![BCI Business Continuity Institute logo]

BCI CONTINUITY AND RESILIENCE REPORT 2018

RAISING THE IMPACT OF BUSINESS CONTINUITY

everbridge®

Contents

Foreword,
BCI

The Business Continuity Institute is glad to present the first Continuity & Resilience Report: Raising the impact of Business Continuity. This study aims at highlighting the role of business continuity and its relationship with other management functions within the organization, such as information security, risk management or physical security.

The findings address a range of issues to measure the impact of business continuity, such as its levels of investment, top management buy-in and its role during a crisis. It emerges that business continuity plays a central role across different scenarios, such as adverse weather, cyber attacks or the outbreak of a new pandemic. Furthermore, organizations tend to increasingly appreciate its value over time, as they can see return on investment.

However, on the downside, business continuity is still not a priority when compared with other parts of the organization that play an equal role in handling crises, such as operations and information security. Professionals still have work to do in terms of making top management aware of the value of their work. Hence, this report should work towards achieving such a goal – building the case for business continuity to be given the attention and resources it needs. The findings could be used as a guide for professionals looking to demonstrate the impact of their plans and/or to better understand how to relate to their counterparts across the organization.

Furthermore, the report explores the use of technology in building organizational resilience, highlighting the difference in preferences between more experienced and newer teams. As the world grows increasingly digitalised, it is important to choose the right type of solution. In this regard, being able to see how the industry is behaving can help make an informed decision.

Therefore, this study should be seen as a tool to use in a professional's daily role, as a key insight to maximise his or her efforts and get the best out of them. Finally, the information gathered through our research is not only aimed at business continuity professionals but to everyone dedicated to make the world more resilient.

David Thorp,
Executive Director,
BCI

Foreword, Everbridge

Everbridge is pleased to be able to support this innovative new report with the BCI which reveals important findings for the Business Continuity community.

Between rising security risks, natural disasters, climate change, business application slowdowns, IT outages & unpredictable man-made threats. It is not a question of whether, but when an issue will occur. Be it a serious security, continuity or performance issue with your digital infrastructure, it may endanger the health of your business, or the communities you serve. The results can be immediate and devastating. For a business, they may include lost revenue, reduced employee productivity, a fall in share price, regulatory fines and reduced customer satisfaction and retention.

Organizations are under increasing pressure to respond quickly and effectively to these operational disruptions. To effectively address the mounting pressure and increasing frequency of critical events, Business Continuity teams are reaching out to their security, IT and crisis teams to build collaborative working relations with the goal of minimizing the impact of these disruptions. Unfortunately, this survey shows that business continuity is still not a priority when compared to their security and crisis colleagues.

This report helps organizations build the case for an investment in business continuity to secure the benefits of: "Faster Recovery" 87%; "Safety and accountability of staff" 80%; and "A reduction of the costs of disruptions" 77%, all highlighted in this report. A focus solely on plans and exercises will not realize the full potential benefits of improved organizational resilience and faster critical event management. To do so, teams must break through functional and information siloes to work together using a common operating picture of the threats to the organization, and the key assets like people, buildings, IT systems & brand protection, with a unified response team and plan.

Owen Miles,
Technical Director, EMEA
Everbridge

1

Executive Summary

Executive Summary

83% of organizations have a business continuity team

The top 3 benefits of business continuity are:

Faster Recovery **87%**

Safety and accountability of staff **80%**

A reduction of the costs of disruptions **77%**

BC Teams are not alone - Teams that work closely with business continuity groups agree on its top benefits
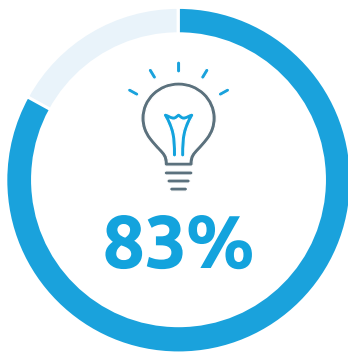
More than half of BC professionals believe that **current investment levels are not adequate.**

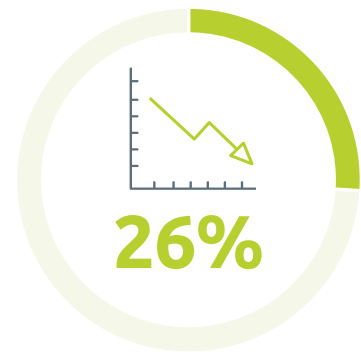The average cost of a severe business disruption is **$350,000**

83%

of organizations have a
BC function

26%

did not know of the
consequences of an incident

26%

report losses of
more than $250,000
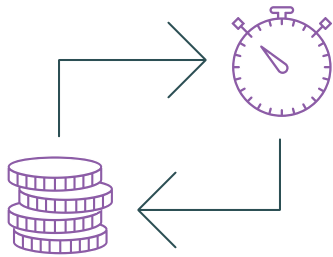
The longer organizations have
business continuity arrangements for,
the more they want to invest them
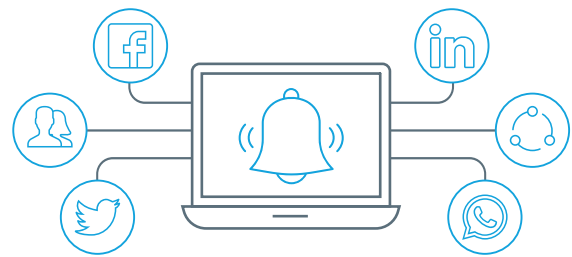
Small and medium enterprises
prioritize social media platforms over
business continuity software

Employing business continuity over time supports:

1.
The reduction of the
cost of the response

2.
The improvement of
employee morale

3.
Customer
retention

Business continuity is among the top three functions employed over several scenarios, this underscores the versatility of business continuity:

SEVERE WEATHER:
1. **Business continuity**
2. Business operations
3. Crisis management

PHYSICAL SECURITY INCIDENT:
1. Physical security
2. Crisis management
3. **Business continuity**

CYBER ATTACK:
1. Information security
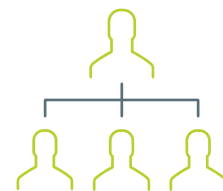2. **Business continuity**
3. Business operations

PANDEMICS:
1. **Business continuity**
2. Business operations
3. Crisis management

Most adopted technology to respond to a crisis:

1.
Automated communication and notification system

2.
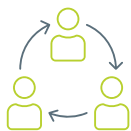Business continuity management software

3.
Incident management platform

Organizational functions with top investment levels are:

1.
Operations

2.
Information security

3.
Physical security

Organizational functions receiving the highest top management commitment are:

1.
Information security
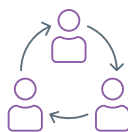
2.
Operations

3.
Risk management

2

Benchmarking business continuity

Benchmarking business continuity

The majority of organizations (83%) have a business continuity team. Among this sample, 32% stated they have one but it feeds into other organizational functions, such as risk management. The implementation of business continuity measures is even more evident among small and medium enterprises (SMEs), 35% report not having a business continuity team at all, more than twice the average of the full sample (17%).

17%

48%

32%

3%

What type of approach does your organization have towards business continuity?

48%
There is a dedicated business continuity team that works alongside other organizational functions

3%
There is a dedicated business continuity team that does NOT work alongside other organizational functions

32%
The business continuity team reports into another organizational function (e.g. risk management, IT)

17%
We do not have a business continuity team

Figure 1. Q.6. What type of approach does your organization have towards business continuity? (N=798)
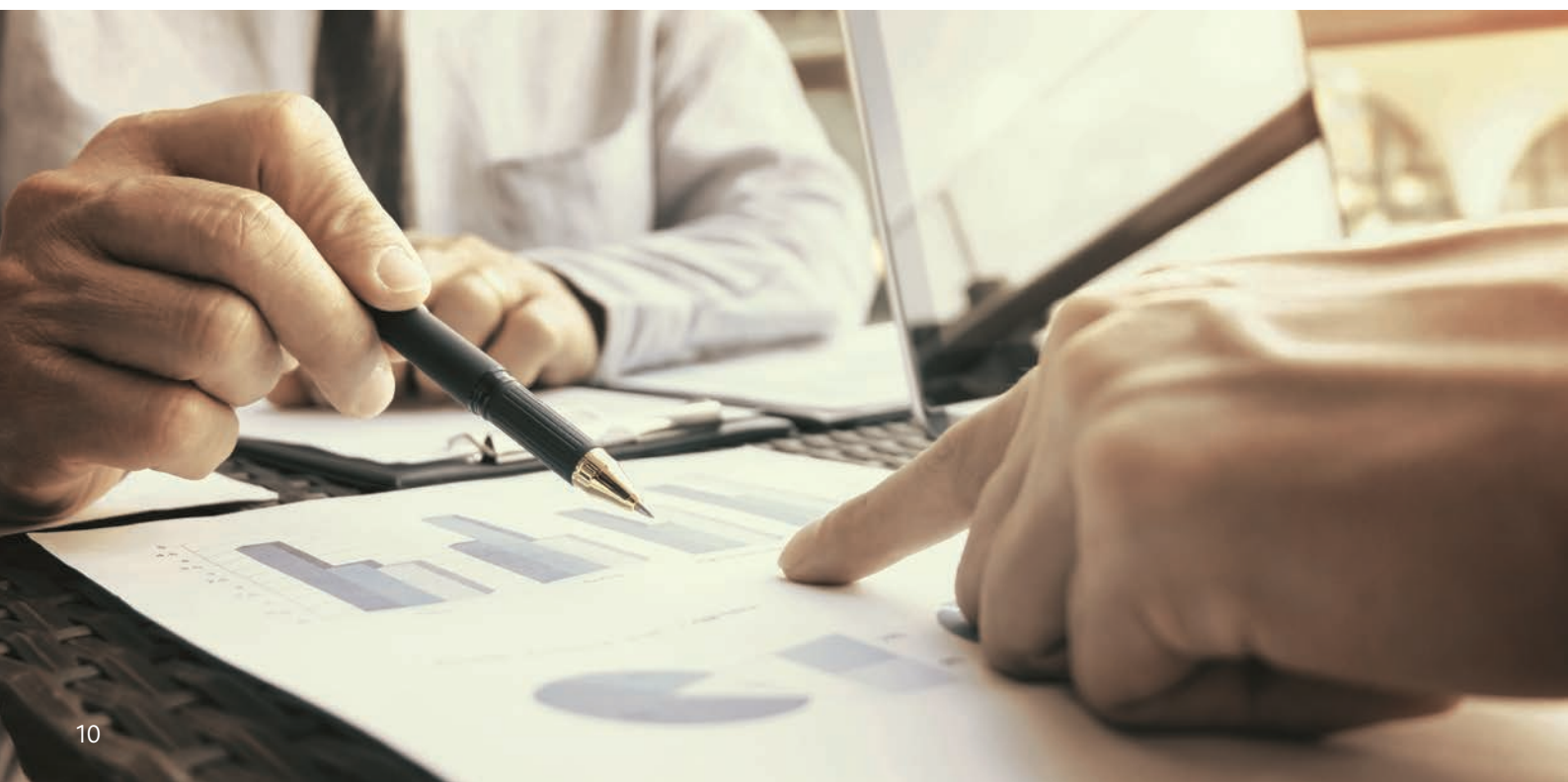
Most of those organizations that employ business continuity arrangements have done so for more than five years (Figure 2). Also, as Figure 3 reveals, those organizations that have adopted business continuity for the longest time are those that tend to invest the most in it. This could be due to the return on investment brought by business continuity, such as facilitating the procurement process and improving the overall efficiency of an organization[1].

