ACP International / Gartner Business Continuity Management Survey 2015

October 24, 2015

Roberta Witty

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Gartner is the world's leading information technology research and advisory company.

We deliver the technology-related insight necessary for our clients to make the right decisions, every day.

IT is critical to every organization, but harder to manage successfully due to its increasing complexity.

Since 1979, Gartner has guided clients through difficult decisions — providing independent, actionable advice on how and where to reduce cost, deploy IT to add value, drive innovation and manage risk.

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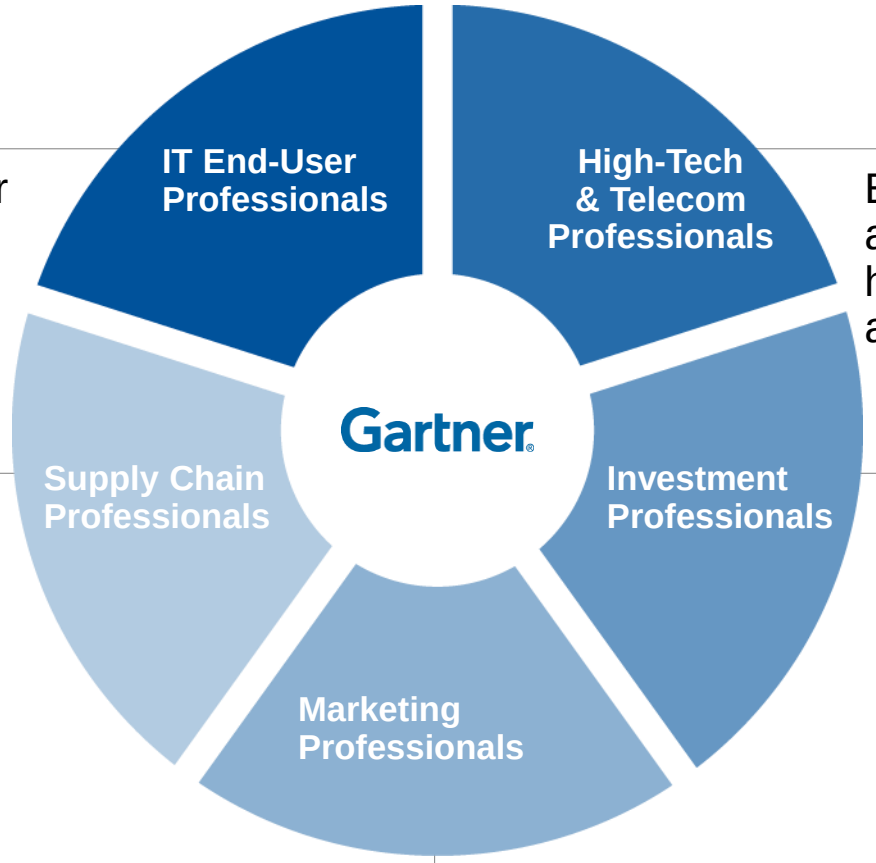
Who we serve



CIOs, CTOs, CFOs, senior IT executives and their teams/associates

Executives, product leaders and marketing/sales professionals in high-tech and telecom companies, and their teams/associates

Heads of supply chain, senior supply chain executives and functional teams

Buy-side investment professionals, including those in public equity, venture capital, private equity and investment banking

Digital marketing professionals, CMOs, chief customer officers, chief marketing technologists, heads of multichannel marketing, marketing analytics, digital commerce and their teams/associates

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How clients use Gartner

Learn From Research

111,700 research docs across 1,230 topics covering all aspects of IT

Deep vertical coverage in nine industries

Targeted to your role, key initiatives and purchasing decisions

Talk to an Expert

1,000 analysts engaging in over 215,000 client interactions a year in 85 countries

Specific advice on your challenges, opportunities and projects

Proprietary methodologies and interactive models applied to provide clear insight and actionable advice

Network With Peers

Exchange ideas, expertise and best practices with peers

Connect with a growing community of peers drawn from our clients in 9,100 distinct enterprises

World's largest community of CIOs and senior IT executives

Attend Conferences

70+ yearly conferences worldwide attracting 50,000 attendees

Content specific to your role, key initiatives and purchasing decisions

Access to analysts, industry peers and top solution providers

Initiate an Engagement

500 experienced consultants with industry-specific expertise

Measure and improve performance using data from 5,500 benchmarks

Leverage industry research and unmatched market data

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Contents

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- Study objectives and Methodology
- Respondent profile

Overview of survey results

Recommendations

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Project Objectives and Methodology

- The purpose of this survey is to explore the perspectives of Business Continuity Management (BCM) professionals on BCM program management, business resilience and the impact of information security and IT outages on production and recovery activities. Results to be presented to the ACP member community at the *National Business Continuity Summit and Leadership Conference* in October 2015.

- In March/2015, ACP management asked the membership for “What keeps you up at night?” The results were the basis of the joint ACP/Gartner survey

- Gartner surveyed ACP members in the U.S. between July 10, 2015 and August 5, 2015 to help Gartner understand the perspectives of Business Continuity Management (BCM) professionals on business resilience and the impact of IT on production and recovery activities.

- **156 respondents** participated. Organizations from all industries qualified.

- **Qualified participants must report being involved in and able to give detailed feedback on BCM activities at their organizations.**

- Interviews were conducted **online**. The sample universe was drawn from ACP membership list.

- The survey was developed collaboratively by a team of ACP personnel and Gartner analysts who follow these IT markets and was reviewed and tested by Gartner's Research Data Analytics team and administered by ACP.

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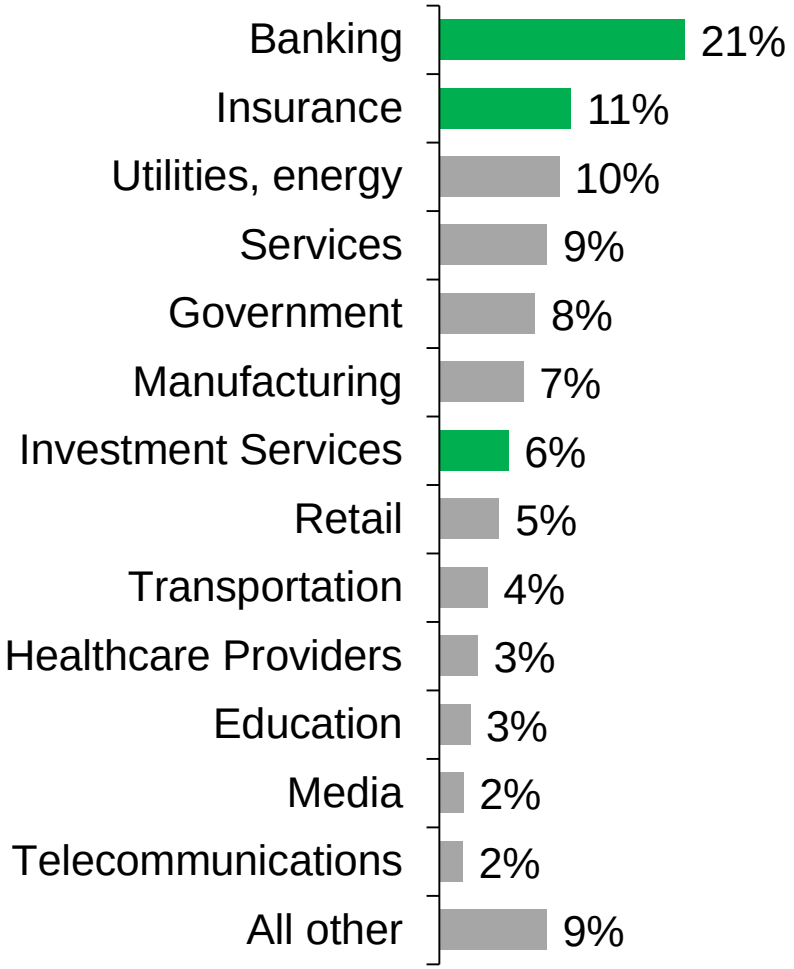
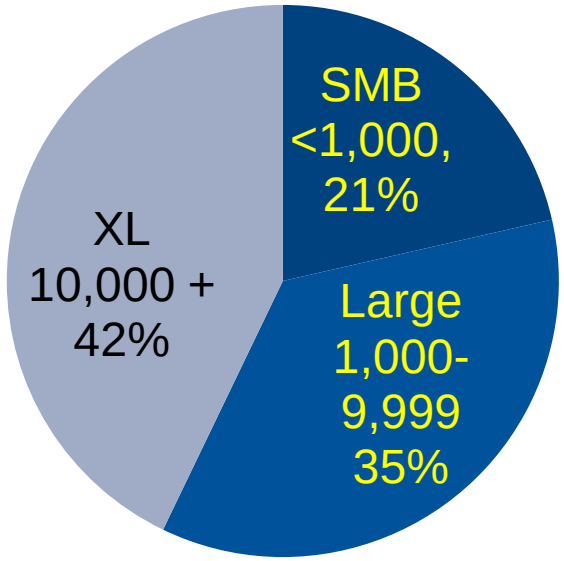
Respondent Profile: Organization Characteristics *n=156*

Primary Industry

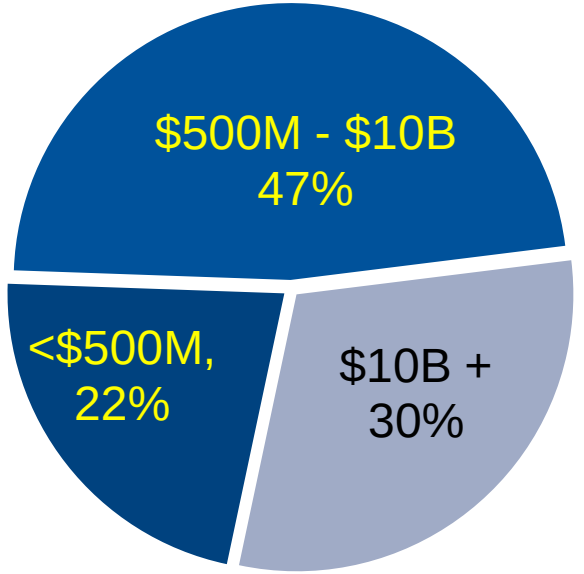
38% Financial Services



Employees Worldwide



Annual Revenue (USD)



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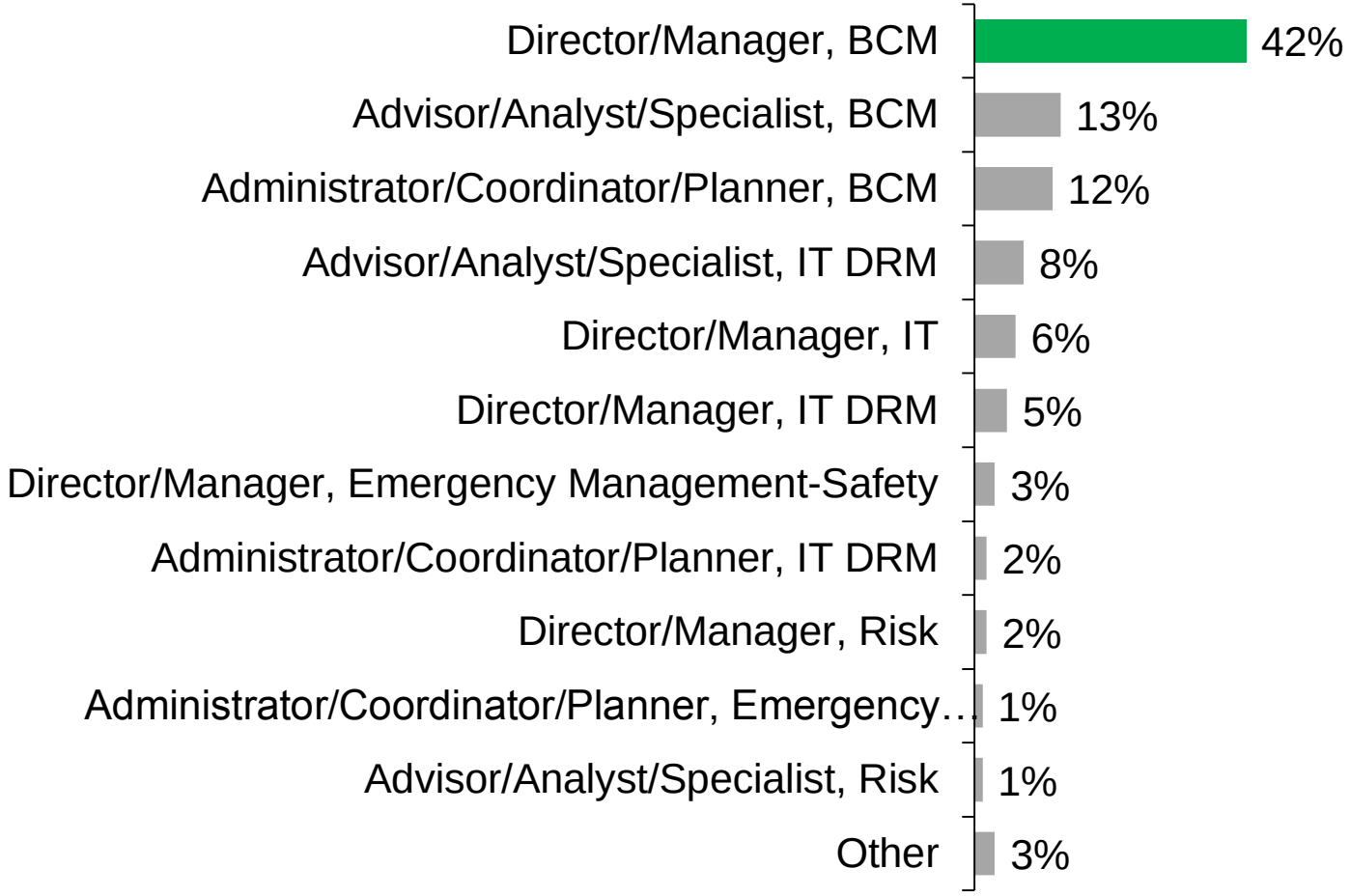
Respondent Profile: Roles and BCM Responsibility *n=156*

