

# Private Sector Preparedness Survey Summary Report September 15, 2008

DRAFT

Developed by:



and



# Executive Summary

---

## Study Background

Title IX of Public Law 110-53 was signed in August, 2007. It is not yet implemented but will provide a voluntary Disaster/Emergency Management and Business Continuity preparedness accreditation and certification for private sector organizations. The intent of this law will be to provide private sector organizations with guidance, verifiable criteria and certification for planning to protect their people, operations and other assets during unexpected disruptions or disaster situations.

Crisis Management International (“CMI”) supports the Alfred P. Sloan Foundation in its efforts to implement Title IX of Public Law 110-53. The Sloan Foundation will ultimately communicate with the Department of Homeland Security to report upon existing levels of preparedness in the private sector. The Sloan Foundation and CMI may be required to take on several initiatives that will be required to get Title IX of Public Law 110-53 underway.

## Purpose

At the direction of the Alfred P. Sloan Foundation, CMI and MRR Research Associates, Inc. worked together to capture valuable information regarding the private sector’s level of preparedness, and more importantly explore what actions might be effective to motivate the private sector to improve preparedness as part of the Title IX implementation. The legislation specifically calls for gathering wide private sector input to be used by the U.S. Department of Homeland Security as they take actions to implement the Title IX program. Therefore this study is intended to provide a sample of private sector feedback and opinions.

## Survey Participants

As we set out to conduct this survey, CMI wanted to utilize our vast database and relationships of the top private sector professionals and organizations across the United States. It was important to us to survey the most knowledgeable professionals that have prominent positions and influence within their organizations with regards to overall preparedness.

We sent out more than 4,000 surveys to C-level executives as well as people responsible for business continuity, emergency management, security, disaster recovery, human resources and communications. Therefore, it is key to note that his survey is not reflective of the general business community. But rather, it is meant to capture the responses of the most knowledgeable subset related to the preparedness issues. We received 255 completed surveys.

# Executive Summary

---

## What we we trying to determine?

The survey included 32 questions, which in total were meant to address the following broader issues:

- How prepared are organizations currently for emergencies?
- What are the top barriers to preparedness?
- What would private sector organizations most desire in order to improve preparedness?
- How do private sector organizations react to a common standard, and what impact should Title IX be expected to have?

We were hopeful that we would be able to indirectly be able to determine what actions might the DHS take to leverage Title IX to effectively increase preparedness in the private sector. CMI was pleased to find that a logical path did emerge, which is supported by the survey data and discussed later in this section.

## Survey Results Highlights

The results of this survey provide an extremely valuable snapshot of several issues. Some key findings are listed below and are categorized for easier review:

### **General:**

- Nearly all companies have exposure to disaster prone areas and emergencies, 77% have experienced at least one emergency in past five years.
- Larger companies, especially within the Department of Homeland Security's Critical Infrastructure industries are the most well-prepared.
- 98% of companies either agree or strongly agree that private-public cooperation and coordination is "absolutely critical" in response to disasters.
- The human-side of crisis (Human Impact) was the least prepared aspect of planning.

# Executive Summary

---

## Standards

NFPA and Sarbanes Oxley are the currently the most commonly used standards. (Combined 46%)

35% of participants don't meet or don't know if their programs meet any industry standards.

## Title IX

In the "Framework for Voluntary Preparedness" Briefing, the report concluded that, "For the private sector to adequately and voluntarily establish preparedness programs, it should be given the flexibility to choose from various standards, guidelines and best practices that best meet the respective organization's needs for preparedness." [\[1\]](#) In our survey, CMI specifically wanted to inquire if companies agreed with that recommendation. The survey both asked if companies desired the "flexibility" as well as asking if they felt that multiple standards would make it "less effective and difficult to administer". CMI attempted to essentially ask about the "pros" and "cons" of this specific issue.

Our findings were mixed. Not surprisingly participants both wanted flexibility (85% agreed and strongly agreed); as well as they saw that multiple standards would make the law "less effective and difficult to administer" (80% agreed and strongly agreed). This is an important issue to continue to be discussed and considered throughout the implementation process of Title IX.

- 75% of participants recognized Title IX (after reading a description), 54% were aware of it even without a description.
- 83% thought Title IX would have an impact (moderate and large) on private sector preparedness.
- 39% answered that it was highly likely that their company would comply, while another 42% said they might or might not (only 8% said it would be highly unlikely they would comply).

[\[1\]](#) "Framework for Voluntary Preparedness", Representatives from ASIS, DRII, NFPA and RIMS, January 18, 2008.

# Executive Summary

---

## Where do we go from here?

One of CMI's main objectives in conducting this study was to use the data to determine a logical implementation path forward that would be supported by the data collected. We focused an entire section of the survey on identifying what motivates and serves as a barrier to preparedness. The following recommendations are only meant to highlight or provide additional insight for the DHS to consider as they move forward with implementation of Title IX.

### **1. Establish a “clear and widely-accepted preparedness standard.”**

Establishing the standard is certainly already part of Title IX, but this survey emphasizes its importance. When asked to rate 12 items that would be helpful to improve preparedness, the highest-ranking item was the “clear and widely-accepted standard”. (Closely followed by training, metrics, written plans, etc. See p. 32) Also, note that although they ranked the “clear” standard the highest, they ranked “Voluntary federal standards and accreditation programs” 11<sup>th</sup> out of 12.

### **2. Work with large, interested organizations to encourage their suppliers to improve their programs to the level of the standard.**

Because the larger organizations have more resources (both financial and human) to implement programs, typically they are more prepared. 57% answered that they it would be “highly likely” that they would comply if required by a key customer. Another 37% answered that they may or may not comply, with only 6% saying it would be highly unlikely. Therefore, an effective communication strategy for the implementation and rollout might be to work with the larger organizations that are highly supportive of the preparedness initiatives to encourage their suppliers.

Note that only 27% of companies currently said that it would be highly likely that they would require vendors to comply, but only 14% said it would be highly unlikely.

# Executive Summary

---

**3. Provide easily accessible tools for organizations such as training, evaluation tools, written materials, plans, guidelines, etc. to organizations to make it easier to comply.**

Following the “clear and widely-accepted standards”, companies desire tools to help implement programs. Their most common barriers to becoming fully prepared include not having enough personnel, followed by the cost, then getting employee buy-in (See p. 29) Therefore, if tools can be created to simplify and reduce the cost of implementation, compliance will most likely increase. (See p. 32)

**4. Increase awareness specifically to involve small and medium sized businesses.**

The more money that companies spend on preparedness, the more prepared they are. (See p. 28) If companies spend less than \$100,000 per year, they are much more likely (58%) to say that they are not prepared. Small and medium sized businesses typically do not have that amount of money to spend. Therefore the tools need to not only be developed for them, but they also need to know they exist. A communications and awareness campaign for these organizations (in addition to being encouraged through the supply chain by larger companies) might be an effective way to increase participation and improve preparedness.

# Study Design / Specifications

---

## Study Design / Methodology

- Online survey among Executives and EM/BCP decision-makers from private sector organizations.
- A total of n=255 interviews were completed between May 28 and June 9, 2008.
- Study participants were recruited via e-mail from a proprietary database of 4,000+ CMI contacts. This database includes contact information sourced from:
  - CMI Clients (Current & Former)
  - Business/Consulting Prospects
  - Newsletter Recipients
  - Trade Show Guests
  - Speaking Engagement Attendees
- CMI and The Alfred P. Sloan Foundation were identified as the survey sponsors.
- To qualify for this study, respondents must have been at least somewhat involved in company decisions regarding Disaster/Emergency Management and Business Continuity preparedness.
- To encourage participation, respondent were offered the opportunity to enter into a Grand Prize Drawing for one of 25 copies of "Blindsided: A Manager's Guide to Catastrophic Incidents in the Workplace" written by CMI Founder/CEO Bruce Blythe.
- **IMPORTANT NOTE:** Without descriptive information about the total population of EM/BCP organizations as well as the makeup of CMI's contact database, projecting this sample to the to the total population of EM/BCP organizations should be done with caution. Please see Section 1 for a detailed breakdown of the Sample/Participant profile.

---

# Key Findings & Recommendations

## Most organizations currently contend with natural disasters and exhibit high levels or readiness. Human Impact Programs require growth.

---

- **Nearly all companies contend with disaster-prone areas and emergencies.**
  - On average, companies (i.e., headquarters, major operations, distribution centers, etc.) are located in range of 2 disaster-prone areas – tornado, hurricane, and earthquake locations are most common.
  - Nearly all (77%) have experienced at least one emergency event in the past 5 years.
    - o Most common/frequent are natural disasters (61% experienced in past 5 years), followed by emergency events that either require outside intervention (56%) or an immediate evacuation (57%)
- **Crisis preparedness is especially imperative for the subset of organizations that provide critical goods and services to the public (i.e., public cannot function without).**
  - Not all organizations self-identified as having critical goods and services are DHS “Critical Infrastructure”.
- **4 of 6 key crisis preparedness initiatives are in place at most organizations (IT Disaster Recovery, Emergency Response, Crisis Communications, BCP) – Human Impact Programs have the least acceptance, followed by Strategic/Executive Crisis Management.**
  - An organizations’ customers do not overwhelmingly dictate that these programs be in place.
    - o They do, however, have the most impact on establishing IT Disaster Recovery plans and Business Continuity Programs.
  - Private sector organizations also cite Human Impact Programs as most needing improvement.
- **Most companies report high levels of preparedness; however, there is room for improvement.**
  - While two-thirds (63%) of companies claim high levels of preparedness, only two in five (17%) claim to be “extremely prepared” (i.e., rated their company a 9 or 10).
  - Spending over \$100K annually on EM/BCP aligns more closely with stronger preparedness.

## While not providing much of an impetus today, a widely-accepted industry standard has potential to improve private sector preparedness.

---

- **Internal organizational constraints (e.g., plans in development, cost and staffing, organizational/management buy-in) are the leading barriers to crisis preparedness.**
  - Key CM decision-makers ultimately want to see more acceptance from within their own organizations – more training, cross-functional collaboration, management buy-in, funding, etc.
  - Knowing which industry standard to pursue is not as pressing as overcoming organizational hurdles.
- **Compliance with an industry standard is currently not a leading motivator/driver of crisis preparedness.**
  - Protecting the organization’s assets is the top motivator/reason for investing in crisis preparedness.
  - The majority (65%) of organizations, however, report meeting at least one industry certification standard.
    - o No one preparedness standard is overwhelmingly utilized - Sarbanes Oxley and NFPA are most commonly used.
  - Attitudes towards industry standards indicate that private sector organizations are not in consensus on the issue of single/common versus multiple standards.
- **However, despite limited recognition as a current barrier or motivator, a widely-accepted preparedness standard might trigger some organizations to further action.**
  - “A clear and widely-accepted preparedness standard” topped all other potential alternatives as being most helpful towards improving preparedness.

## **Voluntary certification law Title IX has generated substantial awareness; some expect to comply and others need more info or a customer mandate.**

---

- **The voluntary certification law (Title IX) has generated strong awareness to date.**
  - On a fully aided basis (with a description), the majority (75%) claim to have heard of Title IX.
  - Larger firms (\$5B+ revenues) have highest awareness of Title IX (86% overall).
- **Despite modest expectations for Title IX (in terms of its impact on private sector preparedness), a fairly sizable group (39%) expects to comply with the voluntary standard.**
  - Until program costs and benefits become more clear and/or are better conveyed, many organizations will remain undecided or unlikely (few are opposed to it).
  - Awareness is not the barrier to willingness to comply with Title IX – less interested organizations simply do not believe that voluntary compliance will have a positive impact.
  - Those less likely to comply with Title IX face more internal hurdles/barriers to organizational preparedness (e.g., do not have sufficient personnel or time, too expensive, management buy-in and denial, etc.).
  - Expected Title IX compliance increases among DHS Critical Infrastructure and those with “critical” products (self-reported) and currently most prepared for a crisis.
- **Although firms do not have strong interest in pushing Title IX through supply chains, customer mandates would have a strong impact on acceptance.**
  - Likelihood to comply with Title IX increases nearly 50% (from 39% to 57%) if mandated by customers.

# Recommendations

---

- Many private sector organizations would welcome an industry standard, although voluntary certification may not yield broad acceptance. Strive for customer mandates of voluntary certification for greatest compliance potential. Establishing and communicating the benefits of voluntary certification will impact the undecided/less interested.
- Address the need for and acceptance of Human Impact Programs (i.e., why not broader acceptance) – many organizations identify this area as most needing improvement.
- Prioritize the need for and acceptance of Strategic/Executive Crisis Management – organizations cite internal organizational constraints as the leading barrier to furthering crisis preparedness programs (also hinders likely Title IX compliance). Getting executive support and buy-in before an emergency (i.e., not allowing an emergency to trigger program buy-in) is critical to program success.
- Look closely at organizations spending less than \$100K annually on crisis preparedness – these organizations are more likely to be less prepared for an emergency event.
- Prioritize assisting organizational training needs – tabletop and live exercises.

