



Safety net

Laura Toplis explains how it is possible to insure against the uninsurable with a business continuity plan.

TEN SECOND SUMMARY

- 1 When considering business continuity, focus on the effect of disruptions.
- 2 Find a continuity plan that fits the organisation's requirements.
- 3 Resilience can help a business to compete.

Having a robust business continuity plan can be thought of as insurance for the uninsurable elements of a business, such as market-share, customer confidence and reputation. When considering disasters that could disrupt a business it's easy to think of something drastic like terrorism or fire, and it can be quite overwhelming to think through all the scenarios that could go wrong.

The good news is that it doesn't matter. This is because, when it comes to business continuity, it's important to focus on the effect of any disruption rather than the cause. In effect, the primary objective of business continuity is to deal with any adverse incidents and impacts that could disrupt the business. Whether it is a creeping crisis or the big bang, arrangements need to be flexible enough to deal with both.

Yossi Sheffi, in *The Power of Resilience*, says: "The probability that a particular disruption will strike a particular location at a particular time is very small; the likelihood that some crisis will happen some place at some time is significant ... If and when disruptions occur, preparations for response pay off in terms of both accelerated recovery and mitigated impacts."

Having a business continuity plan can mean reduced downtime and increased customer confidence because thought has been given to the products, services and activities an organisation provides. They have been placed in order of priority

and options have been identified to enable work to continue through an unexpected disruption.

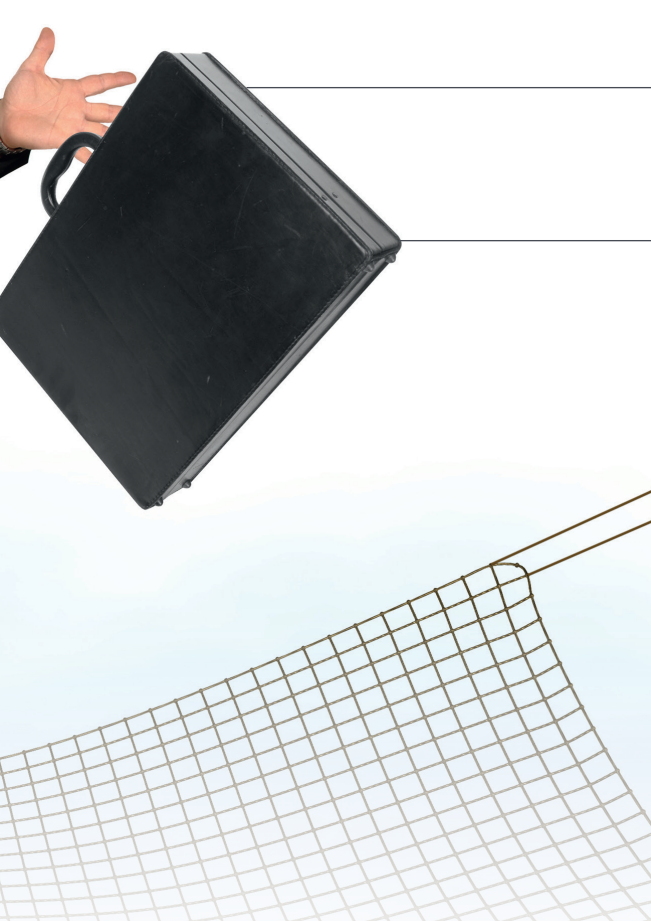
Settling on a plan

The first step is to find a continuity plan template that fits the organisation's needs. There are many free templates online, requiring various degrees of customisation, and these can be worked through. Alternatively, an online business continuity plan template can be purchased with a guide through the plan writing process and the ability to store business-critical information online by way of a secure login. When preparing a plan, consider the following elements.

- **People.** The firm's workers and their skills and knowledge are the most valuable asset and the top priority during any disruption should be their safety and wellbeing. Without staff the business will cease to exist. If some staff members are a single point of failure, others should be trained in their duties. Consider what would happen if employees cannot access premises; can they easily work from home or a pre-determined alternative location? If the workforce is completely incapacitated (think flu outbreak) is there an alternative temporary pool of resources that can be drawn on?
- **Infrastructure.** Has local infrastructure been considered? There are many international examples where business premises were sound, but inaccessible. If this is a risk, a relocation site should be established.
- **Buildings and facilities.** Consider the state of the business premises, is all maintenance up to date? A burst pipe or leaking roof over the server room could cause considerable damage.
- **Supply chain.** Does the business use any third-party products and services, in particular from single-source suppliers? Could risk be spread by using more than one. The recent disruption to KFC was due to reliance on a single-source supplier of transport.