Role (rationalized job titles)



BCM Responsibility

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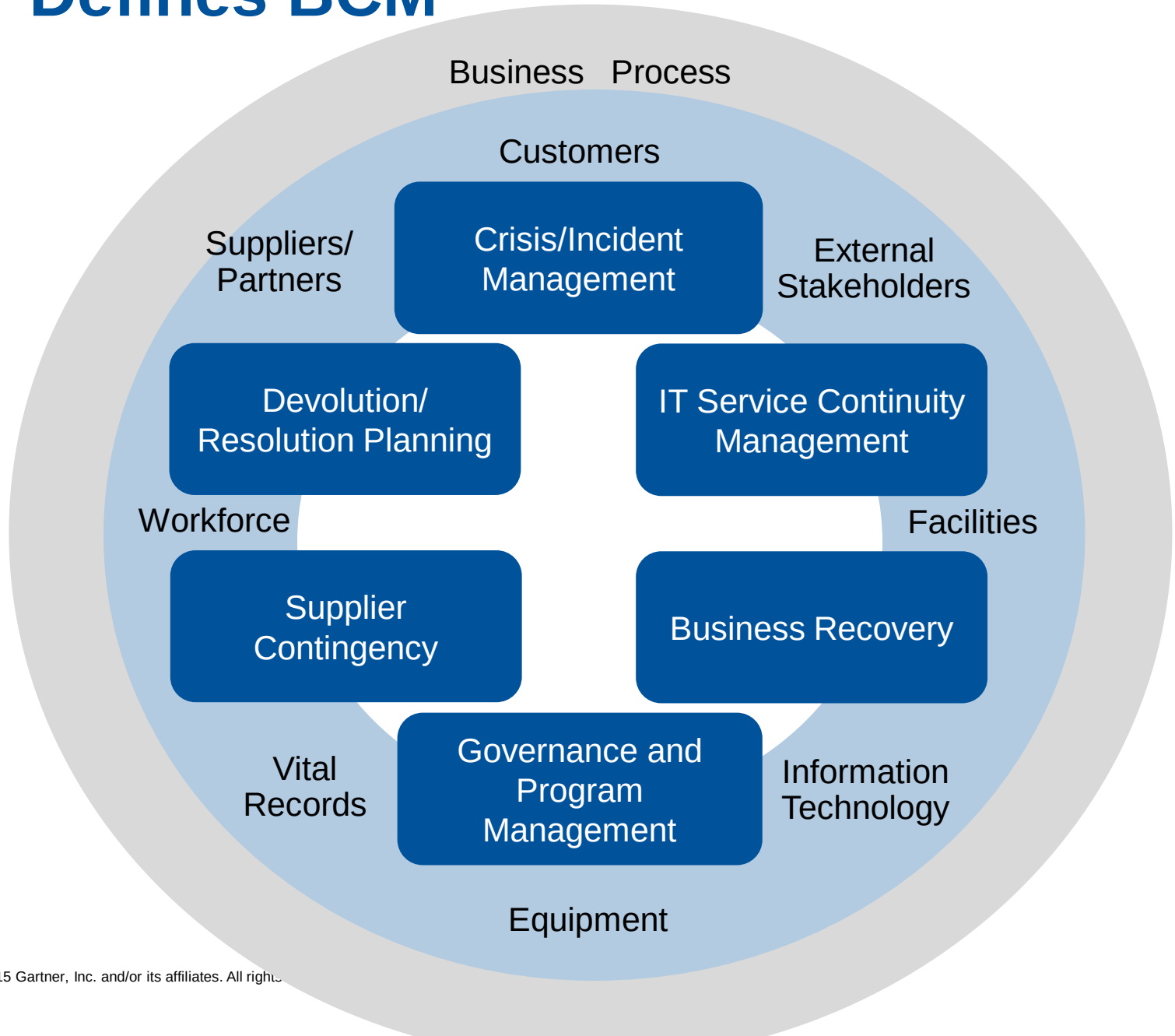
How Gartner Defines BCM



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Key Findings

- BCM Program Management
- Business Resilience: What Is It?
- Information Security and BCM Program Alignment
- IT Disaster Recovery Management

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Findings Summary

- There is a large (38%) Financial Services skew (banking, investment services and insurance)
- The enterprise risk management (ERM) function is becoming the natural home for all BCM activities except IT DRM and Supplier Contingency
- Survey participants believe senior management is not always making the financial investments needed for BCM, even though they do understand its importance (64% important vs 37% investing)
- “Business Resilience” seems to be the new name for Business Continuity Management
- There is a high level of maturity (69% have a formal program in place) regarding “business resilience”
- 41% report they haven’t experienced a cyber-attack – ***THAT THEY KNOW ABOUT!***
- 41% report that their cyber security and BCM plans are fully integrated
- The majority of IT outages (76%) do not result in a disaster declaration
- An in-house or co-location based warm site is the most common recovery sourcing strategy (35% for critical IT infrastructure and 29% for extremely critical IT services)
- Only 28% report using outsourced IT Services for data processing. Of those, 59% are involved in the back-up of data processed by outsourced IT service providers.

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Key Findings

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Primary Reporting Responsibility for BCM Activities

BCM Program Function Role	Crisis/ Incident Mgmt n=137	IT Disaster Recovery Mgmt n=140	Business Recovery n=139	Supplier Contingency n=72	Program Facilitation/ Mgmt n=131	Pandemic Planning n=106	Emergency Mgmt/ Public Safety n=76
CEO or equivalent (1)	15%						
COO or equivalent (4)	14%		17%	10%			11%
CIO or equivalent (1)		***41%***					
CTO or equivalent (1)		21%					
Enterprise or Corporate Risk Management (6)	***25%***		***25%***	17%	***28%***	***27%***	***25%***
Procurement or Supply Chain Director (1)				***29%***			
Director/Manager, Emergency Mgmt-Safety (1)							11%
Director/Manager, BCM (1)					13%		
Human Resources (1)						13%	

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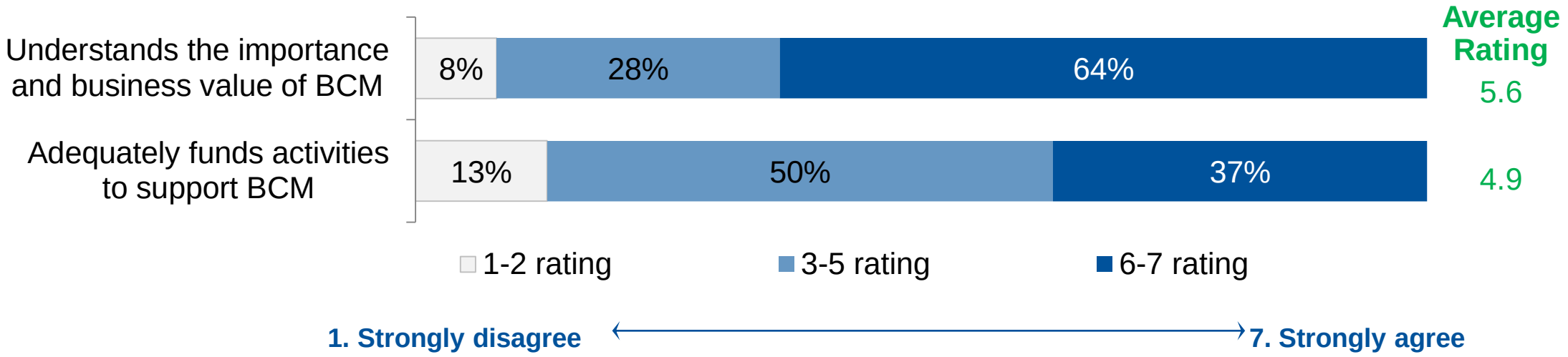
The Degree to Which Senior Management Values and Funds BCM

n=156



Respondents at large-size orgs are less satisfied with BCM funding than respondents at smaller (SMB) or extra-large (XL) orgs.

No other significant difference by company employee size or revenue.

[See appendix for org size and revenue breakdowns]

Adequately funds activities to support BCM	SMB (100 to 999 Employees)	Large (1,000 to 9,999 employees)	X-Large (10,000+ employees)
Rating 1,2 [bottom box)	14%	13%	11%
Rating 3-5 (middle box)	32%	**65%***	48%
Rating 6, 7 (top box)	**54%***	22%	**38%***

