



16 May 2006

Dear Colleague,

CHARTERED MANAGEMENT INSTITUTE BUSINESS CONTINUITY SURVEY 2006

Today sees the publication of the results of the 2006 Chartered Management Institute (CMI) Business Continuity Survey, which was supported by the Cabinet Office (CCS). The report can be downloaded from UK Resilience (<http://www.ukresilience.info>). This note outlines the results of the survey and its relevance to local responders.

Background

The CMI's survey took in responses from 1150 respondents (from a sample of 10,000) from across all sectors from all sizes of organisation and from all areas of the UK. The results of the survey, the insights it provides and the recommendations of the report's authors will be of interest to all Category 1 responders. The report gives a valuable insight into the extent and quality of BCM across the country; the drivers, constraints and decision makers; and what additional guidance and assistance organisations would welcome. It will therefore be of particular interest to local authorities in undertaking their Civil Contingencies Act duty to promote effective business continuity to commercial and voluntary organisations in their areas.

The key messages on the take up of BCM in the UK are:

- Not enough is being done by many organisations to prepare for potential disruption – whether major emergency or minor disruption – only 49% of organisations have in place business continuity plans, with only 37% of those with BCPs saying their plans are rehearsed once or more a year. However, the report also provides some useful evidence for those promoting BCM activity – 94% of those who have plans and have had to invoke them agreed that the BCP reduced disruption; and of those who had exercised plans, 79% identified and remedied shortcomings as a result.
- Most organisations tend to focus their plans on loss of IT and telecommunications, and are less likely to focus on loss of people and loss of skills – this is at odds with the broad range of risks faced by organisations across the country (e.g. possible influenza pandemic).



- There is little communication of business continuity planning beyond central teams to wider employees, customers and suppliers – only 61% communicate BCPs to all employees. Only 1 in 10 organisations with BCPs are communicating these to suppliers and just 19% to customers.
- Many organisations fail to consider their reliance on external suppliers and contractors, and don't involve them in BCP - 67% of the survey respondents report that their organisations outsource some of their facilities or services, and of these, only 37% require business-critical suppliers to have BCPs. The report emphasises that *“by failing to ask suppliers for evidence of business continuity arrangements, organisations are putting themselves and those they supply, at risk. Ensuring that business continuity planning is core to the complete supply chain is an essential part of effective management.”*

The report also yields an interesting insight into how BCM is organised, what the drivers are and what guidance organisations are looking for. The report notes:

- Senior managers think BCM is important, and it is usually they or the board who are responsible for leading BCM and controlling the budget – A total of 77% of managers report that BCM is regarded as important or very important by senior management in their organisation. Responsibility for leading BCM sits with senior management or the board in 71% of cases. There also appears to be an increase in the use of dedicated BCM teams (up from 8% in 2005 to 18% this year). For the majority of organisations, control of the BCM budget sits with the managing director (31%) or finance director (25%).
- Corporate governance and customer demand are cited as the most important drivers for BCM. Central government and legislation have become significantly more important – The importance of corporate governance has almost doubled since 2002, with 56% of public sector managers and 52% of PLCs citing it as the key driver for BCM. Customer demand is the second most common driver (31%). Central government and legislation have both overtaken insurers as important drivers, perhaps reflecting the Civil Contingencies Act.

The survey also asked organisations what additional guidance they wanted about BCM, and in what format. The results are not reflected in the final report, but are particularly interesting for us and for those promoting business continuity. The findings were:

- Many organisations wanted further guidance on BCM. The internet was the preferred delivery format, while others looked for printed materials or seminars – 50% wanted further guidance on creating a business continuity plan. Also seen as useful were case studies of BCM in action (42%), and information about the business case or benefits of BCM (28%). In terms of format, the internet was most preferred by 70% of respondents, while 53% wanted printed materials (like handbooks or leaflets) and 20% would want speaker events or seminars.

I should note that we will also be taking the survey findings to the first meeting of our national Business Advisory Group on Civil Protection. This group will bring together central government departments (including Cabinet Office, Home Office, DTI and DCLG) and business representative organisations (such as the CBI, Federation of Small Businesses, British Chamber of Commerce, plus sector-specific groups like the British



Bankers Association and Water UK). The group will improve communications between business and government on civil protection issues, and will provide a forum through which business can be involved in the policy making process. We also continue to provide a range of business continuity resources to businesses and voluntary organisations through the Preparing for Emergencies website (<http://www.pfe.gov.uk>) where they can find guidance, case studies and links to further sources of advice. We would encourage local responders to promote this website, in addition to their own, to organisations seeking assistance.

As always, we would be very pleased to receive any feedback you have on this bulletin. If you have got any questions or queries about any aspect of this letter, please contact us at ccact@cabinet-office.x.gsi.gov.uk.

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