BUSINESS CONTINUITY MANAGEMENT

INTRODUCTION

Business Continuity Management (BCM) covers the whole process of planning for, responding to and recovering from an organizational disruption. BCM is an essential part of organizational resilience as it can make the difference between an organization either recovering well from a disruption or failing because of it. Losing the ability to deliver key products and services in a timely manner following an emergency is almost certain to result in significant damage to reputation and profitability and potential loss of market share.

No matter how extensive and thorough loss prevention programs and procedures, management must ensure that each facility is prepared to deal with any internal or external event that can lead to an emergency at the facility. An emergency is an event that requires immediate response to limit the threat to life, property, the environment and business operations.

In general terms, emergency plans tend to deal with responding and reacting to the disruption itself whilst business continuity plans deal with continuing the business following the disruption. Many organizations incorporate both sets of activities into an overall BCM program since the two disciplines are strongly linked.

PRC.1.7.0 focuses on pre-emergency planning, response and recovery from the disruption itself and ensuring that effective crisis communications take place. This PRC Guideline provides guidance on implementing sound and effective BCM and what a BCM program should contain.

The principles of BCM typically follow a holistic lifecycle starting from the point of understanding an organization's operations and how these could be affected by disruptions, through planning for such disruptions, training and enabling employees to respond, validating plans and making improvements.

POSITION

Develop a BCM for each facility. There are three components of a BCM Program, each of which has two subcomponents. The three components (see Figure 1) are:

- Understanding the Organization,
- Planning and Implementation,
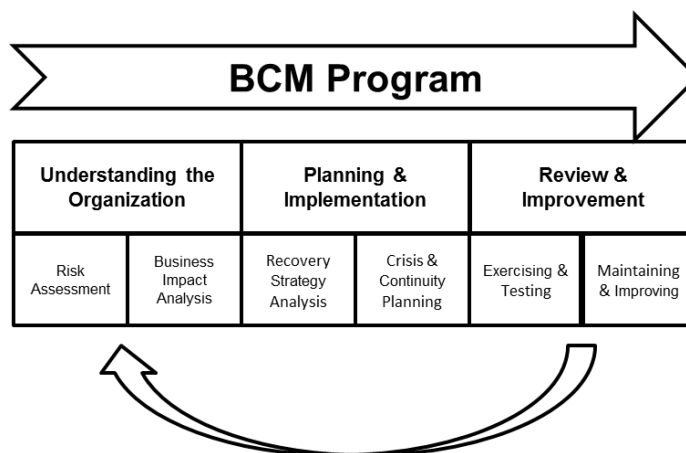- Review and Improvement.

Figure 1. Illustration of an overall BCM program

Understanding the Organization

Understanding the organization has two subcomponents, Risk Assessment and Business Impact Analysis.

Risk assessment consisting of:

- Identifying and evaluating risks that might affect an organization, including hazards (see PRC.1.13.0);
- Managing/mitigating those risks;
- Implementing incident monitoring and escalation procedures in case any risks were to actually occur.

Business Impact Analysis, consisting of:

- Assessing the impacts of disruption (over time) to the activities and functions that support services and products;
- Defining recovery objectives for those activities/functions, based on priority;
- Identifying dependencies between activities/functions to highlight potential vulnerabilities;
- Identifying the skills, knowledge and resources required to support the activities/functions for continuation purposes;
- Identifying any Single Points of Failure (SPOFs) to feed into risk management processes.

Planning and Implementation

Planning and implementation has two subcomponents, Recovery Strategy Analysis and Crisis and Continuity Planning.

Recovery Strategy Analysis, covering the identification and selection of contingencies for the following:

- People – e.g. geographical separation, cross-trained staff;
- Premises – e.g. work area recovery/backup sites, facilities for working from home;
- Technology – e.g. disaster recovery for systems, network backup;
- Information – e.g. offsite storage, offsite data backup;
- Equipment – e.g. spare equipment, arrangements for replacements/repairs;
- Suppliers/supplies – e.g. resilient suppliers, alternate suppliers, spare supplies.

Crisis and Continuity Planning, consisting of:

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- Documenting information, processes and procedures for managing an emergency/crisis and then recovering and continuing the business;
- Implementing thorough and appropriate training and awareness activities within the organization.

Review and Improvement

Review and improvement has two subcomponents, Exercising and Testing, and Maintaining and Improving. Exercising & Testing encompasses testing, exercising and rehearsing all crisis and continuity plans, procedures and arrangements at regular intervals/frequency.

Maintaining & Improving encompasses scheduling timely reviews and updates to plans, procedures and arrangements; and ensuring that audit and continuous improvement activities take place.

DISCUSSION

Industry Standards for Business Continuity

Standards for defining the components of an effective business continuity program are published and widely available. Standards are generally acknowledged and recognized as best practice guidelines, and aligning business continuity processes and procedures to these standards should help organizations feel confident about their overall business continuity capability and ability to recover from disruptions or disasters.