*statistically significant difference

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Key Findings

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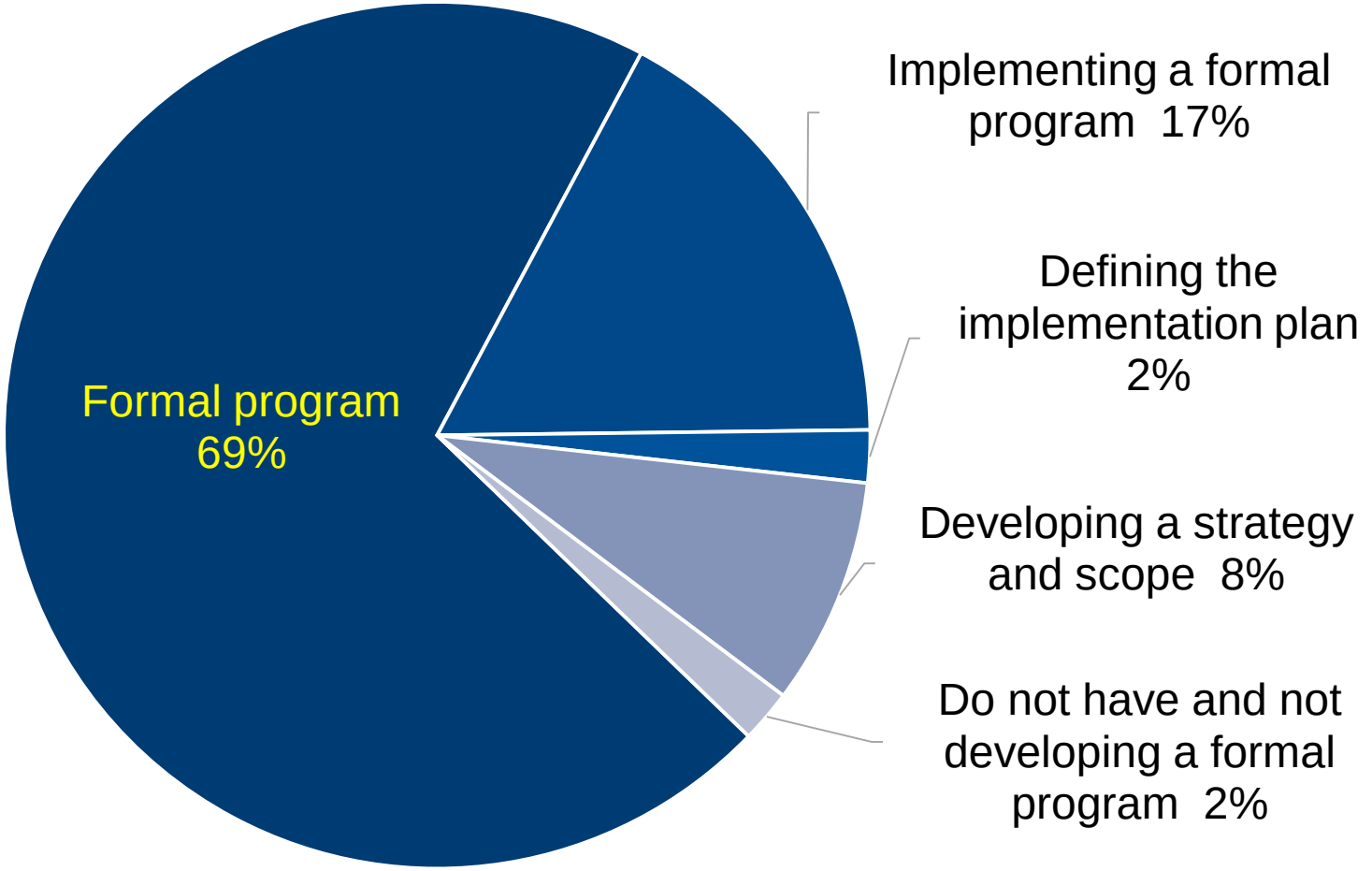
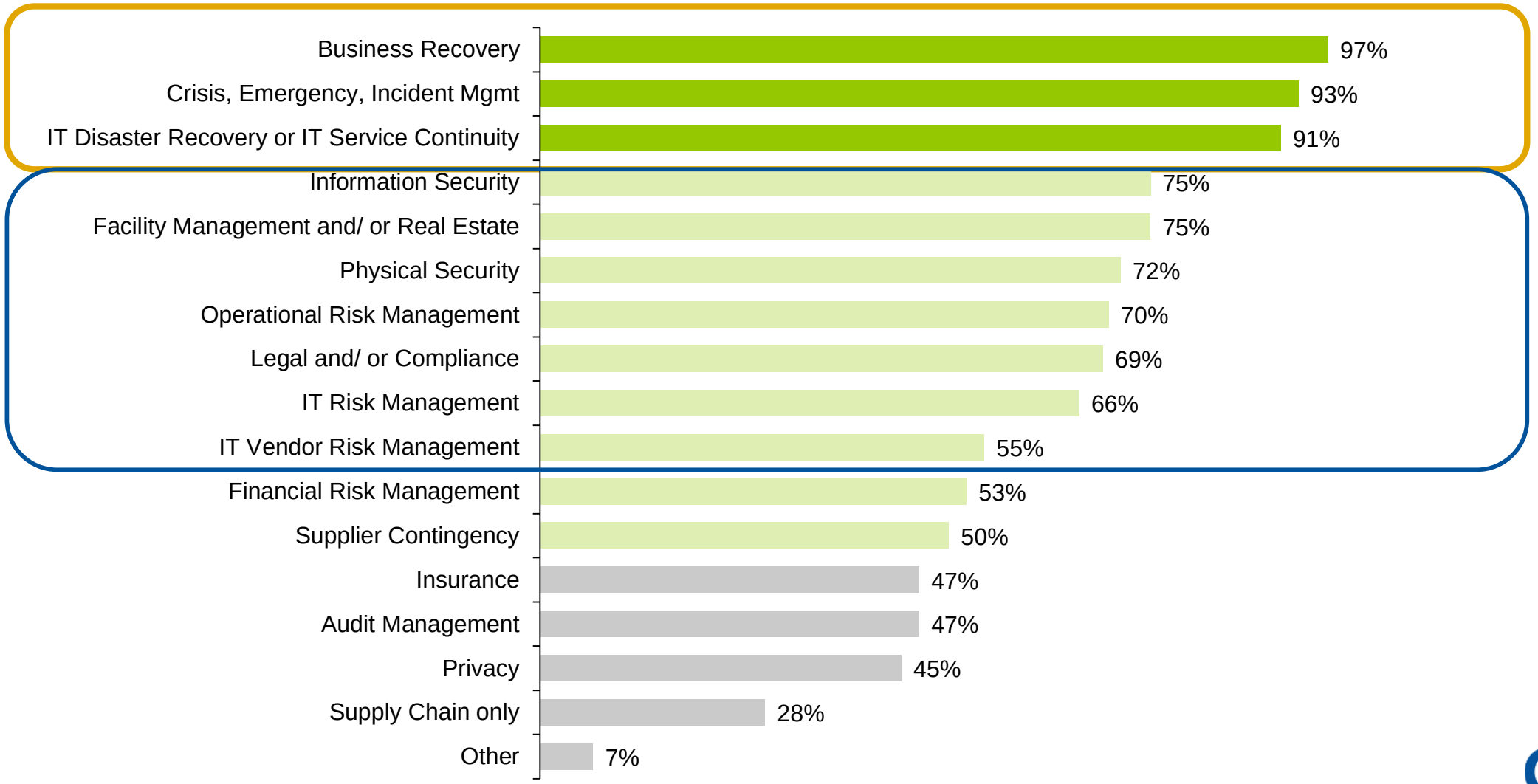
Maturity of the Business/Operational Resilience Program

n=156



Disciplines Covered in a Business/Operational Resilience Program

n=137, base= current, implementing or defining a program; multiple responses allowed



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Key Findings

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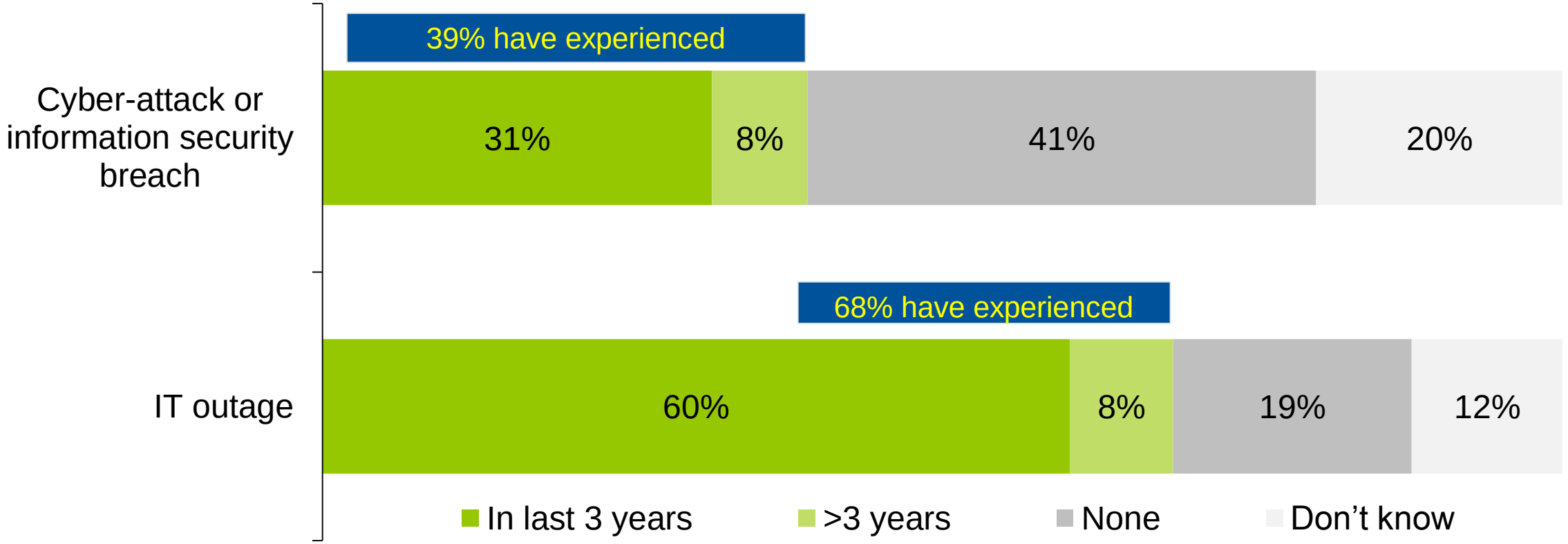
Information Security and BCM Alignment

Experience of Cyber-Attacks and IT Outages

n=156



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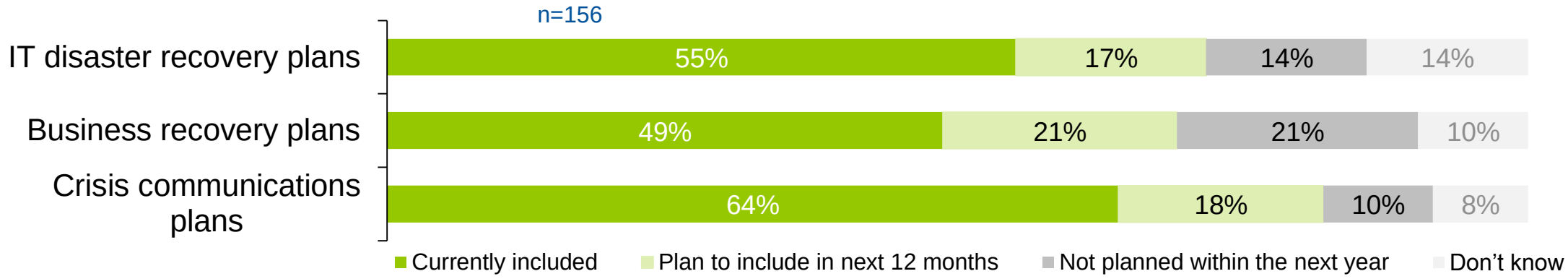
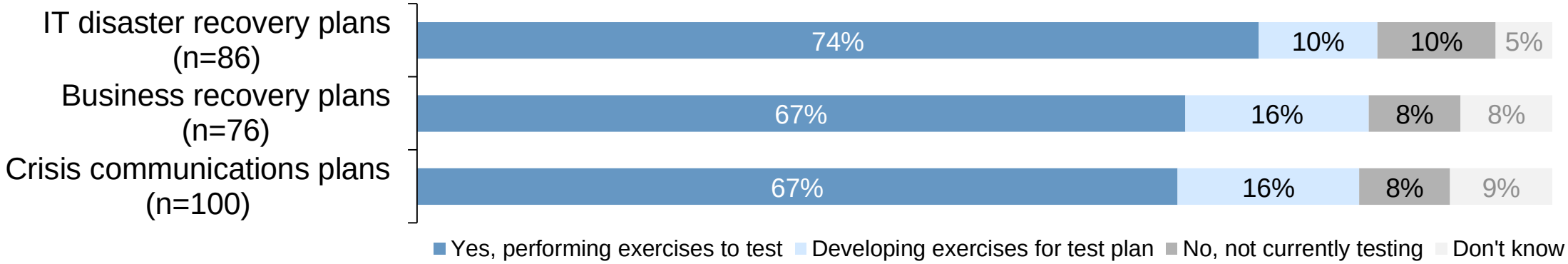
Information Security and BCM Alignment

Information Security Incidents as a BCM Scenario



Perform Exercises to Test Information Security Incidents in Recovery Plans

Base= Organization "currently included" information security incidents as a scenario (from above)



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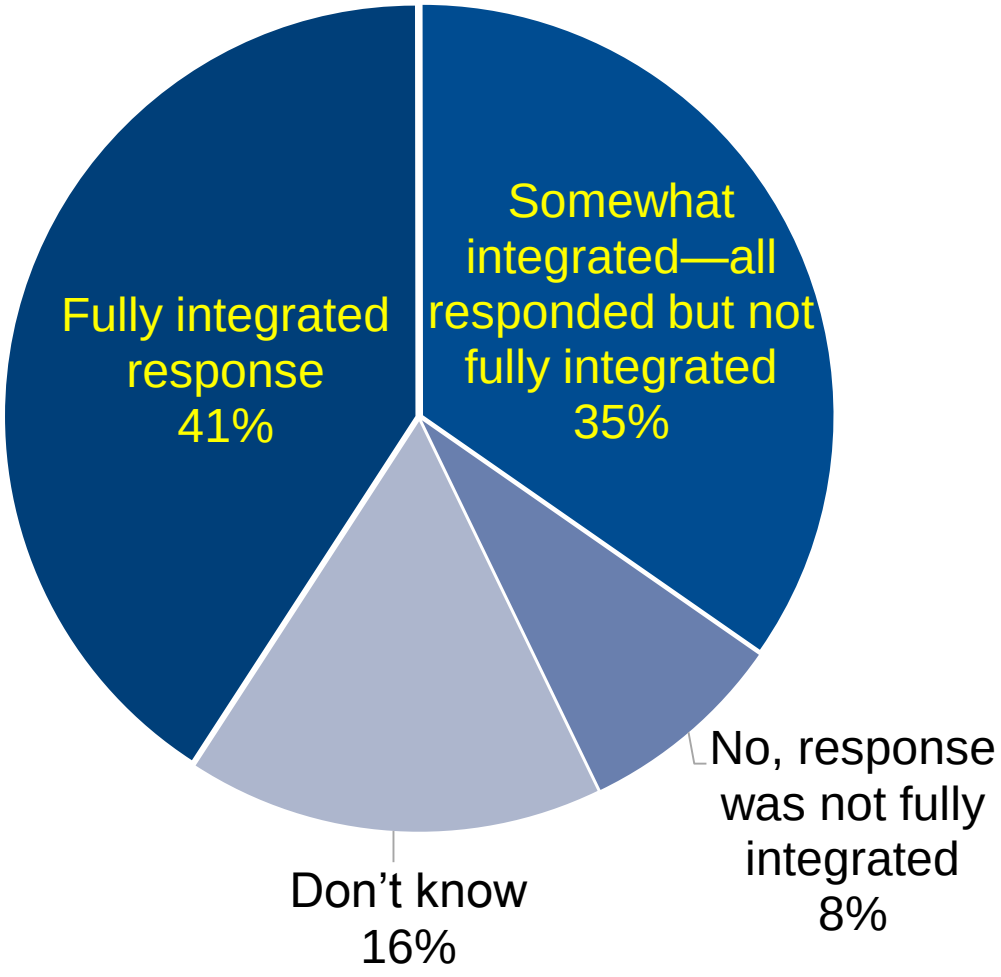
Information Security and BCM Alignment