Laura Toplis is a member of the Business Continuity Institute and the Director of BCP Builder, an online business continuity plan template, designed as an affordable solution to help SMEs with their business continuity planning. BCP Builder uses a simple, easy-to-follow tab format with guidance to help prepare a plan. An easily understood and attractive PDF of the professional plan can be printed at any time.



CASE STUDIES

Private banking business

In the event of a disruption, a private banking business with 50 staff had a business continuity plan that involved flying to another country to use displaced desks in an office there. The plan was reviewed and an external vendor was procured to house 24 staff at a recovery site about 15 miles away (but only 30 minutes by train). This gave the business confidence that they could remain at the recovery site for three months without incurring excessive costs.

This solution balances the wellbeing and needs of staff as well as that of the company. In a disruption, employees can remain near their families while continuing to work in an alternative location.

If a business is prepared for any crisis, it can prove to be an outstanding opportunity to enhance its reputation, prove its resilience and provide opportunities for transformation.

Local floods

Consider the floods in Sussex when Lewes was inundated in 2000, including a vegetable shop called Bills. When rebuilt, a small cafe was added to the shop. This became trendy, and a few years ago the chain was sold for about £5m.

In the same town, a brewery called Harvey's was also flooded. When employees returned they found a brew of beer had been in the vats was stronger than usual, so rather than throw it away they named it "Ouse Booze" (after the river that flows by the brewery) and the proceeds of the sales were given to the flood appeal.

- **Reputation.** How much damage would extended disruption cause to business reputation?
- **Resources.** Consider the age and maintenance of resources such as IT, information, equipment, materials. Is outdated business equipment at risk of imminent failure?
- **Finances.** Does the business have sufficient finances (payroll and organisational funds) and cash reserves to carry it through a business disruption? If a disruption occurred on payroll day would that be a problem?
- **Business impact analysis.** List the products, services and activities undertaken by the organisation in order of priority.
- **Threat analysis.** Are there any high-likelihood threats specific to the business or its location?
- **Incident response team.** Who would be the best people in the organisation to respond to a crisis? Record their details as the response team and give them the appropriate training.
- **Backup and disaster recovery.** The more frequently a system is backed-up, the more expensive it becomes – would it matter if a week's worth of data was lost? Should systems be replicated in real-time? Check that back-ups are tested regularly; it is important to be confident they will work when needed. If not already in place, consider creating a manual system to fall back on while back-ups are being restored, potentially onto new hardware.
- **Fallback site.** When it comes to relocating following a disruption, the UK has a wealth of options available. There are workplace recovery sites from companies such as Regus, and CMAC can manage emergency travel and accommodation requirements.

Exercising the plan

Once a first version of the business continuity plan has been completed, it should be exercised at least once a year. This does not have to be a daunting task. A brief scenario could be written up

and used as a table-top exercise during a meeting, where the incident response team members discuss how they would deal with the scenario.

As the team works through each incident response procedure they will be talking about what will work and will not work – some valuable thoughts and discussions should be captured.

Community resilience

Recognise that resilience doesn't stand in isolation – businesses operate within an ecosystem with other businesses. Strengthening community resilience requires pooling and using existing resources and capacities to the full. Collaboration is a prerequisite for the effective use of resources.

Entrepreneurs should speak to their business neighbours. Those working in a shared building or business park speak to each other. Include their details in the communication plan so the businesses can join forces following a disruption and help each other. Consider approaching a larger business for mentoring and discuss their business continuity management strategy.

Conclusion

Let's conclude with a final comment by Yossi Sheffi: "A company that can detect, prevent, or respond to natural, accidental and intentional disruptions can make the most of its winning products by ensuring continuity of supply. Resilience helps companies compete – even in the face of true unknown-unknown disruptions – by imbuing an organisation with the vigilance, responsiveness, and flexibility to detect and respond to unexpected events quickly and effectively."

FURTHER INFORMATION

*The Power of Resilience.
How the Best Companies
Manage the Unexpected:*
tinyurl.com/ybufduyf

IFA members should also remember the importance of appointing an alternate in their contingency planning as well as in relation to client money.
See: tinyurl.com/ycaxbxl9



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