

Business Continuity Checklist 151



Introduction

Incidences such as terrorist attacks and natural disasters have put the spotlight on the vulnerability of businesses to disruption. Research published by the Chartered Management Institute (CMI) in 2010 identified extreme weather as being the most common disruption to businesses. The CMI's research also found that the number of organisations with specific business continuity plans covering operations has fallen slightly from their findings in 2009. However, conversely it was revealed that those managers who had established and activated their business continuity management plans were in agreement that it does effectively reduce the impact of the disruption.

The establishment of an effective business continuity plan cannot guarantee freedom from the effects of failure. What it can do is provide a considered and planned method of dealing with failure in the most effective way to meet the organisation's defined priorities. Effective continuity management offers a demonstrable benefit to the business continuity of any organisation.

Definition

Business continuity is based on the principle that it is the key responsibility of an organisation's directors to ensure the continuation of its business operations at all times.

The British Standards Institution Code of Practice for Business Continuity Management, BS25999-1, defines business continuity as:

An holistic management process that identifies potential threats to an organisation and the impacts to business operations that those threats, if realised, might cause, and which provides a framework for building organisational resilience with the capability for an effective response that safeguards the interests of key stakeholders, reputation, brand and value-creation.

Business continuity goes beyond planning for a reaction to a physical disaster to include consideration of wider issues, such as the impact of the loss of key staff or the damage to corporate image, reputation or brand through negative publicity.

Action checklist

1. Define scope and objectives

As with all projects, it is essential to define and agree the scope and objectives before commencing the project activities.

Because business continuity includes many inter-dependant elements, limits of responsibility must be agreed. It is essential that senior management support, and have ownership of, the business continuity process. Appoint a champion on the senior management team and ensure that they understand their role in setting policy and in ensuring that the plan is adopted and maintained throughout the organisation. A team with cross-function experience and sufficient seniority should be appointed to manage the planning process.

The team needs to have, or be able to quickly develop, skills in the areas of risk assessment, risk management, business impact analysis, disaster recovery and crisis communication.

Overall business objectives must be clear. Objectives may be set based upon a number of pre-determined high-level failures or change scenarios, such as equipment or network service failures, loss of essential services, denial of access to premises, supply chain disruption, significant staff changes, or any combination of failures.

The ability to provide an emergency service for a key Crisis Team requires a different approach to that required to support the whole organisation for prolonged periods of failure. Expenditure on any plan must provide a relevant business benefit. Business continuity planning within any organisation will have an optimum level of business benefit against expended cost. Beyond this optimum point the law of diminishing returns applies, resulting in higher and higher expenditure for a smaller and smaller reduction in risk levels.

2. Gain an understanding of your business

In order to plan effectively for potential disruptions you need as complete a picture of your organisation as is possible. Identify:

- the key products and services of the business which generate the most revenue and profit
- the critical processes and resources involved in production or in delivering the service
- the personnel who are critical to the activity
- the 'gatekeepers' of knowledge within the organisation
- your main suppliers
- the critical elements in the supply chain
- your main customers and their areas of business activity.

Talk with a wide range of individuals to gain this understanding. Seek to involve members of the board and others on the senior management team, heads of departments, facilities, HR, and those directly involved in manufacturing or the delivery of a service.

Process mapping can be a useful tool to adopt. The development of process maps for each of the provided service elements will indicate the inter-relationship of the people, equipment, and internal and external activities. In addition, the process maps will indicate areas where alternatives are available or not. It is not unusual to find complex expensive processes hinging upon a single low cost item. The use of process maps assists in identifying such potential failure points.

Process mapping is often represented graphically, allowing dependencies to be easily identified. The effects of overcoming single points of failure can be modelled on the process maps, to assist in the evaluation of potential contingencies.

In establishing process maps the importance of external elements cannot be over-emphasised. The business effects of telecommunications failure within an organisation are one of the most critical in these areas, and consideration of the risks must not be neglected.

3. Assess risks

Having established the key products and services to be included within the plan, and the process elements required to deliver those services, an assessment of the risks must be carried out. The risk assessment provides the basic information necessary to evaluate potential continuity arrangements, and to prioritise their implementation.

Generally, risk analysis is based upon two criteria; likelihood of failure and business impact of failure. A third criterion may be considered; the period of failure. Many organisations can sustain service failures for short periods without a critical business impact. This period will be different for each service and user. It is essential to establish the business users' assessment of impact. Typically users would be asked for their assessment of business impact for each service for different failure periods, such as 4 hours, 8 hours, 24 hours, 3 days.

The risk assessment may be made on the provision of a whole service or only upon critical elements of service provision as identified within the process analysis. A questioning approach is a good way of gaining the information needed to assess risk. Ask:

- what if questions
 - what if our IT network went down?
 - what if a fire destroyed key documents?
 - what if a key member of staff is off ill? Or leaves?
 - what if our main supplier could not supply us?
 - what if a customer could not pay us?
- what is the worst case scenario?

A worst case is most likely something that would halt your business completely. Think about cause and effect and how a chain of events might develop from just one incident.
- what functions and people are critical?

Some work is more essential to the business than others. Part of the business continuity process is to identify who needs to do what, when and where immediately after a failure or incident.