---

# Sample Profile

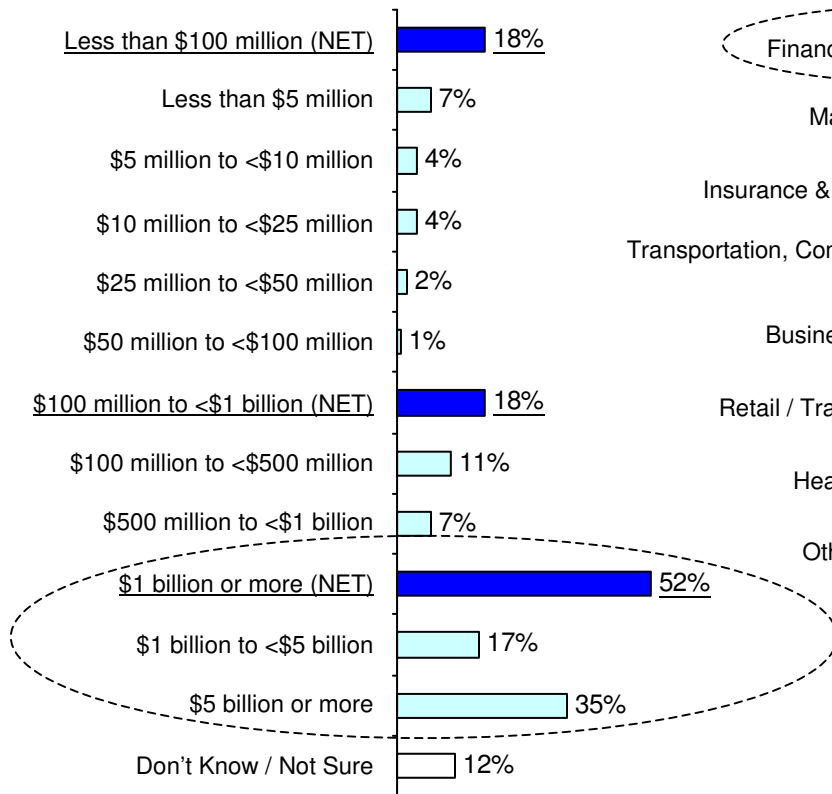
*What is the profile of those who participated in this study?*

# Large organizations (\$1B+) as well as Service-related industries, particularly Financial, made up a substantial portion of this sample.

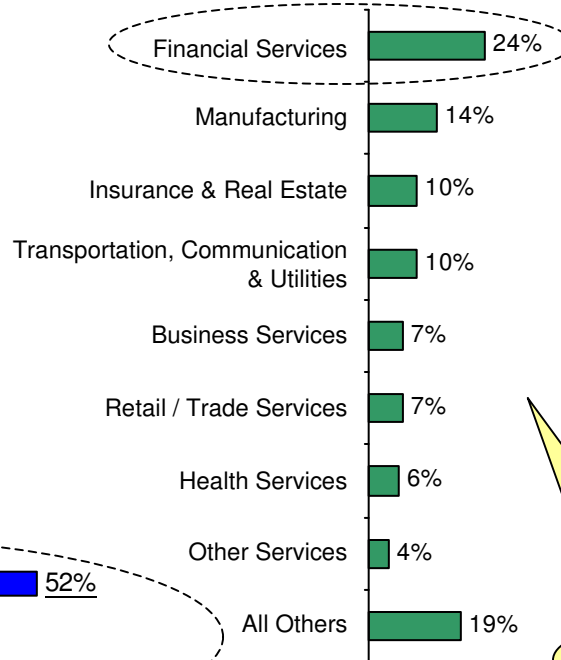
## Sample Profile

(Base: Total Sample, n=255)

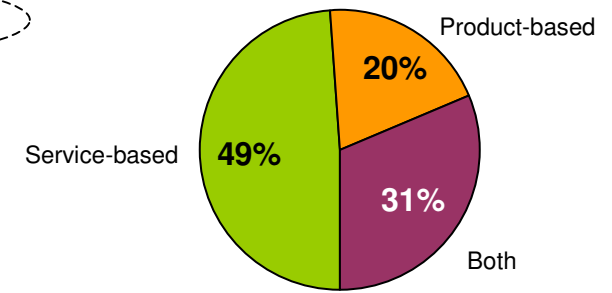
Company Size (2007 Revenue)



Industry



Primary Type of Goods Sold



Service (NET) = 80%  
Products (NET) = 51%

The sample represented a diverse set of industries, however, **Financial Services** organizations had strong representation.

QD2. What was your company's 2007 revenue?

QD3. Thinking about the portion of your business that contributes most of your company's income, what is your company's PRIMARY business?

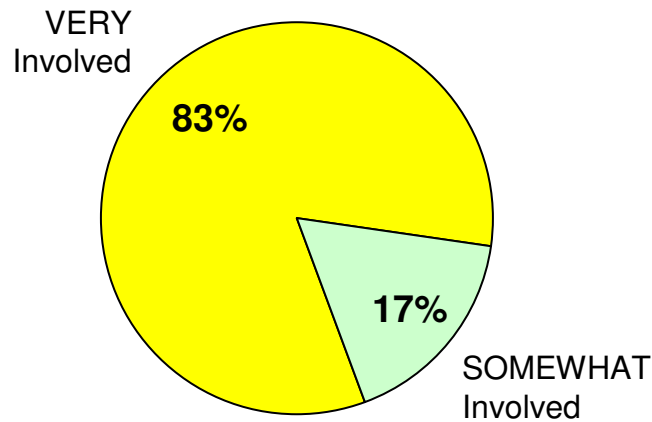
Q1. Would you categorize your company as a SERVICE-based or PRODUCT-based company? Base your response on the portion of business that contributes the majority of company's income.

# Nearly all reported heavy involvement in organization decision-making for EM/BCP; Business Continuity personnel were most strongly represented.

## Sample Profile

(Base: Total Sample, n=255)

Level of Involvement in Crisis Preparedness For Company



Role in Company



QS1. How involved are you in making decisions regarding Disaster/Emergency Management and Business Continuity preparedness for your company?

QD1. What is your role in your company? (If your title is not listed, please enter it in the space below.)

---

# Organizational EM/BCP Profile

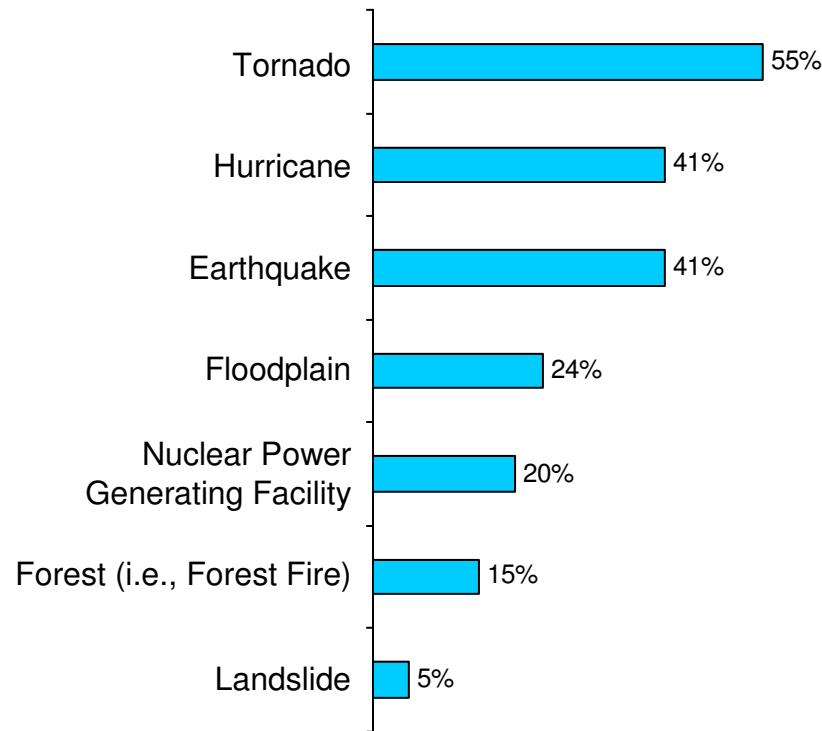
*To what extent have organizations experienced emergencies and require emergency planning?*

**Most companies (85%) have to contend with a disaster-prone area (avg. = 2), primarily tornados, hurricanes, and earthquakes.**

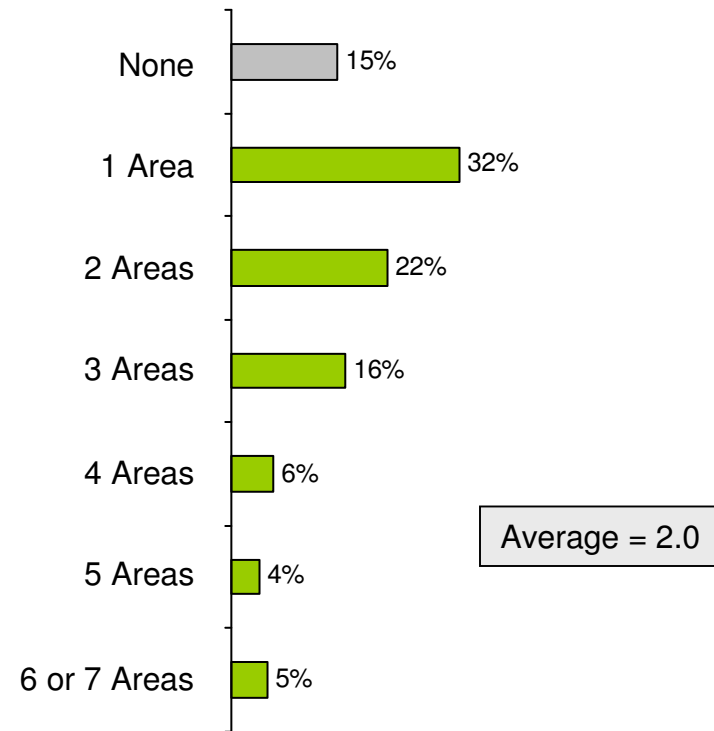
### Natural Disaster Proximity

(Base: Total Sample, n=255)

Located By Disaster-Prone Area



NUMBER of Disaster Area In Proximity

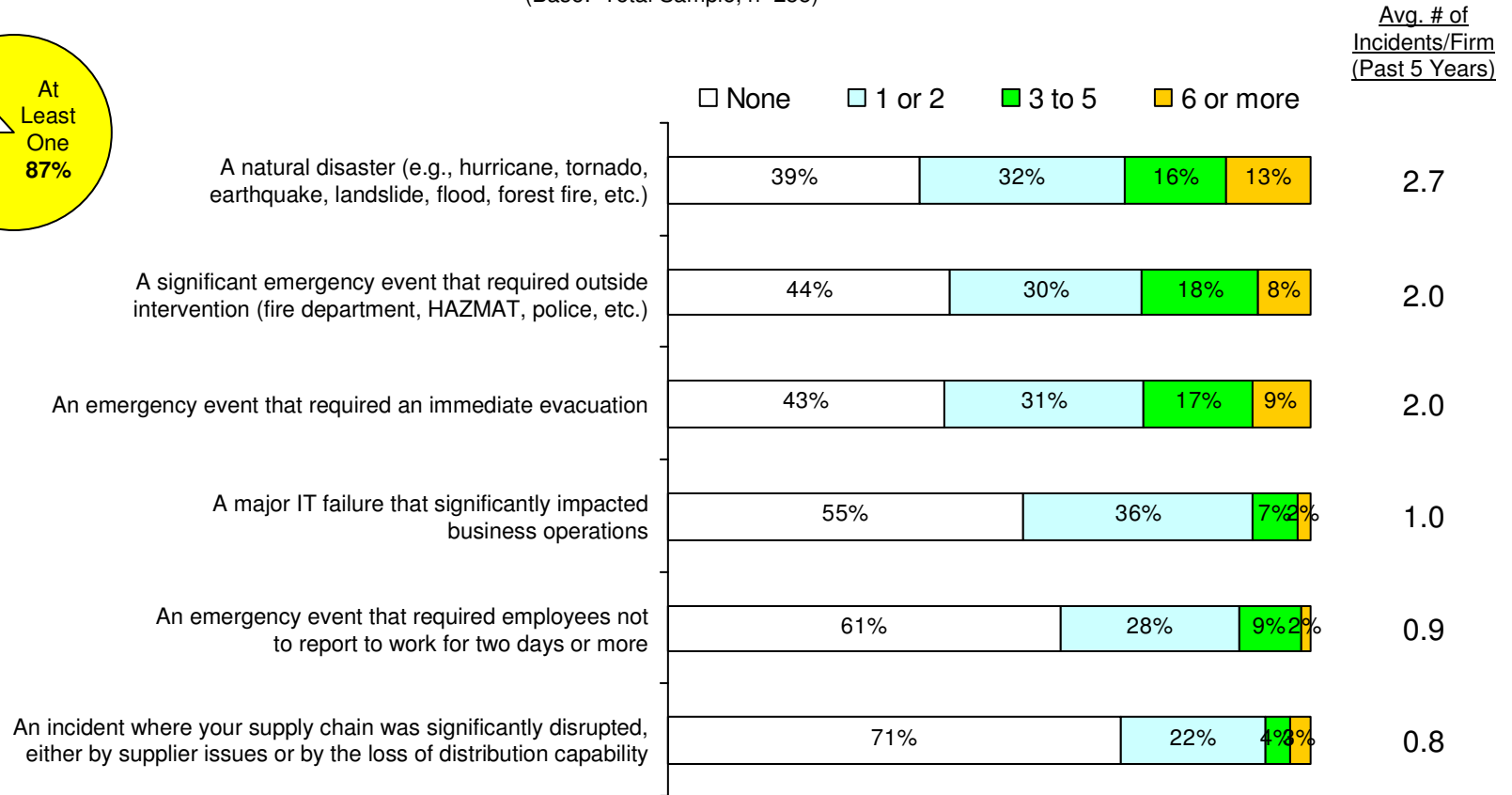
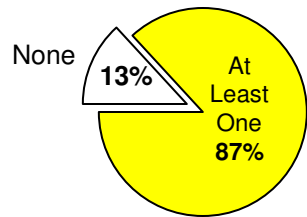


Q6. Is your corporate headquarters, major operations, data center or distribution centers located in any of the following disaster-prone areas?

