Forrester Research and the Disaster Recovery Journal have partnered to field a number of market studies in business continuity (BC) and disaster recovery (DR) in order to gather data for company comparison and benchmarking, to guide research, and for the publication of best practices and recommendations for the industry. This is the seventh annual joint survey. This year’s study focused on the role of crisis communication in business continuity and the relationship of business continuity to risk management. We also fielded many of the same questions in 2009. That first study provided us with a baseline for the interplay of risk management, BC and crisis communication that we can now compare to the 2012 study to see trending across time. Specifically, we designed this study to determine:
How much do organizations value the importance of crisis communication in BC preparedness? How do organizations handle crisis communication?

How frequently do crisis management and BC management teams meet to develop and document crisis communication strategies? Are these strategies part of standalone plans or subsets of BC plans? How frequently do they test these plans?

What modes of communication do organizations rely on for crisis communication and mass notification? Do they have backup plans in the event of telecommunication failure? Do organizations automate communication or do they still rely on manual procedures and call tree lists?

How are organizations incorporating social media into their crisis communication strategies?

Is there adequate training and awareness for crisis communication? How effective were crisis communication plans in recent invocations?

How do organizations typically structure their risk management functions? How does BC management interact and work with risk management programs? How do organizations prioritize investments in BC?

Crisis Communication Rises in Importance Within in BC Planning

In our 2012 study, approximately 60 percent of organizations reported that crisis communication was very or extremely important in BC planning; this is a 6 percent increase from our 2009 study (see Figure 1). It’s heartening to see the increase because communication remains an Achilles heel in BC preparedness. In our separate studies examining BC preparedness in depth, when we ask organizations that have invoked a BC plan to rank their top three lessons learned, respondents always rank underestimating the importance and difficulty of communicating under duress as number one or number two. Today, there is growing recognition that all your BC planning and efforts are for naught if you don’t have a strategy in place for rapid decision-making amongst executives and decision-makers, the rapid mobilization of response teams and ongoing communication to employees and strategic partners throughout the duration of the event.

Most Organizations Handle Crisis Communication as a Function Within BC Planning

A “crisis” can span everything from a natural disaster like Hurricane Sandy to a corporate scandal. The latter is an example of crisis where your communication focuses on protecting corporate reputation and is often the domain of PR and Legal. However, in both examples, it would be ideal to have one crisis communication team prepared to respond appropriately to either scenario, but that is in fact not the case (see Figure 2-1). Our study revealed that:
Only 32 percent have a dedicated crisis communication team that works closely with BC. This is actually a decline of more than 10 percent since our 2009 study. Within these organizations, executives and risk management professionals view crisis communication as one function that responds to all events regardless of the nature of the event. The degree of integration varies widely. About, 15 percent of respondents, a slight decrease from 2011, report that the crisis communication team meets with the BC team whenever the BC team meets. Approximately 28 percent of respondents report that they meet at least four times a year with the BC planning team – this is a decline of 14 percent from 2009. The majority meet between one to three times per year (see Figure 2-2).

Approximately 12 percent have a dedicated crisis communication team without a direct link to BC. This roughly unchanged from our 2009 study. Within these organizations, crisis communication likely focus on events that have a direct and immediate impact on corporate reputation (e.g. product recalls, scandals, lawsuits etc.) and are the domain of Legal and Corporate Communications. They are less likely to have a tight coordination with BC teams. There is probably some high-level guidance provided, but for the most part BC teams handle communication on their own.

A majority, 53 percent, rely on the BC team to do its best to address crisis communication. Within these organizations, executives and risk management pros do not see or elect not to treat crisis communication as one function but a function that planners address within each risk management silo like BC.

A slight majority prefer to embed their crisis communication strategy within BC plans. This is unchanged since 2009. It’s clear that most organizations believe that they should embed crisis communication with their BC plans, rather than have specific communication plans that complement each BCP (see Figure 2-3). Not surprisingly, a majority also prefer to test crisis communication as a part of overall BC testing (see Figure 2-4). A majority test once to two times per year.

### BC Managers Often Take a Leadership Role in Crisis Communication

Even if you have a dedicated a crisis communication team, it’s very likely that a senior BC manager is as involved as even the head of public relations and communications (see Figure 3). The most senior business executives (Chairman, CEO, COO, and CFO) are the least involved. According to our study:

- **Senior executives of BC planning and PR are most likely to lead crisis communication.** This is unchanged from 2009. If these individuals are not the team lead, they will still play a major role on the team. The significant involvement of these two roles represents the complexity of crisis communication. BC managers are likely to understand the wide-range of risks that the organization must prepare for as well as what it takes to mobilize a response for business disruptions, while PR professionals understand both the need and methods to communicate both internally and externally.

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The State of Crisis Management & Risk Management in Business Continuity Preparedness
CIOs play a major role in crisis communication. While the CIO is not likely to lead the crisis communication team, he or she is likely to play a major role. In many organizations, the CIO is the senior-most executive ultimately responsible for BC preparedness. In addition, the organization often tasks the CIO with enabling reliable, mass communication during crisis by whatever mode necessary.

