



## 2006 BUSINESS CONTINUITY POLL SUMMARY

### Overview

Despite the devastation of Hurricanes Katrina and Rita, more than one-fifth of large U.S. businesses (21 percent) have not budgeted to prepare for and maintain operations during natural disasters, according to a national survey commissioned by Emerson (NYSE: EMR).

Additional topline results include:

- 60 percent of respondents say it is likely their business will experience a power outage this year.
- 38 percent of large businesses estimate that one full business day of downtime would result in at least \$500,000 in lost revenue, and 15 percent forecast one-day losses of \$2 million or more.
- Despite the risk, 45 percent of large businesses say they spend less than \$200,000 annually to provide backup power to protect against costly downtime.
- Seventy-six percent of large businesses have a specific employee or team designated to prepare for and deal with business continuity.

### Other Key Findings

#### ***Power outages – past and future***

- Power outages resulting in downtime are common. Forty-seven percent of survey respondents said their large businesses experienced a power outage that resulted in downtime in 2005.
  - Of those experiencing power outages, 44 percent were without power for at least eight hours during the longest outage.
  - 61 percent of large businesses have conducted an audit of their backup power needs since the 2005 hurricane season.

#### ***Disruption Threats***

- Many businesses are more prepared for power losses than handling threats of disruption from other sources. For instance, less than half (49 percent) of large businesses say their IT departments are prepared to handle an outbreak of the Avian Flu.

#### ***Power advantage***

- The great majority of large businesses (89 percent) say that a business continuity plan would/does give their company a competitive advantage over companies that do not have such a plan.

#### ***Protection priorities***

- Customer support (89 percent) is the most important business operation to protect from the effects of a power outage, followed by CRM systems and ERP systems (85 percent), and remote systems (83 percent).