

What is Business Continuity?

Business continuity planning (BCP) is a management process that helps manage the risks to the smooth running of an organisation or the delivery of a service, thereby ensuring that it can continue to operate in the event of a disruption. The whole process is sometimes referred to as business continuity management (BCM). The Business Continuity Institute defines this process as follows:

“Business Continuity Management (BCM) is a holistic management process that identifies potential business impacts that threaten an organisation and provides a framework for building resilience with the capability for an effective response that safeguards the interests of its key stakeholders, reputation, brand and value creating activities.”

Why Business Continuity?

Building-in business continuity and making it part of the way you run your business, helps prepare you to offer ‘business as usual’ in the quickest possible time, rather than having to ‘fire fight’ any emergency.

Without effective business continuity planning, a natural or man made disaster, such as:

- fire;
- adverse publicity;
- loss of key personnel and or premises;
- floods and storms;
- computer failure;
- theft;
- bomb threat;

- technical or environmental failure;
- power failure;
- product contamination;
- failure of critical suppliers;

... could result in any one or more of the following:

- a complete failure of your business;
- loss of income;
- loss of reputation and or loss of customers;
- financial, legal and regulatory penalties;
- human resource issues, and / or
- an impact on insurance payments.

The resulting plan could involve:

- moving to another part of the office or building;
- moving to another location;
- staff giving up their work areas;
- transferring jobs, or
- working from home;

Therefore it is just as important that small companies, as well as large corporations, ensure that in the event of a business continuity incident, critical services are maintained and employees understand what is expected of them. This is to ensure that the business survives the disruption.

“90% of businesses that lose data from a disaster are forced to shut within two years.”
London Chamber of Commerce and Industry

The Business Continuity Process

Key concepts of the BCM process are:

- understand your business and key business objectives;
- identify key activities and staff working within those areas;
- identify service areas / business activities or processes where any failure (e.g. of equipment suppliers, etc) would lead to a major business interruption;
- identify the potential threats;
- assess all internal and external risks;
- calculate the impact of those risks;
- plan to reduce the likelihood or reduce the impact of identified risks/threats;
- exercise the plan and train your staff;
- audit the results and review the plan regularly.

Starting off...

The first step in any BCM process should be to review any existing and prioritise the order or criticality of business / functions services. Start the review with the most critical services and work through all services that require a business continuity plan.

If you don’t have any existing plans, start by listing key services in priority order. Prepare and document alternative arrangements, and ‘work arounds’, so that each of these priority business functions / services could continue in all circumstances, including prolonged power failure, lack of access to office buildings, loss of key staff through accident or illness, etc.

Process...

1st Milestone – Identify the need to plan

- Identify all critical business functions / services and prioritise them.
- Prepare a list of all known risks / threats
- Decide how much risk you can prevent or reduce and set the ‘risk appetite’ for how much your business is prepared to accept. Plan for the remainder.

2nd Milestone – Prepare your plan

- Prepare a simple generic plan of actions to enable you to continue each of your priority services.
- Ensure your plan details specific actions for different types of risk and different services.

3rd Milestone – Test your plan

- Discuss your plan with all relevant staff, including the staff involved in key services.
- Simulate a theoretical emergency situation to test your plan.

The Business Continuity Institute has developed the following Life Cycle:

- Understanding your business
- BCM strategies
- Developing a BCM response
- Developing a BCM culture
- Exercising, maintenance and audit

For more information on the process of BCM see the Good Practice Guidelines 2005 on the BCI website (www.thebci.org).

“70% of companies suffering a computer failure are out of business within 18 months.”
DTI survey

