



BUSINESS CONTINUITY
PLANS CRITICAL FOR
TODAY'S ENTERPRISE

2009 State-of-the-Market Report

XO Communications

Introduction and Key Findings

In May of 2009, Webtorials invited members of its community to participate in a survey about their business continuity plans and practices. In difficult times, stability and reliability become more important than ever, and so businesses must attempt to plan for the unexpected and unlikely or risk handing their competitors a marketing point. Our data suggest that many businesses know very well the importance of business continuity and have made strides to ensure that they can survive the unforeseen, but may lack important capabilities or be underprepared.

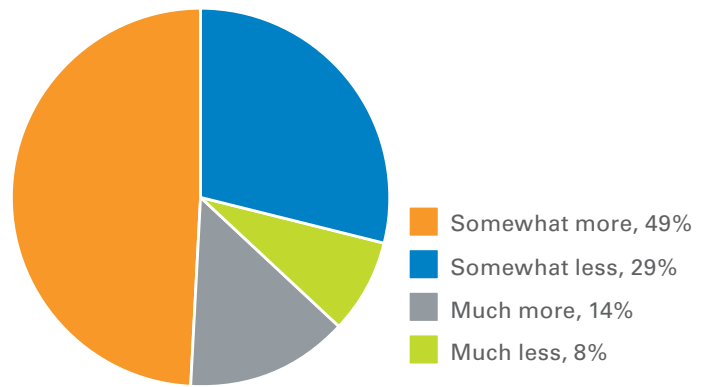
The key findings of this analysis are as follows:

- Business continuity is important and will get only more important.
- Some of the leading causes of outages are unaccounted for by current business continuity plans, and current plans in general better account for hardware failures than other kinds of failures.
- Business continuity plans are planned or tested less often than initially intended.
- Generally, respondents report that the importance of business continuity planning is high for all network assets, and their satisfaction is moderate with their current continuity capabilities.

Recognition of the importance of business continuity planning is high. Fully 53% said that business continuity would remain about the same in importance, so the graph shows the percentages for each other option among those who noticed a change.

As shown in **Figure 1**, of those seeing a change in importance of business continuity planning, 63% think current economic conditions have made such planning more important. The persistence of the importance of business

Figure 1.
Business Continuity Importance/Attention



Question:

To what extent have the current economic conditions affected the attention/importance that your business continuity plan receives? (E.g., More attention because the network is more critical than ever versus less attention because of a lack of staff.)

1. For details on the demographics and the questionnaire, please see <http://www.webtorials.com/abstracts/2009BusinessContinuity.htm>
2. Since this survey only focused on the technical aspects of business continuity and disaster recovery, we used the terms interchangeably and considered both natural and man-made disasters to be within the scope of our questions.

continuity planning is remarkable given the cuts many departments are currently facing, but also understandable. As revenue streams diminish, anything that can ensure that a business can continue serving its customers grows in importance.

OUTAGES AND COVERED SCENARIOS

Figure 2 demonstrates that when survey-takers were asked to identify the top three business outage sources, 60% named server failure, 51% chose human error, and 40% indicated their access network provider, with the wide area network provider close behind. The most common source, server failure, can usually be mitigated with redundant and/or backup equipment, augmented by hot standby sites and other well-understood compensation techniques.

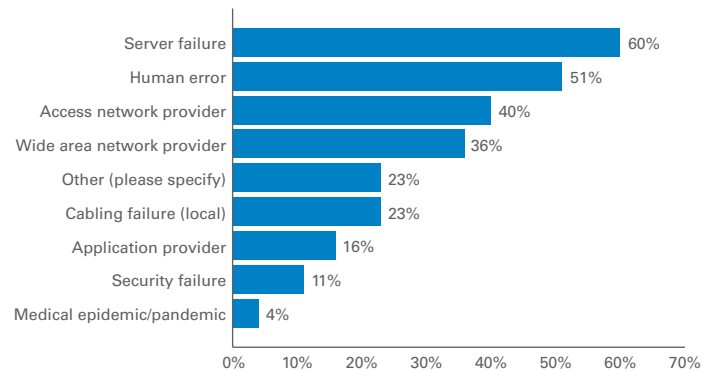
Human error is likely to remain difficult to anticipate and troubleshoot for the foreseeable future. The frequency of human errors possibly reflects training, staffing, and spending cuts over the last few years. In the long term, this is a situation that must be addressed.