10% Less than 1 year	37% 1-5 years
25% 6-10 years	13% 11-15 years
15% 16 + years	

Figure 2. Q7. How long have you had business continuity arrangements for? (N=761)
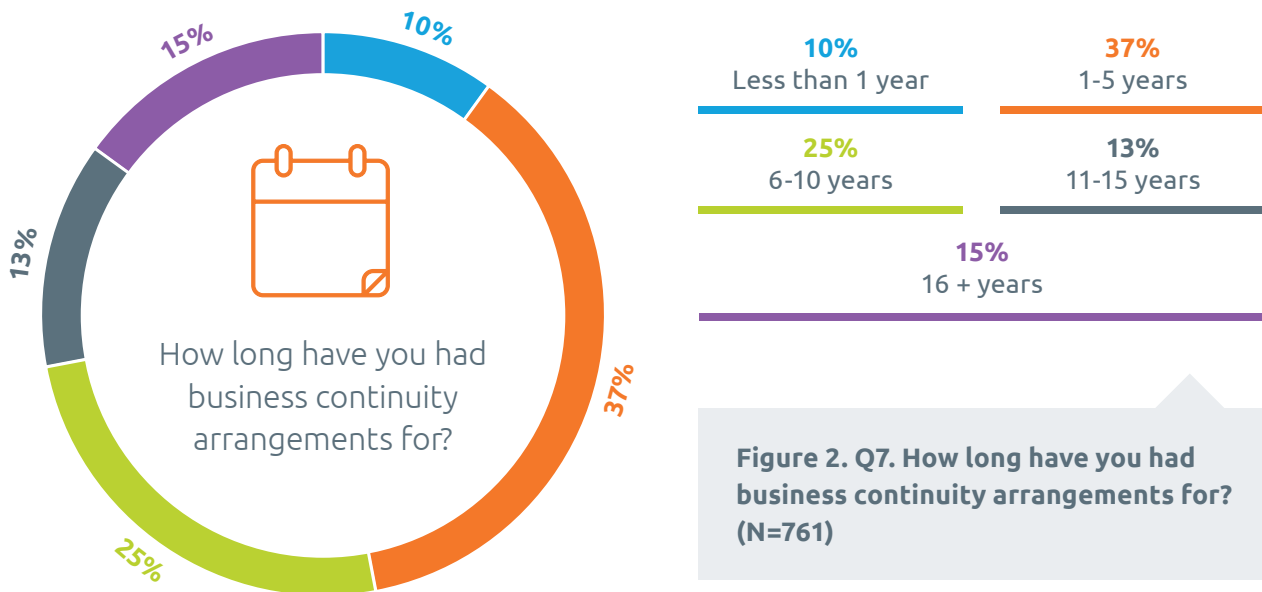
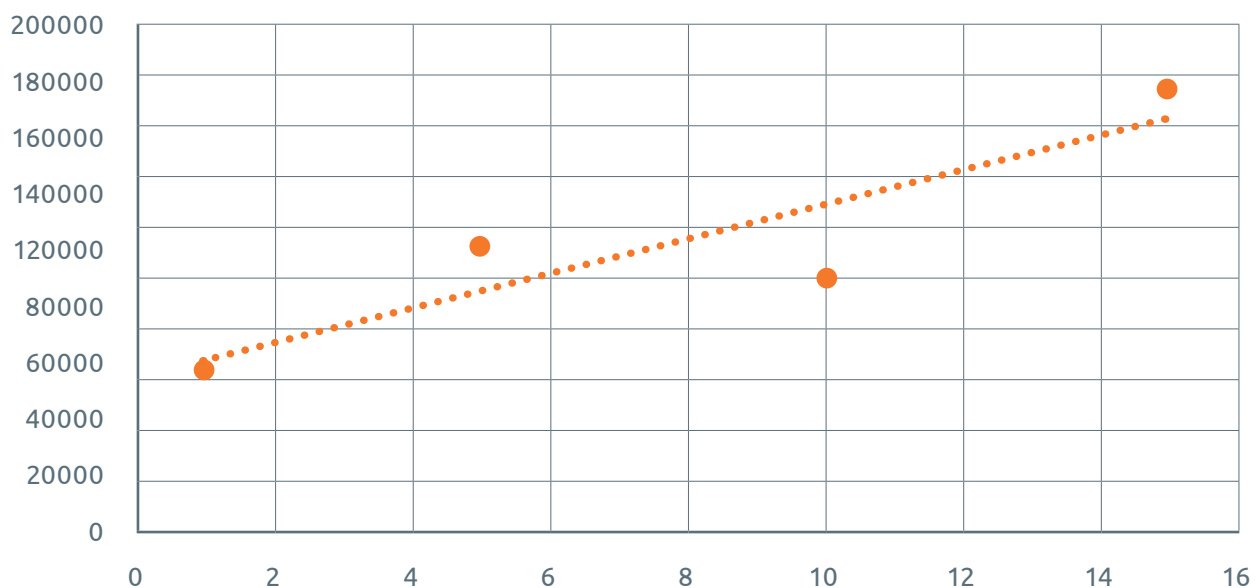## BC longevity vis-a-vis investment levels

Figure 3. Business continuity longevity in relation to investment levels (in US Dollars).

Incident response

Business continuity arrangements (Figure 4) are reported above all to ensure a faster recovery (87%), the safety and accountability of staff (80%) and reduce disruption costs (77%). These numbers are consistent with previous BCI research on cyber resilience, which shows how a business continuity programme boosts recovery and detection while mitigating losses and ensuring a sound PR strategy to deal with a crisis. Other functions of the organizations acknowledge the importance of business continuity too, as a role-specific analysis revealed that professionals in risk management, crisis management and information security confirm the figures provided by the general sample (Figure 5).
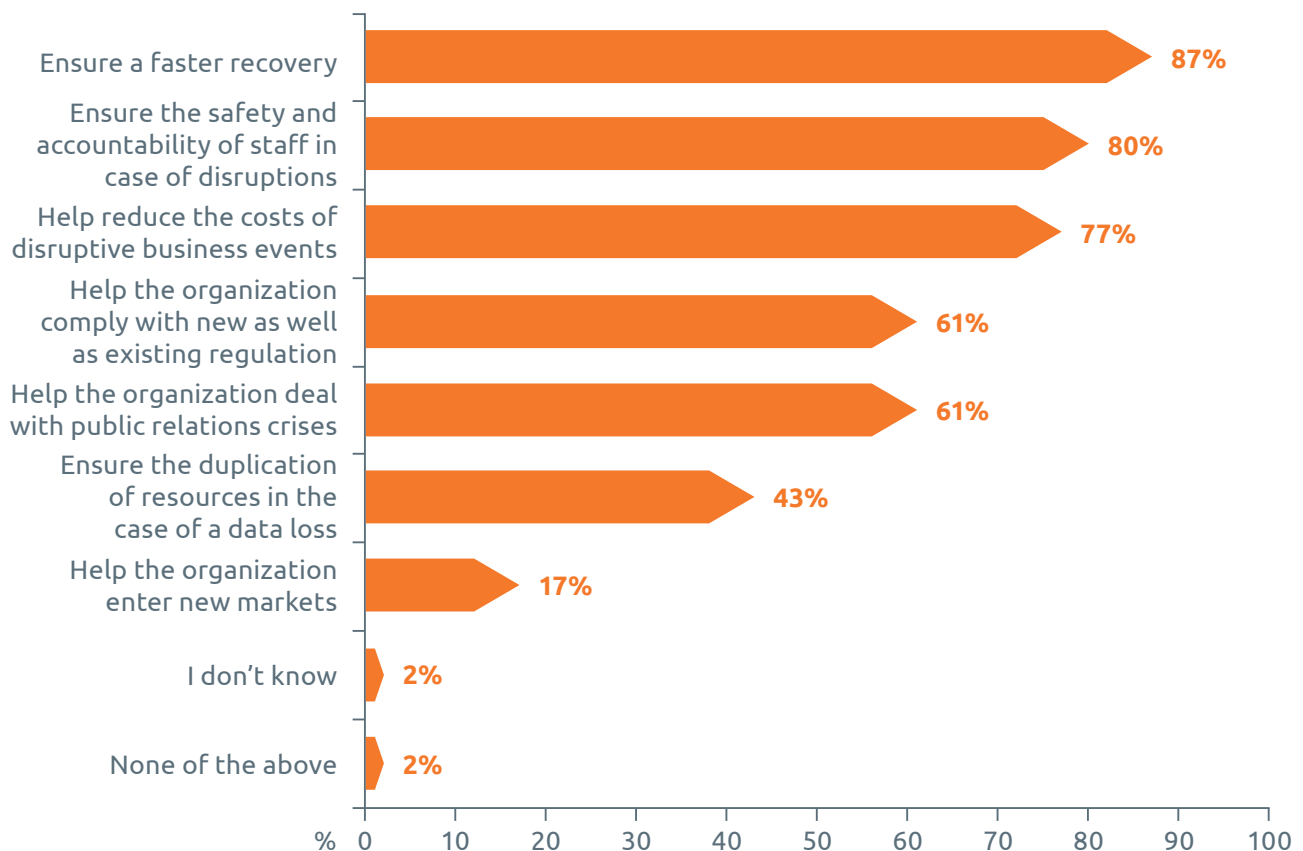
	%
Ensure a faster recovery	87%
Ensure the safety and accountability of staff in case of disruptions	80%
Help reduce the costs of disruptive business events	77%
Help the organization comply with new as well as existing regulation	61%
Help the organization deal with public relations crises	61%
Ensure the duplication of resources in the case of a data loss	43%
Help the organization enter new markets	17%
I don't know	2%
None of the above	2%

Figure 4. Q.8. How does the business continuity, crisis response and incident management functions help your organization become more resilient? They…Select all that apply. (N=767)

What other professions think about business continuity	
Risk managers	Ensures fast recovery **(86%)** Helps reduce the cost of disruptions **(81%)** Ensures the safety and accountability of staff **(76%)**
Crisis and emergency planners	Ensures a faster recovery **(85%)** Ensures the safety and accountability of staff **(78%)** Help reduce the cost of disruptions **(76%)**
Cyber, InfoSec and IT disaster recovery professionals	Ensures a faster recovery **(78%)** Ensures the safety and accountability of staff **(78%)** Help reduce the cost of disruptions **(67%)**

Figure 5. What other professionals think about business continuity.

