

# Blackout inflicts toll on business

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A study measuring the economic impact of the August 2003 blackout is finding that the event will have far-reaching, long-term implications for businesses and organizations in the affected region.

Preliminary results indicate that the event will affect growth and relocation plans for a significant number of businesses; and that it will cause many more to ramp up their investments in disaster preparedness and alternate energy systems in the future.

The study is a joint undertaking of Mirifex, a technology consulting firm, The Center for Regional Economic Issues at Case Western Reserve University's Weatherhead School of Management, and CrainTech.

Though still being conducted, preliminary findings of the study include responses of 129 executive-level managers of businesses and organizations in Ohio, New York, Pennsylvania, Michigan, Wisconsin, and Southern Canada.

Among the key findings to date:

- 11 percent of firms say the blackout will affect their decision-making with regards to either growth or relocation.

- As a consequence of the blackout, over one third of businesses (38 percent) said they'd be some-

what or very likely to invest in alternate energy systems.

- Over one-third of firms surveyed (34 percent) have no risk management or disaster recovery plans in place.

- Nearly half (46 percent) of the businesses surveyed will invest more in risk management, business continuance and/or disaster recovery in the future.

- More than half the businesses surveyed say the top threat of future interruption is either cyber-crime (26 percent) or a utility outage (26 percent).

- Two-thirds of the businesses surveyed (66 percent) lost at least a full business day due to The Blackout.

- A quarter of the businesses surveyed (24 percent) lost more than \$50,000 per hour of downtime-meaning at least \$400,000 for an 8-hour day. And 4 percent of businesses lost more than \$1 million for each hour of downtime. □