Often the assessment is made using a weighted evaluation technique, resulting in a priority order from high risk/high impact services to low risk/low impact provision.

Some organisations may have previously established risk analysis information held by internal insurance departments. This information can provide a useful guide to the overall risk analysis process and give vital risk assessments of areas that are necessary for the continuation of service.

4. Evaluate potential continuity arrangements

Upon completion of the risk analysis, evaluation of potential continuity arrangements may be made. Usually this is carried out in order of priority defined by the risk analysis. Each of the potential continuity arrangements are considered in terms of cost and benefit, and the likely timescale for delivery. Positive and negative aspects of each option are considered and the best options to meet the defined objectives selected. The preferred continuity arrangements should be measured against the agreed scope and objectives. The exercise is often carried out in several stages to reduce the potential continuity arrangements to a realistic and achievable list.

5. Define your strategy

Once you have identified and evaluated the risks and potential continuity arrangements you need board-level agreement on the business tasks that are essential. It may be that the board takes a different view over priorities from departmental heads. You need to establish firm priorities and ensure that all departments buy into the plan.

For each identified risk you can decide to:

- Accept the risk and take no further action
- Attempt to reduce or eliminate the risk
- Attempt to reduce the risk and develop continuity solutions for use should the incident occur
- Stop, suspend or re-engineer the process where the risk cannot be eliminated.

6. Develop your continuity plan(s)

In order to obtain the maximum benefit from the investment in business continuity products and services, pre-defined procedures for their effective use must be established. The procedures should apply to the agreed high-level failure scenarios, and should indicate details of necessary actions, individual and group responsibilities, locations of information, reporting and control methods, information dissemination to staff and public.

Effective plans should aim to explain who needs to do what, who takes responsibility, and who deputises for key roles. It should use checklists and flowcharts to explain key activities that need to be taken to restore key products and services within the agreed timescales and to the agreed levels; people facing a crisis will not have the time to read detailed reports. Such procedures should take the form of controlled documents, ensuring the issue of only the latest version. Often the documentation requires the insertion of activator names and activation times for each step of the procedure.

Procedures should initially be established to obtain and regularly update information relating to the system and services in use, and to the contacts for personnel included in business continuity activity. Change management control processes are closely linked to the establishment of these procedures.

Continuity plans should be designed to provide clear, short instructions of how to carry out the necessary element of the plan, together with any system/service and contact information. It should be remembered that only essential information is required at times of crisis.

7. Exercise and review

The business continuity provisions, which have been put in place, together with their associated procedures, must be exercised to ensure their effectiveness when required.

Usually this takes the form of a desktop exercise, where a failure scenario is chosen and the normal business continuity team participants, plus external observers, if appropriate, follow the pre-defined procedures. The exercise serves to familiarise the team with the procedures and to identify areas of ineffectiveness or omission in the chosen business continuity solutions, procedures or supporting information.

Based upon the results of the exercises, the continuity provisions, procedures and plans should be amended as necessary.

It is recommended that exercising takes place regularly, using different failure scenarios.

It is essential that the business continuity arrangements be regularly reviewed to ensure that they are still appropriate for the organisation. Internal and external environments are continually changing and it is essential that the continuity arrangements reflect these changes.

Managers should avoid

- focusing exclusively on infrastructure
- forgetting the importance of people
- thinking the planning process is ever complete
- failing to recognise that threats to the business may come from inside the organisation.

National Occupational Standards for Management and Leadership

This checklist has relevance to the following standards:

B: Providing direction, units 5, 6, 7 and 10

Additional resources

Books

Disruption and resilience: the business continuity management report 2010, Patrick Woodman and Paul Hutchings
London: Chartered Management Institute, 2010

A decade of living dangerously: the business continuity management report 2009, Patrick Woodman and Vidal Kumar

London: Chartered Management Institute, 2009

The route map to business continuity management: meeting the requirements of BS25999, John Sharp
Worcester: BSi, 2008

Practical business continuity management: top tips for effective real world business continuity management, Andy Osborne
Evesham: Word4Word, 2007

Definitive handbook of business continuity management, Andrew Hiles
Chichester: John Wiley 2007

Complete guide to business risk management, 2nd ed, Kit Sadgrove
Aldershot: Gower, 2005

Managing a crisis: a practical guide, Tom Curtin with Daniel Hayman and Naomi Husein
Basingstoke: Palgrave Macmillan, 2005

This is a selection of books available for loan to members from the Institute's library. More information at:
www.managers.org.uk/library

Related checklists

Disaster planning (100)
Managing a crisis (022)

Internet resources

UK Resilience www.cabinetoffice.gov.uk/ukresilience.aspx
Practical guidance on emergency preparedness from the Civil Contingencies Secretariat at the Cabinet Office

MI5 The Security Service www.mi5.gov.uk
Advice on protection against terrorism and security threats.

Continuity Central www.continuitycentral.com/
Portal site with news and information on business continuity, disaster recovery and crisis management

Organisations

Business Continuity Institute www.thebci.org
10 Southview Park, Marsack Street, Caversham RG4 5AF,
Tel: 0118 947 8215 Email: bci@thebci.org

This is one of many checklists available to all CMI members. For more information please contact

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Revised March 2010