Looking at the impact of disruptions on organizations (Figure 6), it is interesting to observe that 26% do not know the consequences of an incident. While this awareness issue is spread through the entire sample, organizations with business continuity perform better than both the general sample (25%) and those who do not have such arrangements at all (35%). Business continuity measures can help understand vulnerabilities, through a Business Impact Analysis (BIA) or a risk and threat assessment (Figure 5).
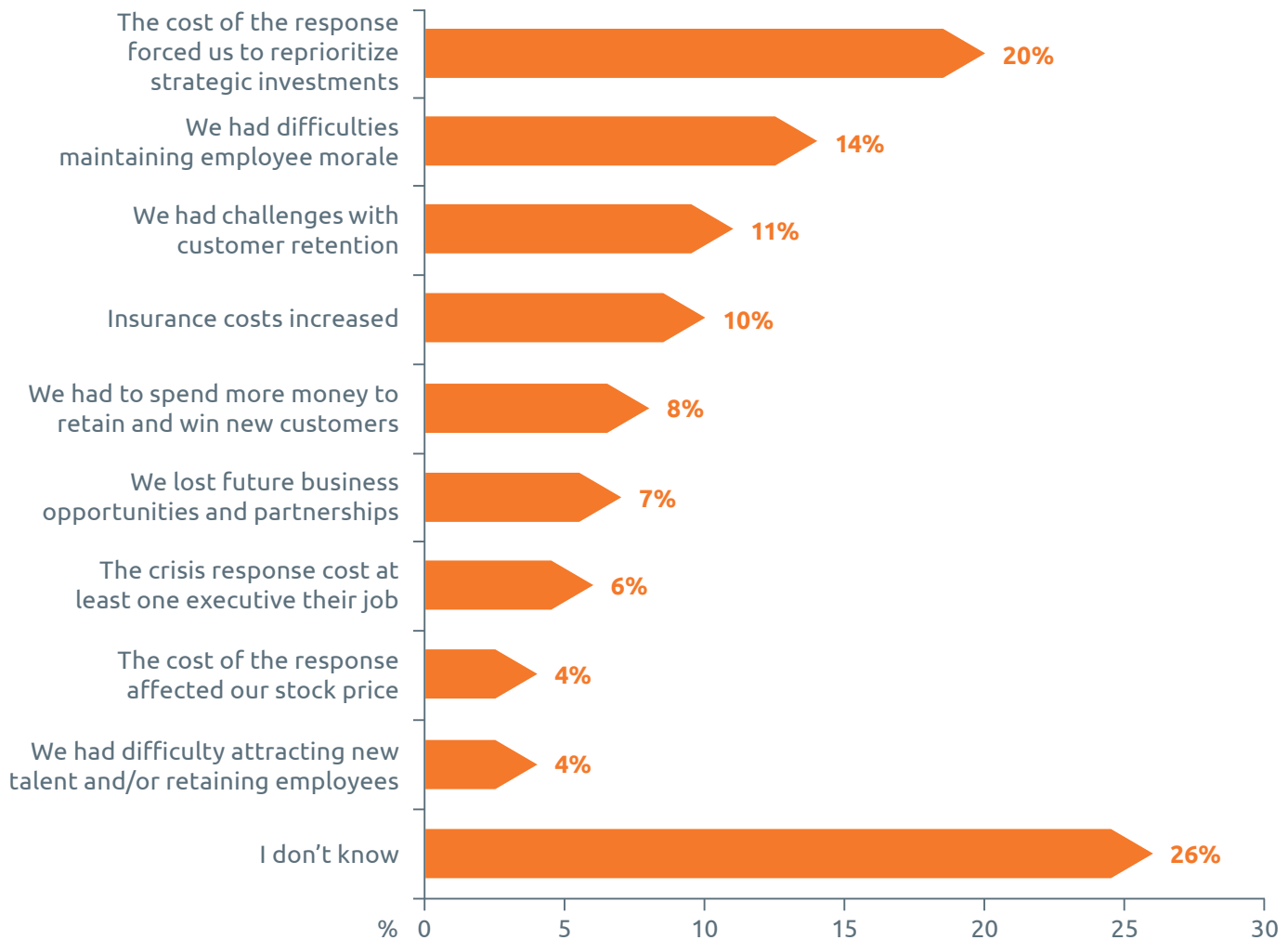
Figure 6. Q.9. Looking at your most significant disruptions in the past five years, what was the impact on your organization six months after the event? Select all that apply. (N=703)

Professionals that are aware of the impact of disruptions six months after the incident	
Organizations that have business continuity arrangements	75%
Organizations that do NOT have business continuity arrangements	65%

Figure 7. Professionals that are aware of the impact of disruptions six months after the incident.

As Figure 8 shows, the main challenges from a disruption tend to decrease the longer an organization adopts business continuity measures. This reveals once again how employing business continuity is an enabler of resilience. This is especially true if added to the benefits such arrangements bring when dealing with the cost and awareness of disruptions (Figure 7 & 10).

Business continuity longevity compared to types of disruption[2].

The cost of the response forced us to reprioritize strategic investments

We had difficulties maintaining employee morale

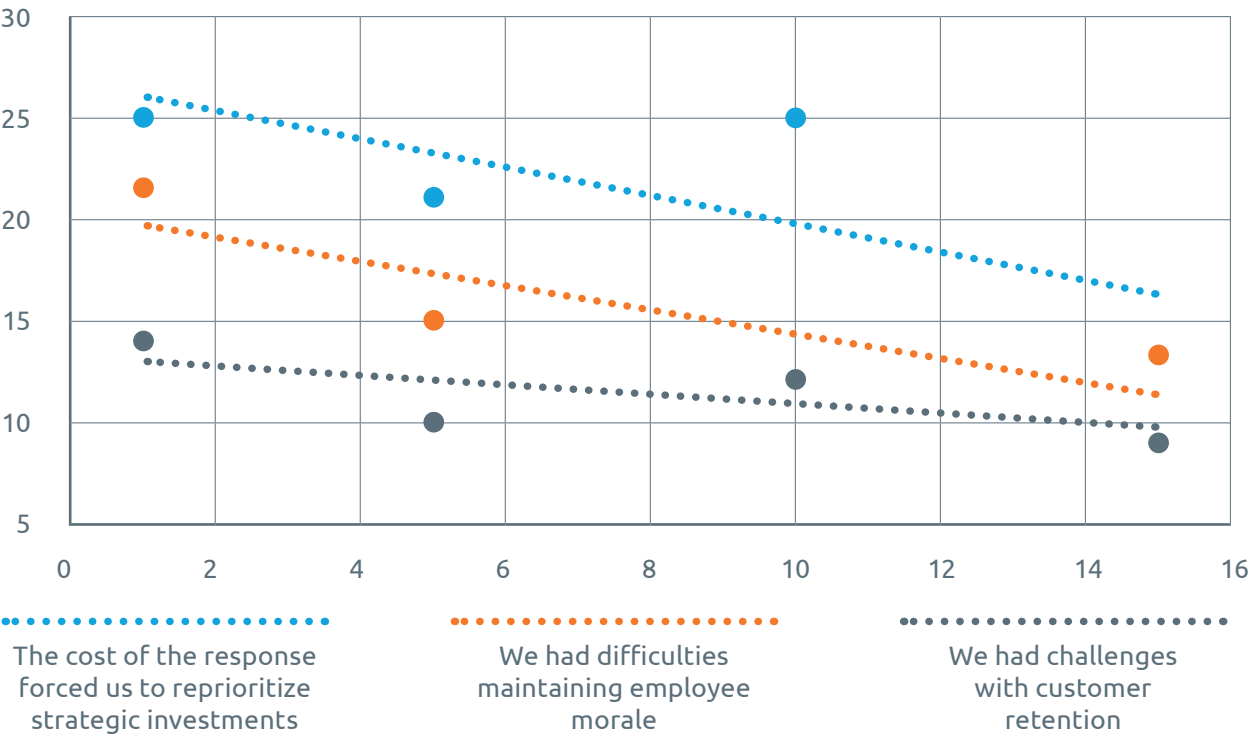We had challenges with customer retention

Figure 8. Business continuity longevity (in years) compared to the experience of types of disruption.

2 The last data point from the trend line concerning the response (sky blue) cannot be seen as it overlaps with another data point (15,13).

Cost of disruptions

Nearly half of the respondents (44%) were not aware of the average cost of disruptions to their organizations in the past five years. Out of those that did indicate a value-range, more than a quarter (26%) reported losses of more than $250,000 (Figure 9). Looking at the relationship between business continuity longevity and financial losses, there is a slight but appreciable downward trend that shows the longer organizations have business continuity for, the lower the losses (Figure 10). Further statistical work revealed that the average cost of a severe disruption amounts to $350,000.

What has been the average cost of a significant disruption in the past five years?

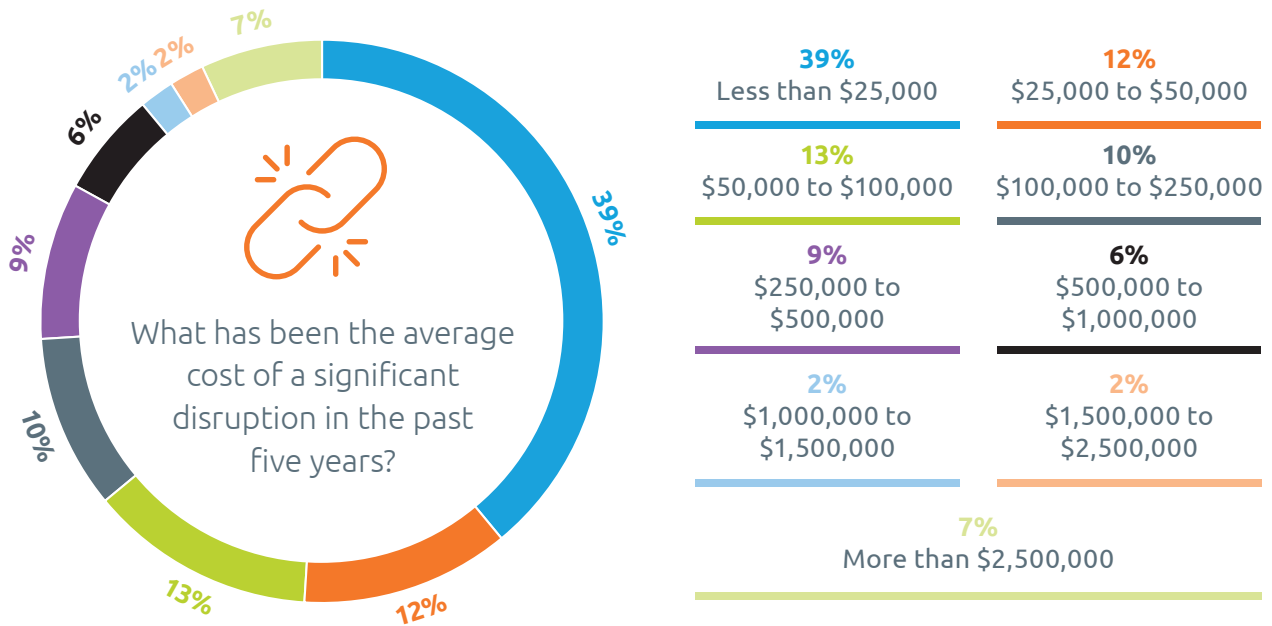| **39%** Less than $25,000	**12%** $25,000 to $50,000
13% $50,000 to $100,000	**10%** $100,000 to $250,000
9% $250,000 to $500,000	**6%** $500,000 to $1,000,000
2% $1,000,000 to $1,500,000	**2%** $1,500,000 to $2,500,000

7%
More than $2,500,000

Figure 9. Q.10. Approximately, what has been the average cost of a significant disruption in the past five years? (N=627)

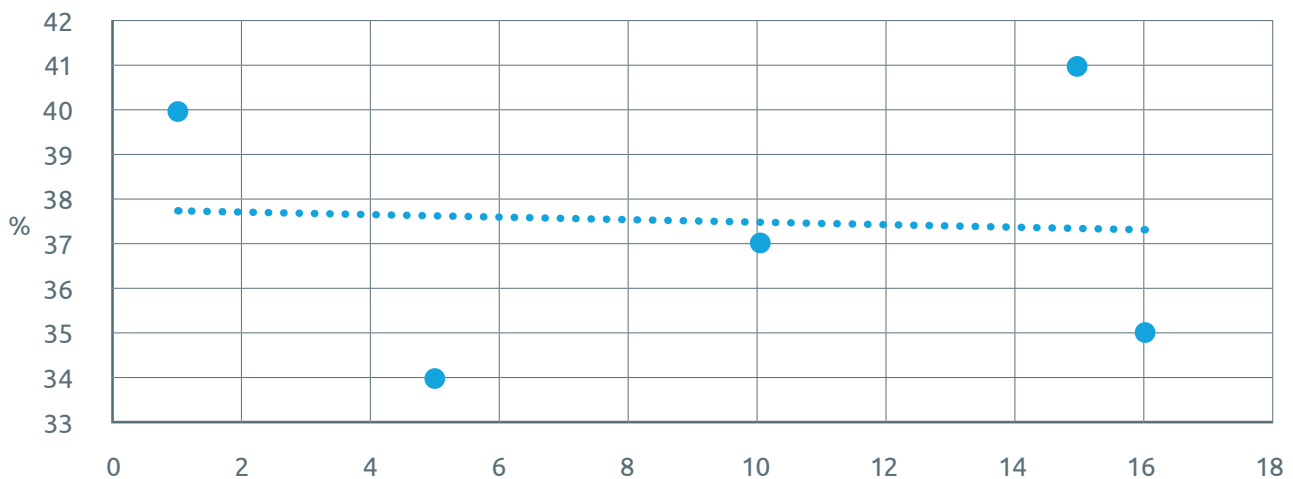## Business continuity longevity compared to number of disruptions

Figure 10. Business continuity longevity (years of investment) compared to number of disruptions above 100,000 dollars per year, in percentage.

