

Business Continuity Management

The Basics

September 24, 2003



Background



What is Business Continuity Management?

- A Program that manages risks
- Planning for recovery and continued availability of operations in face of foreseeable events
- Designing and implementing secure, fail-proof (fault-tolerant) systems for continuous availability
- Designing and implementing threat prevention and detection systems
- Encompasses development of procedures, acquisition of resources, testing and maintenance



Risk Management

- Identify exposures to loss
- Examining the feasibility of alternative risk management techniques
- Selecting what appears to be the best risk management techniques
- Implementing the chosen risk management techniques
- Monitoring, testing, and improving the risk management program



Business Continuity Objectives

- Provide for safety and well-being of people on premises
- Continue critical business operations
- Minimize immediate damage and losses
- Establish management succession and emergency powers
- Limit financial losses and hardships
- Restore workforce, facilities, and equipment in a timely manner



Business Continuity Priorities

Define priorities in terms of relevance and criticality:

1. Human safety issues
2. Collection of essential data and records, media protection and recovery
3. Protection and restoration of physical equipment
4. Preservation and restoration of the working environment



***Terminology and
Concepts***



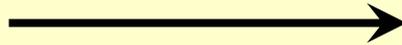
Disaster Phases ...

First 72 Hours

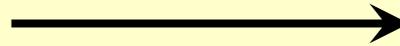
Emergency Response



Life-Safety

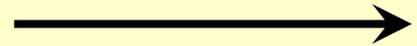


**Damage
Assessment**



1 Day – 3 Weeks

**Short-Term
Recovery**



Months – Years

**Long-Term
Recovery**

Business Recovery



Acronyms

BCP:	Business Continuity Plan
BCM:	Business Continuity Management
DRP:	Disaster Recovery Plan
BRP:	Business Resumption Plan
BIA:	Business Impact Analysis
MAO:	Maximum Allowable Outage
RTO:	Recovery Time Objective
RPO:	Recovery Point Objective
SPOF:	Single Point of Failure



Components

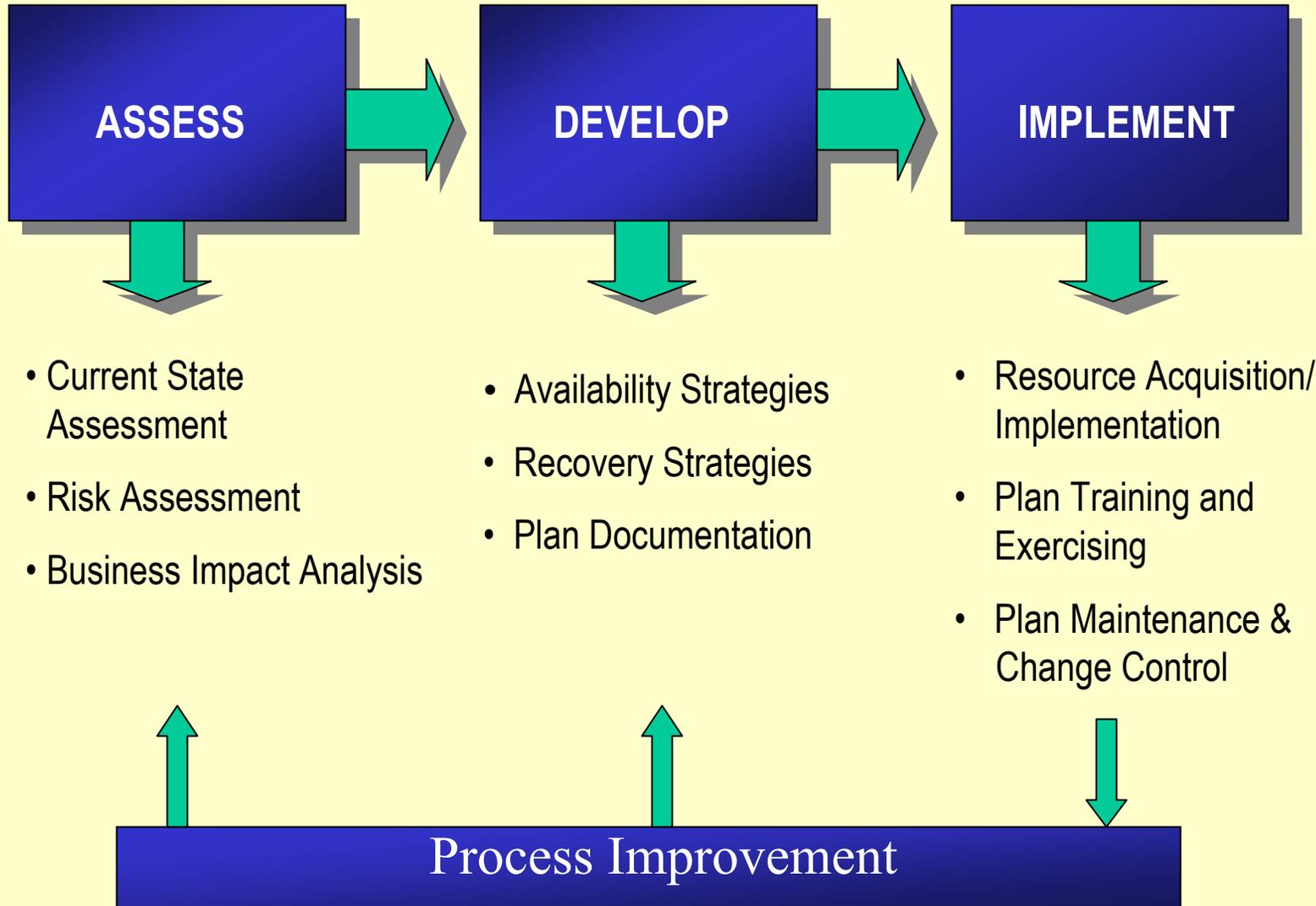
- Comprehensive coverage includes the following documented procedures:
 - Emergency response and evacuation procedures;
 - Declaration procedures;
 - Executive and employee notification procedures;
 - External communication procedures;
 - Recovery resources and procedures for the mobilization of employees and resources; and
 - Employee responsibilities and action steps for emergency, backup operations, recovery and restoration of operations.



