

Business Continuity Management

What? Why? How?

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Abstract

This paper provides an overview of what Business Continuity Management (BCM) means, why organisations need to do it and how an organisation should approach the planning, implementing and maintaining of a Business Continuity Plan.

Purpose and Scope

The purpose of this paper is to provide the reader with an overview of the issues associated with planning, implementing and maintaining a Business Continuity Plan (BCP). It draws on VEGA's previous experience in helping a wide variety of organisations to develop effective Business Continuity Plans.

Business Continuity Management is a wide-ranging and complex subject so, given the intended audience for this paper - Business and ICT Managers - the aim of this white paper is to give you a flavour of the subject. It aims to answer the questions:

- What is Business Continuity Management?
- Why should an organisation consider it?
- How should you go about planning, implementing and maintaining a BCP – one that is targeted on the business critical activities and outputs specific to your particular organisation?

Glossary

The following acronyms and abbreviations have been used in this paper.

BCI	Business Continuity Institute
BCM	Business Continuity Management
BCP	Business Continuity Plan
BIA	Business Impact Analysis
BSI	British Standards Institute
DR	Disaster Recovery
DRI	Disaster Recovery International
ICT	Information and Communications Technology

BCM – What Is It?

Business Continuity Management (BCM) is an increasingly important consideration for businesses in both the public and private sectors, where operational capability and, potentially, lives could depend on an organisation's ability to function effectively, even in a disaster situation.

To summarise what Business Continuity Management is, I will paraphrase the definition used by the European based Business Continuity professional body - The Business Continuity Institute (BCI).

Business Continuity Management:

- Is a holistic management process that identifies possible impacts that potentially threaten an organisation.
- Provides a framework for building resilience and the capability for an effective response.
- Safeguards the interests of an organisation's key stakeholders, reputation, brand and value creating activities.

I am sure that you will be able to map this definition onto your own organisation's activities, regardless of the business sector you are in; Defence, Government, NHS, Emergency Services or any business in the private sector.

In essence, the focus of this definition is on ensuring that the:

**Business Critical Processes and Outputs of Your Organisation are Safeguarded
in the Event of a Disaster Scenario Occurring**

It is very common for organisations to fall into the trap of thinking that Business Continuity is just about Disaster Recovery (DR) and Crisis Management, and that it only applies to IT and all the things Business and IT professionals feel they have well in hand. But Business Continuity is also about people and other resources critical to the operation of the business.

In fact, all these elements are subsets of what should be developed within the framework of an overarching Business Continuity Plan that is focussed on the issues that threaten your particular organisation's key business processes and outputs - i.e. your ability to continue to function under adverse or disaster conditions.

Business Continuity Management is about:

- Identifying what your business critical functions and outputs are.
- Identifying and assessing the threats to them.
- Putting in place measures to eliminate threats, or if this is not possible, develop plans to mitigate and manage them, should they materialise.

BCM – Why Do We Need to Consider It?

Before we discuss WHY we should consider BCM it would be worthwhile clarifying what we mean by a Business Continuity or Disaster Recovery scenario. The common perception is that this will be a catastrophic, large scale event – a major fire, lightning strike, flood, air crash or, given the events of 9/11, and more recently the atrocities in Spain, an act of terrorism.

However, while these threats are very real and would indeed have a major impact on normal operations, it is very interesting to note that in fact the most common reasons for invoking a Business Continuity Plan are:

- Internal plumbing leaking and
- Underground power and communication cables being damaged by all those people working for our utility companies, who always seem to be digging up our roads but never seem to co-ordinate their activities - just to keep us on our toes!

It is a sobering thought that these relatively mundane causes have the potential to disrupt business critical operations and potentially, to bring them to a grinding halt!

The point being made here is that Business Continuity Management is not just about dealing with large-scale and obvious disasters and making plans to service them. It is about, and you will recognise these words from earlier but they are important, so I make no apology for repeating them;

Business Continuity Planning is about:

- Identifying what your business critical functions and outputs are.
- Identifying and assessing the threats to them – no matter how mundane they may at first appear and.....
- Putting in place measures to eliminate them, or if this is not possible, developing plans to mitigate and manage them should they occur - your Disaster Recovery Plans.

It is also an iterative process, needing constant review, which must be embedded in the culture of your organisation.

So moving on to second question - WHY we need to consider BCM - Why do we need to plan for business continuity? By definition, the continued availability of your business critical processes, their supporting applications and other resources are absolutely key to the continued viability of any organisation.

Using an example of the Emergency Services, although the principles apply equally to all other business areas, it is CRITICAL they are able to respond effectively, and with speed, to incidents that threaten the safety of their employees or the public.