Collaborative approach

Business continuity is considered as a key function when responding to a disruption, as it constantly features among the top three regardless of the type of incident that an organization is dealing with (Figures 11-14). This reveals not only the usefulness of business continuity but also its versatility. Whether it is a weather hazard, a cyber attack or a pandemic that organizations are dealing with, business continuity arrangements play a relevant part.

It is worth pointing out that this trend is consistent also when factoring out business continuity professionals from the respondent base. Indeed, when looking solely at the responses of professionals from other resilience functions[2], business continuity is still in the top three across the entire threat spectrum analysed in this survey.

Figures 11-14 Q.11. Typically what organizational functions are involved in the following scenarios? Tick all that apply per each scenario. (N=683)

Severe weather events (e.g. flooding, wildfires, tornadoes etc.)

6%
24%
21%
20%
15%
14%

24% Business continuity
21% Business operations
20% Crisis management
15% Physical security
14% Risk management
6% Information security

Physical security incident (e.g. active shooter attack)

6%
24%
21%
18%
17%
14%

24% Physical security
21% Crisis management
18% Business continuity
17% Business operations
14% Risk management
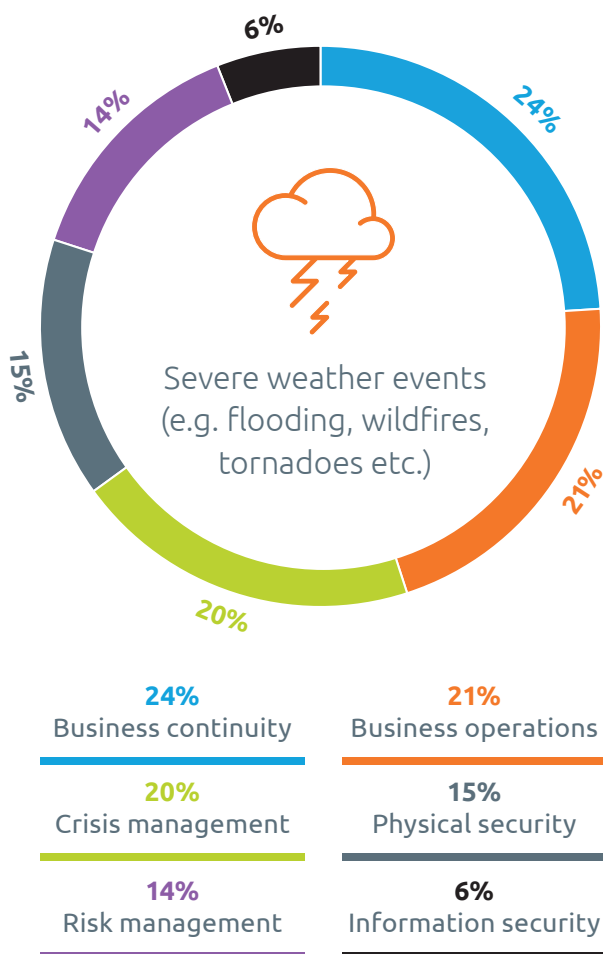**6%** Information security

Figure 11. A. Severe weather events (e.g. flooding, wildfires, tornadoes etc.)
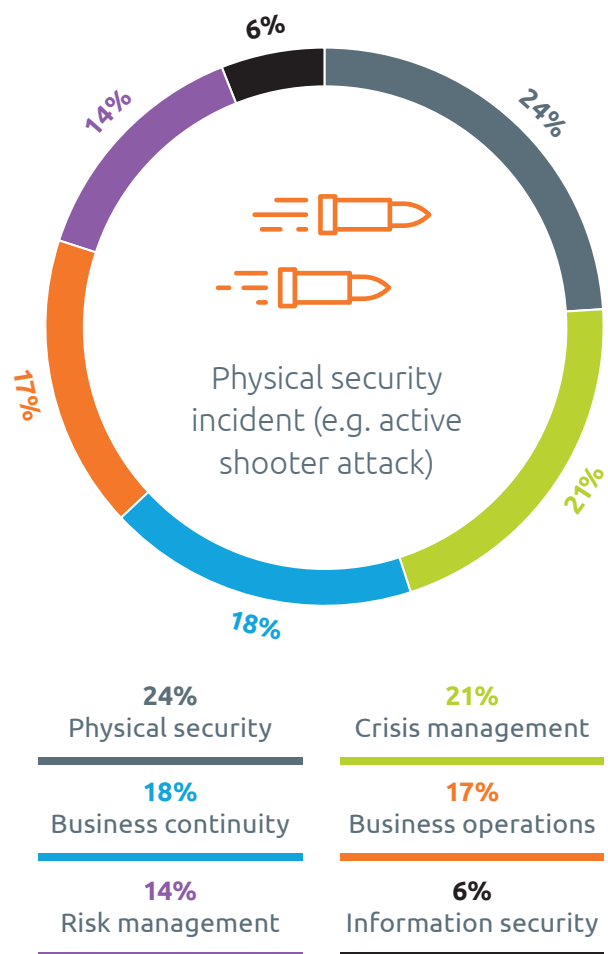
Figure 12. B. Physical security incident (e.g. active shooter attack)

2 These include cyber and information security, risk management, emergency planning, crisis management, disaster recovery and physical security.

Cyber attack or customer data breach

24%	19%
Information security	Business continuity
18%	**18%**
Business operations	Crisis management
16%	**5%**
Risk management	Physical security
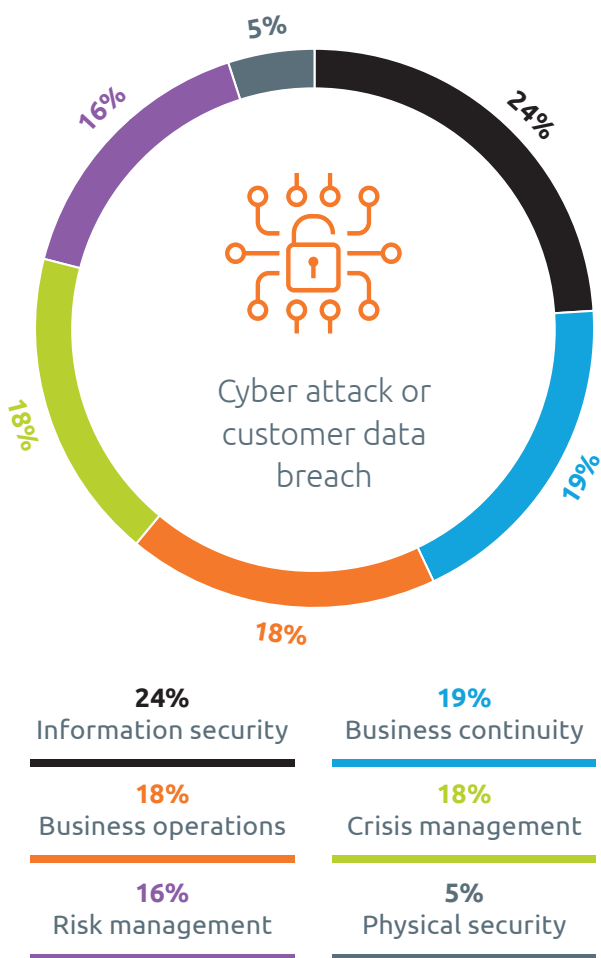
Figure 13. C. Cyber attack or customer data breach

Pandemics, disease outbreak

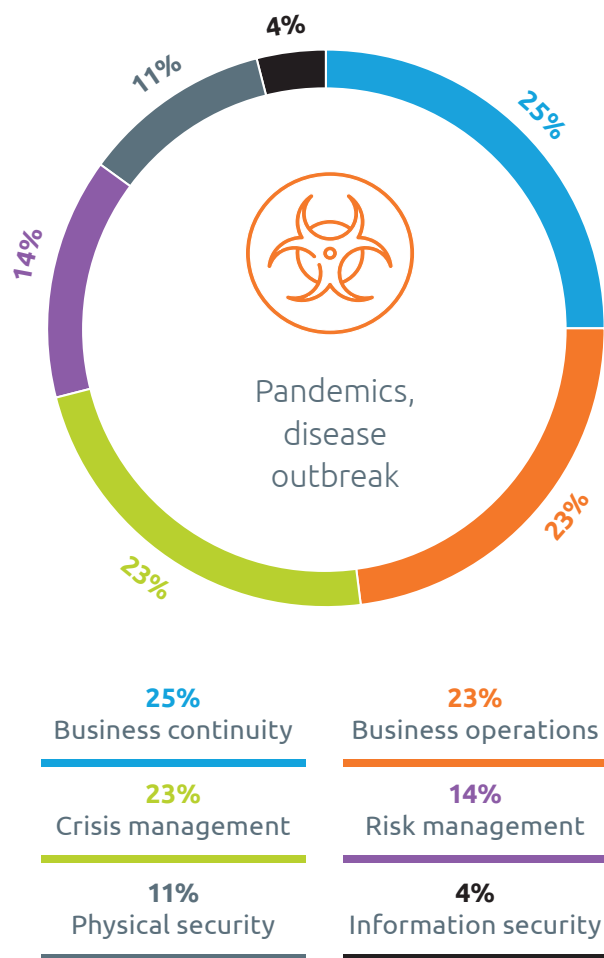| 25%	23%
Business continuity	Business operations
23%	**14%**
Crisis management	Risk management
11%	**4%**
Physical security	Information security

Figure 14. D. Pandemics, disease outbreak

The majority of the respondents (75%) report that different functions within their organization have well-coordinated plans (Figure 15). In addition, some provide post-incident briefings (68%), share the outcomes of risk and threat assessments (65%) and run joint exercises (60%).