Cyber-Attack Response Team Integration with BCM

n=49; base = organizations with a cyber-attack in last 3 years



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Key Findings

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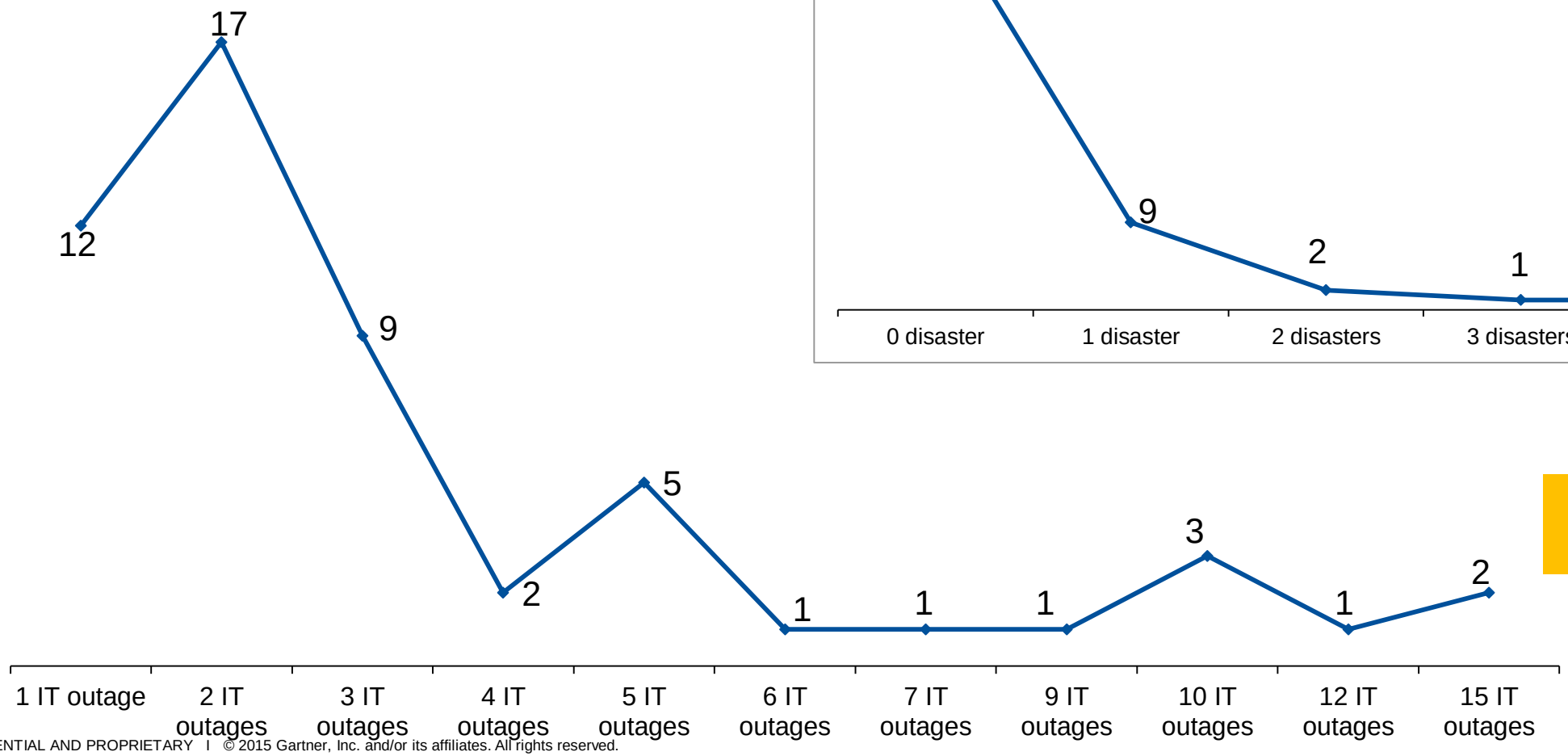
IT Outages and Declared Disasters

n=55; Base=IT outage in last three years, excluding don't know

Number of Outages in the Last Three Years



One respondent noted 50 outages (with 3 declared disasters)

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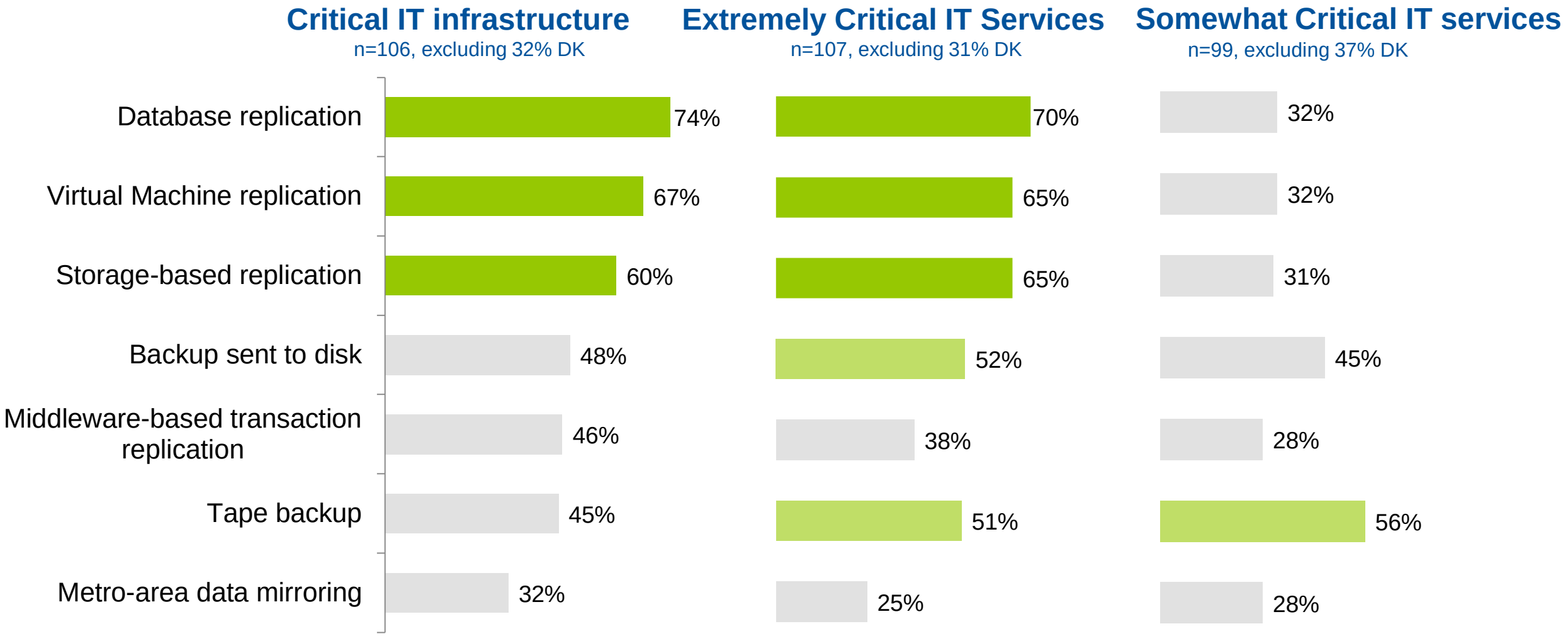
Data protection solutions by recovery tier



Multiple responses allowed

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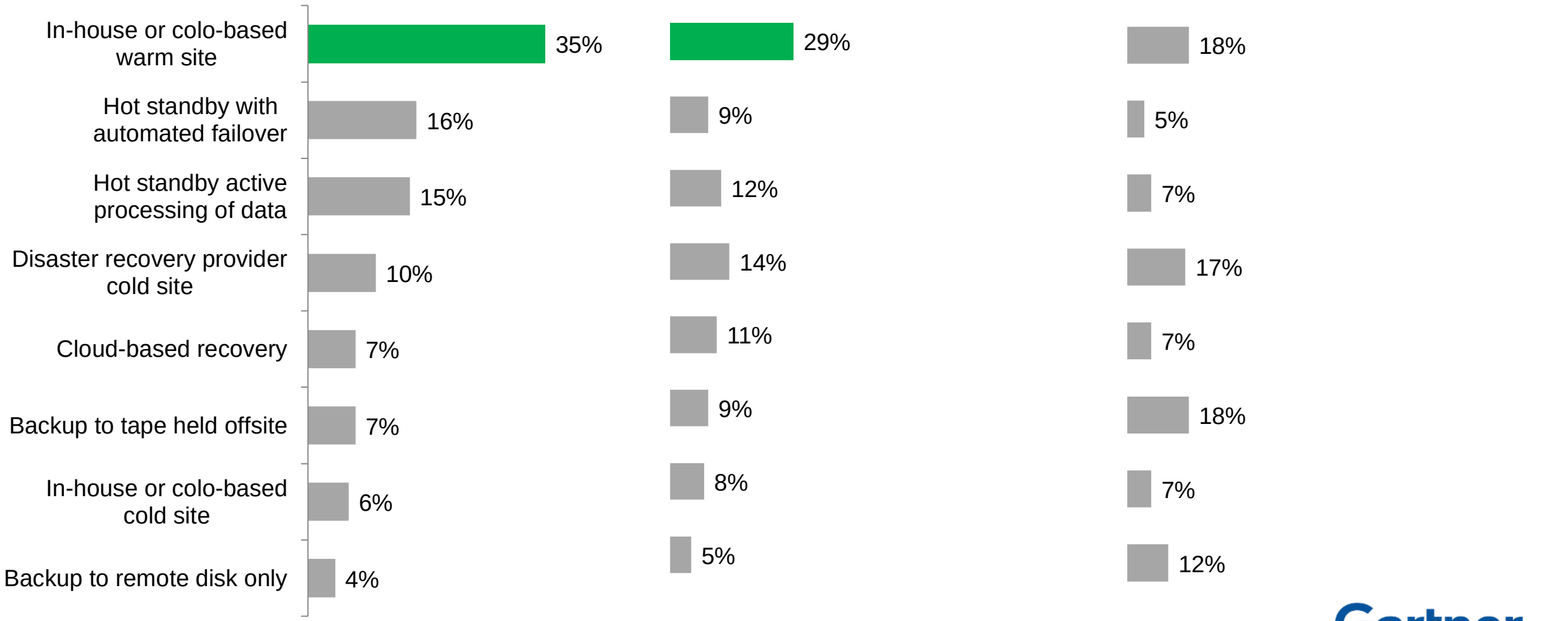
Most-Used Recovery Approaches for IT Services



Multiple responses allowed

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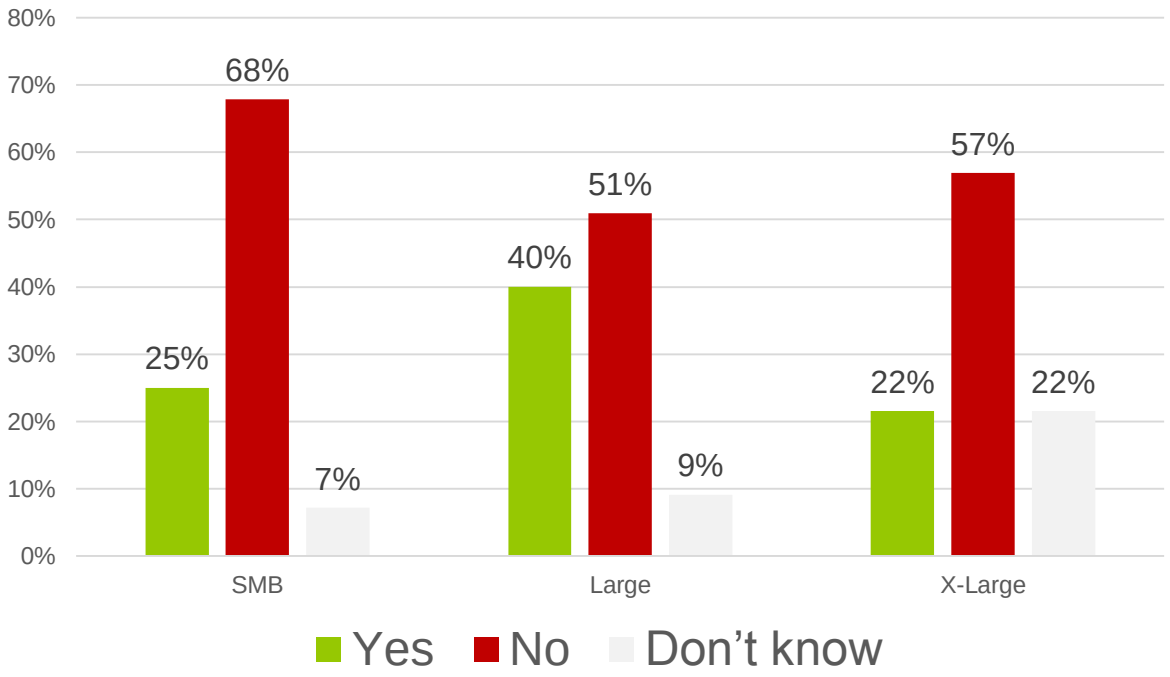
Does your organization use outsourced IT services for data processing? By organization size

