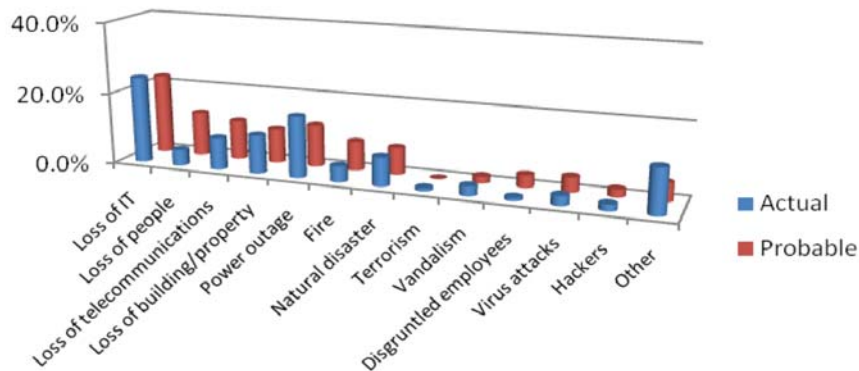


Figure 7: Causes of disruption - actual versus probable

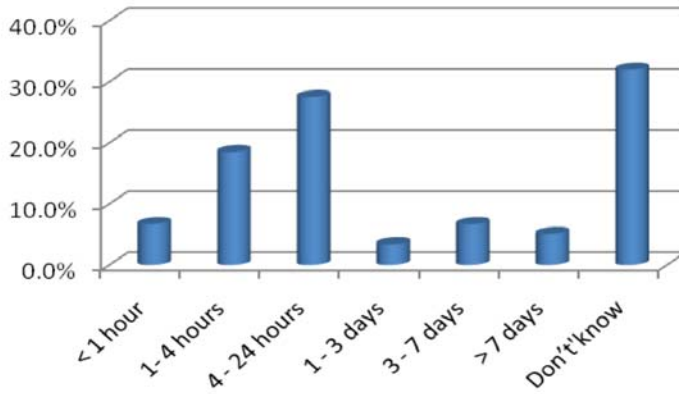


Figure 8: Duration of longest disruption

Majority of respondents (30%) indicated that they are capable of restoring full business operations with 24 hours.

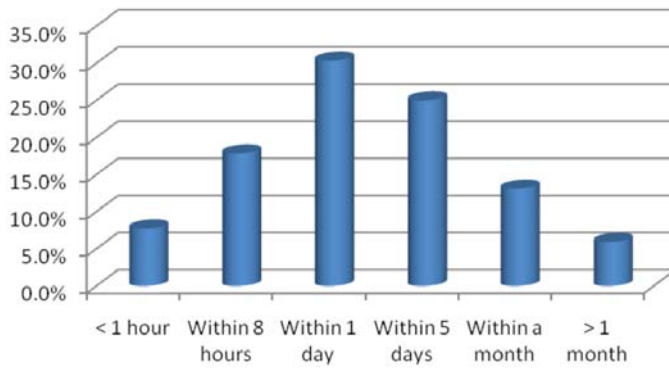


Figure 9: Capability for full restoration

Majority of respondents (33%) indicated that they can afford to be offline between 4 - 24 hours if a disaster strikes. This is the Maximum Acceptable Outage (MAO). The figure below compares MAO with the actual durations. Note that there is some correlation between the two sets of durations.

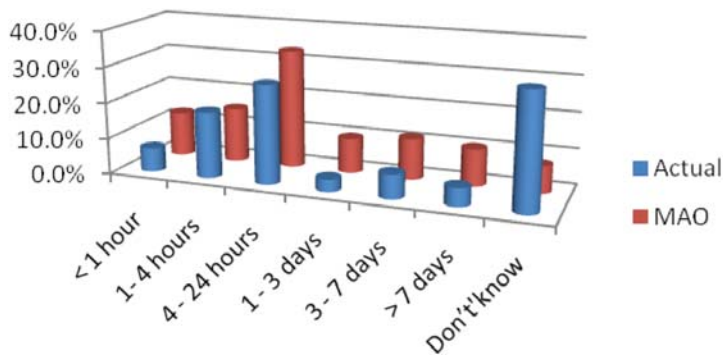


Figure 10: Disruption duration - MAO versus Actual

## Alternate Sites

The survey results indicate that the use of alternate sites for workplace and IT recovery is a generally accepted practice for business continuity in Australia.

- 56% of respondents indicated that their organisations have arrangement for recovery sites for critical IT systems and their usage has been tested.
- 50% of respondents indicated that their organisations have arrangements for workplace alternate sites and their usage has been tested.

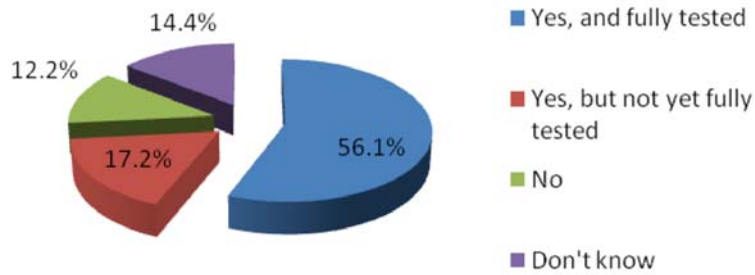


Figure 11: IT recovery site

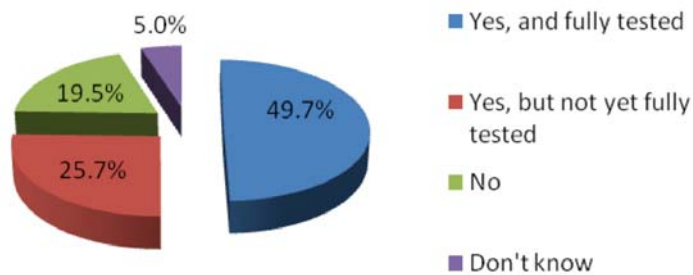


Figure 12: Workplace alternate site

## Drivers, Barriers and Budget

### Drivers

Surprisingly, corporate reputation (14.1%) rated highest of the drivers, but only slightly ahead of corporate governance (13.8%).