Furthermore, nearly all (87%) have experienced at least one emergency in the past 5 years, with natural disasters being most common/frequent.

### Emergency Occurrence Frequency (Past 5 Years)

(Base: Total Sample, n=255)

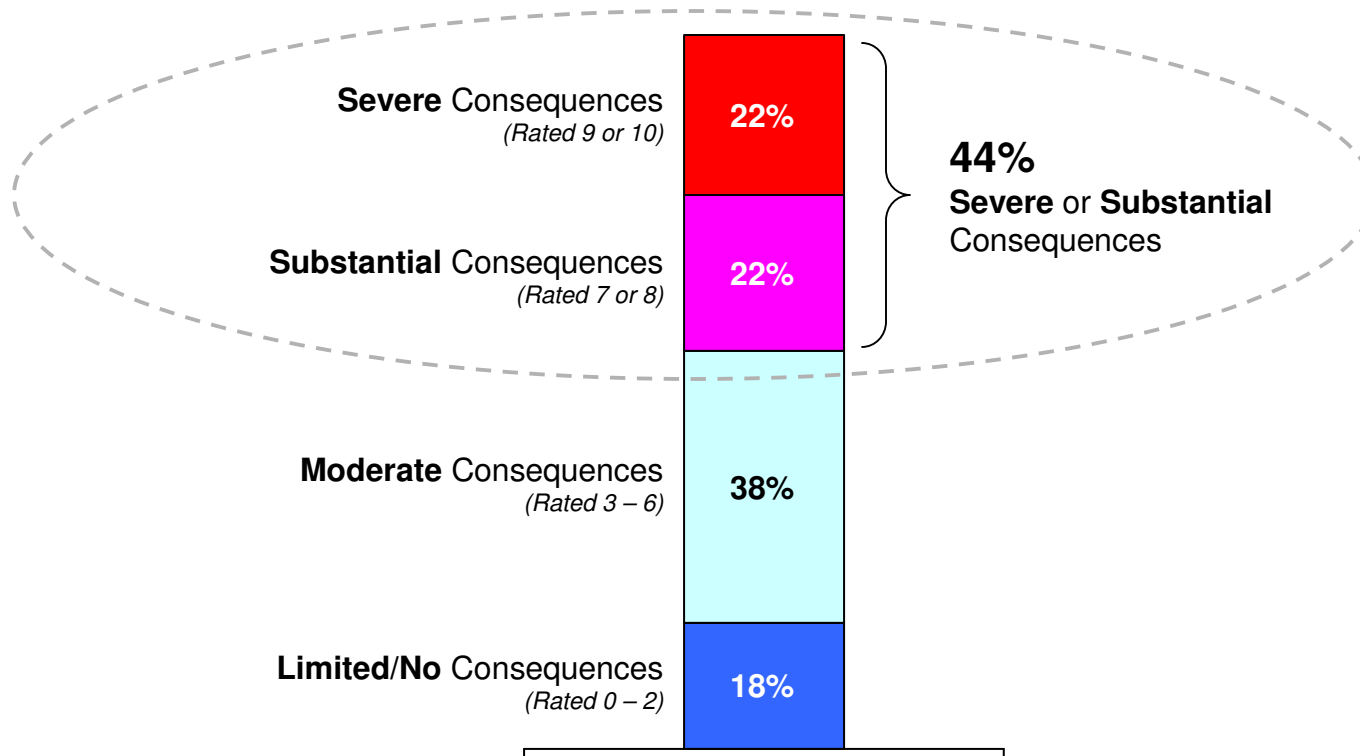


Q5. To the best of your knowledge, how many times has your company experienced the following significant events IN THE PAST 5 YEARS? If none, simply enter '0'.

# Crisis preparedness is especially imperative for the firms that provide critical goods and services to the public (i.e., public cannot function without).

## Impact of Loss of Goods/Services on Public

(Base: Total Sample, n=255) Rating on 0 to 10 "Consequences" Scale

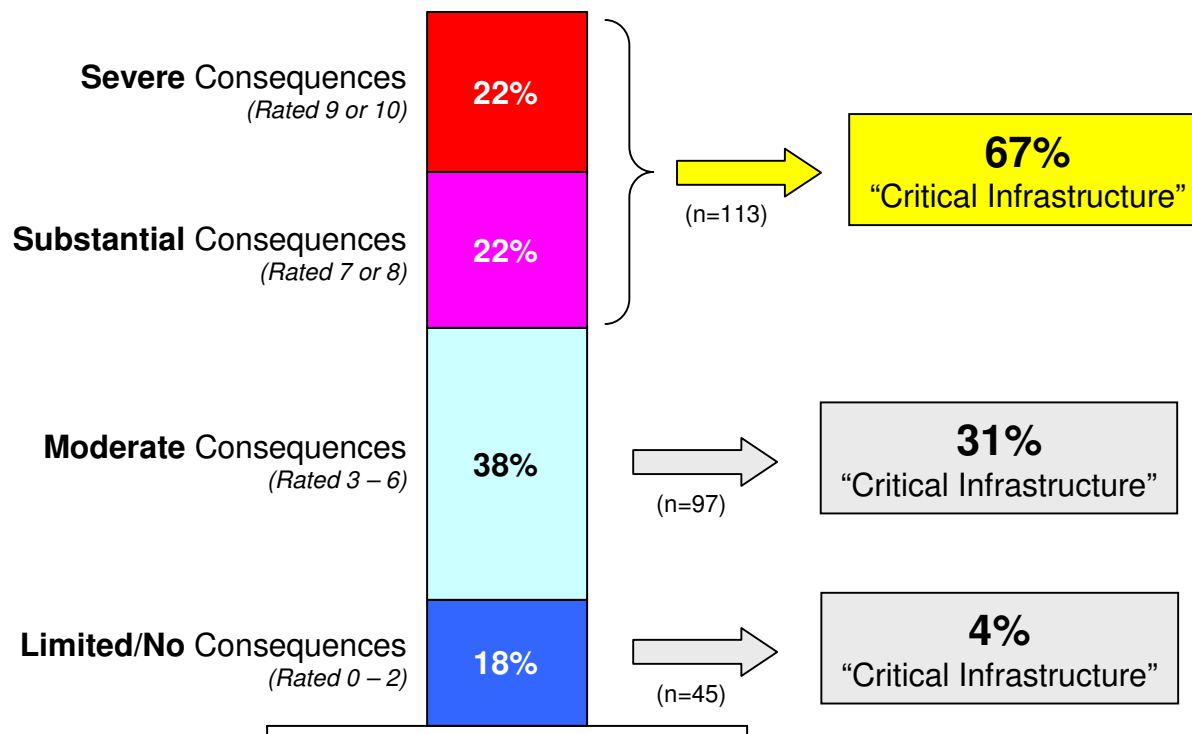


Q4. In your opinion, how severe would the loss or diminishment of your company's CRITICAL goods or services be to the public? 10 = SEVERE Consequences (i.e., public cannot function productively without), 5 = MODERATE consequences (i.e., public can go without but only for a short period of time), 0 = No Consequences

# Not all organizations self-identified as having critical goods and services are part of the “Critical Infrastructure” by DHS.

## Critical Infrastructure Designation

(Base: Total Sample, n=255)



Q4. In your opinion, how severe would the loss or diminishment of your company’s CRITICAL goods or services be to the public? 10 = SEVERE Consequences (i.e., public cannot function productively without), 5 = MODERATE consequences (i.e., public can go without but only for a short period of time), 0 = No Consequences

Q2. Is your business considered to be a part of the "Critical Infrastructure" by the Department of Homeland Security?

---

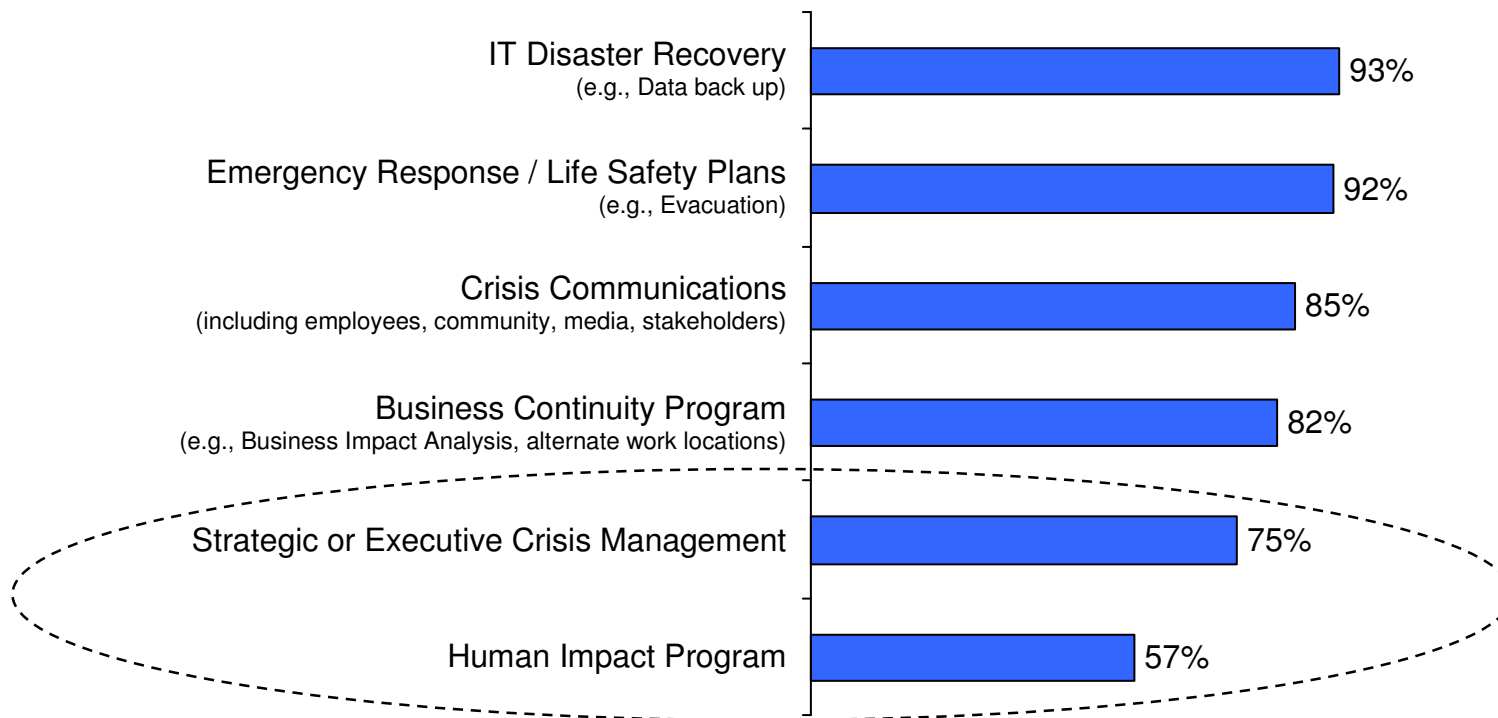
# Current Levels of Preparedness

*How prepared are organizations currently for emergencies?*

# Human Impact Programs lag other programs in terms of acceptance, and to a lesser degree, Executive CM also trails.

## Plans/Programs Currently In Place

(Base: Total Sample, n=255)