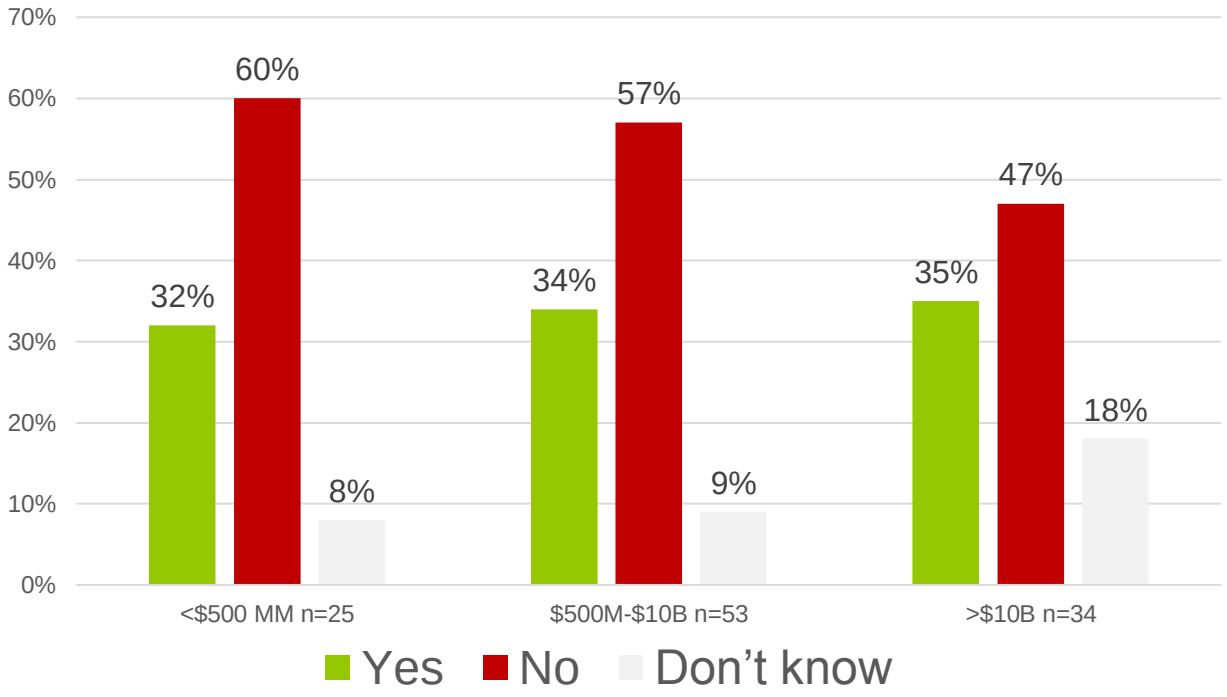
28% of survey participants use Outsourced IT Services for Data Processing

15% Don't Know

Employee Size n=148



Revenue n=112



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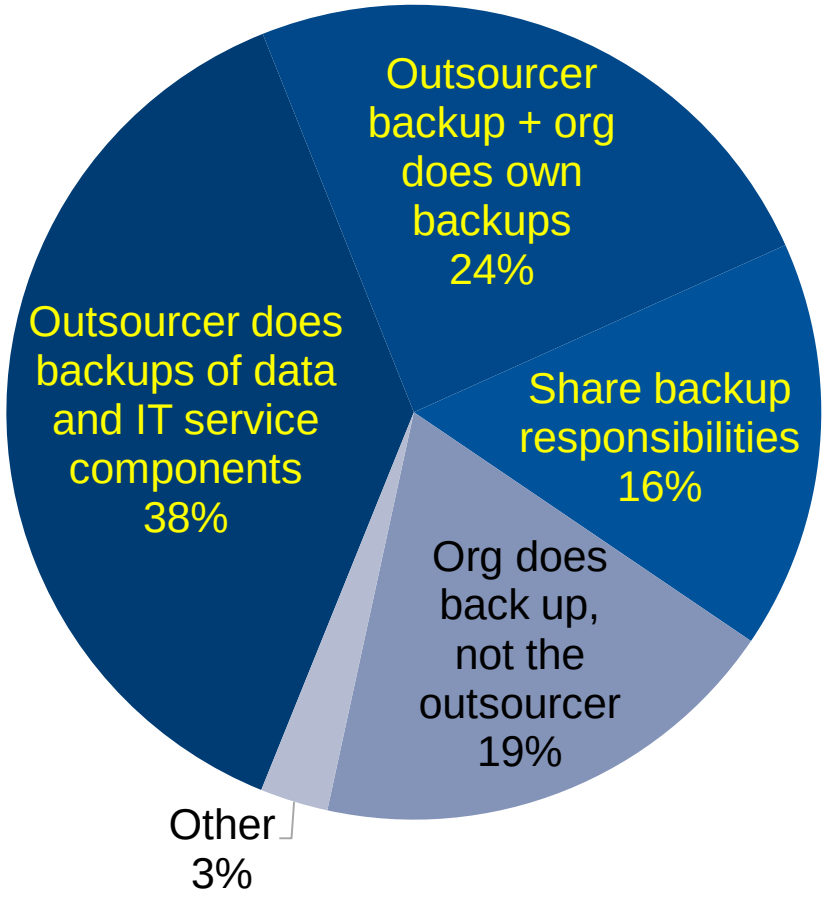
Back-Up and Exercising of Outsourced IT Services

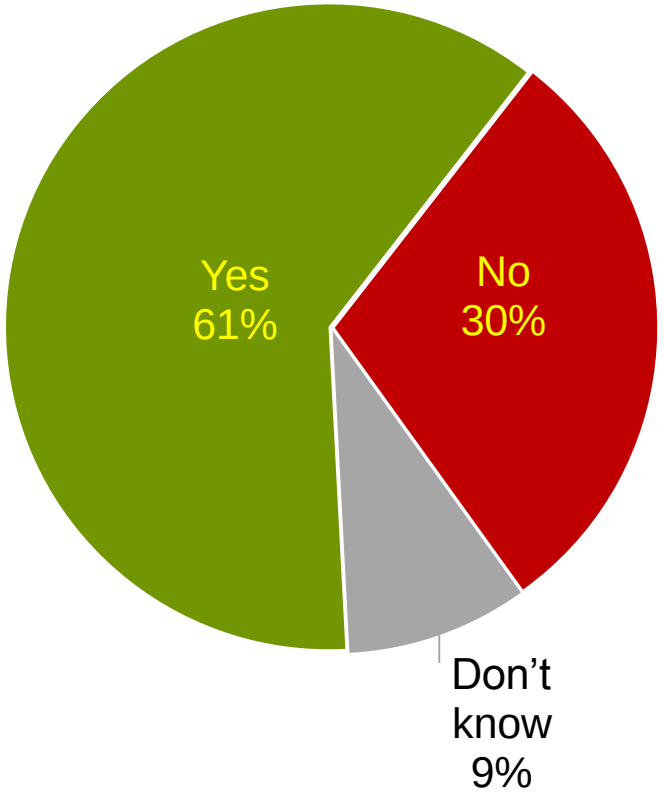
Handling of IT Services Back up

n=37, excluding 16% don't know



Vendor participates in disaster recovery exercises

n=44



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Recommendations

- Align your BCM program function reporting to the ACP best practice approach, where appropriate.
- Use key performance indicators and BCM key risk indicators to educate senior management as to the importance of continuity of operations.
- Inventory how your organization manages and aligns its risk management disciplines to determine their fit in your business resilience program.
- Use Gartner's ITScore online security and risk management maturity self-assessment tools to establish a baseline and maturity improvement roadmap.
- Work with your computer security incident response teams (CSIRT) to determine the integration points.
- Improve your coverage of information security incidents in all recovery plans, especially business recovery plans (49% & 21% respectively).
- Plan to exercise the information security incident scenario within the next six months.
- Maintain an inventory of all IT outages for root cause analysis and to support future recovery funding requests.
- Establish an application tiering model that maps recovery requirements and approaches to each tier.
- Review your IT outsourcing contracts to determine what you and the outsourcers are responsible for in regards to backup/data protection.
- Require that your IT outsourcers be part of IT DR exercises so that there are no surprises and delayed recovery efforts when disaster strikes.

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Appendix

Project Study Objectives

- The purpose of this survey is to explore the perspectives of Business Continuity Management (BCM) professionals on business resilience and the impact of IT on production and recovery activities. Results to be presented to the ACP member community at the *National Business Continuity Summit and Leadership Conference* in October 2015.

- Specifically, the survey is focused on risk mitigation, planning, exercising, responding, recovering and restoring activities in the following areas:

  - ***Crisis or Incident Management:*** *Establishing command and control over the incident, ensuring life and/or safety, crisis communications (internal and external)*
  - ***IT Disaster Recovery:*** *Recovering IT services for the organization (internal and external)*
  - ***Business Recovery:*** *Recovering the business processes for the organization including the workforce, special equipment, non-electronic vital records et al*
  - ***Supplier Contingency:*** *Recovering from a supplier's own outage*
  - ***BCM Program Facilitation and Management:*** *Managing and governing the BCM program and its components across the organization*
  - ***Pandemic Planning:*** *Pandemic planning is a unique scenario to manage. It may have different reporting responsibilities and tactics versus traditional BCM*
  - ***Emergency Management and Public Safety:*** *Ensuring the life and/or safety of the public by government agencies*

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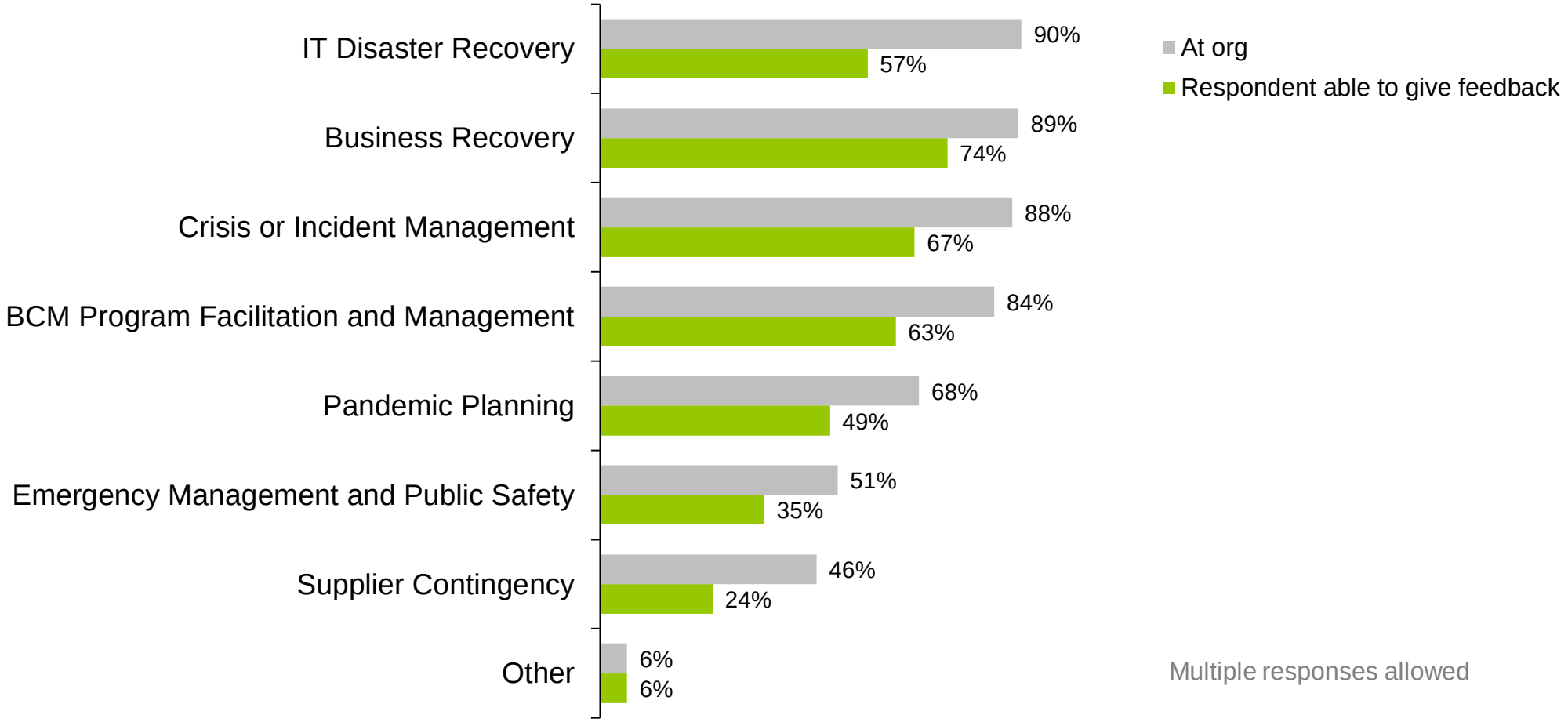
Respondent Profile: Respondent Involvement in BCM