HR also plays a major role in crisis communication. This should come as no surprise. If you’re blasting out automated messages to thousands, potentially tens of thousands of employees, you want to be certain that you’re providing enough information that’s useful and relevant but not creating a panic. HR, together with corporate communications, can help craft appropriate communication to employees. Also, if you are using an automated system, you likely want to have an update list of employees and their contact information. This can mean integration with HR systems, a batch upload of information or employee self-sign-up. Regardless of how you accomplish it, HR, together with advice from Legal, can ensure that you’re not violating any privacy laws.

**Within BC Plans, Crisis Communications Focuses on Mobilization and Instructions**

Not surprisingly, crisis communication planning within BC plans focuses on the mobilization of the response team and providing instructions to employees (see Figure 4). Many of them also focus on providing continuous communication to employees throughout the duration of the event and extending this communication to key stakeholders such as partners. Plans are far less likely to address communication with government entities unless it’s first responders who are likely to play a role in the event.

**Companies Increasingly Rely on Multiple Modes of Communications**

Companies rely on multiple modes of crisis communication but email, cell phones and landline phones continue to dominate as they did in 2009 (see Figure 5-1). SMS texts are rising in importance as a mode of crisis and emergency communication; from 2009 to 2012, there was a 10 percent increase in adoption. This reflects the changing profile of employees, customers and other stakeholders – younger generations rely on text messaging far more heavily but it also reflects some of the benefits of the approach – text messaging often requires very limited bandwidth and providers can often successfully deliver messages even when voice communication is unavailable. Unchanged at 67 percent, organizations also continue to use a web site to facilitate communication. Our survey also found that:

- Approximately 34 percent are using social media as part of crisis communication. Most organizations seem to be gravitating to the use of social media as a way of communicating with external audiences such as customers (66 percent) and the general public (56 percent) (see Figure 5-2). There does appear to be some hesitation to allow employees to use it for internal communication because it’s difficult to track and control.
When we asked these respondents to identify the top adoption drivers for the use of social media, many cited the resiliency of social media during as well as the ability to facilitate mass communication (see Figure 5-3). It’s worth noting that of the organizations that currently do not use social media (about 66 percent), a staggering 74 percent of these respondents say they have no intentions of doing so in the future. While some organizations have identified clear benefits, the majority are still nervous about security and damage to corporate reputation.

The vast majority, 79 percent have plans to account for telecom loss. This is a small increase of 3 percent from 2009. Email, landlines and websites are effective modes of communication when telecommunication is available. However, when a major catastrophe such as a hurricane knocks out local telecommunication for several days, organizations will need another mode of communication (see Figure 4-2).

Approximately 48 percent will leverage SMS txt in the event of telecom loss. It was also the most popular method in 2009. If local telecom is unavailable, many companies will turn to wireless technologies such as mobile phones, two-way radios and satellite communication (see Figure 4-3). In recent disasters, mobile networks are often overwhelmed, making voice calls impossible; however, these networks are often able to transmit text messages because they require significantly less bandwidth.

Training and Awareness Requires Improvement

In both the 2008 and 2011 State of Business Continuity Survey, when we asked organization that had invoked a BCP in the past five years to identify and rank the top lessons learned from their invocations, lack of training and awareness came in at number one. It goes without saying that any response plan requires not only frequent testing but also training and awareness across the organization. In this year’s study, we found that 51 percent of organizations with crisis communication plans have training and awareness programs in place. This is a surprising 11 percent decrease from 2009. Another 32 percent of respondents plan to implement training in the next 12 months – approximately the same percentage in 2009. The most popular methods of training include providing employees with links to online documentation as well as in-person training (see Figure 6). However, distribution of this information or scheduling of classes occurs on an ad hoc basis or every one to two years.

BCP Invocations Demonstrate That Crisis Communication Continues to be a Trouble Spot

Organizations often believe that BCP invocations are rare occurrences, but according to our survey, 49 percent of organizations have invoked a BCP in the last five years (see Figure 7). This is almost unchanged from 2009 when it was 52 percent. Of the organizations that have invoked, only 15 percent feel that their crisis communication was very effective – a decrease of 5
percent from 2009. The vast majority of organizations, 76 percent feel that their crisis communication was effective to very effective. Much of this has to do with the fact the organizations only test their BCPs and their communication capabilities once to twice a year and there seems to be limited training and awareness across the organization aside from the distribution of links to online material. Without frequent testing and more extensive training and awareness, effective communication under duress is almost impossible.

Organizations Continue to Break Down Risk Management Silos

Historically organizations have approached risk management disciplines such as operational risk management, business continuity, disaster recovery, and information security as separate silos. In reality, these risk management disciplines are closely related and not easily handled separately without creating gaps in preventative measures and responses. Both our 2009 and 2012 surveys show signs of more coordinated risk management programs but there are still areas for improvement. In this survey we found that:

- Only 23 percent have separate, unconnected risk management silos. This is more or less unchanged from 2009. The majority of respondents report that their organization has either a chief risk officer (CRO) role with responsibility for risk disciplines across the entire enterprise or at least a head of risk management overseeing a number of key disciplines (see Figure 8).