Fortunately, outages due to application provider, security breach, or epidemic, which would be equally hard to foresee, were among the top three outage sources for very few of the survey's respondents. Nevertheless, these are potentially catastrophic events and so far, companies have been fortunate that outages due to these sources have not been very common. Coincidentally, 66% of respondents choosing "other" specified a loss of power as the reason for their outage.

As shown in **Figure 3**, respondents also indicated which possible situations were covered by their organizations' business continuity plan in order to determine how well companies' plans match the realities reported in the question above. Given the high observance of business outages due to server failure, it's no surprise that 80% of respondents worked at organizations that had a contingency for such failure. Likewise, the high rate of coverage for power outages is unsurprising, since it was a relatively popular answer above despite not being named in the list.

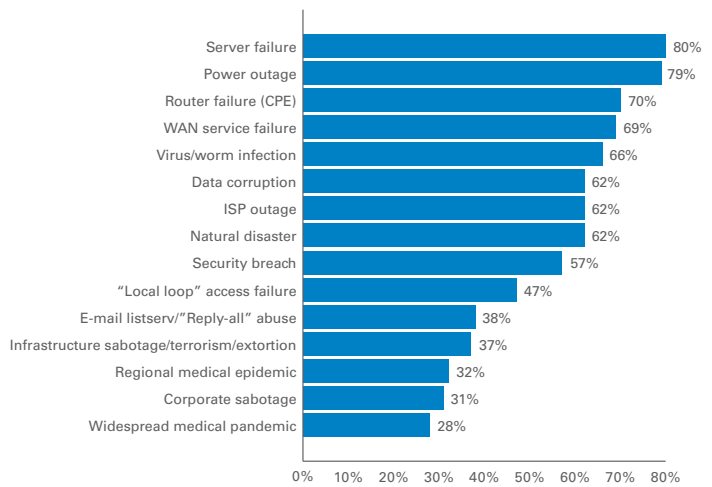
However, respondents reported that the number three outage source was their access network provider, but only 47% of organizations' business continuity plans cover local loop access failures. This finding is surprising because in many locations it is fairly simple to get an auxiliary route to the

Figure 2.
Top Three Outage Sources



Question:
In your experience, what have been the top three outage sources? (Please check no more than three.)

Figure 3.
Covered Scenarios



Question:
Which of the following situations are covered by your organization's business continuity plan? (Please check all that apply.)

local loop, either through path redundancy or an alternative network access method. Such an alternative could easily double as covering an outage in the regular ISP, a more broadly covered loss of service scenario.

Despite this notable exception, business continuity plans do generally cover local hardware and cabling failures, malware infections, natural disasters, and security breaches. Despite the infrequency of business outages due to viruses, catastrophic weather, or a lapse in security indicated in the previous question, it is still critical to cover these scenarios because they tend to cause a greater degree of damage when they do occur, and can lead to a hard road to recovery without a plan already in place to deal with them.

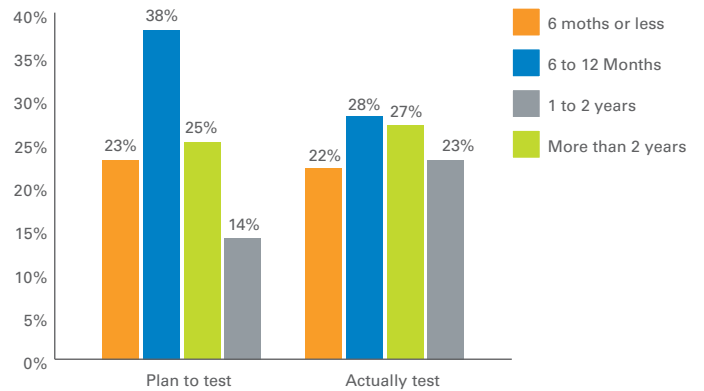
UPDATING AND TESTING BUSINESS CONTINUITY PLANS

Figure 4 shows the results when survey respondents were asked how often they planned to update and test their business continuity plans and how often they actually did so. Unsurprisingly, responses revealed that many organizations' testing plans are not executed on time once the timeframe exceeds six months. (Organizations that intended to test their business continuity plans every six months or less tended to meet this goal with 23% planning versus 22% testing).