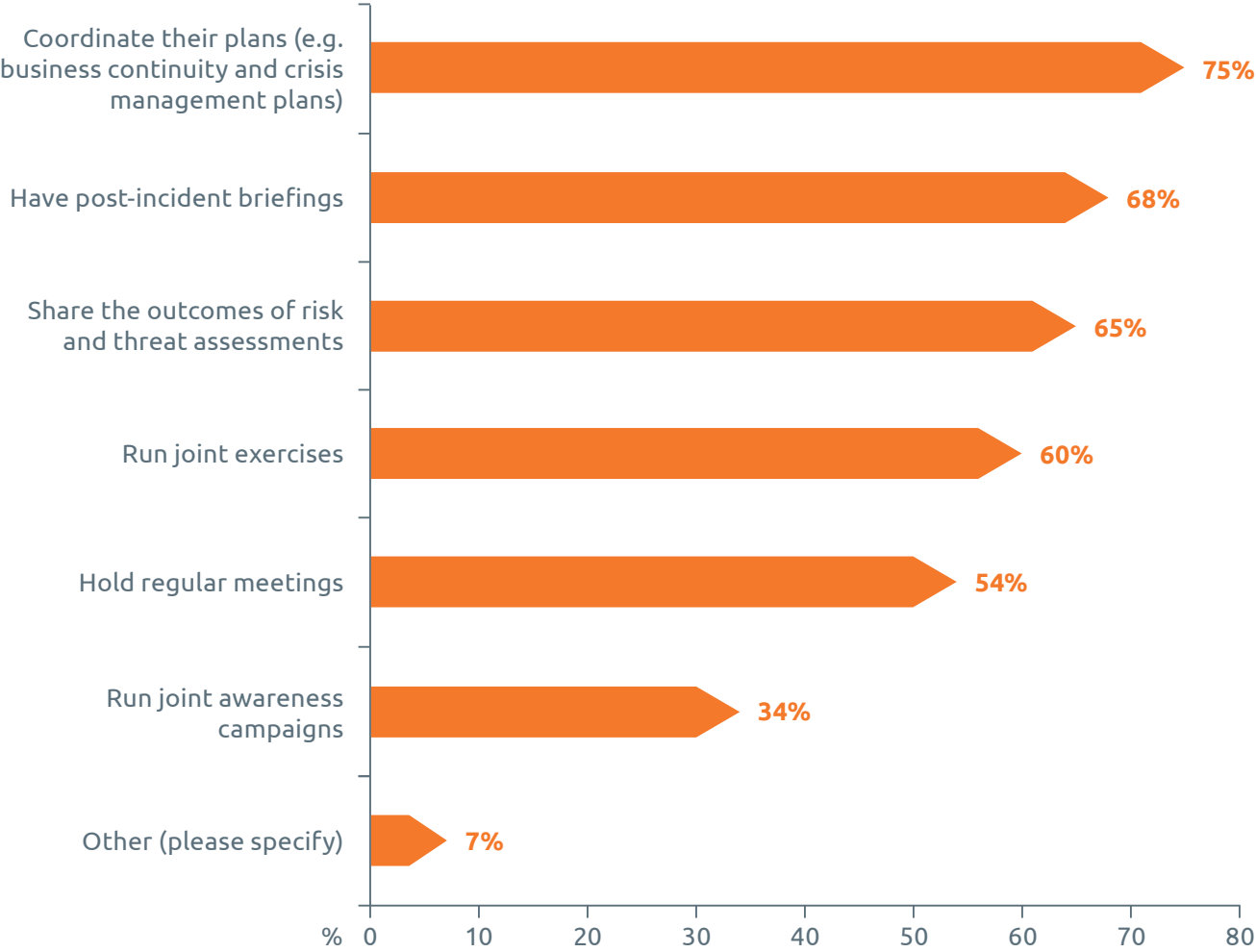| Category	%
Coordinate their plans (e.g. business continuity and crisis management plans)	75%
Have post-incident briefings	68%
Share the outcomes of risk and threat assessments	65%
Run joint exercises	60%
Hold regular meetings	54%
Run joint awareness campaigns	34%
Other (please specify)	7%

Figure 15. Q.12. How do different organizational functions work together? They…Select all that apply. (N=672)

Fusion centres

Roughly a third of the respondents (30%) report having a "fusion centre" in their organizations, with a further 14% planning to build one in the next 12 to 24 months. However, 4 out of 10 (39%) admit not having plans to create one (Figure 16). It is worth stressing that organizations with fusion centres consistently outperform those without them when it comes to collaboration among different functions (Figure 17). Based on this data set, fusion centres appear to be a significant resilience enabler, as they help bring down silos.

10%

7%

6%

8%

39%

30%

Which of the following best describes your organization?

39%
We have no plans to create a 'fusion centre'

30%
We currently have a 'fusion centre'

8%
We are planning to create a 'fusion centre' in the next 12 months

6%
We are planning to create a 'fusion centre' in the next 12 to 24 months

7%
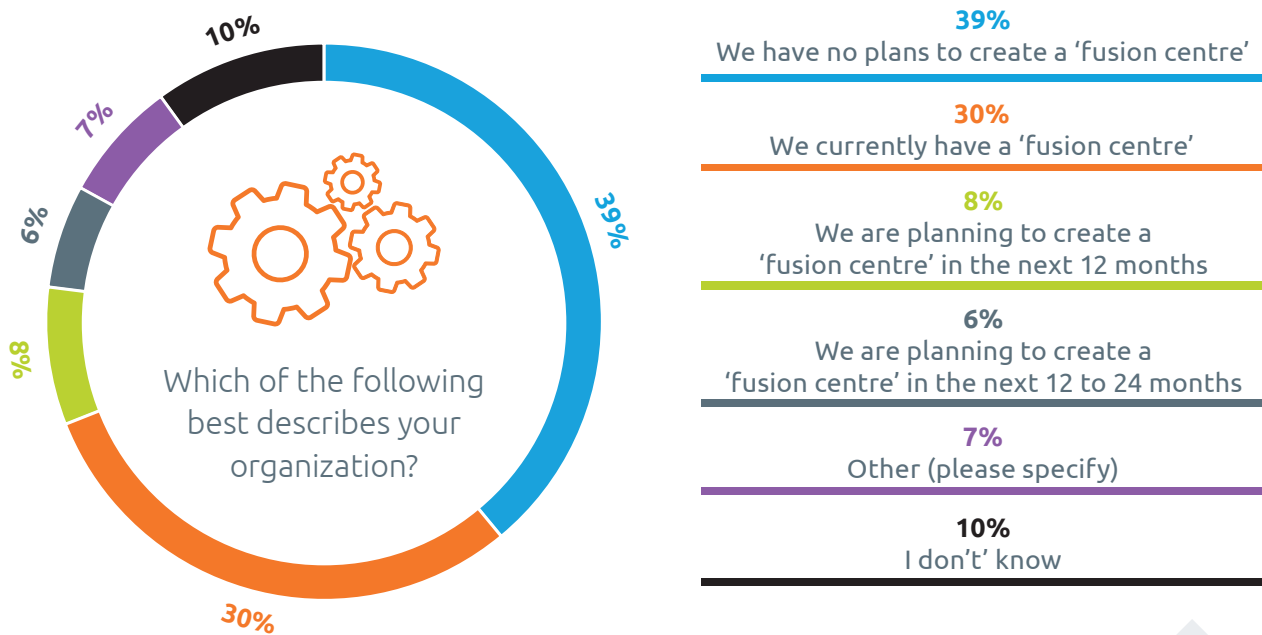Other (please specify)

10%
I don't' know

Figure 16. Q.13. Increasingly organizations are combining the 24x7 response function of business continuity, physical security, cyber security and crisis management in what is commonly called a 'fusion centre', 'joint information centre' or 'centralized incident response team'. The goal of the fusion centre is to provide a centralized response team with the resources, expertise, and/ or information needed to detect, prevent and minimize the business impact and disruption of critical events. Which of the following best describes your organization? (N=668)
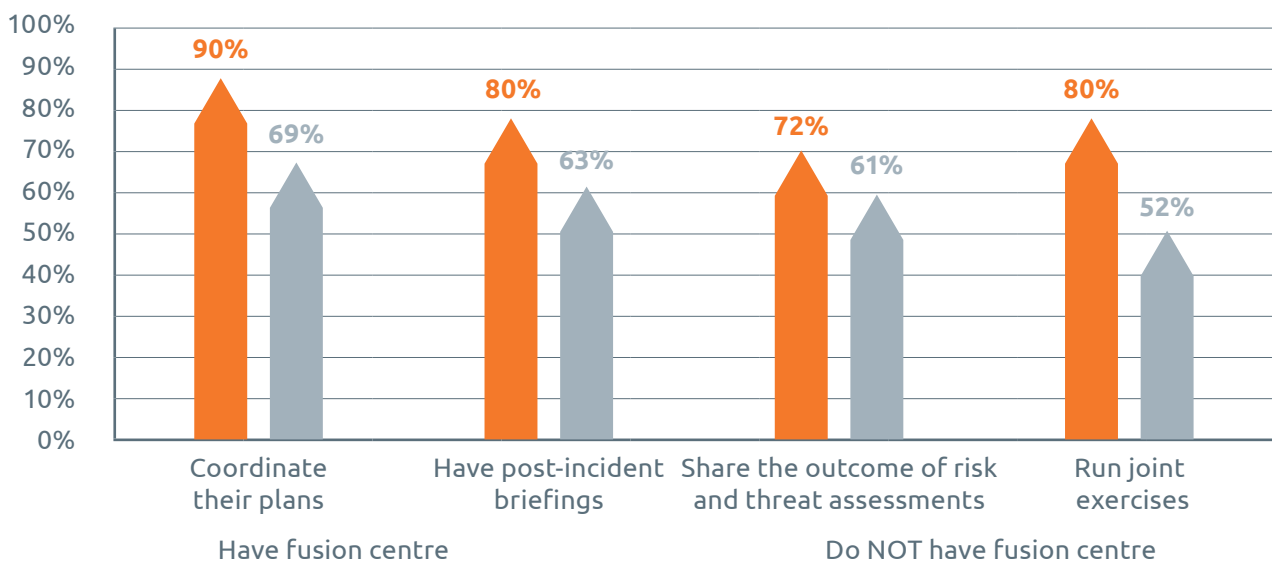

	Coordinate their plans	Have post-incident briefings	Share the outcome of risk and threat assessments	Run joint exercises
Have fusion centre	90%	80%	72%	80%
Do NOT have fusion centre	69%	63%	61%	52%

Have fusion centre   Do NOT have fusion centre

Figure 17. Levels of collaboration among organizational functions with and without fusion centres, in percentage.