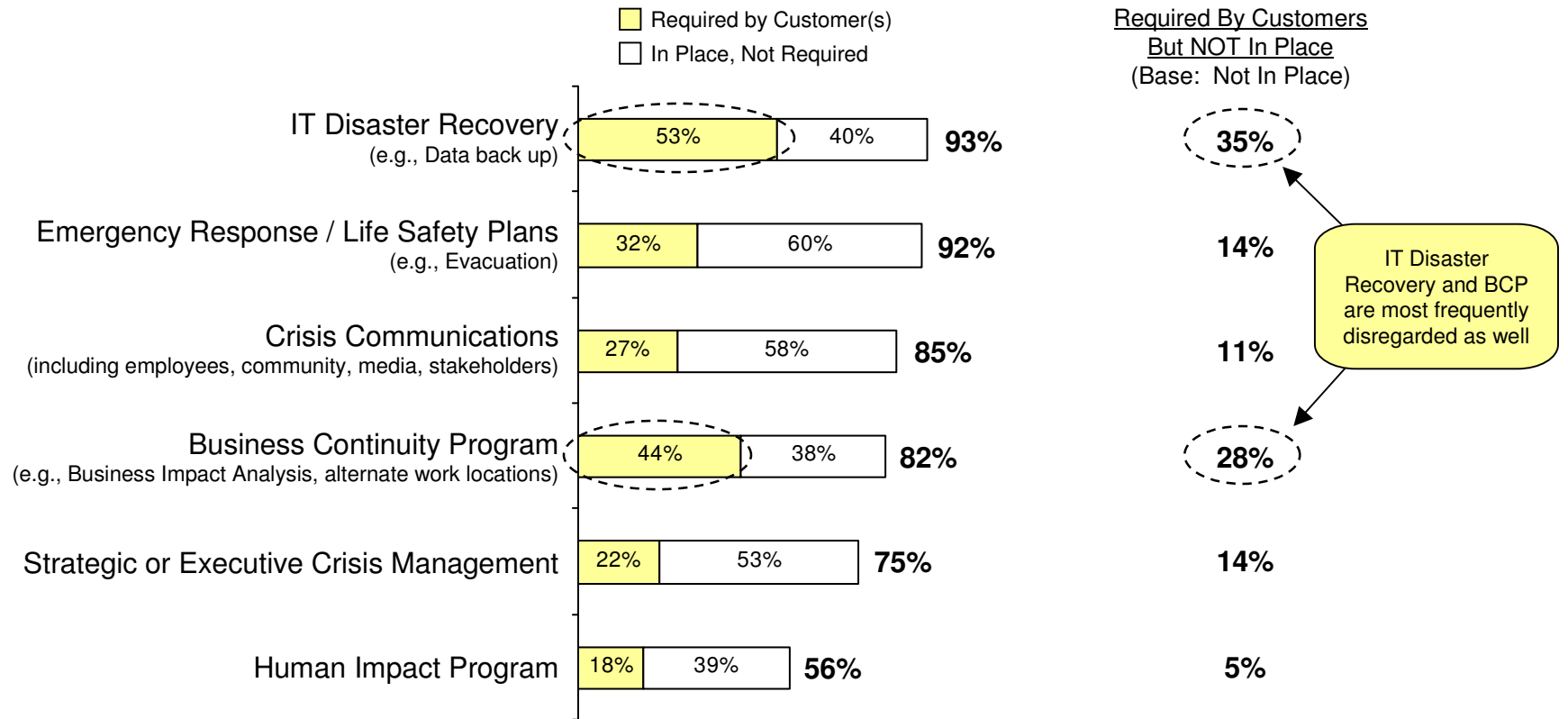


Q11. Please indicate whether or not your company currently has a specific plan or program in place for each of the following.

# Customers do not overwhelmingly dictate that programs be in place; however, they have the most impact on IT Disaster Recovery and BCP.

## Impact of Customer Mandates on Plans/Programs

(Base: Total Sample, n=255)



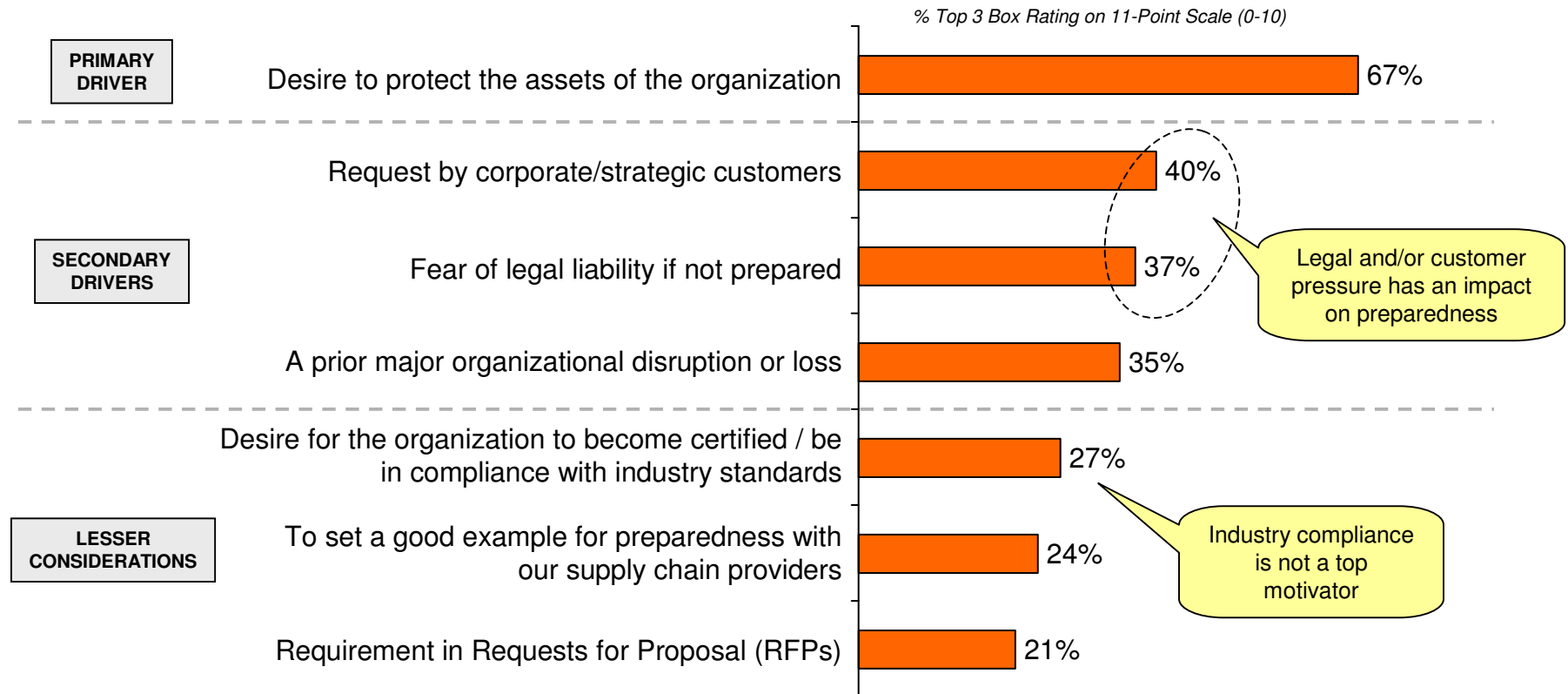
Q11. Please indicate whether or not your company currently has a specific plan or program in place for each of the following.

Q12. Which of the following, if any, are **REQUIRED** by any of your company's customers (regardless of whether or not it is currently in place)?

# What most dictates organizations' drive towards preparedness is protecting the assets of the organization.

## Drivers / Motivators of Organizational Crisis Preparedness

(Base: Total Sample, n=255)

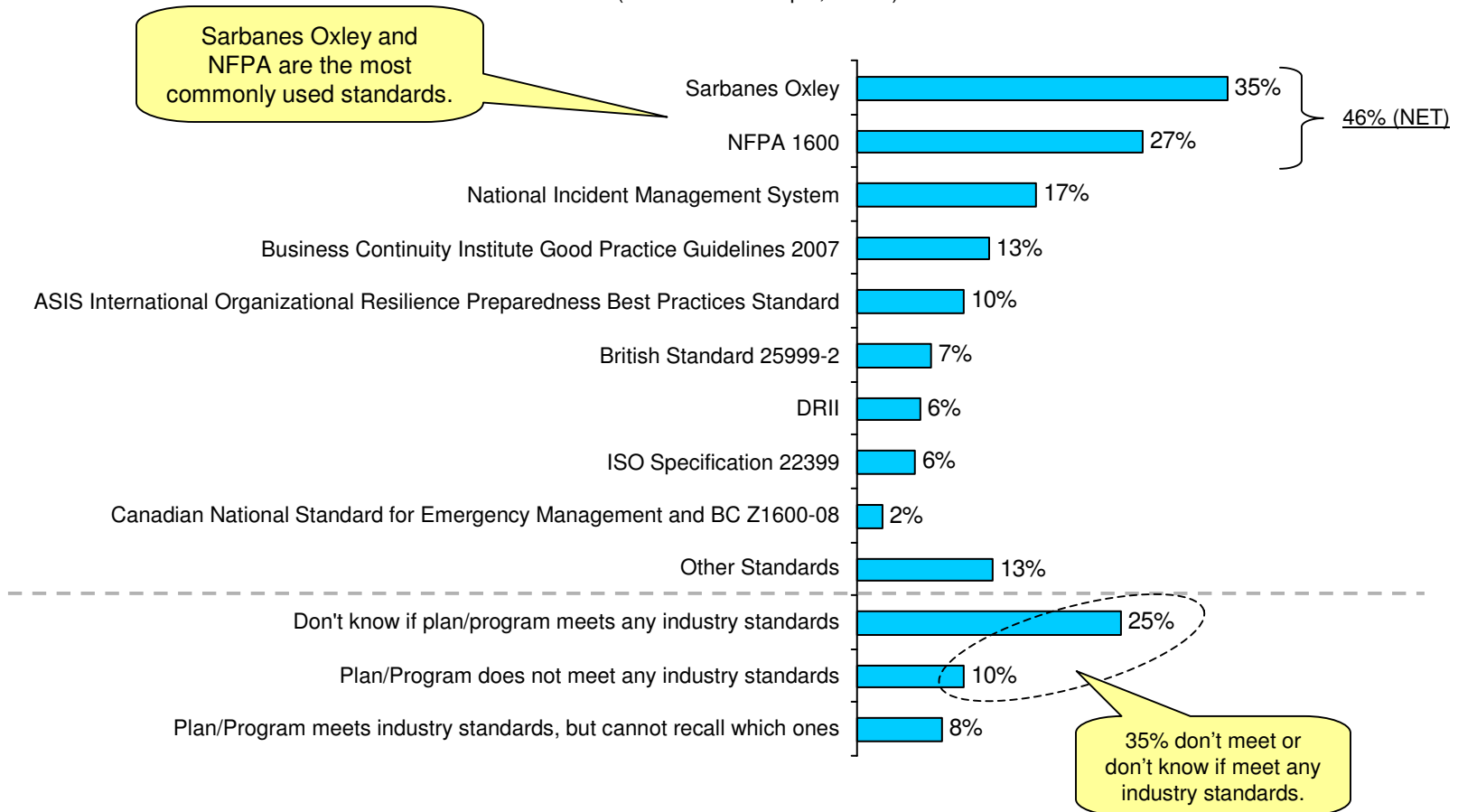


Q9. How **MOTIVATING** is each item to your company when determining how much time and money to invest in Disaster/Emergency Management and Business Continuity preparedness?

# The majority of companies (65%) meet an EM/BCP standard; however, no one standard is overwhelmingly utilized.

## Standards Company Currently Meets

(Base: Total Sample, n=255)

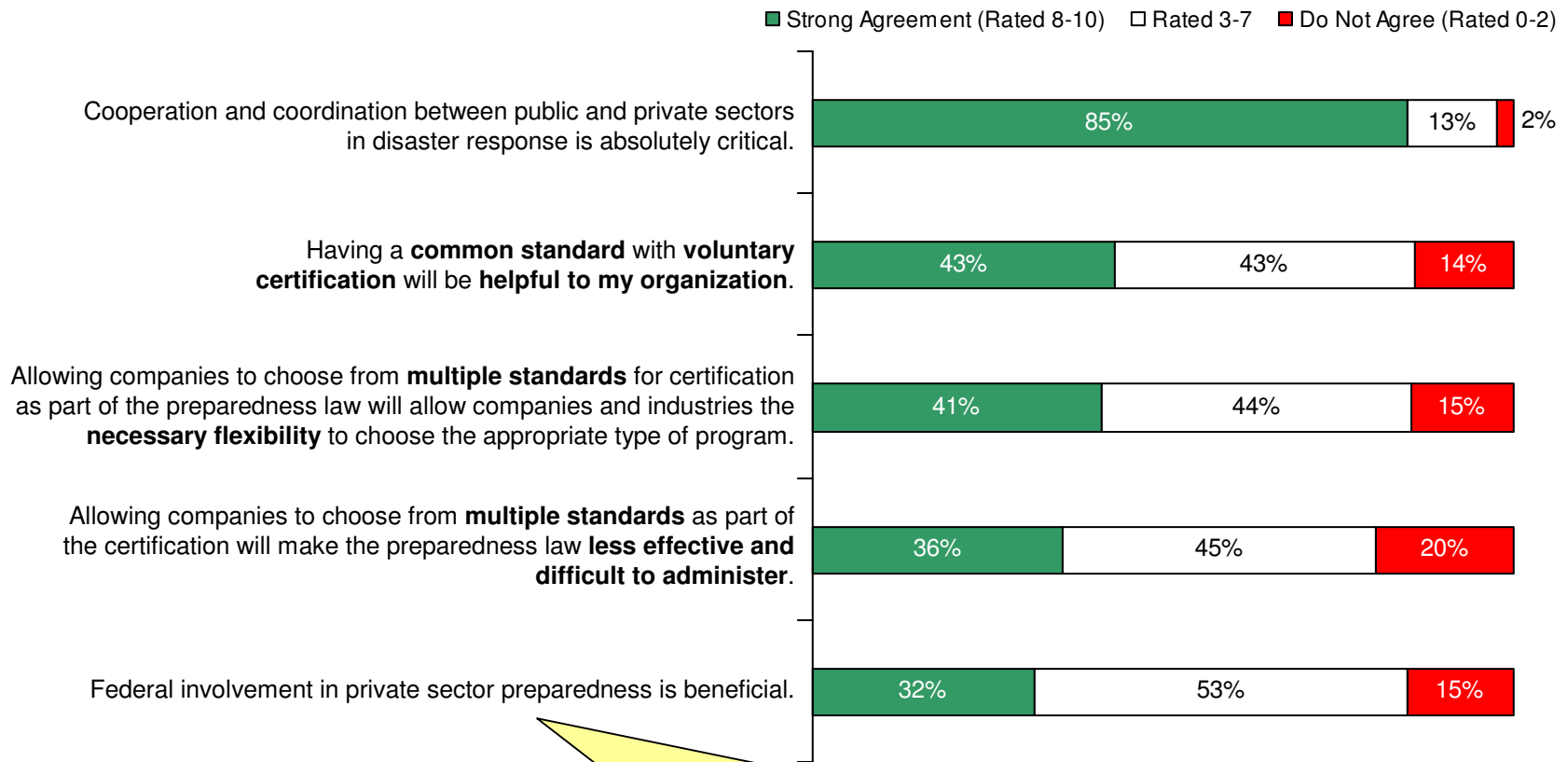


Q10. Which of the following standards (or system), if any, does your company's Disaster/Emergency Management and Business Continuity preparedness plans/programs meet?

