

Business Continuity

Is your Business Prepared for the worse?



Major emergencies can develop suddenly without warning. Situations can threaten and disrupt your business and impact upon you and your staff. You have invested heavily in your business and you need to ensure it remains safe, secure and viable. Being better informed and better prepared to cope deal with emergencies has a wide range of benefits and is good business practice, it also reassures your customers and suppliers that you take the resilience and security of your business seriously: it is good for you, your staff, your business and your reputation.

What is Business Continuity?

Business Continuity is a planning process that's aim is to manage the risks and ensure continuity as much as possible in the event of disruption to your business. Business Continuity helps organisations anticipate, prepare for, prevent, respond and recover from disruptions, whatever their source and whatever aspect of the business they may affect.

Why use a Business Continuity Plan?

A well-developed, structured and rehearsed Business Continuity Plan (BCP) will assist your business in recovering from an incident as quickly as possible when faced with a risk. It will provide a framework for building resilience and the capability for an effective response that safeguards the interests of your key stakeholders, the reputation, brand and value creating activities of your business.

A business continuity plan will ensure that staff know their roles and responsibilities in the event of an unexpected incident and respond following a recognised practiced and agreed procedures. This will ensure that the most important functions, services and systems those that are most critical to

running of your business are up and running in the shortest possible time frame. By doing so this will ensure that the impact on your business is limited.

Incidents such as:

- Severe weather
- Loss of utilities
- Loss of premises or restricted access
- Loss of key personnel
- Theft / vandalism
- Adverse publicity

Without an effective Continuity Plan could result in the following:

- Loss of business
- Damage to reputation / brand
- Loss of customers
- Loss of staff
- Loss or damage to property and premises
- Impact on insurance

Your business continuity plan may need to take into account contingency arrangements such as:

- Temporary relocation of your business functions and operations
- Staff taking on different roles
- Home working
- Sourcing a new supplier / contractor
- Backing up key data

Why Bother? - Ignorance is bliss

- 'It won't happen to us'
- 'We will cope – we always do'
- 'We are too big to fail'
- Our insurers will pay for everything
- 'We've got enough to do already, we haven't got time to prepare for something that might never happen'

Above are frequent responses by businesses when questioned about their lack of preparedness, some of these you may be thinking yourself. However the catalogue of businesses that have failed following an incident suggest that such responses are based on false assumptions.

Disasters have no boundaries and whether you are a small or large business you may be affected. The main purpose of the Business Continuity is to ensure that the organisation has a response to

Research has shown that following a catastrophe organisations that have successfully dealt with a crisis have seen their share value increase in the long-term. In contrast to those who have been perceived not to have managed the crisis well whose share price declined and after a year had still not recovered.

(BCI, 2005)