Technology

Automated communication and notification systems are the most popular technology solution adopted by organizations (58%), followed by business continuity (51%) and incident management (51%) platforms (Figure 18). There is a substantial difference, however, in the uptake of business continuity management software across organizational sizes (Figure 19). Indeed, SMEs do not even include business continuity management software among their top three solutions, preferring social media monitoring systems (36%).
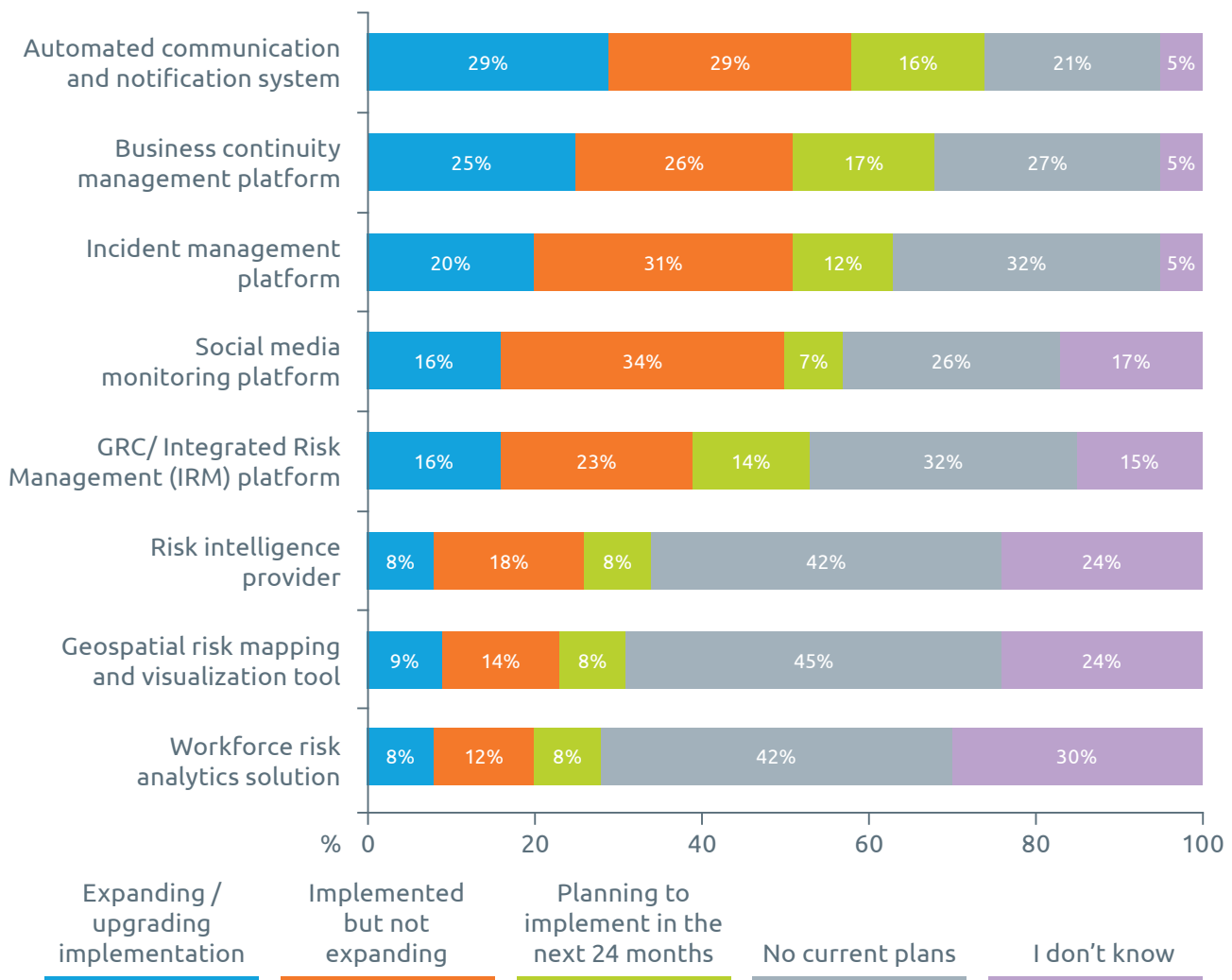

Figure 18. Q.14. What are your plans to adopt the following technology categories to help you facilitate risk management, business continuity and critical event response across the organization? Please select all that apply. (N=640)

SMEs	Automated communication and notification systems **(46%)** Social media monitoring platform **(36%)** Incident management platform **(36%)**
Large enterprises	Automated communication and notification systems **(61%)** Business continuity management platform **(54%)** Incident management platform **(53%)**

Figure 19a. Technology solutions across organizational sizes.

Technology solutions in relation to BC longevity.

Automated communication and notification system

Business continuity management platform
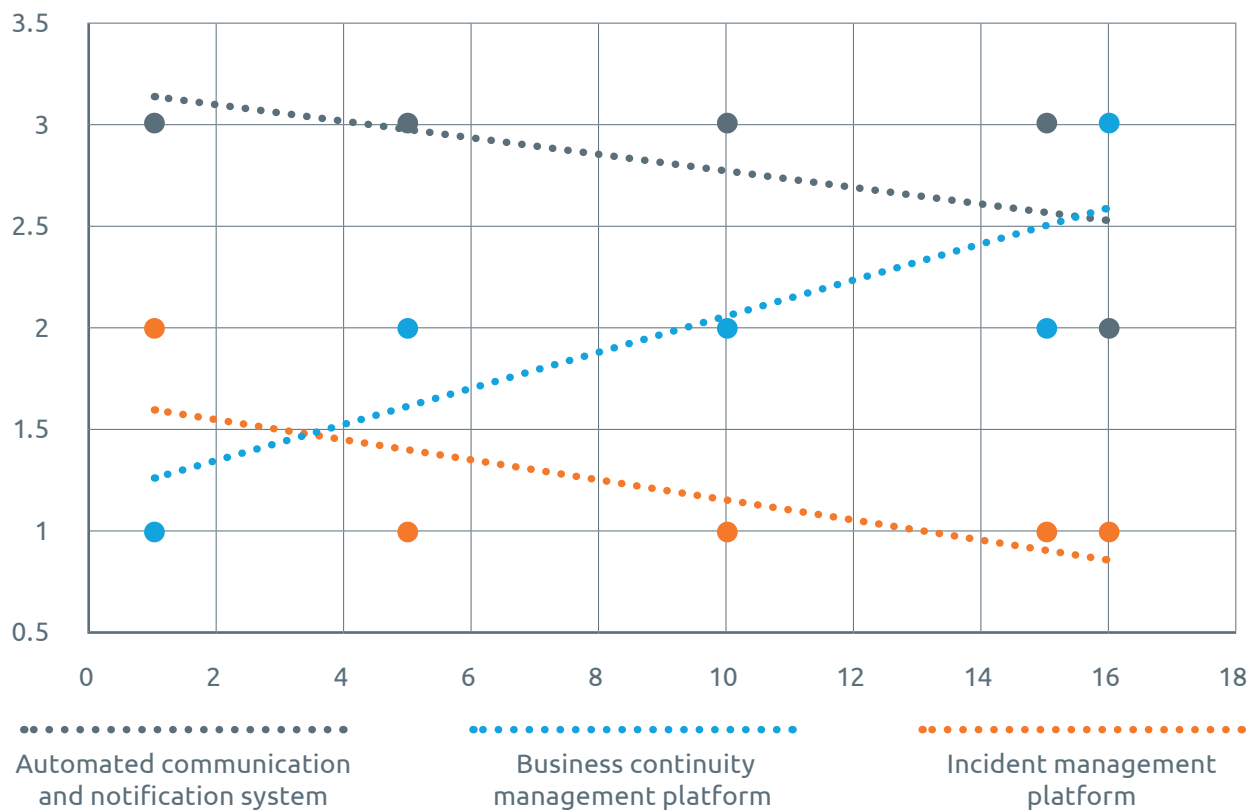
Incident management platform

Figure 19b. Technology solutions in relation to BC longevity.

A global mobile workforce

Two thirds of the organizations (67%) employ a global mobile workforce, while 33% report not having remote working options for their employees[3]. Business continuity measures support organizations with the protection of their mobile staff and operations. Such arrangements (Figure 20) include providing alternative locations in case of a disruption (69%), providing employees information on risks of operating remotely and global scale (68%), ensuring the duty of care obligations are met (62%) and providing sound emergency communications system (55%).
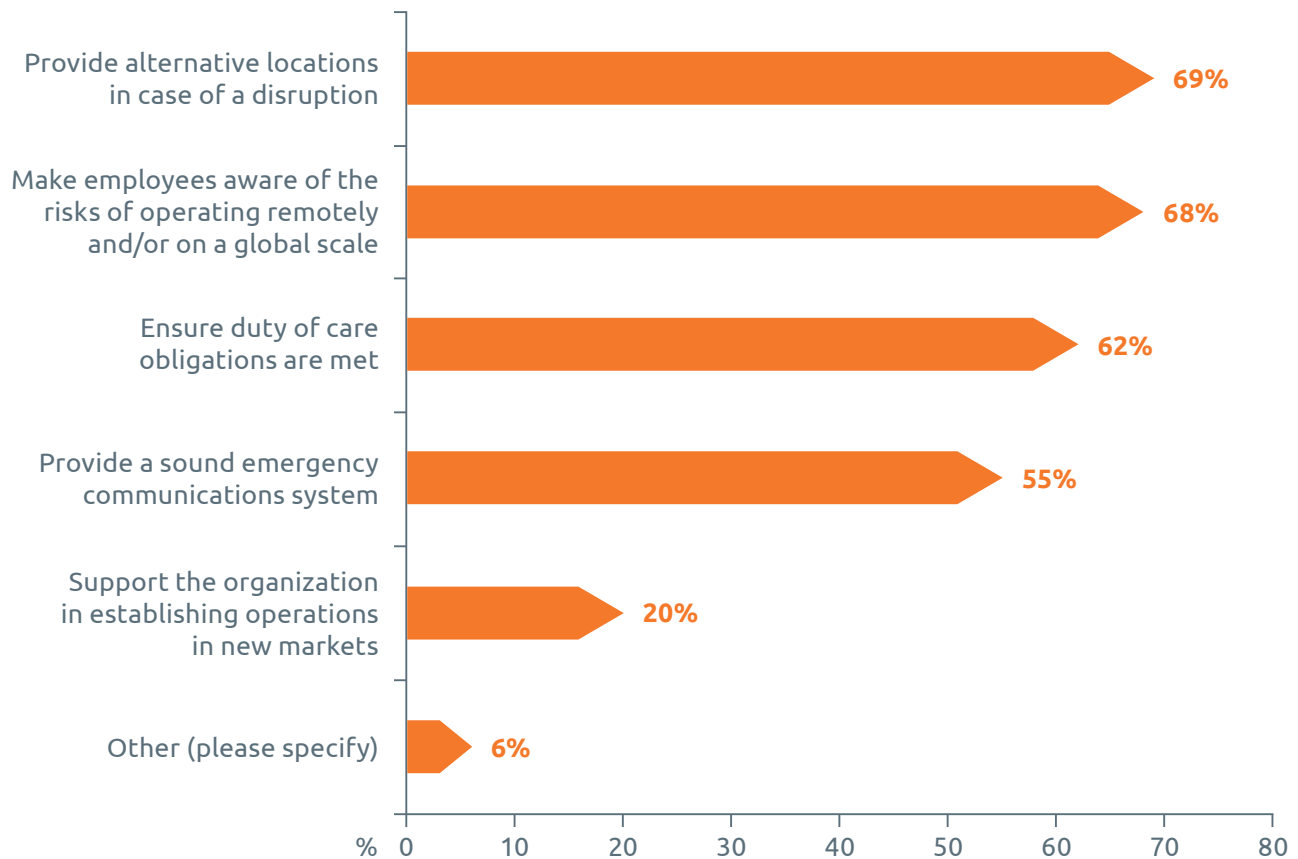

Figure 20. Q.16. If yes, how do business continuity arrangements help protect your organization's mobile workforce? They...Please select all that apply. (N=445)

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3 Q.15. Does your organization employ a global mobile workforce? By "global mobile workforce" we mean global operations as well as remote working instances, such as lone workers or work-from-home options. (N=638)

Resource allocation and top management support

Resource allocation is a good indicator of what organizations prioritise (Figure 21). Operations appear to be the best-resourced function with 79% of the respondents describing its investment levels are adequate or more than adequate. Information (72%) and physical security (70%) round up the top three. Business continuity is last, as less than half of the professionals (49%) consider its budget as adequate. Further analysis revealed that business continuity is also considered under-resourced by professionals from other resilience functions[4]. This analysis was performed in order to have a wider perspective on business continuity budget levels and reduce possible bias in the results.