# In fact, organizations do not reach consensus on the issue of single/common versus multiple standards.

## Attitudes Towards Standards / Coordination

(Base: Total Sample, n=255)



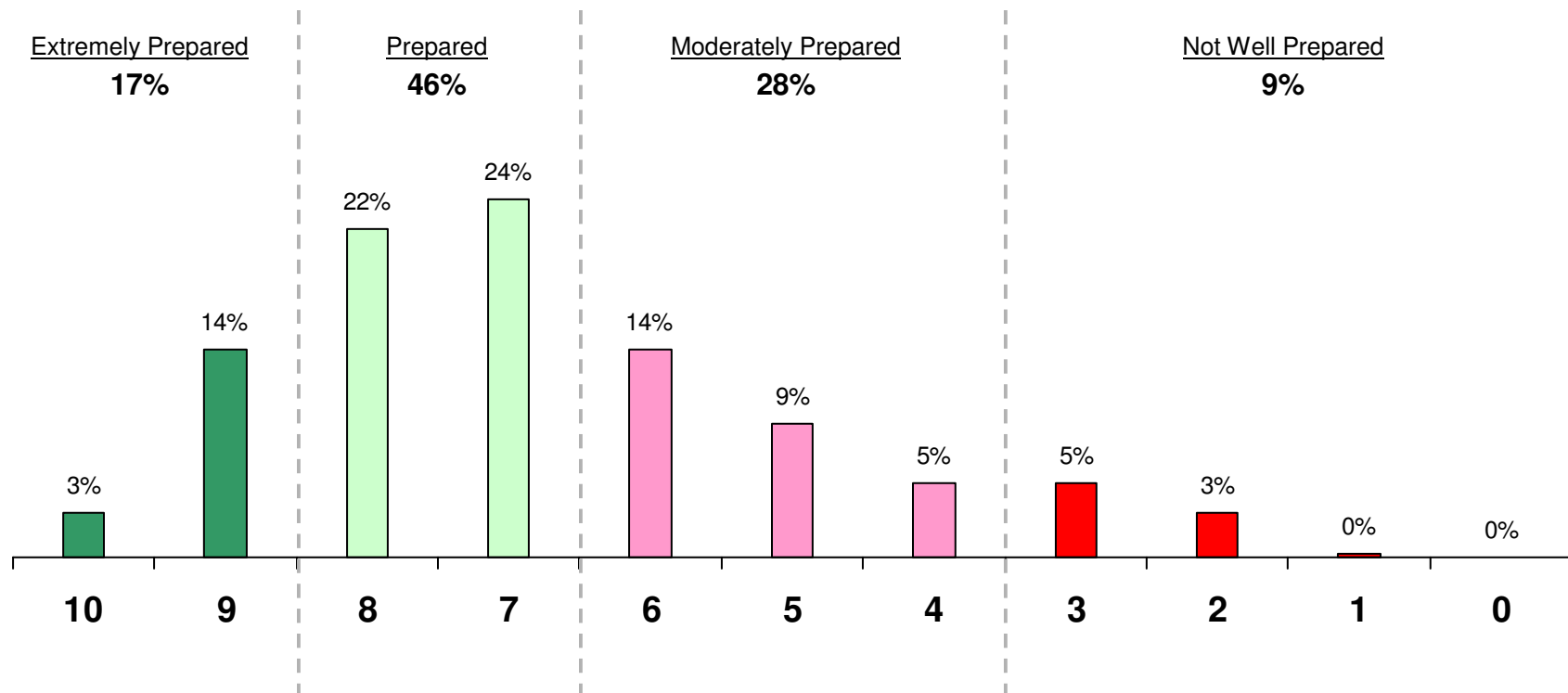
Although public-private cooperation is critical, few strongly agree that federal government involvement is needed for establishing private sector preparedness.

Q28. Please indicate how much you agree with each of the following statements.

# Most companies report that their firms are prepared for crises, but there is room for improvement (only 17% extremely prepared).

## Organizational Preparedness (Self-Stated)

(Base: Total Sample, n=255)

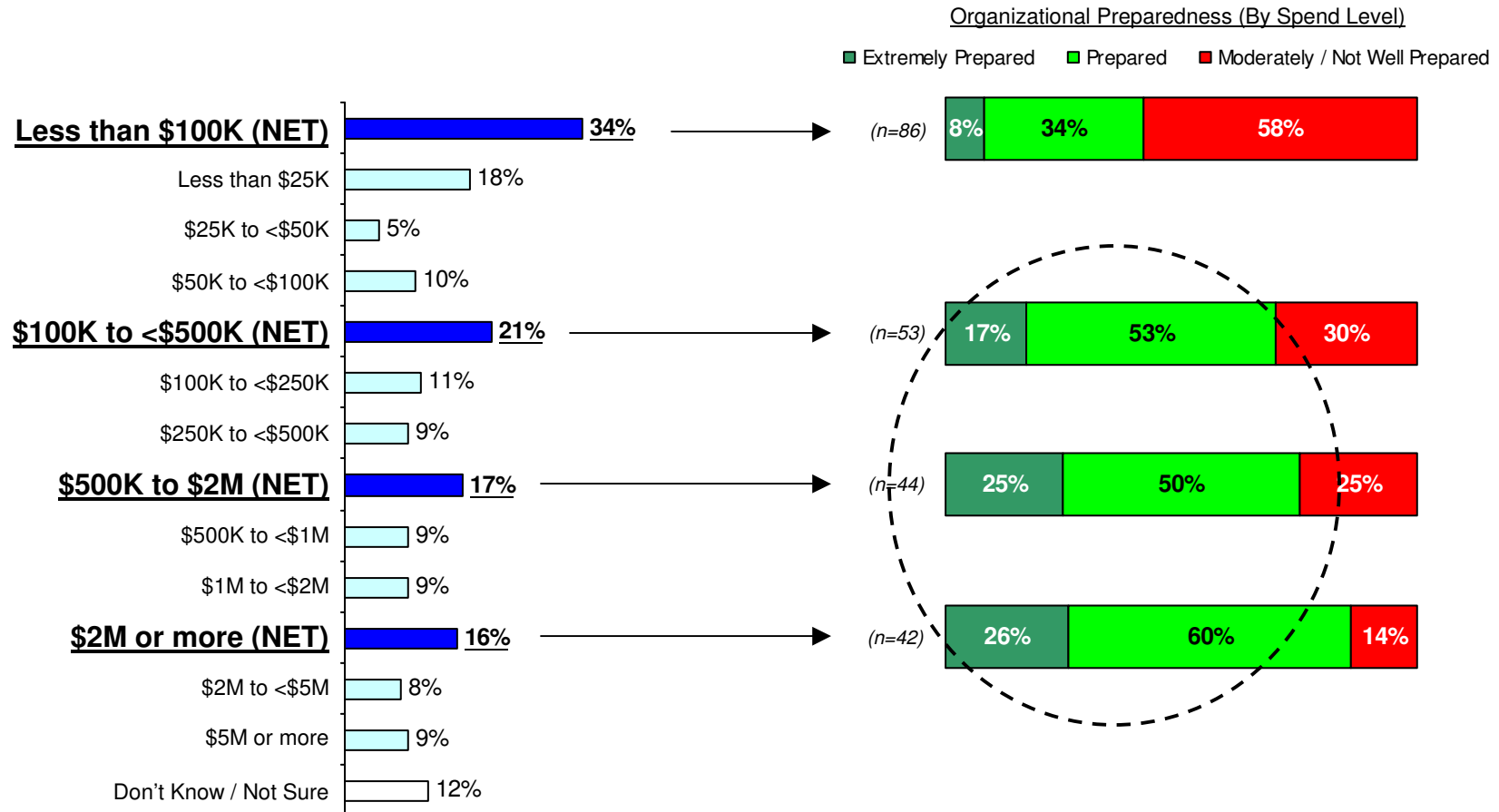


Q7. In your opinion, how prepared is your company for disaster, major emergency, and business disruption incidents? As you respond, think about life safety/emergency management plans, business continuity plans, IT disaster recovery, crisis communications, as well as the maturity of implemented programs.

# Spending over \$100K annually aligns more closely with stronger crisis preparedness.

## Typical Annual Spend on EM / BCP

(Base: Total Sample, n=255)

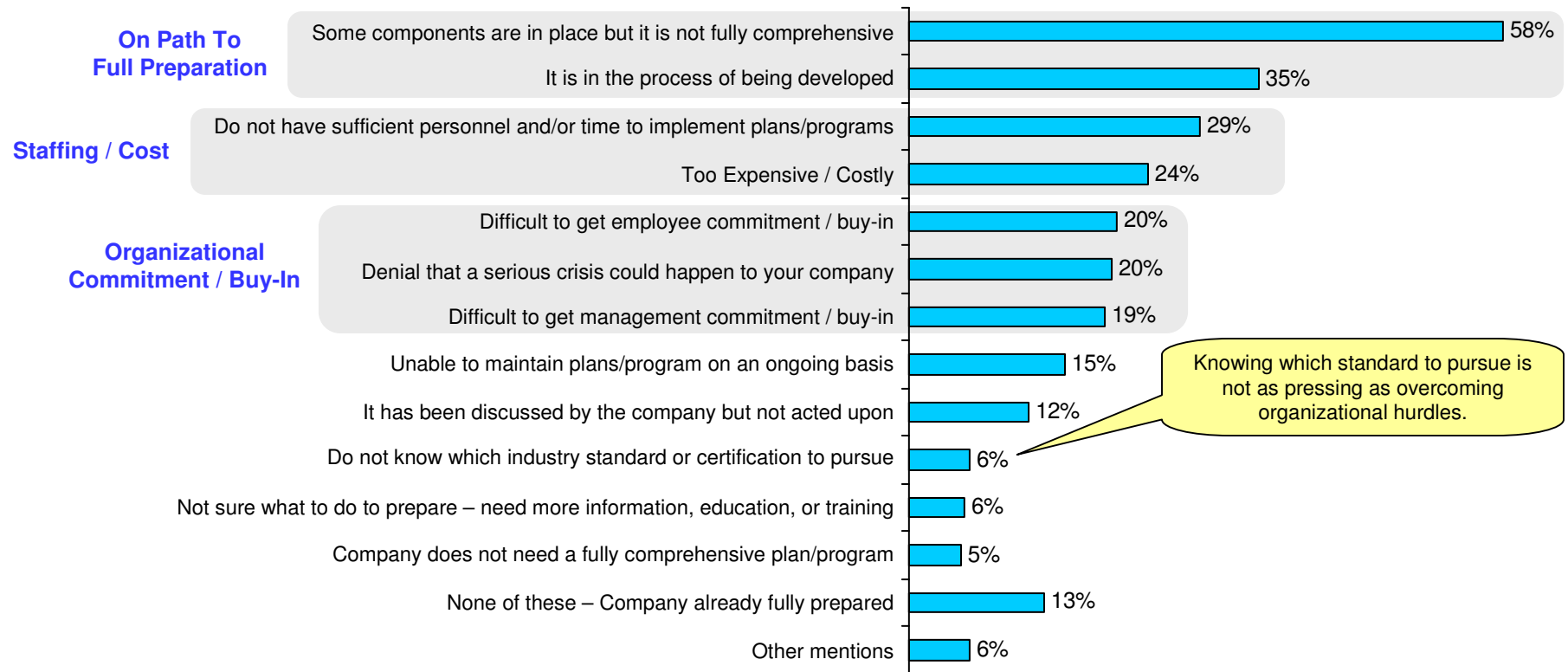


Q13. How much does your company typically spend annually on Disaster/Emergency Management and Business Continuity preparedness? Your best estimate is fine.

# Internal organizational constraints (e.g., plans in process, cost/staffing, org. buy-in) most hinder increased EM/BCP planning.

