

Test Your Readiness IQ

How much do you know about the risks affecting your business? Take this short quiz and test your Disaster Readiness IQ.

1. In any given year, how many businesses will experience a disruption lasting more than a day?
2. How many businesses will not re-open following a disaster?
3. If you cannot get your business back online within 5 business days of a disruption, what are the odds that your business will survive?
4. How many business owners worry about the loss of unrecoverable stored data and information of their companies?
5. How many businesses have a written business continuity plan?
6. What are the most common reasons that small and medium-sized businesses fail to take measures for business continuity planning?
7. How many work-hours does the typical small business lose each year when IT systems fail and employees cannot access their files?
8. What is the average cost of hourly downtime when employees cannot access their computer data?
9. There are additional costs when small businesses lose access to their data, costs that are more difficult to quantify. What are they?
10. How many outages does the average small business experience each year?

Answer key

1. In any given year, how many businesses will experience a disruption lasting more than a day?

About one-third of small and mid-sized businesses will experience a disruption to their operations lasting 24 hours or more. When the National Federation of Independent Business surveyed its members, 30 per cent reported that in the past year, they had experienced a disruption to their operations lasting at least 24 hours. The disruptions arose from a range of causes, such as storms, power outages and the like.

2. How many businesses will not re-open following a disaster?

According to the U.S. Federal Emergency Management Administration (FEMA), 43 per cent of businesses will not re-open following a major disaster. This alarming figure does not take into consideration the consequences of disasters that were not designated “major” disasters by the federal government, such as fires and power outages, which can be devastating to small and mid-sized businesses.

3. If you cannot get your business back online within 5 days of a disruption, what are the odds that your business will survive?

About 10 per cent. A survey of small businesses in the immediate vicinity of the World Trade Center at the time of the 1993 bombing found that of those businesses that could not resume their operations within five days, 90 per cent were out of business a year later.

4. How many businesses worry about the loss of unrecoverable stored data and information of their companies?

50 per cent worry a “great deal” about the risks of losing stored data and not being able to recover it, according to the 2015 Travelers Business Risk Index.

5. How many businesses have a written business continuity plan?

Only 50 per cent, according to the 2015 Traveler Business Risk Index which surveyed 1200 businesses to gather this information.

6. What are the most common reasons that small and medium-sized businesses fail to take measures for business continuity planning?

Lack of knowledge, lack of time and lack of resources are the three top reasons cited by small and medium sized business owners to explain why they don’t have business continuity plans. This information was gathered in surveys conducted by local chapters of the American Red Cross.

7. How many work-hours does the typical small business lose each year when IT systems fail and employees cannot access their files?

According to information published in "IT Pulse", 552 employee work-hours are lost annually, that is more than one-quarter of the year for a single employee of a typical small business!

8. What is the average cost of hourly downtime when employees cannot access their computer data?

Survey results show that a small business that has an hour of "down time" will lose, on average, \$20,000 due to the disruption. But if the disruption extends to three hours and employees cannot get back online and resume work, that hourly loss rises to \$75,000.

9. There are additional costs when small businesses lose access to their data, costs that are more difficult to quantify. What are they?

The costs include damage to the company's reputation, customer loyalty and staff morale. These issues were specifically cited by small businesses that had sustained data loss and were surveyed to better understand their experiences.

10. How many outages does the average small business experience each year?

Six.