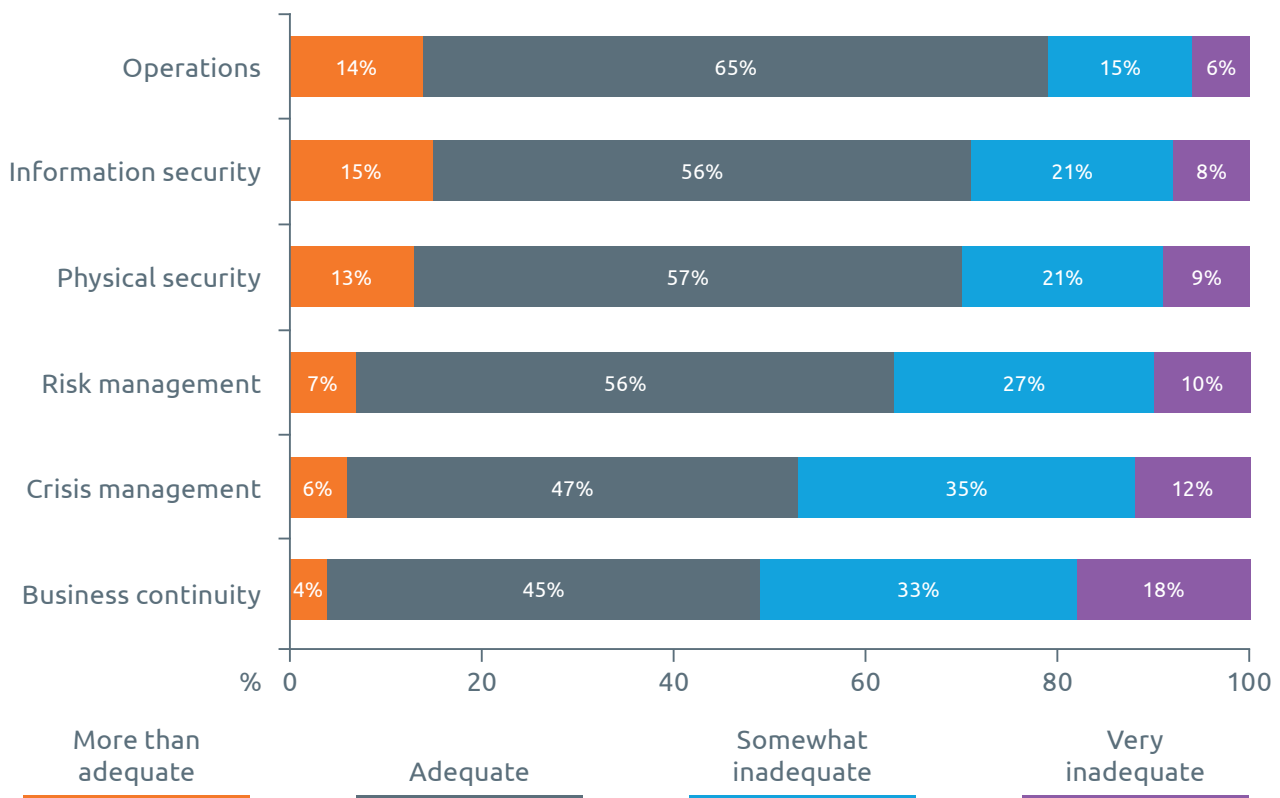| Function	More than adequate	Adequate	Somewhat inadequate	Very inadequate
Operations	14%	65%	15%	6%
Information security	15%	56%	21%	8%
Physical security	13%	57%	21%	9%
Risk management	7%	56%	27%	10%
Crisis management	6%	47%	35%	12%
Business continuity	4%	45%	33%	18%

Figure 21. Q.17. How would you describe the investment levels dedicated to the following functions in your organizations? (N=630)

4 These include cyber and information security, risk management, emergency planning, crisis management, disaster recovery and physical security.

Top management commitment (Figure 22) seems to be consistent with the investment allocation figures as information security (84%) and operations (83%) receive the largest support from top management. Confirming this pattern, business continuity (65%) receives the least support among this sample of resilience disciplines.
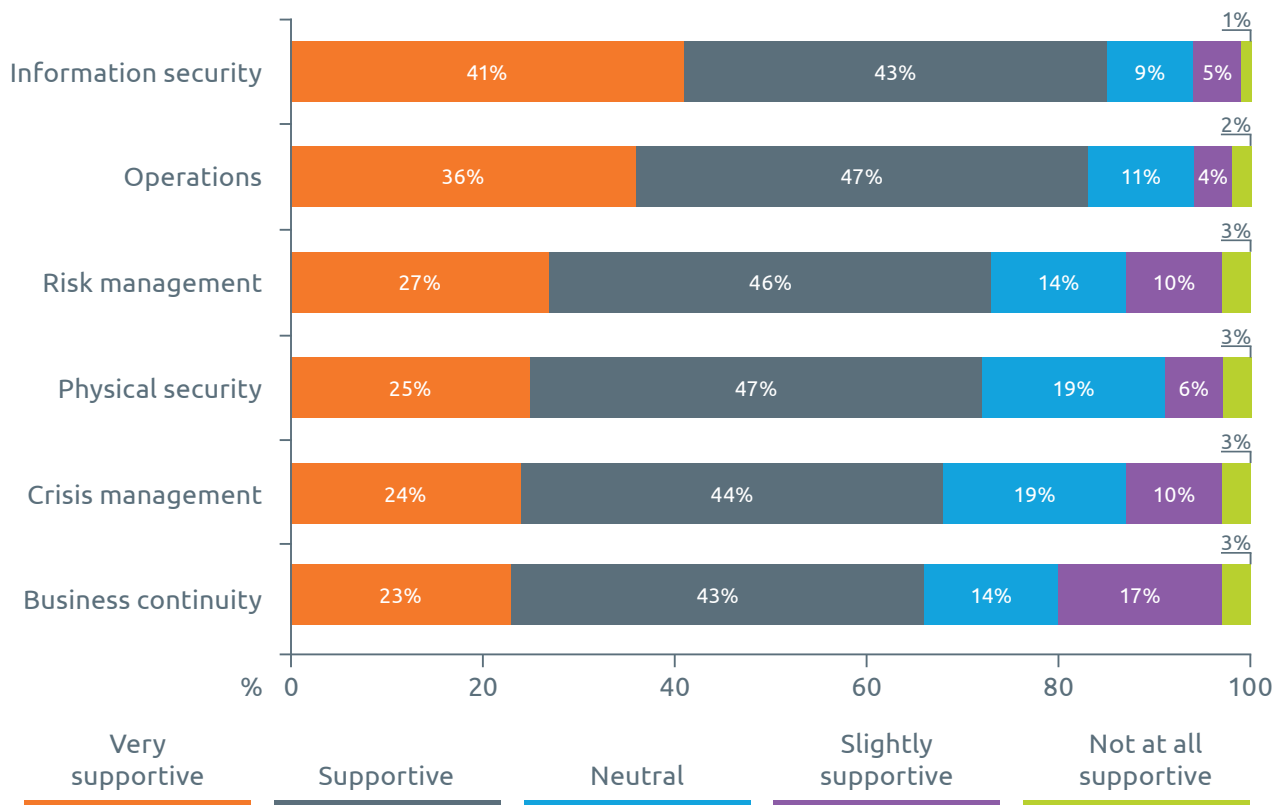
Function	Very supportive	Supportive	Neutral	Slightly supportive	Not at all supportive
Information security	41%	43%	9%	5%	1%
Operations	36%	47%	11%	4%	2%
Risk management	27%	46%	14%	10%	3%
Physical security	25%	47%	19%	6%	3%
Crisis management	24%	44%	19%	10%	3%
Business continuity	23%	43%	14%	17%	3%

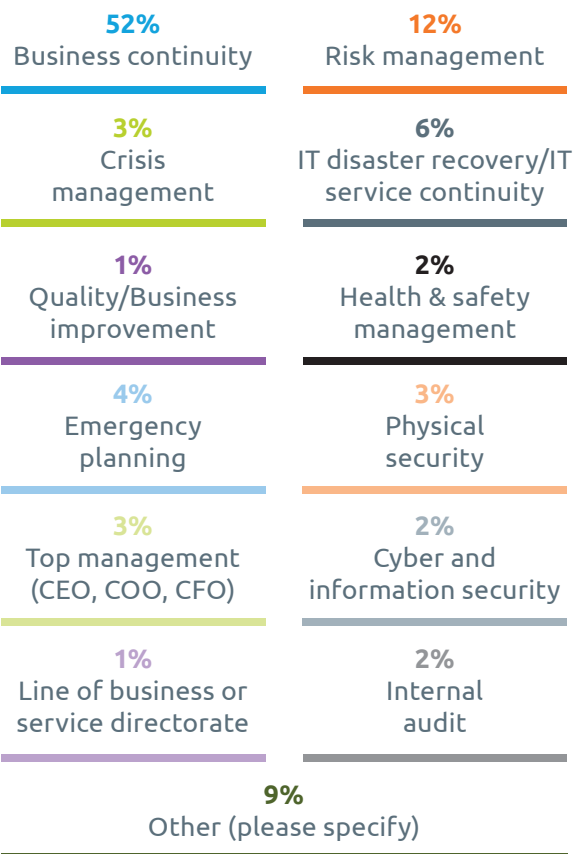**Figure 22. Q.19. Please rate top management commitment for the following functions. (N=628)**

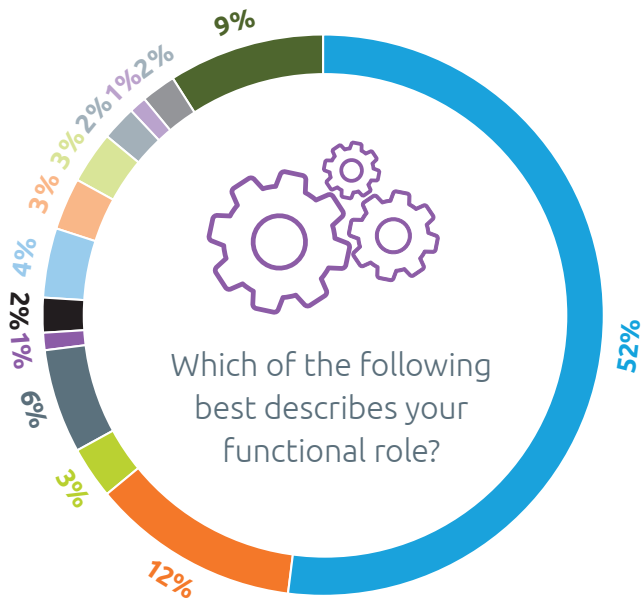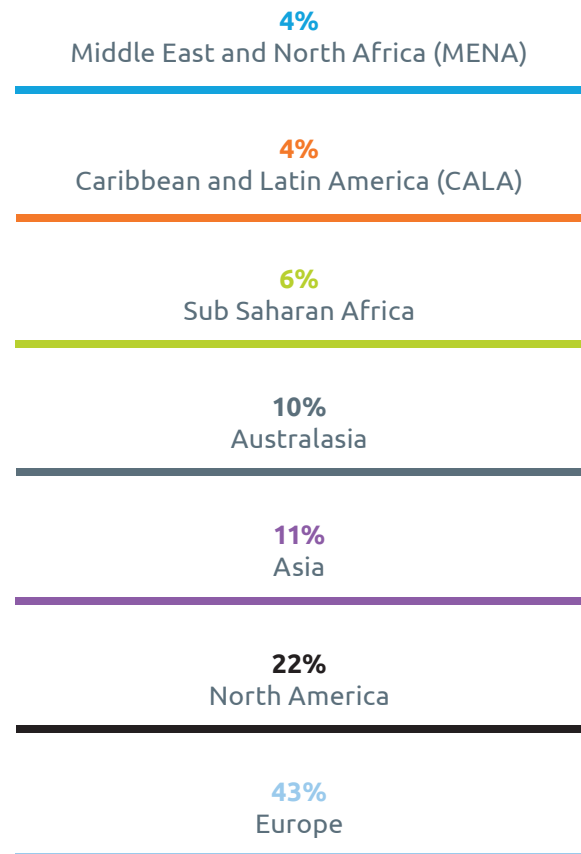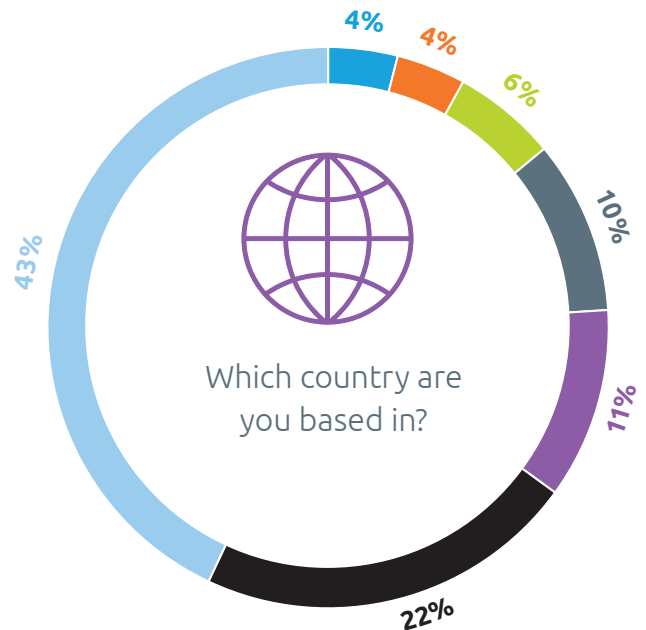# 4 Annex