Companies that intend to test their plans every six to twelve months performed poorly, with 38% planning to test their plan within this timeframe but only 28% meeting this benchmark. And even though the data may seem to indicate that those with a one to two year window for testing cycle meet their goal, in reality many of those testing within one to two years are users who planned for six to twelve months. This trend continues with the data indicating that among organizations planning to test their plans less than once every two years (which includes "not at all") shows that the one to two year planners have slipped into the "More than two years" category.

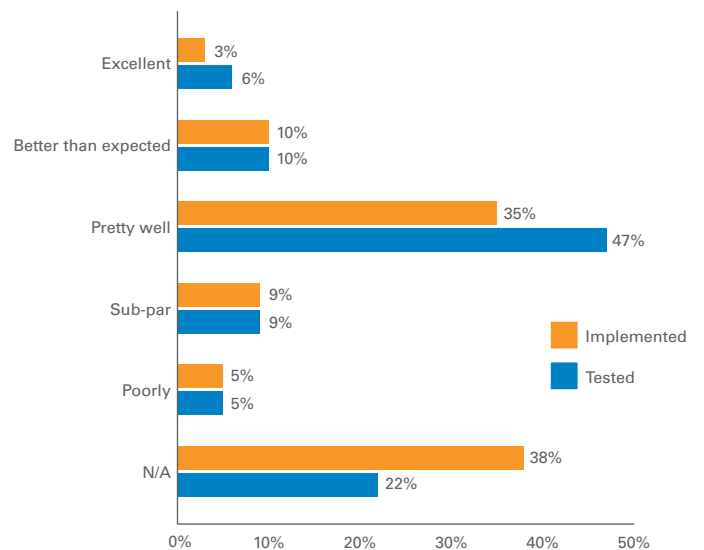
This indication that almost one-fourth of the companies test less frequently than every two years is, for all practical

Figure 4. Comparison of Planned vs. Actual Business Continuity Plan Testing Timeframes



Question: How often does your organization plan to test and how often does it actually test its business continuity plans?

Figure 5. Business Continuity Plan Success



Question: How well did your plan work when you last tested and implemented your business continuity plan?

3. For some examples, see "Darwin Awards for Disaster Recovery" at <http://www.webtutorials.com/main/resource/papers/delphi/paper7.htm>

purposes, equivalent to not testing at all. Rigorous testing is critical to ensuring that the plan will work when it is actually needed.

Figure 5 displays the results when survey respondents were asked how well their business continuity plan worked when it was last tested and implemented. In general, respondents seem moderately satisfied with the overall performance of their plans, with controlled tests likely to run better than implementations of the plan following an actual failure.

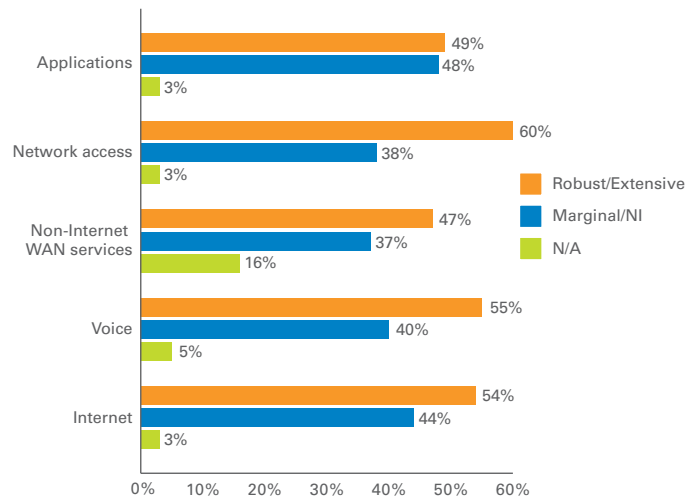
This question received many more “not applicables” than expected. However, in a separate question, 37% of respondents indicated that their business continuity plan has not been implemented in the last two years, matching the 38% answering “not applicable” here. The 22% that seem to be indicating here that their plan has never been tested is also very similar to those reporting above that their organization actually tests their business continuity plan less than once every two years. The disturbing implication is that fully one-fifth of organizations may not have a policy of testing their business continuity plan! If so, such organizations should remedy this oversight as quickly as possible, as testing can reveal flaws missed by even the most skilled planners.