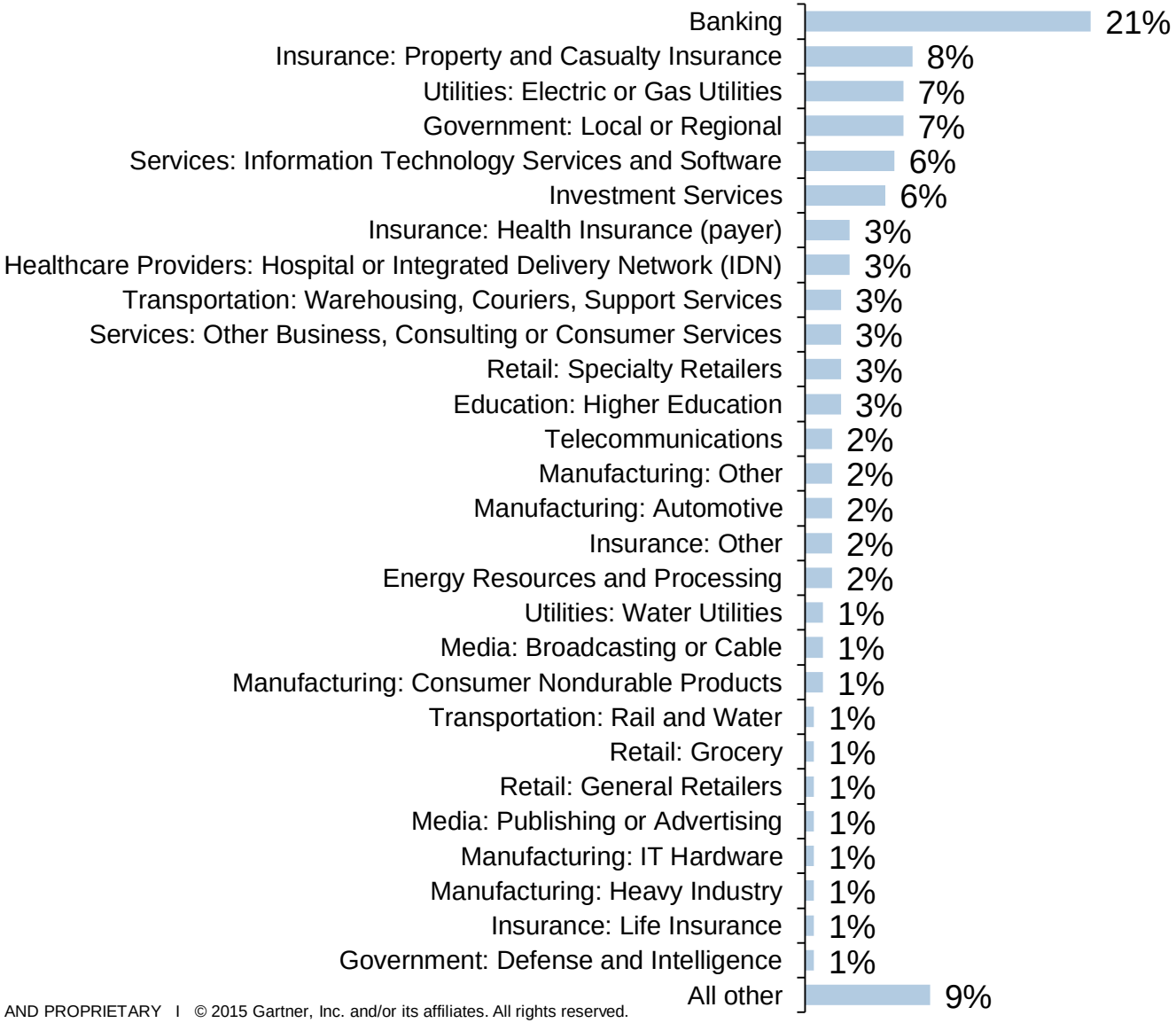
n=156



Multiple responses allowed

Primary Industry: Full List

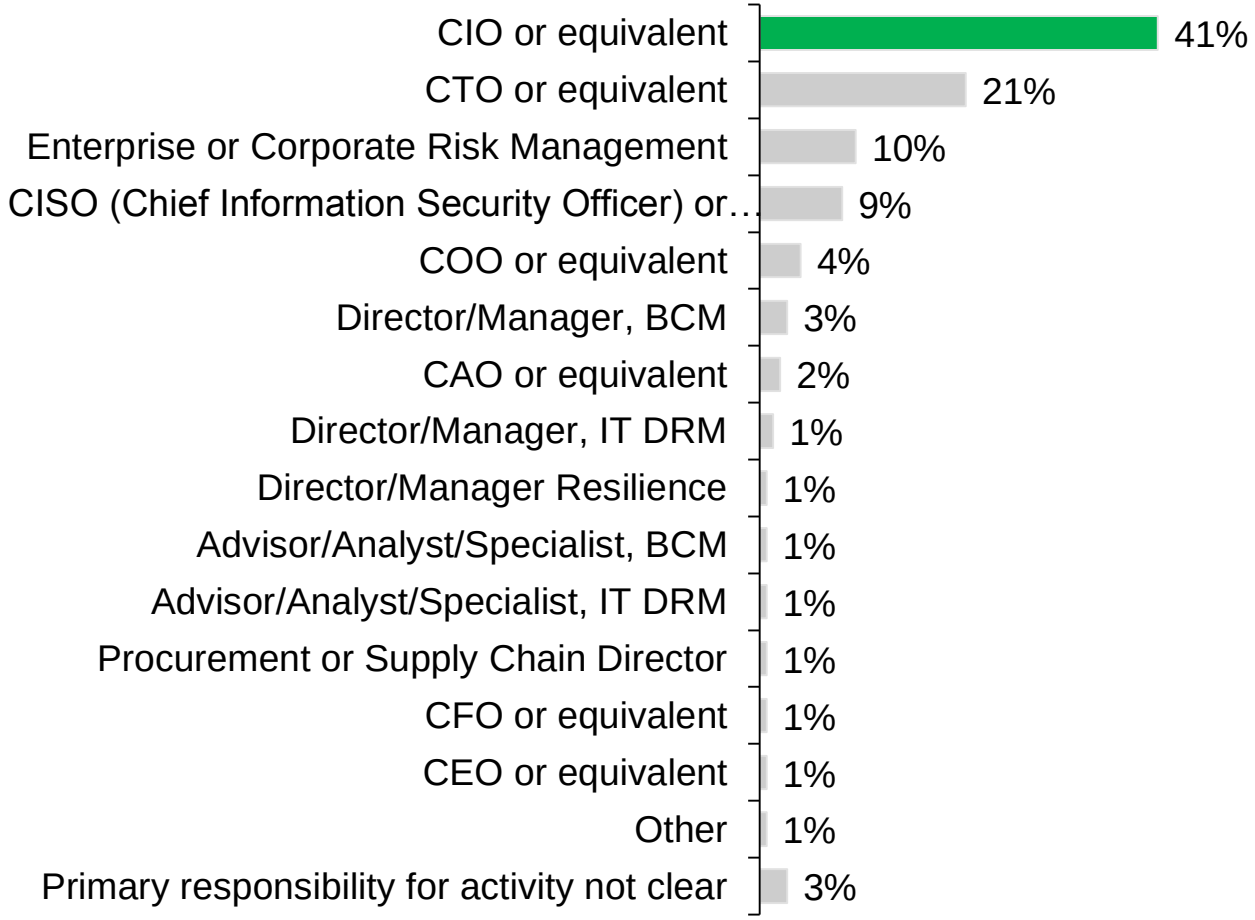
n=156



Primary Reporting Responsibility for BCM Activities

Crisis or Incident Management n=137

IT Disaster Recovery n=140



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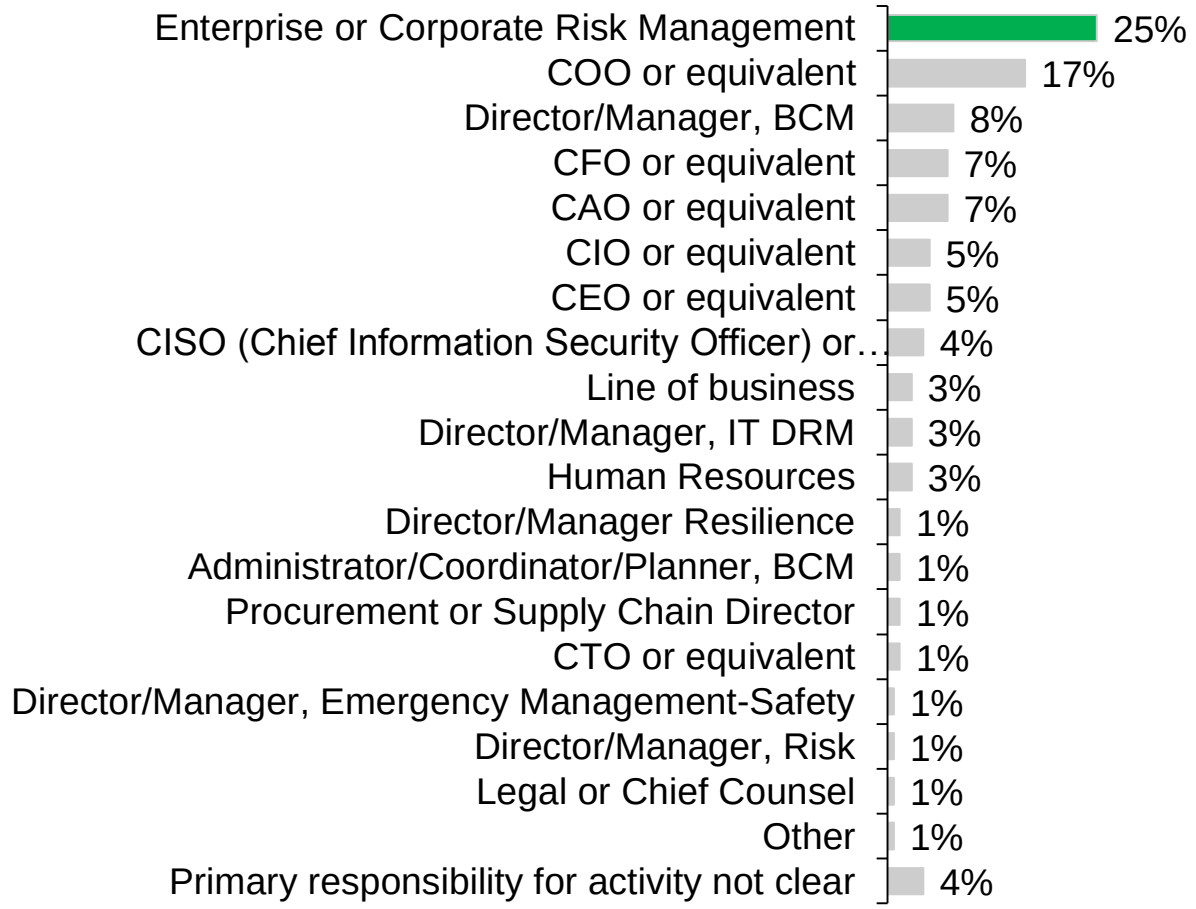
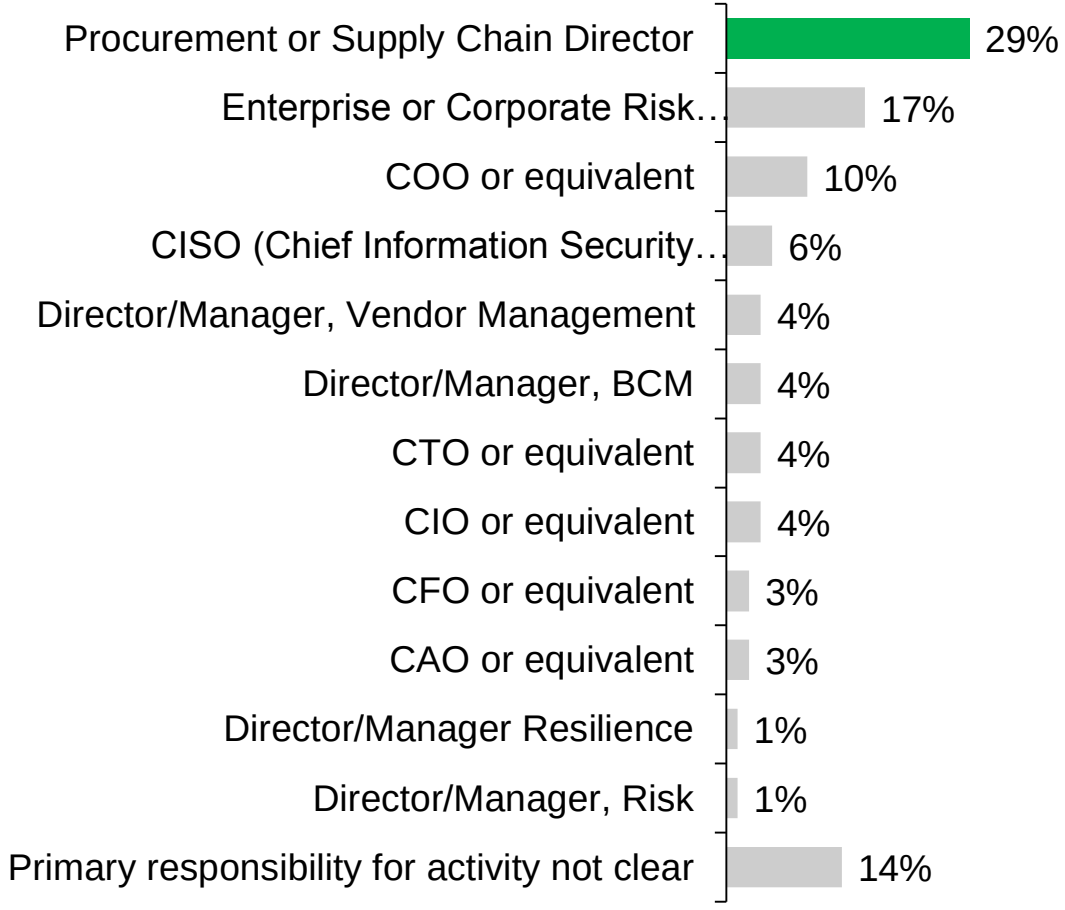
Primary Reporting Responsibility for BCM Activities