Approach



Business Continuity Planning Methodology





- **As-Is State** – What capabilities currently exist to mitigate risks?
- **Risk Assessment** – What are the key threats to your business?
- **Business Impact Analysis** – What are your business's major business processes, the impact of disruptions, and your availability and recovery objectives?



What Is An Initial Assessment?

- Enterprise-Wide Operational Impact Assessment That Analyzes:
 - Business Risk
 - Operational Impact
 - Financial Implications
 - External Factors
- Strategically Identifies Business Risks, Vulnerabilities, and “Gaps”



Project Scope

- Entire Enterprise?
- Emergency Response, Business Recovery, IT Recovery?
- Project Leader?
- Activities Timeline?
- Responsibilities?

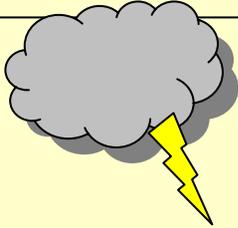


Initial Assessment

- Hazards
 - Internal vs. External
 - Natural vs. Man-made
- Operational Vulnerabilities
 - Critical Functions
 - Vital Records
 - Key Systems
- Business Risks
 - Competitive Strategies

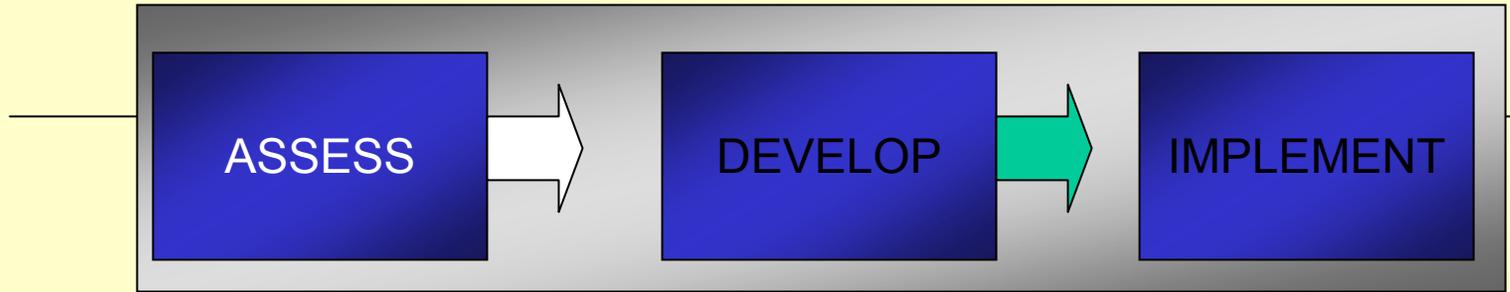


RISK ASSESSMENT



- Natural – floods, earthquakes, tornadoes, etc.
- Human:
 - Man Made – fires, explosions, accidents, bombings, cyber crime, etc.
 - Political – riots, civil disturbances, terrorist attacks, etc.
- Technological – telecommunications, equipment failure, etc.





BUSINESS IMPACT ANALYSIS

- **Business Process Analysis**
 - High-level understanding of process flow through interviews with appropriate functional management and documentation review
- **Operational Impact Analysis**
 - Define Maximum Allowable Outage (MAO) or Recovery Time Objective (RTO), and Recovery Point Objective (RPO) for each business process
- **Financial Impact Analysis**
 - Difficult to quantify and fairly personnel-intrusive
 - Only provides “order of magnitude” accuracy over a period of time
 - Used for cost-justification of strategy implementation



Objectives of BIA

- Identify Critical Functions
- Understand Flow of Information, Materials, & Services
- Determine Organizational Dependencies & Resource Needs
- Describe Operational & Financial Impacts
- Define Timeline For Restoring Critical Functions & Critical Data



Who Will You Interview?

- Steering Committee
- Project Sponsor
- Business Unit Managers
- Key IT Representatives
- External ISP/ASP Provider
- Other Key Vendors/Suppliers
- Building Owner/Management



Operational Impact Analysis

- Purpose:
 - Identifies Organizational Implications & Dependencies
 - Highlights Interrupted Functions & Outage Implications
 - Guides Recovery Alternatives Selection



Financial Impact Analysis

- Purpose:
 - Quantify Revenue Loss
 - Identify Potential Economic Implications
 - Include Additional Expenses or Losses
 - Evaluate Insurance Strategies
 - Help Provide Cost Justification for Recovery Alternatives





- **Availability Strategies** – Elimination of Single Points of Failure and other enabling strategies
- **Recovery Strategies** – Collaborative design of restoring time critical processes over various periods of time
- **Plan Documentation** – BCP policies and standards, recovery organization and functional recovery plans



Getting Your Hands Around “The Project”

- Incident Command System
- Emergency Roles & Responsibilities
- Emergency Response Plans
- Emergency Policies
- Business Unit Recovery Plans
- Facilities Recovery Strategy
- System/Telecom Recovery Strategy



Emergency Operations Center

Definition:

“A place where uncomfortable officials meet in unaccustomed surroundings to play unfamiliar roles...Making unpopular decisions based on inadequate information in much too little time.”



Command Center Roles

- Make Strategic & Policy Decisions
- Referred to as “Crisis Management Team”
- Composed of Executive Officers, PR, Legal & Support personnel
- Communicate With External Stakeholders
- Establish Priorities
- Provide Direction for Media Releases
- Initiate Long-Term Recovery Requirements
- Provide Legal Advice



Life Safety Program

- Evacuation & Accounting For People
- Emergency Response Team Training
- Tracking Injured
- Notify Families Of Injured
- Reunite Employees & Families
- Food & Shelter
- Child & Elder Care
- Emergency Loans
- Temporary Housing
- Informing Employees



Alternate Work Locations ...

- Who Coordinates?
- How Much Space Do You Need?
- Where Will You Find It?
- What Equipment, Systems, Phones are Needed?
- Is the Alternate Location Already Part of Your Network?
- How Long Will It Take?



Creating Department Plans ...