## Barriers to Becoming Fully Prepared For Crises

(Base: Total Sample, n=255)



Q8. What are the main reasons that your company may not be fully prepared for disaster, major emergency, and business disruption incidents?

---

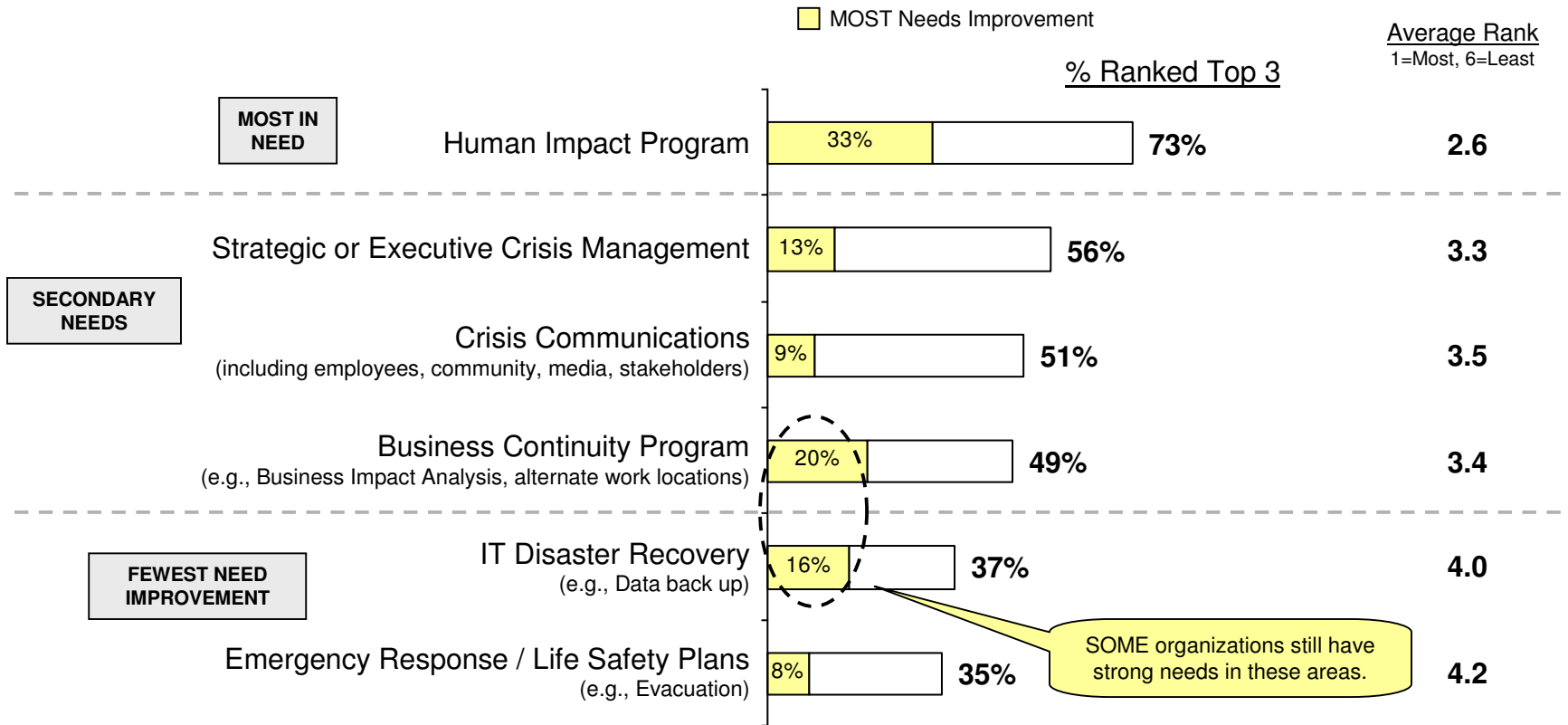
# Needs & Desires

*What can be done to improve organizational preparedness?*

# Organizations clearly recognize that their Human Impact Programs require improvement; secondarily, many also target Executive CM.

## Areas Most Requiring Improvement

(Base: Total Sample, n=255) Each Respondent Ranked Each Item From 1 to 6



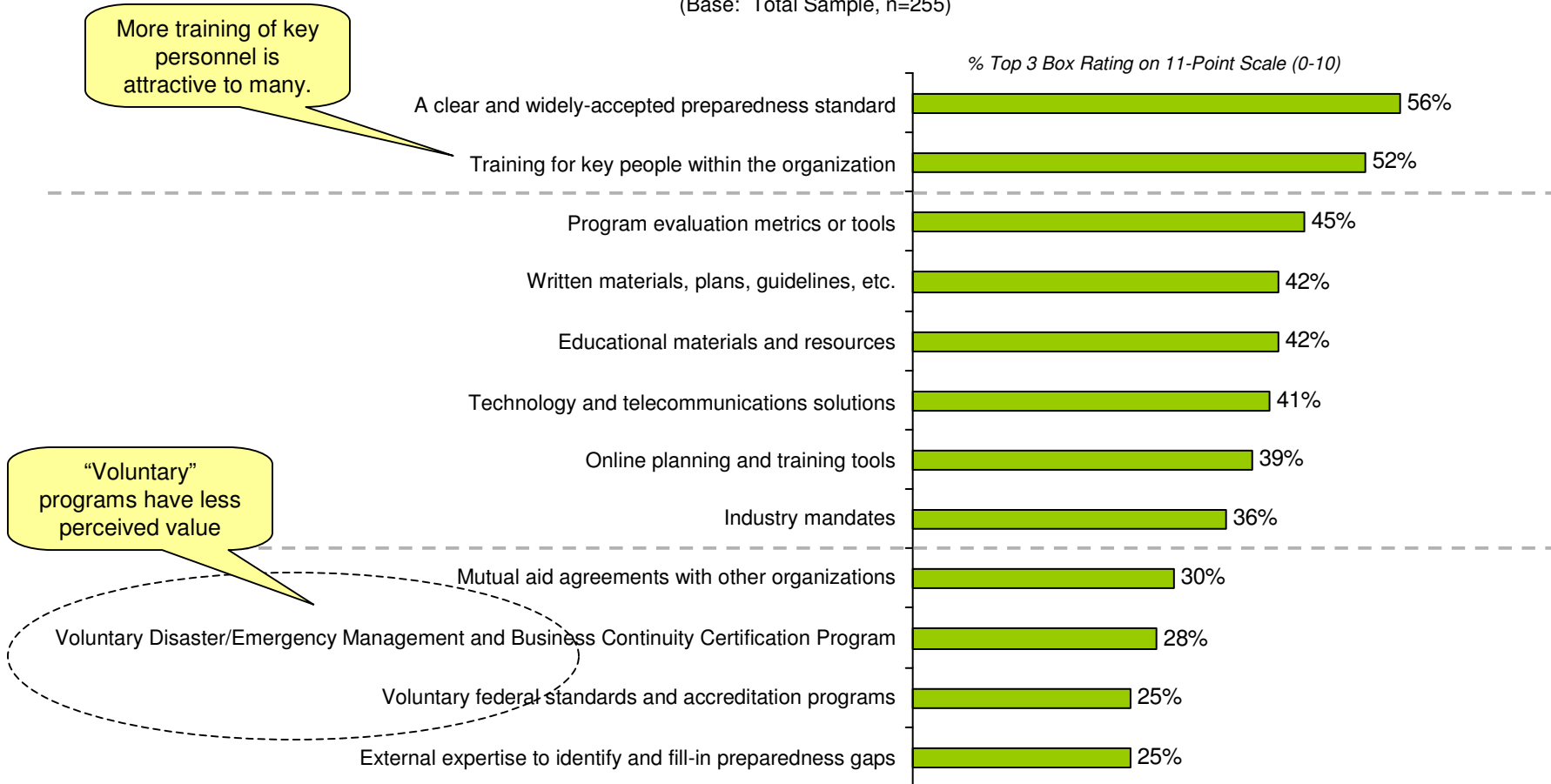
Q14. In which of the following areas does your company most need improvement? Please rank each item from 1 to 6 where a 1 means it MOST needs improvement, a 2 means it is 2nd-MOST in need of improvement and so on until all have been ranked.

# Despite limited recognition as a current barrier or motivator, a widely-accepted preparedness standard might trigger some to action.

## Most Helpful To Improve Preparedness

(Base: Total Sample, n=255)

% Top 3 Box Rating on 11-Point Scale (0-10)

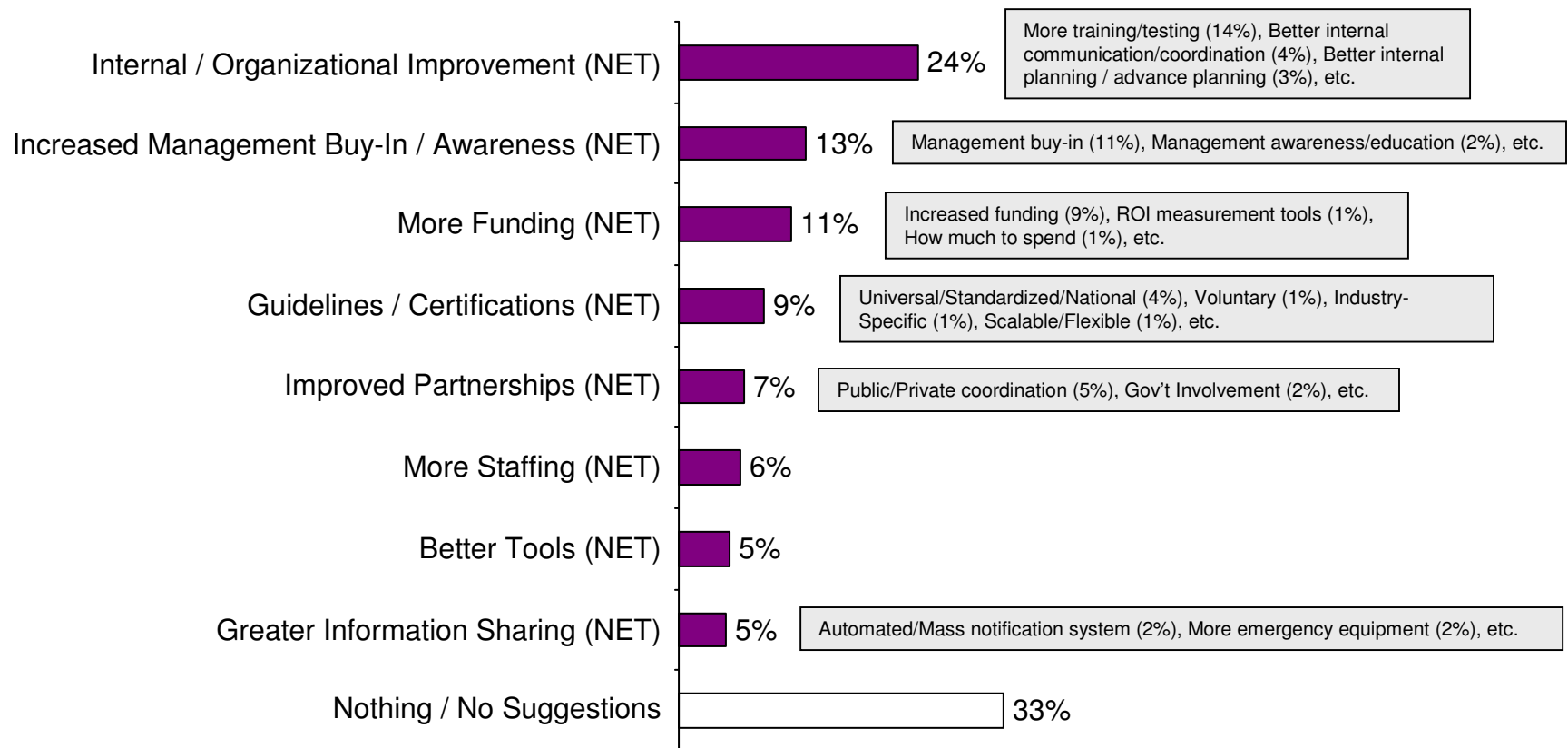


Q16. How HELPFUL would each of the following be to your company in order to improve your company's preparedness for disaster, major emergency, and business disruption incidents?

# Key CM decision-makers ultimately want to see more acceptance from within their own organizations – more training, collaboration, buy-in, funding, etc.

## Additional Preparedness Needs/Desires (Open-End)

(Base: Total Sample, n=255) NOTE: Only Nets and key/leading codes displayed



Q17. What else, if anything, would you need or want in order to improve your company's preparedness for disaster, major emergency, and business disruption incidents?