In order to do this, the managers responsible for the provision of these services, all rely on their highly skilled and motivated staff, who use a myriad of complex communications and information systems and other infrastructure services which support the operational processes. Denial of access to, significant degradation, or failure of any of these critical resources would severely impact their operational effectiveness.

Effective Business Continuity Management is, therefore, not only about minimising the likelihood of an event occurring but also having the ability to recover if the worst happens.

The consequences of NOT having effective Business Continuity Plans in place could have serious implications, including:

- Liability for injury or loss of life.
- Loss of Public (Customer) Confidence.
- Liability, particularly in this increasingly litigious society, to legal action, leading to subsequent heavy financial penalties, which have the effect of reducing the funding available for managing and developing your operations and staff.

Furthermore, as a manager with responsibility for ensuring that your systems are always available to your operational staff, not having these plans in place could be regarded as negligent and as such could have a severe detrimental effect on your future career prospects!

Finally, depending on the area you operate in, the likes of Sarbanes-Oxley, Basel II, Turnbull etc. all add up to making managers more directly accountable for the efficacy of their businesses and if ignored, could lead to legal proceedings and ultimately, imprisonment.

As a commercial illustration of the importance of Business Continuity Management, a Safetynet study conducted immediately after the 1993 Bishopsgate bomb in London and revisited again in 2000, established that, of those companies directly affected by the incident, and who did NOT have contingency plans in place:

- Only 8% survived long term.
- Of the remainder:
 - 40% failed within 18 months.
 - 12% failed within five years.
 - 40% never re-opened.

Shocking statistics, but I hope they help to reinforce the message of WHY any organisation must consider Business Continuity Management. Let us now examine how we go about the Business Continuity Planning Process.

BCP – How?

BCP Standards. The first question we should probably ask is, are there any standards associated with this important subject? The answer, I’m afraid, is “not really”.

BS 7799¹ and its ISO/IEC² counterpart include some very useful guidelines on Business Continuity. In addition, the two major Business Continuity Planning professional bodies (the Business Continuity Institute already mentioned and its American counterpart, Disaster Recovery International (DRI) have both collaborated on the development of a common set of 10 BCP professional practices, which, if applied to your Business Continuity Planning process, will help ensure that the plan you develop is both effective and targeted to the specific needs of your organisation.

Both of the organisations run certification programmes for their members, ensuring that they are adequately and demonstratively qualified to guide you through the whole process.

Also....

The BCI, in conjunction with the British Standards Institute (BSI), has published a guide that clearly defines the process, principles and terminology of Business Continuity Management – known as PAS 56³, which provides a more detailed overview than I am able to give in this short paper.

BCP Professional Practices. The 10 internationally agreed professional practices are summarised Figure 1 below:



Figure 1: The 10 BCP Professional Practices

¹ British Standard 7799 – Information Security

² BS/ISO/IEC 17799:2000 - Code of Practice for Information Security Management.

³ PAS 56 – A Guide to Business Continuity Management.

I do not intend to go into each one of these in detail here, but I am sure you will be able to recognise that all these skill-sets would be required at various stages in the Business Continuity Planning process, which I will describe next.

The Business Continuity Planning Process

The above 10 BCP Professional Practices are applied to the 6 Planning Stages required to develop and, importantly, maintain a Business Continuity Plan that is focussed on the specific needs of your particular organisation. As each of the six planning stages is described, you should gain an understanding of how the Professional Practices map across onto them. The six planning stages and their major objectives are illustrated in Figure 2 below:

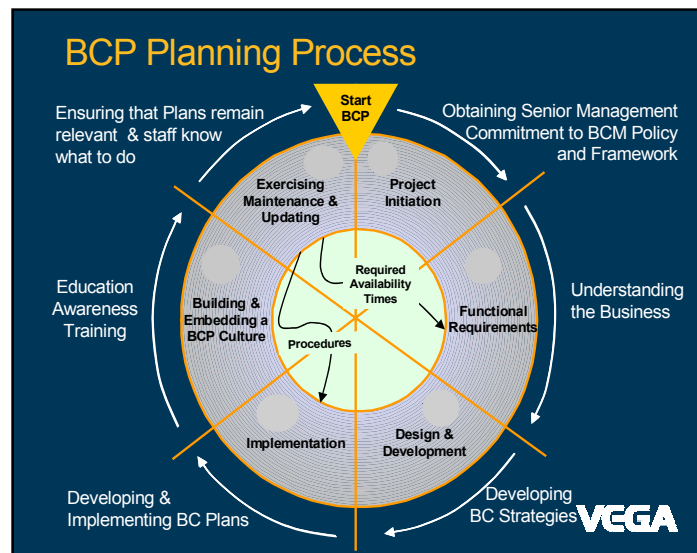


Figure 2: BCP Planning Process

Stage 1 - Project Initiation: Planning and implementing an effective, targeted Business Continuity Plan is a complex task - it can take several months to complete an initial BCP. It is therefore essential to set the planning process within the framework of a formal project, so that it is managed and co-ordinated throughout the planning cycle illustrated in Figure 2. Like all well run projects, we start with a project initiation phase.