- Initial Actions
- Contact Information
- Critical Functions
- Vital Records & Assets
- Plan Maintenance & Audits



Systems Recovery

- Determine Strategy
 - Immediate – Mirroring
 - Next Day – Replication
 - Three Days – Hot Site Contract, etc.
- Network Requirements
- Funding & Testing



Telecom Recovery

- Voice
 - Call Forwarding
 - Notification:
 - Employees & Families
 - Customers
 - Other Key Stakeholders
 - Voicemail
- Data
 - Redundancy
 - Multiple Carriers
- Main Cause – “Single Points of Failure”





- **Resource Acquisition/Implementation** – Obtaining and implementing the resource requirements to meet strategies and assessment needs
- **Testing/Exercising** – Validate the strategies, usability and readiness of the plans
- **Maintenance/Change Control** – Ensure the strategy, requirements, and plan contents change as organizational and technology changes occur



Why Exercise?

- Increase General Awareness
- Reveal Resource Gaps
- Improve Coordination
- Clarify Roles & Responsibilities
- Improve Individual Performance
- Motivate Corporate Managers To Support Program
- Build Confidence in Participants
- Foster Cooperation – Public vs. Private Sectors



Five Types Of Exercises

- Orientations
- Drills
- Table Tops
- Functional
- Full Scale



Creating An Exercise

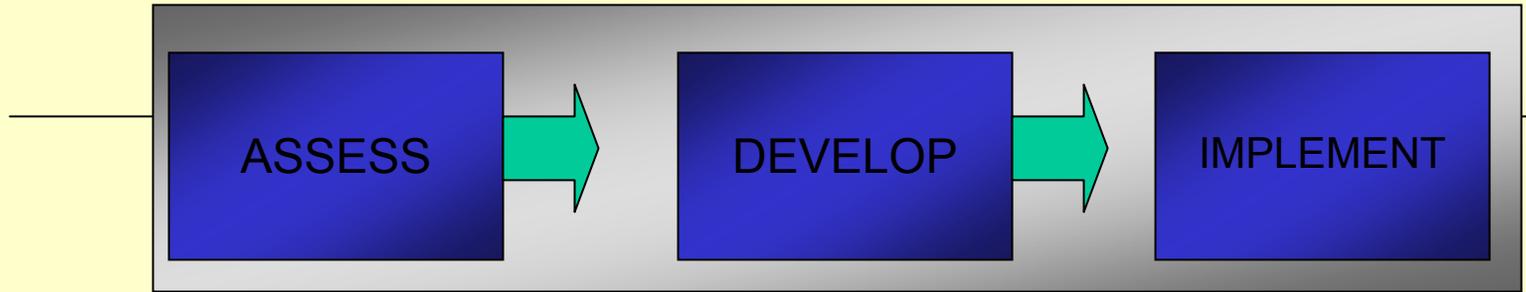
- Define The Scope
- Develop Purpose & Objectives
- Determine Resource Needs
- Obtain Commitments for Critical Dates
- Develop Scenario, Major Events, Messages
- Brief Players, Simulators, Observers
- Conduct Exercise



Evaluating The Exercise

- Needed Improvements in Plans
- Training or Staffing Deficiencies
- Exercise Objectives
- Equipment Operation





PROCESS IMPROVEMENT

- Assist in developing standards and methodologies for ensuring lessons learned are captured
- Plan testing and exercising feedback identify opportunities for plan improvement

Process Improvement



Challenges



Challenges

The biggest issues companies face with BCM:

- Not given sufficient budget for adequate program development and implementation
- Finding resources with the knowledge to manage the program
- Finding internal resources with the bandwidth to focus on BCM
- Achieving the required cross functional communication and coordination
- Perceived as an expensive insurance policy



Changing Trends in BCM

Availability

Recovery Time

Dependencies

Expectations

Threats

Risk Profile

Cost of Interruptions

Regulations



***Putting It All
Together***



Putting It All Together...

- Comprehensive plans should combine emergency response and business recovery!
- It is easy to get started if you focus on the right priorities.
- There are reliable techniques for getting executive buy-in.
- Include both a business impact analysis and a risk assessment in the Initial Assessment.



Putting It All Together...

- Before beginning the project, anticipate other costs.
- Using the Incident Command System is critical to “getting back in business” quickly.
- Businesses – Integrate plans with local authorities.
- Public Agencies – Integrate plans with businesses.
- Create the right exercises to test your plans, then follow through with the changes. Then test, test, test again!