Business Recovery n=139



Supplier Contingency n=72



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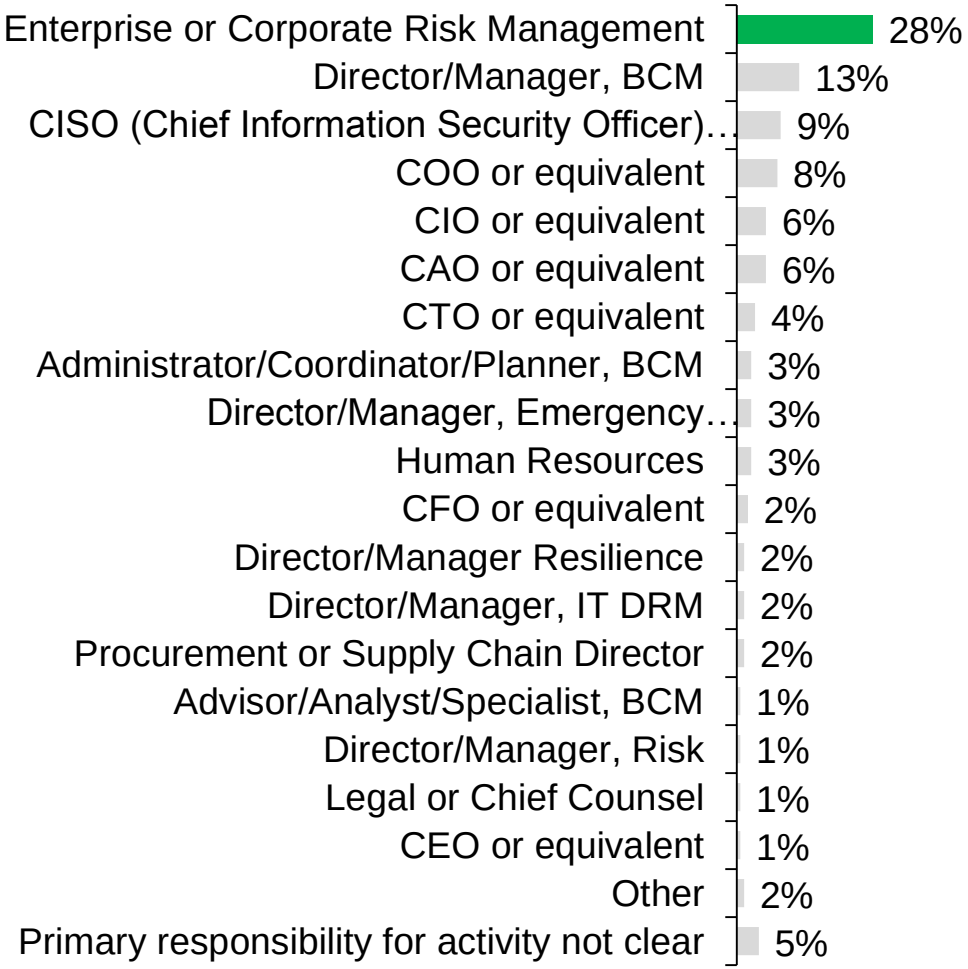
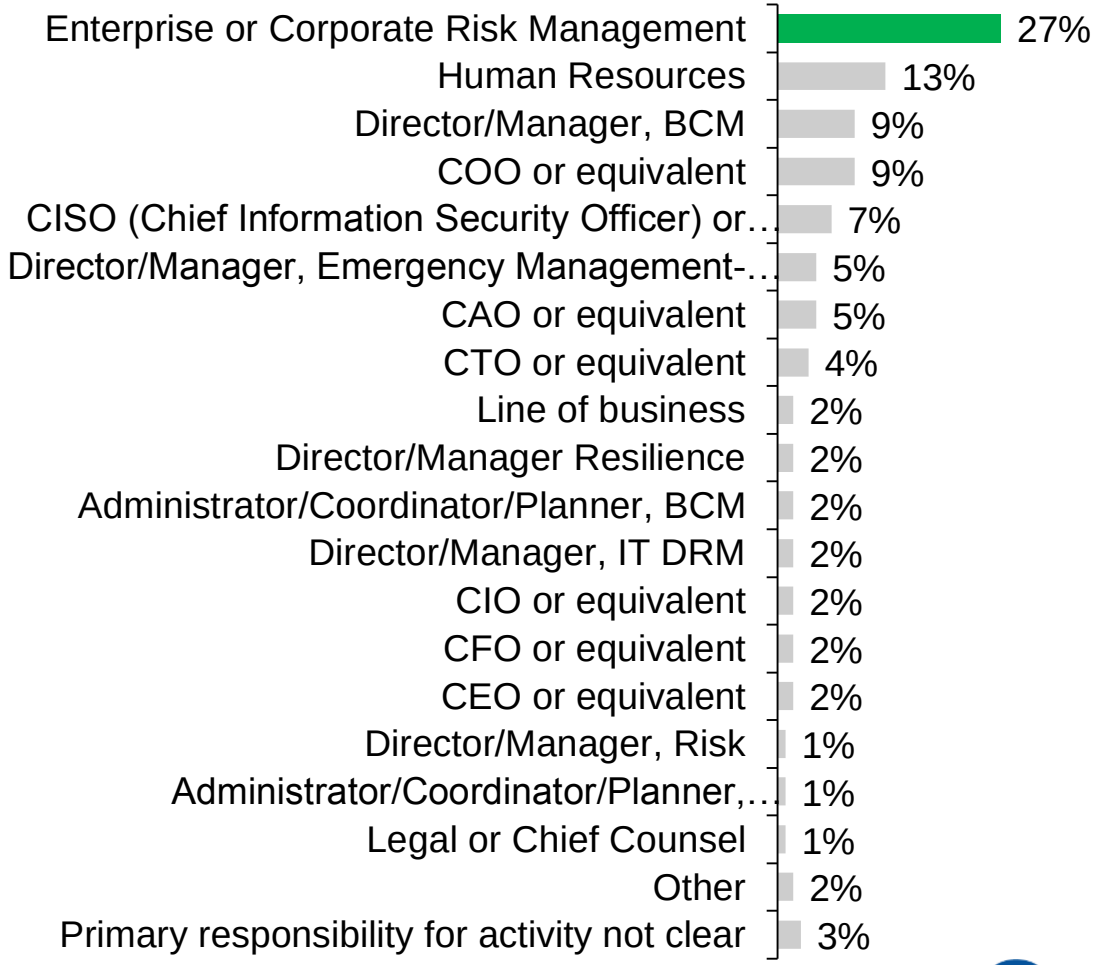
Primary Reporting Responsibility for BCM Activities

BCM Program Facilitation and Management n=131



Pandemic Planning n=106



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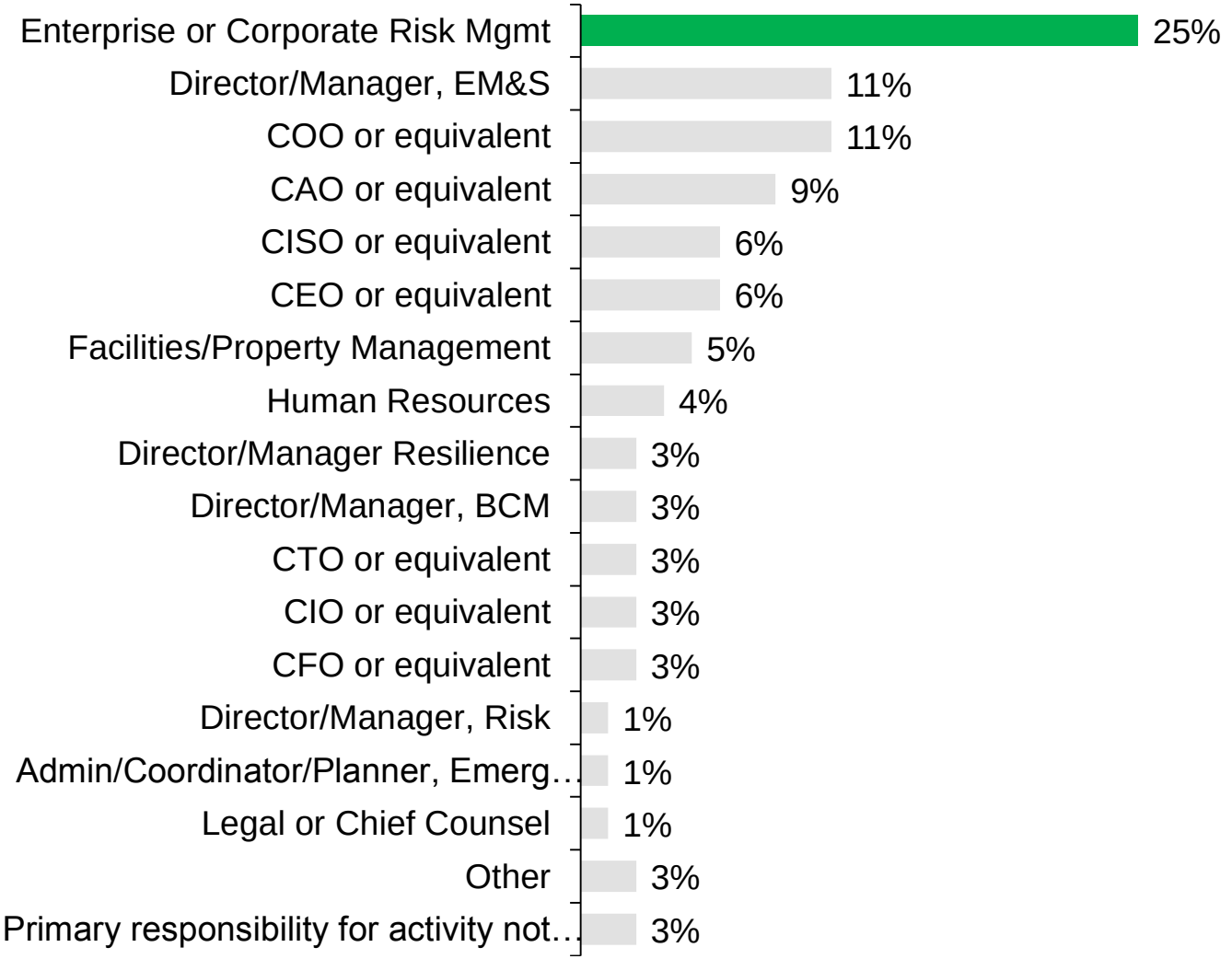
Primary Reporting Responsibility for BCM Activities