major disruptions that threaten its survival

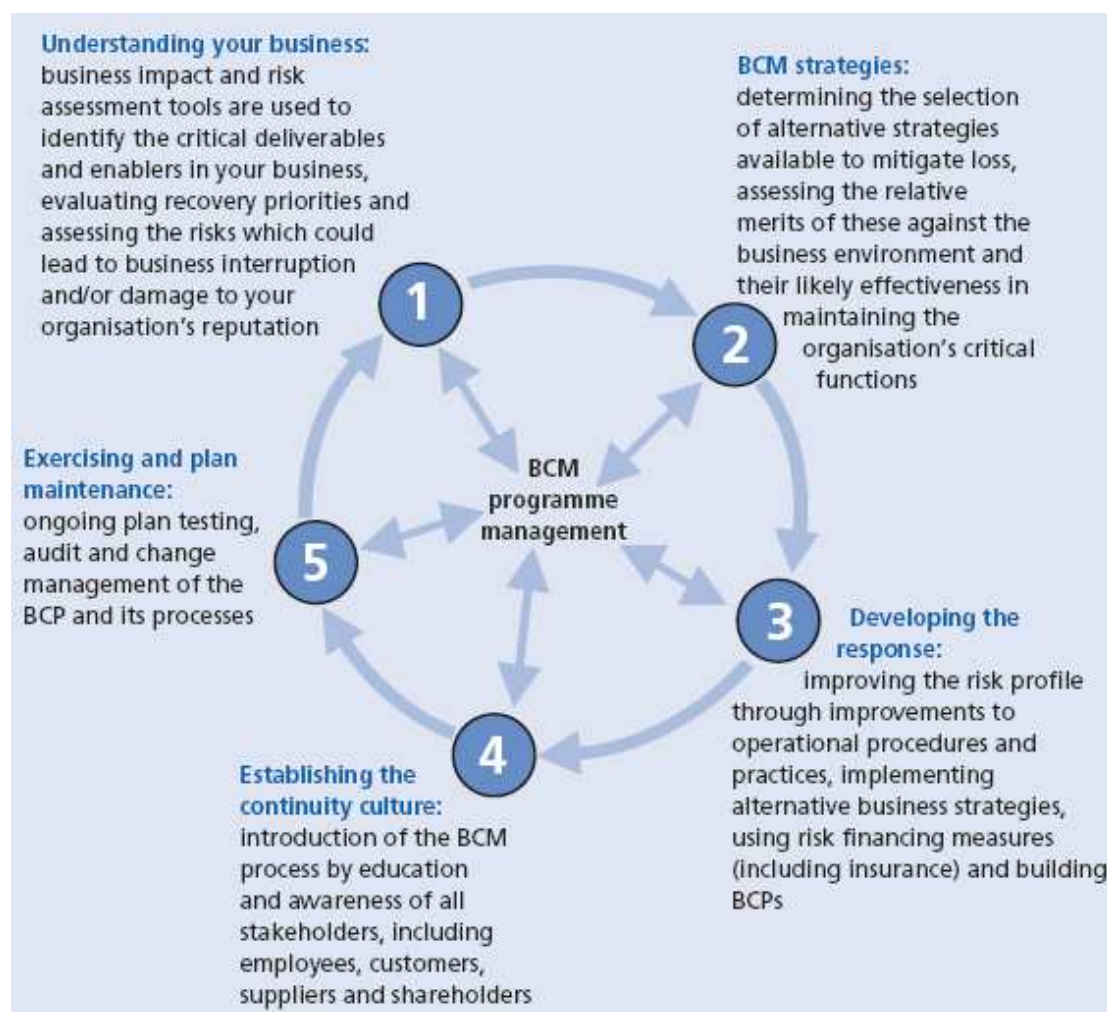
How quickly and painlessly you manage to get back to 'business as usual' in the event of a fire, flood, natural disaster or any other major disaster or disruption depends how effectively you can devise, and put into action, your own business continuity plan.

Nearly 1 in 5 businesses suffer a major disruption every year. Yours could be next. With no recovery plan, you have less chance of survival

ODPM, 2004

What Does Business Continuity Planning Involve?

Business Continuity Management (BCM) Life Cycle is a phased, iterative process consisting of five stages.



(Clicking on links from each of the five steps could take you to more detailed sections below on each of the 5 phases of BCM)

Stage 1 Understanding Your Business & Objectives

To be able to develop an appropriate Business Continuity Management Programme you must first understand your business and what activities or processes are essential to ensure continuity of business critical activity at least to a minimum level.

By undertaking Business Impact Analysis (BIA) and identifying, quantifying and qualifying the impacts of a loss, interruption or disruption of your business processes. It will be possible to identify the critical deliverables, evaluate recovery priorities and assess the risks that could lead to a disruption in your business / service delivery

One of the key functions during stage 1 of the business continuity management process is to identify the crucial areas within your business and identify what resources are required to maintain them, for example:

- Staff
- Communications
- Data & Information
- Suppliers
- Premises
- Plant & Specialist Equipment

Questions to be asked

- What are the objectives of the organisation?
- How are the business objectives achieved?
- What are the products / services of the organisation?
- Who is involved (both internally & externally)
- What are the time imperatives on the delivery of products or services

A good Business Impact Analysis will provide the data from which an appropriate continuity strategies can be developed as part of the next phase of the Business Continuity Management cycle.