ASSESSMENTS OF PLAN STRENGTH AND SATISFACTION

As shown in **Figure 6**, survey respondents gave their perception of the strength of their current business continuity plans. Generally, most respondents rated their plans to be robust or extensive in all areas, but there are two notable exceptions. First, respondents were more likely to indicate that their business continuity plan was less strong in accounting for applications. Second, a large percentage of respondents indicated that their organization did not have a business continuity plan that covered non-Internet WAN services. Many probably feel that since these services are highly redundant within the network, there is less necessity for them to be covered by a business continuity plan within the enterprise itself. This would also account for non-Internet WAN services' lower ranking relative to the other areas in importance.

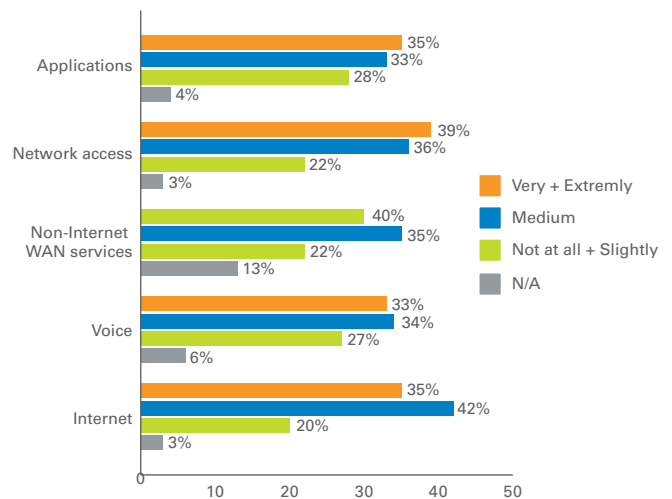
Figure 7 displays the answers of survey respondents who reported their satisfaction with their current business

Figure 6.
Business Continuity Plan Strength



Question:
Which of the following best describes your company's business continuity plan for each area?

Figure 7.
Business Continuity Plan Satisfaction



Question:
How satisfied are you with your current business continuity solutions in each of the following areas?

continuity solutions for each of the above areas. Despite some variation, every plan area showed moderate satisfaction, with “medium” being the largest single category in all cases. These data mirror somewhat those for the previous question, with applications having the highest percentage of respondents giving it low ratings and non-Internet WAN services garnering many “not applicables,” but overall ratings of satisfaction are lower than overall ratings of plan strength. As noted above, this finding is probably due to many considering non-Internet WAN services outside the scope of enterprise business continuity plans. This result would seem to suggest that respondents think their plans are strong relative to the strength of solutions currently available on the market, but continue to desire new and better business continuity solutions.

Conclusion

As long as people have made plans, the unexpected has thwarted them, but business continuity plans and solutions exist to return operations to normal as swiftly as possible. Planning against unforeseen occurrences has always been a part of business, and is even more critical in our age of wired infrastructure, wireless services, and economic turmoil. Although generally strong, the average business continuity plan doesn't account for some very common types of outages, and its effectiveness is threatened by a lack of testing. Despite the challenges in doing so, organizations that take the necessary steps to create an effective, well-tested business continuity plan will be able to continue doing business when their competitors are fumbling in the (quite literal) dark.

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