During this stage we set up our BCP project team and formally establish Senior Management commitment to the BCP by developing and getting their endorsement of a Business Continuity Management Policy Statement. We also ensure that any essential, pre-requisite processes are in place to ensure the continued viability of the Business Continuity Plan. e.g., in the context of Information and Communications

Technology (ICT), an effective Configuration Management Policy and Change Control Process is in place – key to the continued viability of any Business Continuity Plan.

Stage 2 - Functional Requirements: During the second stage we seek to gain a thorough understanding of the business. We establish the operational and business aims and objectives of the organisation, and the mission critical activities and processes that support them.

We conduct a Business Impact Analysis (BIA) and Risk Identification, Assessment & Control exercise to ensure that we plan only for those risks that are relevant to the organisation – those that could threaten Business Critical Activities and Resources. In other words, we identify the Business Continuity Scenarios we need to plan for.

This very important stage provides an all-important focus for the subsequent stages in the BCP process. From experience, this stage is best achieved by first conducting interviews to gather baseline information and then, using this information as the basis, running a number of workshops, which should be facilitated by a Business Continuity Management consultant, and attended by key stakeholders from the organisation. This approach has proven to be very successful, since it allows all participants to contribute and be brought up to a common level of understanding of what we wish to achieve. It engenders ownership and buy-in to the whole process - an important aspect that should never be underestimated.

Stage 3 - Design & Development: We are now at the stage where we know the Business Continuity Scenarios for which we need to develop a Business Continuity Management Strategy, or should I say Strategies, because we will need to develop strategies to deal with issues at Organisational and Process level and a strategy to address Recovery of Resources. These will give a high-level outline of the Plans to be developed⁴.

Stage 4 - Developing & Implementing BCPs: Once we have agreed our strategies for the different levels of the organisation, and got the all-important senior management sign up to these, it is time to start developing the detailed plans that will be brought to bear for each of our endorsed BCP Scenarios. There are a range of issues that must be addressed by the detailed BCP, ranging through:

- Emergency Response and Operations.
- Crisis management.
- Liaison with external bodies & organisations.

⁴ Typical aspects would include but not be limited to: information backup strategies, degree of resilience required, call-out and other procedures, use of off-site DR facilities,

- Resourcing (both internal and through outsourcing partners).
- Communications and
- How to deal with Public Relations and the Media – the benefits of planning for these latter items are often underestimated but.... it is a critical aspect that gives the public the lasting impression of how you dealt with the crisis situation, an important consideration when considering how quickly and how well you recover from an incident. Lose the confidence of your customers and they will not hesitate to go elsewhere!

There are other aspects, of course, and these are covered in the BSI BCP Management Guide, resulting in a plan describing who does what, where, when and how, what the DR plan invocation triggers are and when you can “stand down”.

Stage 5 - Building & Embedding a BCP Culture: The best strategies and plans in the world are absolutely useless unless the staff required to implement them buy into the rationale and understand why the plans are needed. In other words, you need to develop a BCP culture within your organisation. I alluded to this earlier when I discussed the benefits of using the workshops approach in Stage 2, but the difficulty in building up this culture should not be under-estimated.

Establishing a BCP is likely to mean changes to existing working practices and, like all change, people can be resistant to them. However, by developing an effective and, importantly, ongoing, awareness, education and training programme, the culture will become embedded into your organisation. Good 2-way communications and taking the concerns of staff into account will be important, after all, the staff will know how practical a plan is in practice – a critical test of whether the BCP will succeed or fail.

Stage 6 - Exercising, Maintenance & Updating: The benefits of a well thought out training and exercising programme cannot be under-estimated.

- You should design the exercise schedule such that each element of the plan is tested, usually on an annual rolling basis to minimise disruption to normal operations.
- The Business Continuity exercises provide a valuable vehicle for validating the efficacy of your plans, for rehearsing and training your staff and BCP teams and reassuring both them and senior management that the plans will work when they are invoked for real.
- Almost inevitably, you will find errors or shortcomings in the processes during these exercises or you may find that your operations have moved on and elements of the plans you previously developed no longer support the needs of the organisation. The BCP exercises provide a valuable means of validating your

plans. The lessons learned should be fed back into the planning process and the underlying business assumptions upon which your plans had been based, and if necessary the plans themselves, be amended.