Stage 2 Analyse The Risk & Develop Business Continuity Strategies

Having undertaken a Business Impact Analysis it is important to assess the risks to those most critical aspects of your business identified. From this information it is then necessary to identify alternative strategies to mitigate loss, and maintain your organisation's ability to deliver its critical functions throughout an interruption.

BCM Strategies concern

- The selection of alternative operating methods to be used after an interruption to maintain the organisation's business critical processes and their dependencies to a priority and time table, determined in the Business Impact Analysis.
- The protection of vulnerabilities and single points of failure in business critical processes identified by the risk analysis.

Strategies you may consider

- Accept the risk change nothing
- Transfer the risk (insurance, spread the risk)
- Mitigate the risk - plan for business continuity

Stage 3 Developing & Implementing a Business Continuity Management Response

It is important to develop a response to challenges identified in the earlier stages of the cycle. Essentially this stage involves the development of the generic contingency plans that underpin the agreed strategy and provide a framework for responding to an emergency or incident.

The Business Continuity Management Response can be divided into 3 distinct parts, although clear linkages need to exist between each.

- **Crisis Management Plan** – effective and timely management of a crisis is significant factor in protecting an organisation's brand from financial and reputation damage
- **Business Continuity Plan** – pulls together the response of the whole organisation to a disruptive incident. Those using the plan should be able to analyse information from the crisis management team concerning the impact of the incident, select and deploy appropriate strategies from those available in the plan and direct the resumption of business units according to agreed priorities.
- **Business Unit Resumption Plan** – provides the operational response to an incident of each department of the organisation.

Stage 4 Raise Awareness of Your Plan and Develop a Business Continuity Management Culture

Once you have developed your plan it will become a key asset to your organisation. However just having a plan that sits on a shelf will not be sufficient to ensure your organisations survives an incident or interruption if people are not made aware of its contents, their roles, responsibilities and are taught how to use it.

It is important that a continuity culture is embedded in your organisation by raising awareness throughout the organisation and its key stakeholders, and offering training to key staff on Business Continuity Management issues.

Means of doing this include:-

- **Assessing awareness** – understand what level of awareness currently exists.
- **Developing culture** – design and deliver education, training and awareness.



- **Monitoring skills and culture** – awareness campaign should be reviewed to identify any effort required to maintain it at an acceptable level.

Stage 5 Exercising, Maintain and Audit Your Plan

Ensuring plans are fit for purpose, kept up to date and quality assured is an important aspect of Business Continuity Management. It is no use if on the day of an incident you pull out the plan and find that it is outdated referring to old staff structures, functions and systems. Staff also need to be regularly exercised in relation to their functions so that they can more effectively deal with the situation and know what is expected of them in the event an incident occurring.

Your business continuity plan should become a living document that is reviewed regularly in light of the changes that occur within your organisation ensuring that it remains up to date and effective.

Key considerations:

- **Develop an Exercise Programme** – Business Continuity Management capability is achieved through structured exercise programme.
- **Develop a Maintenance Programme** - Developing a maintenance programme that ensures your organisation remains ready to handle incidents despite constant changes that every organisation experiences
- **Audit your Business Continuity Plans** – This will enable an impartial review against defined standards and policies and provide remedial recommendations.

For More Information

UK Resilience www.ukresilience.info

A government site providing emergency planning guidance and information on a wide variety of emergencies and crises that can affect the UK.

Home Office www.homeoffice.gov.uk

A government site with information on the threat, what to do in the event of a major emergency, what the government is doing, plus reports and guidance.

Business Continuity Institute www.thebci.org.uk

The Business Continuity Institute's site promotes business continuity management, and provides guides and good practice advice to businesses.

MI5 www.mi5.gov.uk

The Security Service, or MI5 is responsible for countering threats to the UK's national security and economic well-being. A key part of its work is to provide practical security advice on how organisations and businesses can protect against terrorism and other threats. A wide range of advice, together with descriptions of the current threats, is available on the website.

The Emergency Planning Society www.the-eps.org

Institute of Risk Management www.irm.org

Environment Agency www.environment-agency.gov.uk

Global Continuity www.globalcontinuity.com

For further information and advice, please contact the Business Continuity Adviser on 01423 556018 or 556014 or by email at emergency.planning@harrogate.gov.uk