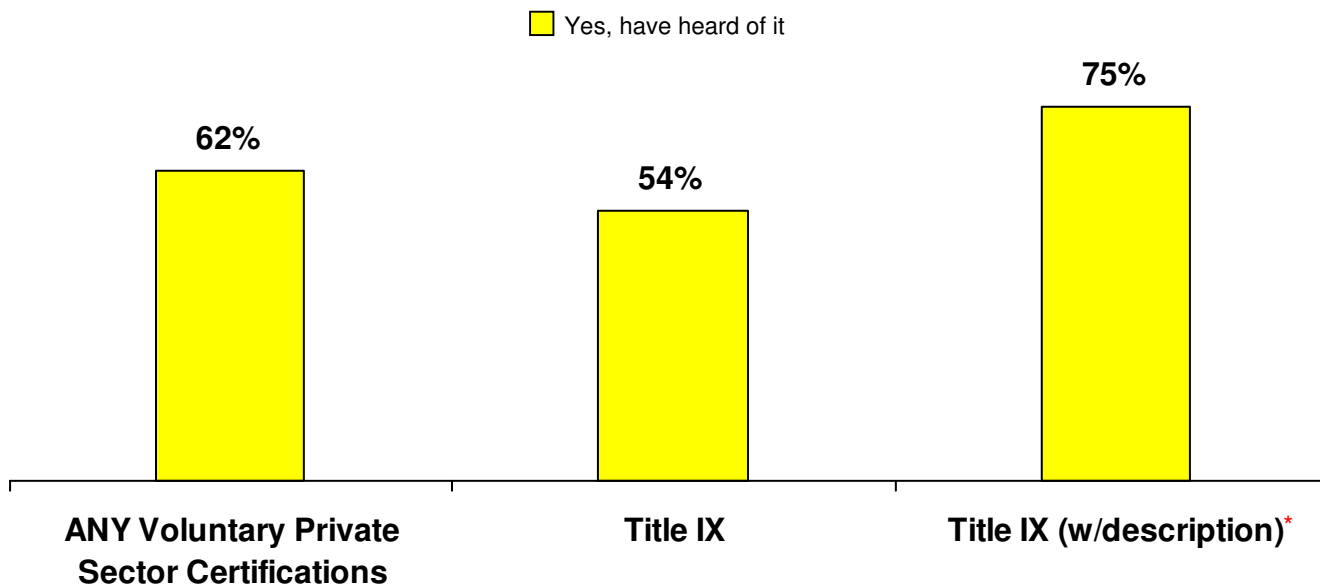
---

# Evaluation of Title IX

# Awareness of the voluntary private sector certification law (Title IX) is not lacking.

## Awareness of Voluntary Certification / Title IX (For Private Sector)

(Base: Total Sample, n=255)



**\*Title IX of Public Law 110-53**

In August 2007, Public Law 110-53 was signed. It is not yet implemented, but will provide a VOLUNTARY Disaster/Emergency Management and Business Continuity preparedness accreditation and certification for private sector organizations. The intent of this law will be to provide private sector organizations with guidance, verifiable criteria and certification for planning to protect their people, operations and other assets during unexpected disruptions or disaster situations.

Q18. Next, have you ever seen, read, or heard about voluntary emergency preparedness certification for the private sector?

Q19. Have you ever heard of **Title IX of Public Law 110-53**, which provides a framework for voluntary preparedness certification within the private sector?

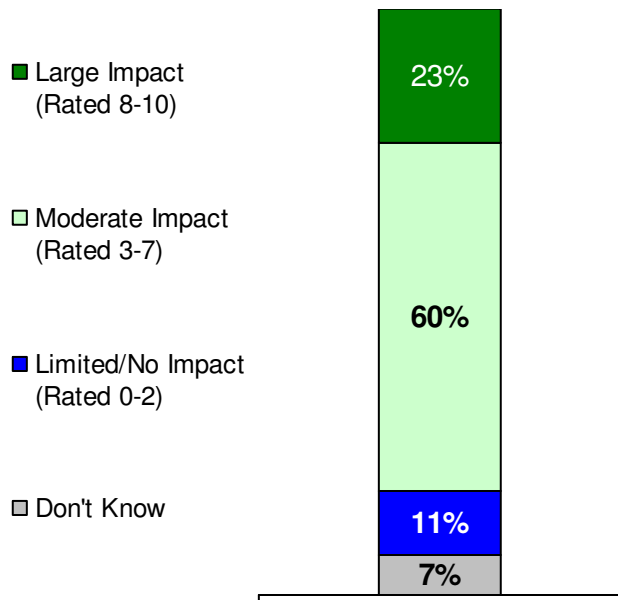
Q20. Please read the following about Title IX of Public Law 110-53. Based on this description of Title IX of Public Law 110-53, would you now say that you have heard of it?

# Despite expecting a modest impact from Title IX, a notable number of firms (39%) will likely comply; many, however, remain undecided.

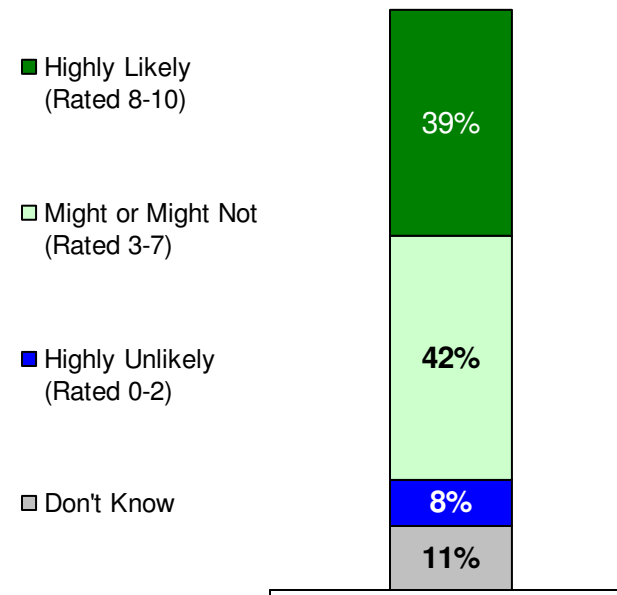
## Expected Impact of Voluntary Certification Law

(Base: Total Sample, n=255) Rating on 11-Point Scale (0-10)

### Impact on Private Sector Preparedness



### Likelihood To Comply



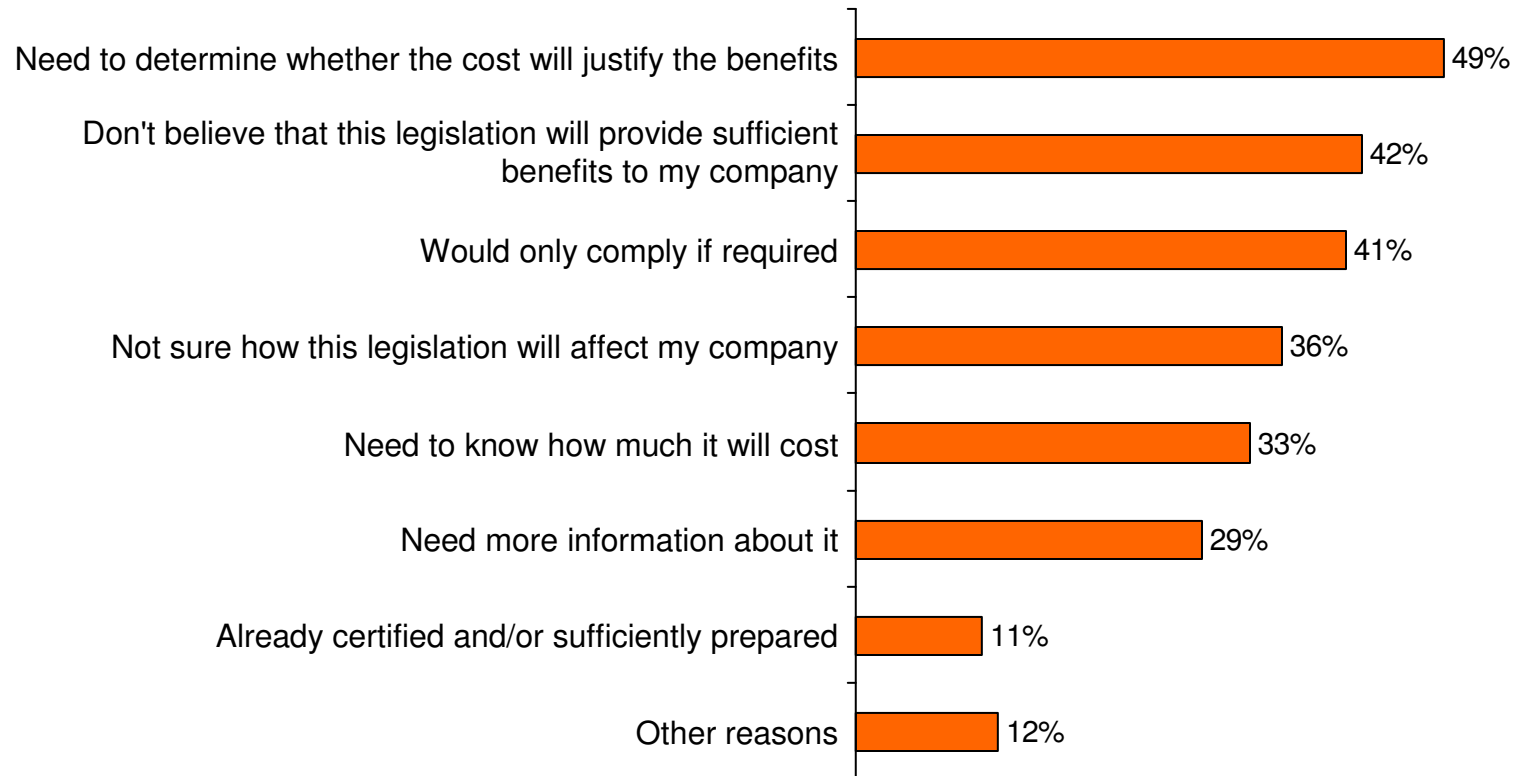
Q21. How much impact do you think this voluntary private sector certification law (Title IX of Public Law 110-53) will have on improving the private sector's preparedness for unexpected disruptions or disaster situations?

Q23. How likely is it that your company will comply with this voluntary private sector certification law (Title IX of Public Law 110-53)?

# The cost of the program is a key unknown for firms least likely to comply and needs to be weighed against the plan's benefits (i.e., more info required).

## Barriers to Title IX Compliance

(Base: Unlikely To Comply, 5 or less rating, n=76)

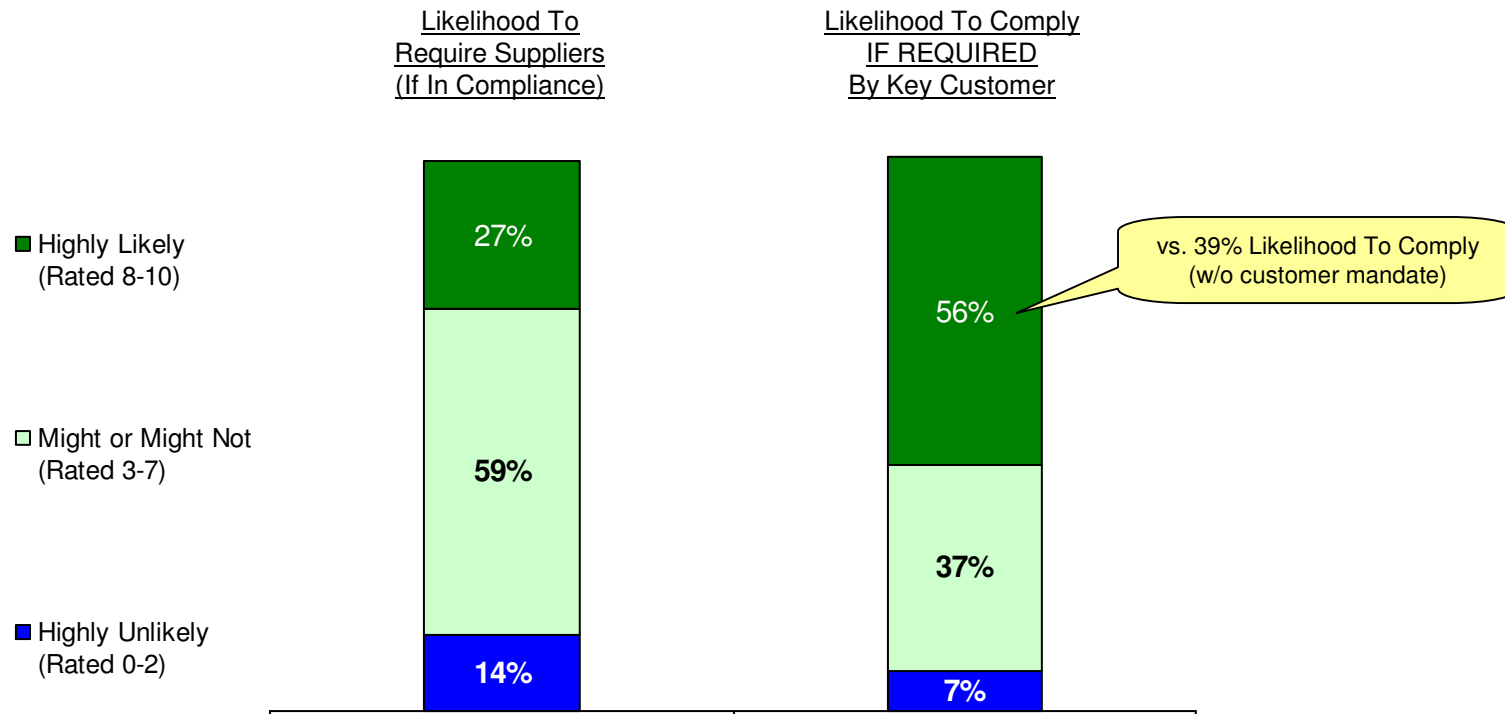


Q24. Why is it unlikely that your company will comply with this voluntary private sector certification law (Title IX of Public Law 110-53)?