- In addition to the exercise schedule or perhaps in parallel with it, each plan should be reviewed on at least an annual basis to ensure that they remain relevant to the business. You do this by reviewing you business critical processes and outputs and checking that the plans you have still support them.
- More regular updating should be delegated to the Plan “owner”, an operational manager, who can incorporate this into routine business processes. This is particularly relevant for dynamic information, such as critical phone numbers, names, suppliers, locations, etc., which may change more frequently than can be managed by an annual review. Clearly, it is critical that these key changes are reflected in the BCP.
- Finally, to ensure that the plans remain effective and that staff training is being kept current, a regular audit of the business continuity management process should be conducted.

Business Continuity Management - Summary

I hope that this paper has achieved its aim of providing you with an insight into the WHAT, WHY and HOW of Business Continuity Planning.

By now you should appreciate that BCP is not a minor undertaking and that, if your plans are to continue to be effective, you must ensure that they remain relevant to your organisation. It must therefore be considered as an iterative, ongoing process, not one to be put on the shelf with a tick in the box!

BCP IS NOT A ONE-OFF PLANNING EXERCISE

it is a real business process that must be built into the culture of the organisation

Critical Success Factors

So, having discussed the process that must be undertaken in order to plan, implement and maintain an effective BCP, what then are the critical factors that make a BCP successful?

- It is absolutely ESSENTIAL to have senior management buy-in and commitment to Business Continuity. Without it the plan will almost certainly FAIL.

- I have mentioned many times in this paper that, for your Business Continuity Plan to be effective, it **MUST** support your business critical functions. It therefore follows that, to ensure this, your organisation's Strategic Business Planning and Business Continuity Planning processes must be integrated.
- The establishment and maintenance of a BCP does not, I'm afraid, come for free. It is therefore essential that this important aspect of the business is adequately and separately budgeted for and funded.
- The creation of a culture in your organisation that recognises the purpose and importance of BCP is key. Do not underestimate how difficult this can be to achieve. From experience, this requires persistence and a great deal of time and effort, but can be achieved through well thought out and effective training and awareness programmes.
- In order that you can be assured your plans work as anticipated and remain relevant to the organisation, it is essential that they are tested regularly. This has the added benefit of providing a valuable training vehicle for your BCP teams.
- Don't forget to include the testing of any Off-Site DR Facility you may have, since this will address peripheral issues such as logistics, transport, rostering etc.
- And finally, the bit we all love to hate, it is essential that your plans are properly documented and kept current (configuration management again). Remember, in a disaster scenario your staff will be under significant pressure and availability of accurate and up-to-date DR Plans and supporting information (numbers, papers, proformas, maps, directions, etc.) will be of significant benefit to them. Also, one of the scenarios you may be dealing with could entail bringing in external staff, who may not be totally familiar with your set up. These documents will provide them with the essential local knowledge they need to ensure that your business recovers as quickly as possible.

Conclusions

The aim of this white paper was to give business and IT managers an insight into:

- **WHAT** Business Continuity Planning is all about, and how it applies to any business organisation, regardless of whether it is in the public, emergency services or private sector.
- **WHY** you need to consider Business Continuity and finally
- Should you wish to develop such plans, I hope I have at least given you a flavour of **HOW** you would need to go about it.

I have described the six-stage planning process that should be followed and the competencies required to see you safely through the development or, if you have a plan in place already, refinement of your BCP process.

VEGA have used the approach described to develop such plans and our experience has shown that they do work. Another lesson we have learned is the importance of promoting buy-in throughout the whole planning process and one way of achieving this is to adopt a collaborative approach between external consultancies, who bring BCP expertise and objectivity to the party, and key stakeholders who bring their deep understanding of the business processes and systems critical to your organisation.

I hope you found this paper informative and interesting. If you would like to explore BCP further, please do not hesitate to contact VEGA, who would be very happy to discuss your requirements and the most cost-effective and appropriate approach to adopt.

About VEGA

VEGA is an established consulting and technology company that implements strategy for international businesses and government organisations. VEGA delivers sustainable performance improvements for its clients, through the practical application of knowledge from highly experienced people. VEGA operates predominantly in the Space, Defence and Government markets; its core competencies include control & operations, simulation technology, learning & knowledge, information security and capability acquisition.

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