- Approximately 74 percent of BC programs have a relationship with enterprise risk management. This is 11 percent increase from the prior survey. Of these, almost 15 percent of BCM programs report directly to risk management and approximately 9 percent have a dotted line relationship – this unchanged from 2009. Another 50 percent of respondents report working closely with risk management to share information and efforts – an increase of 11 percent.

- Despite stronger ties, 72 percent conduct BIAs and risk assessment specifically for BC planning. Line of business owners frequently complain that different teams with the organization bombarding them with surveys and questionnaires asking for the same information – identification of critical business processes, dependencies and risks. Consolidating BIAs and risk assessments across risk management silos can increase efficiency and provide a consolidated view of critical information, yet only 23 percent of organizations do so.

- Almost 64 percent of BCM teams prioritize efforts based on the level of risk. This is an increase of 7 percent from 2009. Knowing that it is impossible to address every business continuity risk, the majority of respondents said they prioritize their planning and mitigation efforts to address the most significant risks first. Fewer organizations prioritize efforts based on a cost/benefit analysis (26 percent) or the ability to leverage existing projects and investments (9 percent), which are also reasonable strategies.

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**Figure 6 Training and Awareness Within Crisis Communication**

*How do you deliver or plan to deliver training and awareness?*

<table>
<thead>
<tr>
<th>Method</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>One time (i.e., during employee orientation)</td>
<td>18%</td>
</tr>
<tr>
<td>Quarterly</td>
<td>15%</td>
</tr>
<tr>
<td>Biannual</td>
<td>4%</td>
</tr>
<tr>
<td>Once per year</td>
<td>33%</td>
</tr>
<tr>
<td>Every two years</td>
<td>3%</td>
</tr>
<tr>
<td>Ad hoc</td>
<td>20%</td>
</tr>
<tr>
<td>Not applicable</td>
<td>10%</td>
</tr>
</tbody>
</table>

**Figure 7 Effectives of Crisis Communication in Invocations**

*Have you invoked a BCP in the last five years?*

- No: 51%
- Yes: 49%

**Figure 8-1 BCM Relationship with Risk Management**

Which of the following best describes your organization’s risk management program?

- We have a formal risk management program: 29%
  - We have a formal risk management program, including a Chief Risk Officer or similar role, who leads a risk team and reports to the board and/or top executives: 31%
  - We have a single director or head of risk that is responsible for select areas of risk management but doesn’t have the broad reach of an enterprise program: 15%

- We have several silos of risk management that are not connected by a single program: 23%

Describe how your BCM team works with your risk management team:

- BCM reports directly to the risk management function: 15%
  - BCM has dotted line reporting to the risk management function: 9%

- BCM works closely with the risk management function to share information and efforts: 50%

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Source: Forrester Research, Inc.
Average Employees Don’t Appreciate the Importance of Risk Management

It’s unfortunate but according to our study, 63 percent of respondents report that their employees only participate in risk management activities when compelled to do so or go out of their way to avoid it (see Figure 9). Most organizations don’t focus enough on general training and awareness, they certainly don’t focus nearly enough on ways to establish a corporate culture that values risk management objectives. Establishing this type of culture takes a sustained effort that includes recruiting executives to set the appropriate tone from the top, demonstrating value through meaningful metrics, encouraging candid feedback etc.

Study Methodology

In the Fall of 2012, Forrester Research and the Disaster Recovery Journal (DRJ) conducted an online survey of 115 DRJ members. In this survey:

- All respondents indicated that they were decision-makers or influencers in regard to planning and purchasing technology and services related to business continuity.
- Respondents were from a range of organization sizes: 40 percent had 1 to 999 employees; 20.9 percent had 1,000 to 4,999 employees; 20.9 percent had 5,000 to 19,999 employees; and 17.4 percent had 20,000 or more employees.
- Respondents were from organizations with a range of revenues: 37.4 percent of respondents were from companies with revenues of less than $500 million; 14.8 percent were from organizations with revenues of $500 million to $999 million; 22.6 percent were from organizations with revenues of $1 billion to $4.99 billion; and 16.5 percent were from companies with revenues of more than $10 billion. There were 8.7 percent of our respondents who were from the public sector and therefore had no revenue.
- Respondents were from a variety of industries.
- Respondents were primarily from North America but there was representation from Europe, the Middle East, Africa and Asia. Many companies had business operations in multiple regions: 80.9 percent of respondents had locations in North America; 13.9 percent had locations in Europe, Middle East, or Africa; 4.3 percent had locations in Asia; and less than 1 percent had locations in South America.

This survey used a self-selected group of respondents (DRJ members) and is therefore not random. These respondents are likely to be more sophisticated than peers who do not read and participate in business continuity and disaster recovery publications, online discussions, etc. They likely have above-average knowledge of best practices and technology in BC/DR. While nonrandom, the survey is still a valuable tool in understanding the characteristics of current BC programs and to explore relevant industry trends.

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