Emergency Management and Public Safety n=79



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Senior Management Values and Funds BCM

n=156

Understands the importance and business value of BCM	SMB (100 to 999 Employees)	Large (1,000 to 9,999 employees)	X-Large (10,000+ employees)
Rating 1,2 [bottom box)	7%	9%	8%
Rating 3-5 (middle box)	21%	31%	29%
Rating 6, 7 (top box)	71%	58%	63%

Understands the importance and business value of BCM	<$500 million	$500 million-$10 billion	>$10 billion
Rating 1,2 [bottom box)	16%	16%	9%
Rating 3-5 (middle box)	24%	21%	27%
Rating 6, 7 (top box)	60%	62%	65%

Adequately funds activities to support BCM	SMB (100 to 999 Employees)	Large (1,000 to 9,999 employees)	X-Large (10,000+ employees)
Rating 1,2 [bottom box)	14%	13%	11%
Rating 3-5 (middle box)	32%	**65%***	48%
Rating 6, 7 (top box)	**54%***	22%	**38%***

Adequately funds activities to support BCM	<$500 million	$500 million-$10 billion	>$10 billion
Rating 1,2 [bottom box)	**32%**	21%	24%
Rating 3-5 (middle box)	28%	**69%**	35%
Rating 6, 7 (top box)	40%	28%	**42%**

*statistically significant difference

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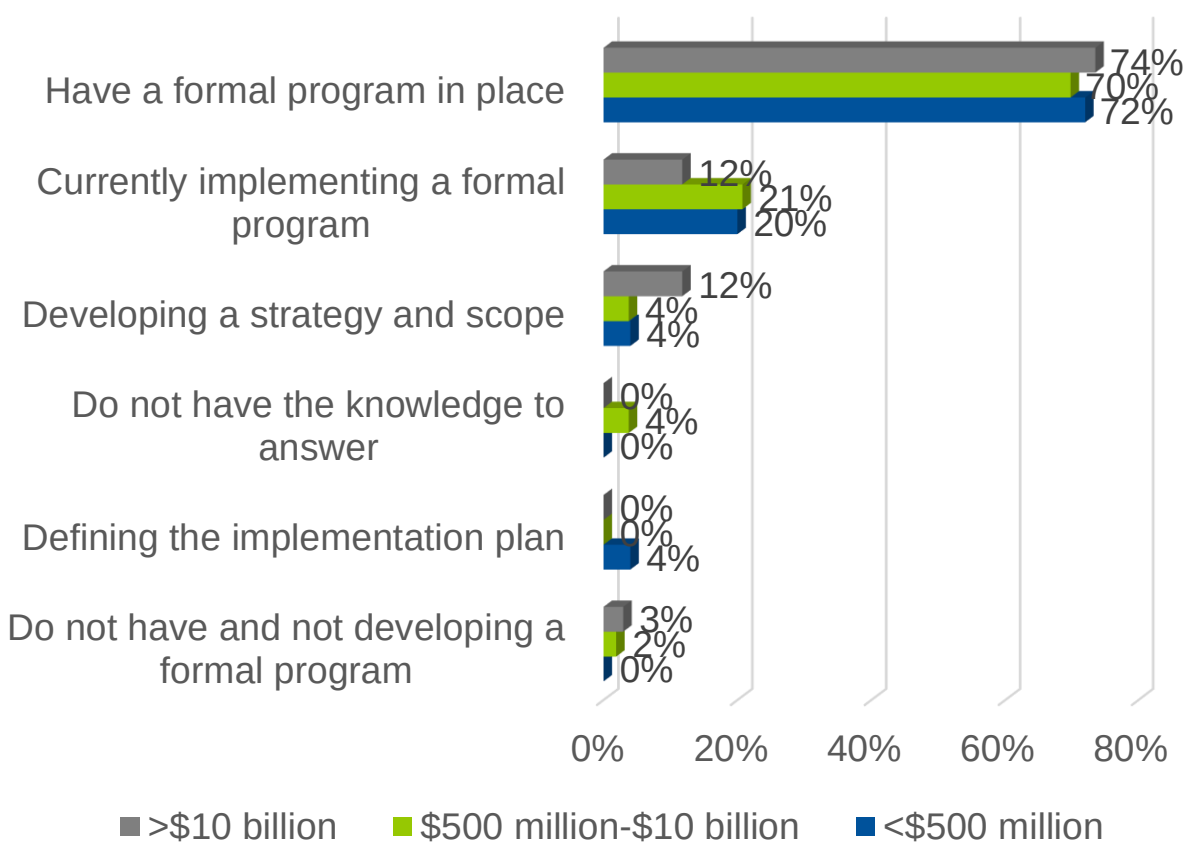
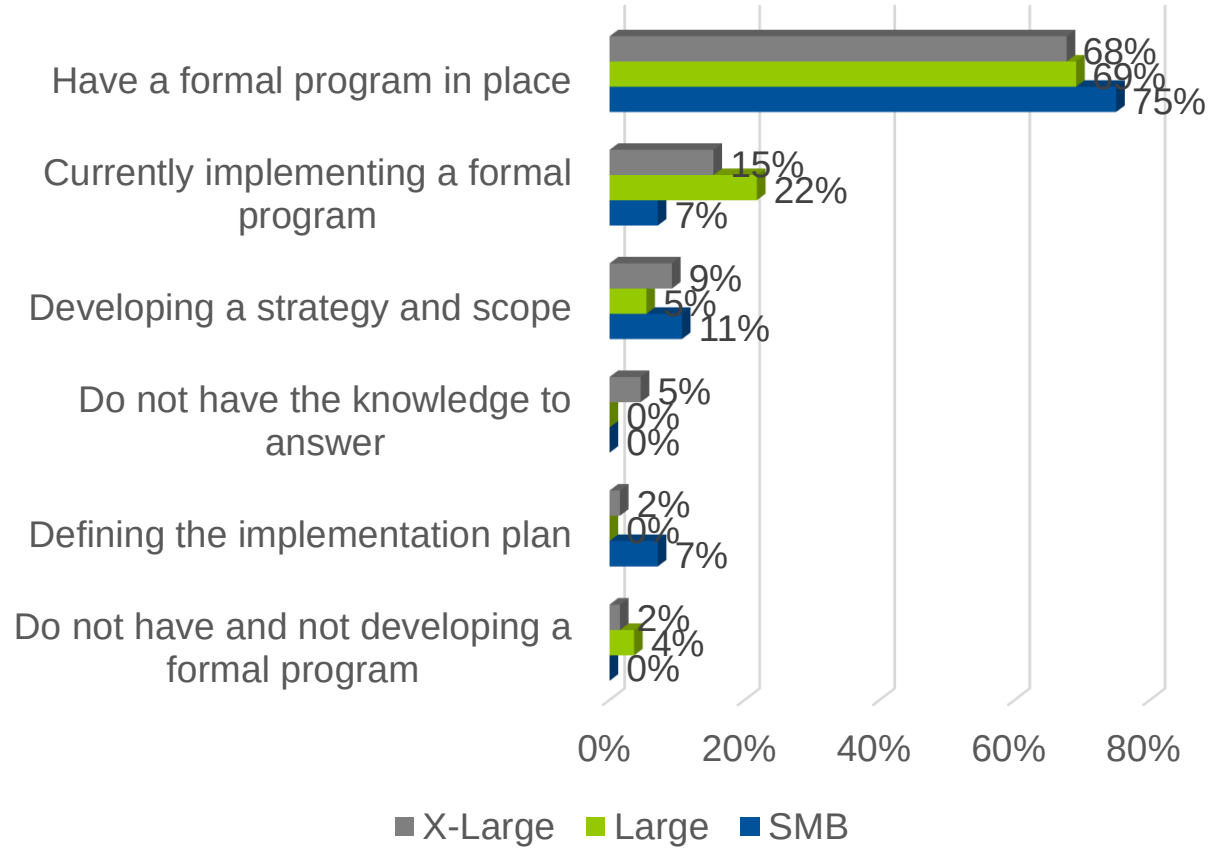
Maturity of the Business/Operational Resilience Program: By Company Size

Revenue n=112



Employee Size n=148



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Maturity of the Business/Operational Resilience Program: By Industry

n=156

	Mfg	Utilities	Fin Services	Pharma & HC	Govt	Education	Retail	Transportation	Media	Communications	Services	All other
Base: All	13	13	62	5	12	4	6	5	3	3	14	14
Do not have and not developing a formal program	8%	-	-	-	8%	-	-	-	-	33%	-	-
Have a formal program in place	46%	77%	79%	20%	75%	50%	50%	40%	100%	67%	93%	50%
Currently implementing a formal program	31%	8%	13%	40%	17%	-	50%	60%	-	-	-	21%
Program Planned (Net)	15%	15%	5%	40%	-	25%	-	-	-	-	7%	29%
Defining the implementation plan	8%	-	3%	-	-	-	-	-	-	-	-	-
Do not have the knowledge to answer	-	-	3%	-	-	25%	-	-	-	-	-	-
Developing a strategy and scope	8%	15%	2%	40%	-	25%	-	-	-	-	7%	29%

Employee Size		
SMB: 100 to 999 Employees	Large: 1,000 to 9,999 employees	X-Large: 10,000+ employees

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Disciplines Covered in a Business/Operational Resilience Program: By Organization Size

Base: Currently organization is 'Defining/ Implementing/ Program in place' the business or operational resilience program; Multiple responses allowed

	Total	SMB	Large	X-Large
	137	25	50	55
Information Security	75%	76%	70%	78%
IT Disaster Recovery or IT Service Continuity	91%	92%	90%	91%
Business Recovery	97%	92%	100%	98%
Physical Security	72%	60%	80%	73%
Insurance	47%	44%	50%	45%
Crisis, Emergency, Incident Management - including crisis communications	93%	96%	92%	95%
Facility Management and/ or Real Estate	75%	60%	74%	82%
Legal and/ or Compliance	69%	72%	70%	69%
Supply Chain only	28%	12%	24%	40%
IT Vendor Risk Management	55%	44%	54%	58%
Supplier Contingency	50%	32%	58%	55%
Audit Management	47%	44%	42%	51%
IT Risk Management	66%	64%	60%	75%
Privacy	45%	28%	42%	55%
Financial Risk Management	53%	44%	52%	60%
Operational Risk Management	70%	56%	64%	82%
Other	7%	4%	6%	9%

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Disciplines Covered in a Business/Operational Resilience Program: By Industry

Base: Currently organization is 'Defining/ Implementing/ Program in place' the business or operational resilience program; Multiple responses allowed

	Total	Mfg.	Utilities	Fin Services	Pharma & HC	Govt	Education	Retail	Transportation	Media	Communications	Services	All other
	137	11	11	59	3	11	2	6	5	3	2	13	10
Information Security	75%	64%	91%	78%	100%	64%	-	33%	80%	33%	100%	92%	80%
IT Disaster Recovery or IT Service Continuity	91%	82%	100%	93%	100%	100%	100%	67%	80%	67%	100%	92%	90%
Business Recovery	97%	100%	100%	97%	67%	91%	100%	100%	100%	100%	100%	100%	100%
Physical Security	72%	91%	100%	66%	67%	55%	50%	83%	40%	67%	100%	77%	70%
Insurance	47%	55%	18%	54%	-	36%	50%	67%	20%	-	100%	54%	40%
Crisis, Emergency, Incident Management - including crisis communications	93%	82%	91%	95%	100%	91%	100%	100%	100%	100%	100%	92%	90%
Facility Management and/ or Real Estate	75%	64%	82%	69%	67%	82%	50%	100%	80%	67%	100%	85%	80%
Legal and/ or Compliance	69%	73%	73%	64%	33%	64%	50%	83%	80%	33%	100%	92%	70%
Supply Chain only	28%	27%	27%	27%	33%	18%	-	50%	60%	-	-	31%	20%
IT Vendor Risk Management	55%	27%	45%	68%	33%	55%	-	50%	20%	-	50%	85%	30%
Supplier Contingency	50%	64%	45%	58%	33%	36%	50%	33%	60%	-	50%	54%	30%
Audit Management	47%	36%	27%	54%	67%	45%	50%	33%	20%	-	50%	69%	30%
IT Risk Management	66%	73%	55%	73%	33%	55%	-	67%	40%	33%	50%	92%	60%
Privacy	45%	36%	27%	51%	67%	36%	-	17%	20%	-	50%	85%	30%
Financial Risk Management	53%	64%	64%	54%	-	45%	50%	50%	20%	-	100%	77%	30%
Operational Risk Management	70%	73%	91%	73%	67%	55%	50%	33%	80%	-	100%	85%	60%
Other	7%	9%	9%	7%	-	-	50%	-	-	-	-	15%	-

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