By comparison, corporate governance is the dominant driver in the UK year after year. (Refer to Appendix 4). In the US, it is also corporate governance, but expressed as “business mandate” (i.e. the need to ensure operational resiliency and availability). (Refer to Appendix 5). In Canada, it is compliance with market and regulatory requirements. (Refer to Appendix 6).

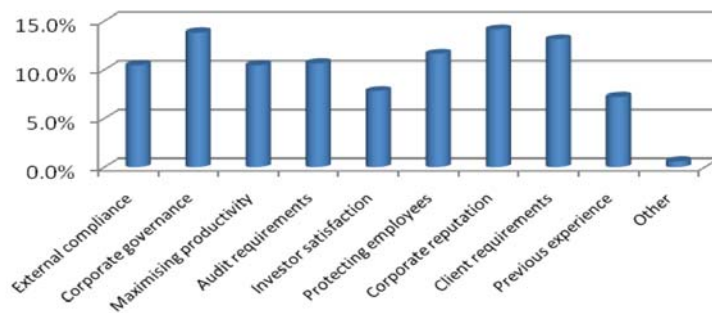


Figure 13: Drivers

### Barriers

Budget constraint, workload constraint and “BC not a priority” are perceived to be the main barriers to best practice BCM. But significantly, 22% believe there are other barriers which are not considered in the “traditional” classification.

Only 69% knew the BC budget as a percentage of the total annual budget, which is not surprising. Of this, 47% accounted for less than 1% of total annual budget.

By comparison with the US, a Gartner survey conducted in 2005 showed that only 16% accounted for less than 1%. In fact, there is a trend in the US which reveals an annual increase in the BC budget. The “less than 1%” figure was 35% in 2003, 28% in 2004, 16% in 2005 and 12% was projected for 2006. Refer to Appendix 1.

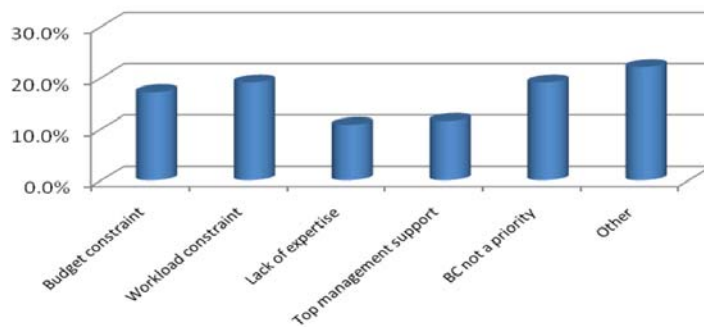


Figure 14: Barriers

## Other Findings

### Formal Business Continuity Awareness

More than half (51%) have formal awareness or training programs for employees on Business Continuity.

### Use of BCM software tools

73% of respondents indicated that their organisations do not use any BCM software tool to manage their plans.

In a BC software survey conducted in the US in February 2006, only 30% do not use any BCM software tool. Refer to Appendix 2.

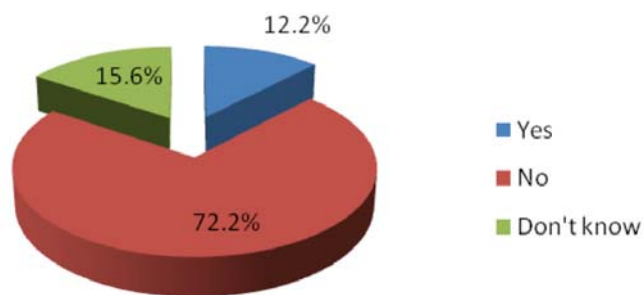


Figure 15: Use of BCM software tools

# Appendix

1. 2005 BCM/DR Survey Results From Gartner and DRJ, DR Journal (US) Vol 19, Issue 4  
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2. Business Continuity Planning Software Survey, Continuity Insights (US), February 2006  
<http://www.contingenz.com/IMCD/Continuity%20Insights%20BCPSurvey.pdf>
3. Business Continuity Management: A Survey of Commonwealth Government Agencies, Macquarie University, October 2003  
<http://www.gsm.mq.edu.au/facultyhome/ernest.jordan/FG%20exec%20summ.htm>
4. Business Continuity Management, Chartered Management Institute (UK), May 2006  
[http://www.continuityforum.org/files/pdf/BCM\\_report\\_2006.pdf](http://www.continuityforum.org/files/pdf/BCM_report_2006.pdf)
5. Continuing the Journey, The 2005 Business Continuity Survey, Deloitte (US), 2005  
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6. Building a Continuity Culture, KPMG (Canada) 2006.  
<http://www.kpmg.ca/en/services/advisory/err/documents/BusinessContinuity.pdf>