



## 2008 Small-Business Power Outage Survey – Facts and Figures

When a power outage strikes, are America's small businesses prepared to deal with the disruption? Not really, according to a recently conducted survey by Emerson Network Power, a business of Emerson and the global leader in enabling Business-Critical Continuity™.

In fact, according to the survey, **only 39 percent of small businesses have back-up power supplies** that can keep the lights on, the computers running, and employees working during power outages. Additionally, **42 percent of small companies** that experienced outages in 2007 **actually had to close their doors** during the outages.

Why is this so alarming? Because small businesses play a growing and vital role in the U.S. economy – generating more than 45 percent of the U.S. payroll, meaning that extended downtime at one or even a handful of small companies has the potential to cause a ripple effect. In a 24/7, always-on economy, small companies cannot afford to go offline.

Here is a look at other results from the survey:

### **Topline Results**

- *Outages are a fact of life for small businesses:* 79 percent of the small-business decision-makers surveyed experienced at least one power outage in 2007. More than one in four, 29 percent, experienced three or more outages last year.
- *Small businesses believe power outages are substantial threats:* Based on the responses of the small-business decision-makers, outages rank ahead of fire, government regulation, weather damage, theft, and employee turnover in terms of business threats.
- *Nevertheless, small businesses remain largely unprepared for outages:* 61 percent of small businesses do not have back-up power supplies.

### **Other Key Findings**

#### ***Back-up Power Systems Fuel Competitive Advantages***

- 56 percent of those surveyed agree that back-up power systems represent a competitive advantage.

#### ***Back-up Plan, Back-up Power***

- Back-up power is an important element of a business-continuity plan. Most small businesses with a business-continuity plan have back-up power supplies (62 percent), while just 29 percent of small businesses without a plan have back-up power.

#### ***'Tis the Season***

- Small businesses most frequently experience power outages in the summer. More than one-third (38 percent) of respondents who experienced outages in 2007 indicated they experienced more power outages in the summer.
- One-fourth (24 percent) said they experienced more outages in the winter.

#### ***Perception Is Everything***

- 54 percent of the respondents mistakenly believe that U.S. businesses experience electrical power outages less frequently or as frequently as other developed countries.
- According to the Electric Power Research Institute (EPRI), the average U.S. power company customer loses power for 214 minutes each year. That compares to 70 minutes in the United Kingdom, 53 minutes in France, and six minutes in Japan. Further, the average Japanese customer loses power once every 20 years, while the average U.S. customer, excluding hurricanes and other strong storms, loses power once every nine months.

### ***(No) Faith in the Grid***

- Four out of 10 respondents feel either Mother Nature (41 percent) or the excessive stresses on the power grid (38 percent) are the biggest threats to reliable electrical power.

### **About The Survey**

Between June 17 and 30, 2008, Decision Analyst Inc., a leading international marketing research and marketing consulting firm, conducted an online survey of 451 small-business decision-makers on the topic of power outages. Emerson Network Power, a business of Emerson, commissioned the survey.

The survey was conducted using a proprietary online panel of more than 110,000 executives in businesses of all sizes. (More than 27,000 of these executives are in small companies, defined as having 99 or fewer employees.)

Panelists are recruited through direct mail, telephone calls, email and distribution lists, and banner ads on select Web sites. All participants must “opt-in” to participate in surveys. Decision Analyst continuously refreshes its panel with new recruits to offset attrition.

An online study is appropriate with this target audience because small-business executives have access to and use the Internet.