Two of the major standards utilized are NFPA 1600 and ISO 22301. NFPA 1600 was previously more commonly used in the US, while ISO 22301 is now widely used internationally following its introduction in 2012.

AXA XL Risk Consulting Business Continuity Services

AXA XL Risk Consulting has developed a set of guidelines and resources to help organizations make improvements to various parts of their business continuity management program (see Figure 2). They are:

- Strategic Business Continuity Management Assessment
- Concise questionnaire and scoring mechanism to indicate overall business continuity maturity at a high level and identify potentially weak or missing areas.
- Highlights where additional work can be undertaken to achieve a higher level of business continuity maturity and improved organizational resilience.
- Provides immediate identification of any focus areas.
- Industry Standards Assessment
- In-depth questionnaire and scoring mechanism to indicate the likely degree of alignment of a business continuity program to business continuity standards NFPA 1600 and ISO 22301.
- Provides better insight into the specifics of a business continuity program's effectiveness.
- Scoring mechanism helps an opinion to be formed about the likely degree of alignment to the standards, and identifies potentially weak or missing areas.
- Provides immediate identification of any focus areas.
- Business Impact Analysis (BIA)
- Guidance and informational material explaining the importance and purposes of undertaking BIA. Details the key stages and expected outcomes, and includes a BIA template.
- Leads to a better understanding of the BIA process.
- Improves understanding of an organization's critical business processes and the impact that a disruption might have on them.
- Leads to more informed incident response processes, thus reducing impact if any risk should manifest.

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- Leads to more effective utilization of BIA information for business continuity planning purposes.
- Critical Supplier Analysis
- Guidance and informational material explaining the importance and purposes of undertaking Critical Supplier Analysis. Provides a series of steps for undertaking the analysis, and includes a supplier analysis template.
- Leads to a better understanding of supply chains, and the supplier analysis process.
- Identifies potential weaknesses in an organization's downstream supply chain and any vulnerabilities relating to suppliers/partners/vendors.
- Adds potential for achieving more robust supplier continuity and thus improving business continuity.
- Global Situational Awareness Assessment
- Guidance and informational material providing information on the key elements of an effective global situational awareness system. Includes a self-assessment tool to help identify where processes and procedures might need strengthening.
- Leads to a better understanding of global situational awareness systems.
- Provides an understanding of where incident alert, monitoring and escalation/management processes could be improved.
- Identifies areas of focus for improving global situational awareness and maximizing preparedness, thus improving organizational resilience.
- Business Continuity Plan (BCP)
- Guidance and informational material explaining what BCPs are and why they are needed and providing guidance on how they should be maintained and exercised. Includes an example of a BCP construction and contents page.
- Leads to a better understanding of business continuity planning.
- Provides better insight into the implementation of recovery strategies for business processes.
- Leads to improved/more effective BCPs, thus reducing impact if any risks were to manifest.
- Crisis Management Exercise Toolkit
- Set of 8 resources for running effective and valuable crisis management exercises.
- Roadmap, framework and instructive resources facilitate the running of effective crisis management exercises and highlight learning opportunities.
- Identifies areas for strengthening crisis management response and capability.
- Can help to identify levels of incident awareness and readiness within the organization.
- Strengthening exercise methodologies can lead to added risk mitigation in terms of crisis response procedures.
- Parts of the toolkit could be used to supplement an already established crisis management exercise program, or to check elements of it against best practice.
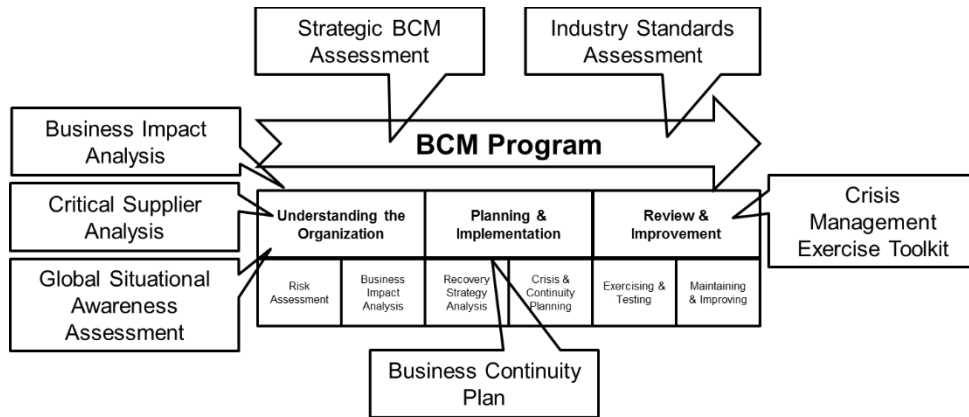
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Figure 2. Illustration of how the services fit into an overall BCM program