# Although firms do not show strong interest in pushing Title IX through supply chains, customer mandates would have a strong impact on acceptance.

## Impact of Supply Chain Mandates

(Base: Total Sample, n=255) Rating on 11-Point Scale (0-10)



Q25. Suppose that your company was in compliance with this voluntary private sector certification law (Title IX of Public Law 110-53). How likely is it that your company would require its suppliers to comply with this legislation?

Q26. Now suppose that one of your company's key strategic customers was in compliance with this voluntary private sector certification law (Title IX of Public Law 110-53) and required your company to be in compliance. How likely is it that your company would comply with this legislation?

---

# Key Differences By Size of Company

## Smaller organizations (<\$500M) do not have the risk profile (fewer dedicated personnel, fewer emergencies, etc.) of larger organizations.

### Respondent / Organizational Profile

(Only Key/Meaningful Differences Displayed)

	Total Sample	Less than \$500M	\$500M to \$5B	\$5B+
	(n=255)	(n=73) <b>A</b>	(n=62) <b>B</b>	(n=90) <b>C</b>
<b>Role in Company</b>				
Business Continuity	59%	36%	69% <b>A</b>	70% <b>A</b>
Security Director/Manager	20%	18%	11%	27% <b>A</b>
Executive Level (C-Level)	14%	38% <b>BC</b>	7%	2%
Human Resources	5%	11% <b>BC</b>	2%	1%
<b>Industry (QD3)</b>				
Manufacturing	14%	6%	23% <b>A</b>	20% <b>A</b>
Transportation/Communications/Utilities	10%	4%	5%	20% <b>AB</b>
Business Services	7%	14% <b>C</b>	7%	2%
Other Services	4%	8% <b>C</b>	3%	1%
<b>Emergency Occurrence Frequency (Any Type)</b>				
None	13%	30% <b>BC</b>	8%	2%
At Least One	88%	70%	92% <b>A</b>	98% <b>A</b>
3 or more	73%	47%	82% <b>A</b>	92% <b>A</b>
<b>Impact of Loss of Goods/Services on Public</b>				
Severe or Substantial (Top 4 Box)	44%	36%	36%	56% <b>AB</b>
<b>DHS Critical Infrastructure Company</b>				
Yes	42%	22%	36%	62% <b>AB</b>

Letter indicates statistically higher versus corresponding column @ 90% C.L.

**Not surprisingly, larger firms tend to be more prepared than smaller firms; however, the small (<\$500M) firms do not appear to be ill-prepared.**

### Current Levels of Preparedness

(Only Key/Meaningful Differences Displayed)

	Total Sample	Less than \$500M	\$500M to \$5B	\$5B+
	(n=255)	(n=73) A	(n=62) B	(n=90) C
<b>Current Plans/Programs in Place</b>				
IT Disaster Recovery	93%	89%	90%	98% A
Emergency Response	92%	84%	98% A	94% A
Crisis Communications	85%	75%	90% A	88% A
Business Continuity	82%	71%	81%	88% A
Strategic Crisis Management	75%	66%	69%	83% AB
Human Impact Program	56%	45%	44%	70% AB
<b>Customer Requirements</b>				
IT Disaster Recovery	56%	45%	55%	61% A
Business Continuity	49%	34%	48%	57% A
<b>Standards Company Currently Meets</b>				
Sarbanes Oxley	35%	18%	32% A	52% AB
NFPA 1600	27%	16%	24%	40% AB
<b>Organizational Preparedness (Self-Stated)</b>				
Top 3 Box	40%	29%	40%	46% A
<b>Typical Annual Spend on EM / BCP</b>				
Less than \$100K	34%	70% BC	29%	7%
\$1M or more	25%	6%	27% A	43% A

Human Impact Programs decline substantially below \$5B

Letter indicates statistically higher versus corresponding column @ 90% C.L.

# Larger companies (\$5B+) desire relatively less federal involvement and have fewer needs/desires than smaller firms.

## Barriers To Increased Preparedness / Needs & Desires

(Only Key/Meaningful Differences Displayed)

	Total Sample	Less than \$500M	\$500M to \$5B	\$5B+
	(n=255)	(n=73) A	(n=62) B	(n=90) C
<b>Barriers To Becoming Fully Prepared</b>				
In process of being further developed	35%	29%	45% AC	30%
Difficult to get management buy-in	19%	11%	24% A	23% A
<b>Drivers/Motivators of CM Preparedness</b>				
A prior major organizational disruption/loss	35%	25%	36%	44% A
To set a good example with supply chain providers	24%	27% B	11%	26% B
<b>Attitude Towards Federal Involvement</b>				
Federal involvement in private sector preparedness is beneficial	32%	38% C	36%	24%
<b>Most Desired Items To Improve Preparedness</b>				
Training for key people within the organization	52%	51%	65% C	41%
Program evaluation metrics or tools	45%	41%	52%	42%
Written materials, plans, guidelines, etc.	42%	47%	50% C	34%
Educational materials and resources	42%	47% C	45%	32%
Technology and telecommunications solutions	41%	41%	52% C	33%
Online planning and training tools	39%	44%	44%	32%
Industry mandates	36%	32%	47% C	31%
Voluntary federal standards and accreditation programs	26%	29%	36% C	20%

Mid-size firms in the process of developing CM plans have the strongest needs (foremost is training)

Letter indicates statistically higher versus corresponding column @ 90% C.L.

# With stronger awareness of voluntary plans, Title IX compliance may initially be stronger among larger (\$5B+) firms.

## Evaluation of Title IX

(Only Key/Meaningful Differences Displayed)

	Total Sample	Less than \$500M	\$500M to \$5B	\$5B+
	(n=255)	(n=73) <b>A</b>	(n=62) <b>B</b>	(n=90) <b>C</b>
<b>Awareness of Title IX</b>				
Without description	54%	40%	53%	70% <b>AB</b>
With description	75%	64%	74%	86% <b>A</b>
Any voluntary emergency certification for private sector	62%	40%	65% <b>A</b>	79% <b>AB</b>
<b>Likelihood To Comply With Title IX</b>				
Highly Likely (Top 3 Box)	39%	38%	36%	47%
<b>Barriers To Title IX Compliance</b> (Base: Unlikely To Comply)				
Would only comply if required	41%	32%	47%	47%
Not sure how legislations would affect my company	36%	55%	18%	30%
Need to know how much it will cost	33%	46%	29%	30%
Need more information about it	29%	36%	41%	20%

There also may be more resistance among larger firms.

Letter indicates statistically higher versus corresponding column @ 90% C.L.

---

# Key Differences By Likelihood To Comply with Title IX (Highly Likely vs. Less Likely)

**Those likely to comply with Title IX are more likely to be DHS CI, have critical goods/services, and more likely to have experienced emergencies.**

### **Respondent / Organizational Profile**

(Only Key/Meaningful Differences Displayed)

	<b>Total Sample</b>	<b>Highly Likely To Comply</b>	<b>Less Likely To Comply</b>
	(n=255)	(n=100) <b>A</b>	(n=127) <b>B</b>
<b>Industry</b>			
Manufacturing	14%	8%	21% <b>A</b>
<b>Emergency Occurrence Frequency (Any Type)</b>			
None	13%	6%	19% <b>A</b>
At Least One	88%	94% <b>B</b>	81%
3 or more	73%	82% <b>B</b>	68%
<b>Impact of Loss of Goods/Services on Public</b>			
Severe or Substantial (Top 4 Box)	44%	51% <b>B</b>	39%
<b>DHS Critical Infrastructure Company</b>			
Yes	42%	53% <b>B</b>	34%

Letter indicates statistically higher versus corresponding column @ 90% C.L.

Those more favorable to Title IX are more prepared overall and spend more – customers mandates also have more impact on these firms.

### Current Levels of Preparedness

(Only Key/Meaningful Differences Displayed)

	Total Sample	Highly Likely To Comply	Less Likely To Comply
	(n=255)	(n=100) <b>A</b>	(n=127) <b>B</b>
<b>Current Plans/Programs in Place</b>			
Strategic Crisis Management	75%	83% <b>B</b>	67% <b>A</b>
Human Impact Program	57%	65% <b>B</b>	49% <b>A</b>
<b>Customer Requirements</b>			
IT Disaster Recovery	56%	61%	50%
Business Continuity	49%	52%	43%
Emergency Response / Life Safety Plans	33%	40% <b>B</b>	28%
Crisis Communications	28%	33%	26%
Strategic or Executive Crisis Management	25%	30%	21%
Human Impact Program	20%	27% <b>B</b>	14%
<b>Standards Company Currently Meets</b>			
Sarbanes Oxley	35%	41% <b>B</b>	30%
NFPA 1600	27%	36% <b>B</b>	21%
National Incidence Management System	17%	24% <b>B</b>	13%
Business Continuity Institute Good Practice Guidelines 2007	13%	18% <b>B</b>	9%
<b>Organizational Preparedness (Self-Stated)</b>			
Top 3 Box	40%	50% <b>B</b>	30%
<b>Typical Annual Spend on EM / BCP</b>			
Less than \$100K	34%	23%	41% <b>A</b>
\$100K to \$1M	29%	39% <b>B</b>	26%

More likely to comply with other industry standards

Letter indicates statistically higher versus corresponding column @ 90% C.L.

## Those less likely to comply with Title IX face more barriers to organizational preparedness, overall.

### Barriers To Increased Preparedness

(Only Key/Meaningful Differences Displayed)

	<b>Total Sample</b>	<b>Highly Likely To Comply</b>	<b>Less Likely To Comply</b>
	(n=255)	(n=100) <b>A</b>	(n=127) <b>B</b>
<b>Barriers To Becoming Fully Prepared</b>			
Some components are in place but it is not fully comprehensive	58%	55%	66%
Do not have sufficient personnel and/or time to implement plans/programs	29%	20%	38% <b>A</b>
Too Expensive / Costly	24%	18%	28%
Denial that a serious crisis could happen to your company	20%	13%	26% <b>A</b>
Difficult to get management commitment / buy-in	19%	10%	26% <b>A</b>
It has been discussed by the company but not acted upon	12%	4%	17% <b>A</b>
<b>Drivers/Motivators of CM Preparedness (Top 3 Box)</b>			
Desire to protect the assets of the organization	67%	76% <b>B</b>	60%
Request by corporate/strategic customers	40%	48% <b>B</b>	34%
Fear of legal liability if not prepared	37%	45% <b>B</b>	31%
<b>Attitude Towards Standards/Coordination (Top 3 Box)</b>			
Having a common standard with voluntary certification will be helpful to my organization.	43%	62% <b>B</b>	32%
Federal involvement in private sector preparedness is beneficial	32%	44% <b>B</b>	24%

Letter indicates statistically higher versus corresponding column @ 90% C.L.

# Companies less likely to comply are more likely to need IT and BCP improvement – they also have fewer needs/wants.

## Preparedness Needs/Desires

(Only Key/Meaningful Differences Displayed)

	Total Sample	Highly Likely To Comply	Less Likely To Comply
	(n=255)	(n=100) <b>A</b>	(n=127) <b>B</b>
<b>Areas Most Requiring Improvement (Ranked Top 3)</b>			
Strategic or Executive Crisis Management	56%	63% <b>B</b>	50%
Crisis Communications	51%	59%	49%
Business Continuity Program	49%	40%	59% <b>A</b>
IT Disaster Recovery	37%	30%	40%
Emergency Response / Life Safety Plans	35%	37%	30%
<b>Most Helpful To Improve Preparedness (Top 3 Box)</b>			
A clear and widely-accepted preparedness standard	56%	65%	54%
Program evaluation metrics or tools	45%	53% <b>B</b>	39%
Educational materials and resources	42%	50% <b>B</b>	35%
Online planning and training tools	39%	48% <b>B</b>	33%
Voluntary Disaster/Emergency Management and Business Continuity Certification Program	28%	38% <b>B</b>	21%
Voluntary federal standards and accreditation programs	26%	40% <b>B</b>	17%

Letter indicates statistically higher versus corresponding column @ 90% C.L.

**Awareness is the not the barrier to Title IX compliance – less interested firms do not believe that voluntary compliance will have a positive impact.**

**Evaluation of Title IX**

(Only Key/Meaningful Differences Displayed)

	<b>Total Sample</b>	<b>Highly Likely To Comply</b>	<b>Less Likely To Comply</b>
	(n=255)	(n=100) <b>A</b>	(n=127) <b>B</b>
<b>Awareness of Title IX</b>			
Without description	54%	60%	55%
With description	75%	76%	75%
Any voluntary emergency certification for private sector	62%	68%	61%
<b>Impact on Private Sector Preparedness</b>			
Top 3 Box	23%	44% <b>B</b>	9%
<b>Impact of Supply Chain Mandates</b>			
Likelihood to Require Supplier – Top 3 Box	27%	41% <b>B</b>	17%
Likelihood to Comply if Required – Top 3 Box	56%	82% <b>B</b>	38%

Letter indicates statistically higher versus corresponding column @ 90% C.L.