Functional Role of Respondents

Which of the following best describes your functional role?

9% · 3% · 3% · 2% · 1% · 2% · 3% · 4% · 2% · 1% · 6% · 3% · 12% · 52%

Geographical Base

Which country are you based in?

4% · 4% · 6% · 10% · 11% · 22% · 43%

52% Business continuity	**12%** Risk management
3% Crisis management	**6%** IT disaster recovery/IT service continuity
1% Quality/Business improvement	**2%** Health & safety management
4% Emergency planning	**3%** Physical security
3% Top management (CEO, COO, CFO)	**2%** Cyber and information security
1% Line of business or service directorate	**2%** Internal audit

9%
Other (please specify)

4%
Middle East and North Africa (MENA)

4%
Caribbean and Latin America (CALA)

6%
Sub Saharan Africa

10%
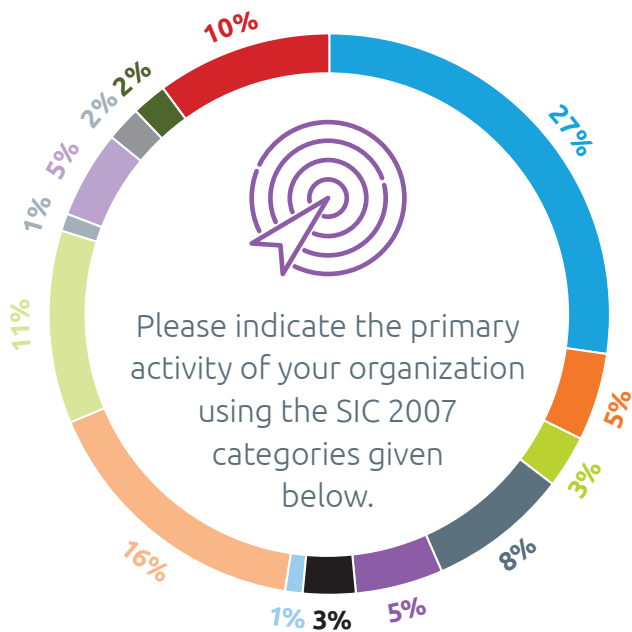Australasia

11%
Asia

22%
North America

43%
Europe

Q1. Which of the following best describes your functional role? (N=853)

Q2. Which country are you based in? (N=853)

Industry Sector

Please indicate the primary activity of your organization using the SIC 2007 categories given below.

10%
27%
5%
3%
8%
3%
5%
1%
16%
11%
1%
5%
2%
2%

27%
Financial & insurance services

5%
Health & social care

3%
Education

8%
Defence & public administration

5%
Manufacturing

3%
Retail & wholesale

1%
Engineering & construction

16%
Professional services

11%
IT & communications

1%
Media & entertainment

5%
Energy & Utility Services

2%
Transport & storage

2%
Support services

10%
Other (please specify)

Q.3. Please indicate the primary activity of your organization using the SIC 2007 categories given below. (For example, a management consultancy would mark "Professional Services" only and not the sectors in which its clients operate.) (N=853)

Number of employees

How many people work at your organization?

5%
6%
17%
13%
25%
9%
7%
18%

18%
0-250

7%
251-500

9%
501-1,000
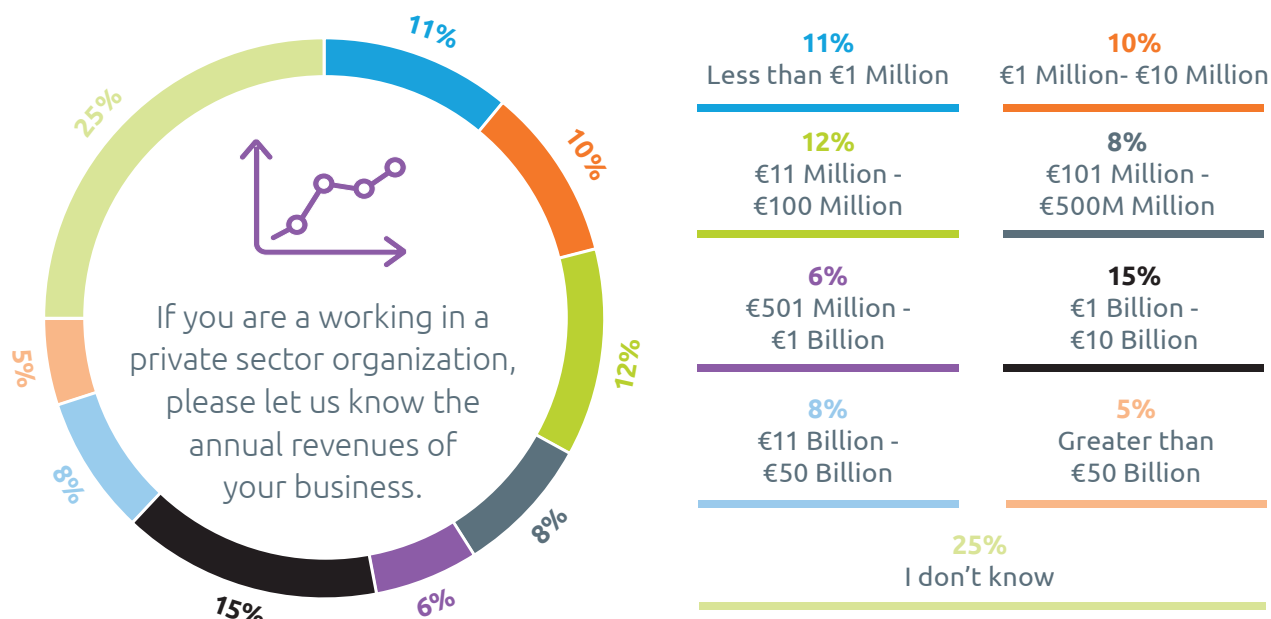
25%
1,001-5,000

13%
5,001-10,000

17%
10,001-50,000

6%
50,001-100,000

5%
Greater than 100,000

Q.4. How many people work at your organization? (N=853)

Approximate Annual Revenues

If you are a working in a private sector organization, please let us know the annual revenues of your business.

11%
Less than €1 Million

10%
€1 Million- €10 Million

12%
€11 Million - €100 Million

8%
€101 Million - €500M Million

6%
€501 Million - €1 Billion

15%
€1 Billion - €10 Billion

8%
€11 Billion - €50 Billion

5%
Greater than €50 Billion

25%
I don't know

Q5. If you are working for a private sector organization, please let us know the approximate annual revenues of your business: (N=625)

About the Authors

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Gianluca hhas a Masters in Geopolitics, Territory and Security from King's College London. He has experience writing academic and industry publications, speaking at international conferences, and delivering projects for companies such as BSI, Everbridge, and Transputec. His previous professional experience includes working for the Italian Presidency of the Council of Ministers.

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Lucila is a licensed psychometrician with expertise in quantitative and qualitative research. She has a Masters degree in Psychology from the University of the Philippines. She has conducted research on behalf of non-profits, pharmaceutical and healthcare clients. She is also a qualified teacher with more than seven years of experience, specialising in early childhood and special needs education.

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Acknowledgements

About the BCI

Founded in 1994 with the aim of promoting a more resilient world, the Business Continuity Institute (BCI) has established itself as the world's leading Institute for business continuity and resilience. The BCI has become the membership and certifying organization of choice for business continuity and resilience professionals globally with over 8,000 members in more than 100 countries, working in an estimated 3,000 organizations in the private, public and third sectors. The vast experience of the Institute's broad membership and partner network is built into its world class education, continuing professional development and networking activities. Every year, more than 1,500 people choose BCI training, with options ranging from short awareness raising tools to a full academic qualification, available online and in a classroom. The Institute stands for excellence in the resilience profession and its globally recognised Certified grades provide assurance of technical and professional competency. The BCI offers a wide range of resources for professionals seeking to raise their organization's level of resilience, and its extensive thought leadership and research programme helps drive the industry forward. With approximately 120 Partners worldwide, the BCI Partnership offers organizations the opportunity to work with the BCI in promoting best practice in business continuity and resilience.

The BCI welcomes everyone with an interest in building resilient organizations from newcomers, experienced professionals and organizations. Further information about the BCI is available at www.thebci.org.

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About Everbridge

Everbridge, Inc. (NAS DAQ: EVBG) is the global leader in critical event management and enterprise safety applications that automate and accelerate an organization's operational response to critical events in order to keep people safe and businesses running faster. During public safety threats such as active shooter situations, terrorist attacks or severe weather conditions, as well as critical business events such as IT outages or cyber-attack incidents, over 3,400 global customers rely on the company's SaaS-based platform to quickly and reliably aggregate and assess threat data, locate people at risk and responders able to assist, automate the execution of pre-defined communications processes, and track progress on executing response plans. The company's platform sent over 1.5 billion messages in 2016, and offers the ability to reach over 200 countries and territories with secure delivery to more than 100 different communication devices. The company's critical event management and enterprise safety applications include Mass Notification, Incident Management, IT Alerting, Safety Connection™, Community Engagement®, Visual Command Center®, Crisis Commander® and CareConverge™, and are easy-to-use and deploy, secure, highly scalable and reliable. Everbridge serves 8 of the 10 largest U.S. cities, 8 of the 10 largest U.S.-based investment banks, all four of the largest global accounting firms, all 25 of the 25 busiest North American airports and 6 of the 10 largest global automakers. Everbridge is based in Boston and Los Angeles with additional offices in San Francisco, Lansing, Beijing, London, Stockholm and Munich.

For more information, visit www.everbridge.com, read the company blog, and follow on Twitter and Facebook.

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