

Being Prepared

In an economic downturn, the loss of a day's business can be felt even more acutely than in normal conditions. In addition to "traditional" causes of disruption such as IT failures, floods, fire, power outages, snow, strikes, illness, and government legislation, new threats emerge including customer and supplier failure and the impact of making spending cut-backs.

So working out what keeps your business running and who and what you rely upon is the first stage in developing a more resilient business.

This guide asks some simple questions to allow you to formalise your thinking around business continuity. We would recommend a simple realistic and workable plan based around the following areas:

Customers, Supply Chain, Cost Savings, Staff, IT & Telecoms, Sites & Facilities, and Reputation.



What is Business Continuity Management?

Business Continuity Management (BCM) identifies potential threats to an organisation and the impacts to business operations that those threats, if realised, might cause. It 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-creating activities.

The Business Continuity Institute

The Business Continuity Institute (BCI) was founded in 1994 and leads on the development of best practice in Business Continuity Management. The BCI also contributes to relevant legislation and standards. It has some 4,500 members in over 80 countries. The BCI Partnership, established in 2007, is the corporate body within the BCI numbering some 70 organisations including founders BT, Continuity Shop, ICM Business Continuity Services, Marsh, Milton Keynes Council and SunGard.

Contributions to this guide were received from BSi Management Systems, HP, Marsh, PwC, SunGard, and Fellows of the BCI, Lyndon Bird and Steve Mellish.

Contact the BCI
10-11 Southview Park
Marsack Street, Caversham
RG4 5AF
telephone: +44 (0) 118 947 8215
email: bci@thebci.org
website: www.thebci.org

A BCM Survival Guide from the Business Continuity Institute



Weathering Difficult Economic Times



When you're faced with a major disruption - who and what are you relying upon?

Customers

Businesses need to prove that they can operate in all circumstances. Business Continuity Management (BCM) provides an opportunity to promote a well managed business. Some organisations have gone further with independent audits of their business continuity management system.

- 01. Have you got a plan to reduce the risk to your customer's business?
- 02. Have you quantified the impact to your business of losing a critical customer or channel?

Supply Chain

In tougher times, reliance on a single critical provider can be a greater risk. Even in good times understanding how they would recover from disruption and where you feature in their priorities is important

- 08. Are you reliant on a supplier providing you with a key service or product? Have you quantified the impact to your business of losing a critical supplier and how long it would take to find an alternative source?
- 09. Do you know the current financial health of your suppliers? Your supplier may be planning cut-backs that affect you.

Staff

People play a key role in recovering from a major disruption. Aside from a duty of care to staff, if you cater for your staff's needs, then they can concentrate on keeping you in business when you need them most.

- 03. Do staff contracts give you the flexibility in terms of working hours, location and role to deal with a major disruption?
- 04. Have you ensured that staff contact details are up-to-date and have more than one method of contact? Do all staff know what to do if the office becomes inaccessible?
- 05. If you have to let staff go, have you audited the skills that you are losing?

Reputation

You have invested significant time and money in developing your reputation, so handling a crisis competently and with confidence is important.

- 16. Have you considered all situations where negative stories could emerge?
- 17. Have you prepared your messages to reflect the likely situations and need to communicate with all stakeholders in a controlled manner?
- 18. Are your senior spokespeople trained to deal with an intrusive media?

IT & Telecoms

The failure of IT and telecommunication systems is one of the most frequent disruptions experienced by companies and many have invested funds to mitigate the impact.

- 10. Have you ensured that all critical information is appropriately backed up and accessible off-site?
- 11. Have you considered moving away from a dedicated IT infrastructure to hosted capacity and applications which are delivered over the Internet?
- 12. Do you use mobile broadband technologies and/or Virtual Private Network technologies to access office-based information?

Cost Savings

Cutting costs through reducing headcount, selling sites or cutting investment can reduce business resiliency. BCM can help you understand this change. Companies can also use BCM to achieve savings of 15% on insurance premiums while others have found alternative approaches to insurance.

- 06. If you have had to make cut backs in your operation, have you considered the resulting change in underlying vulnerability of the business to unexpected disruptions?
- 07. Have you asked your insurance company whether they would contribute to the cost of developing a business continuity capability or asked them for a reduction in premium for having a plan?

Sites & Facilities

Many disruptions can lead to a loss of site access and some companies have arrangements in place to move to a temporary site during this disruption.

- 13. Have you identified alternative office options? You might want to consider reciprocal arrangements with customers and suppliers.
- 14. If you have decided to close sites/facilities during the downturn, have you updated your plans to handle a site-based disruption?
- 15. Have you established dialogue with your local police and fire services to understand what help they can offer and how they are likely to respond in an emergency event? Check with your local Council for details on Local Resilience Forums.

Self-Assessment Score: Mostly "Yes": Well done, you're definitely in control;
Mostly "No": Well, there's always the exception!