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Business Continuity Management

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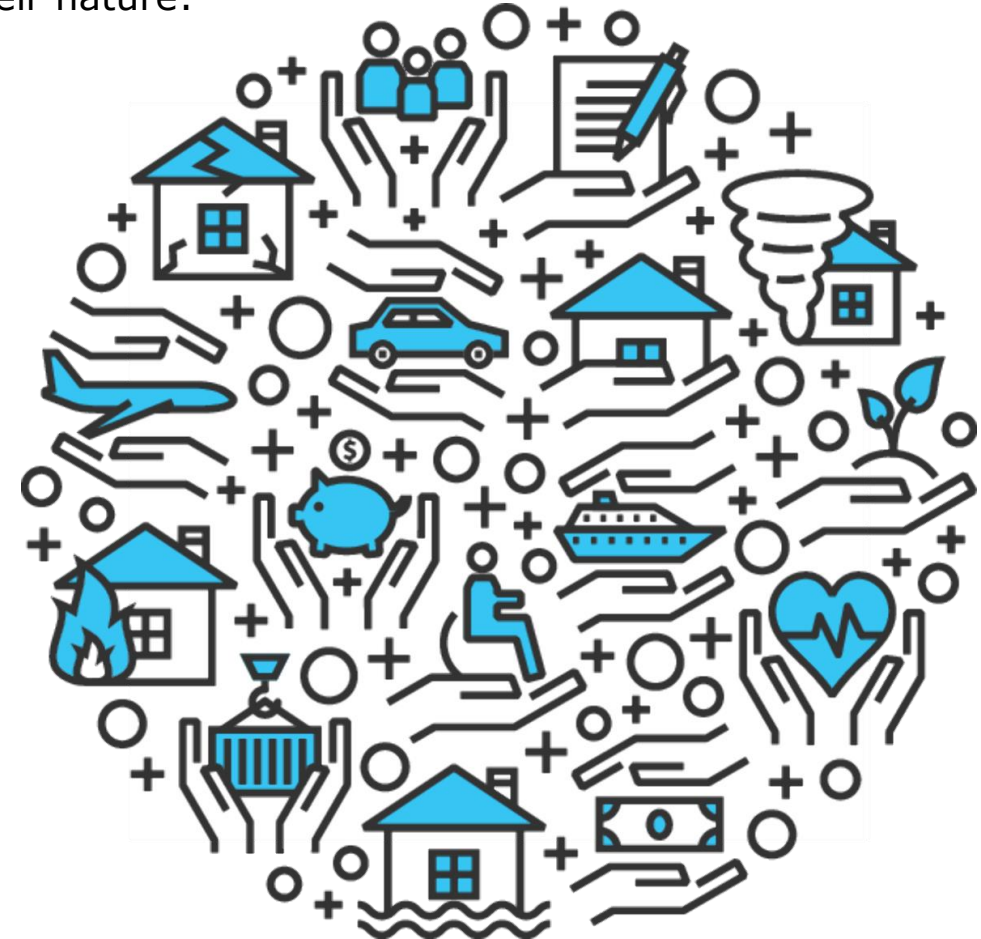# Insights into Business Continuity Management

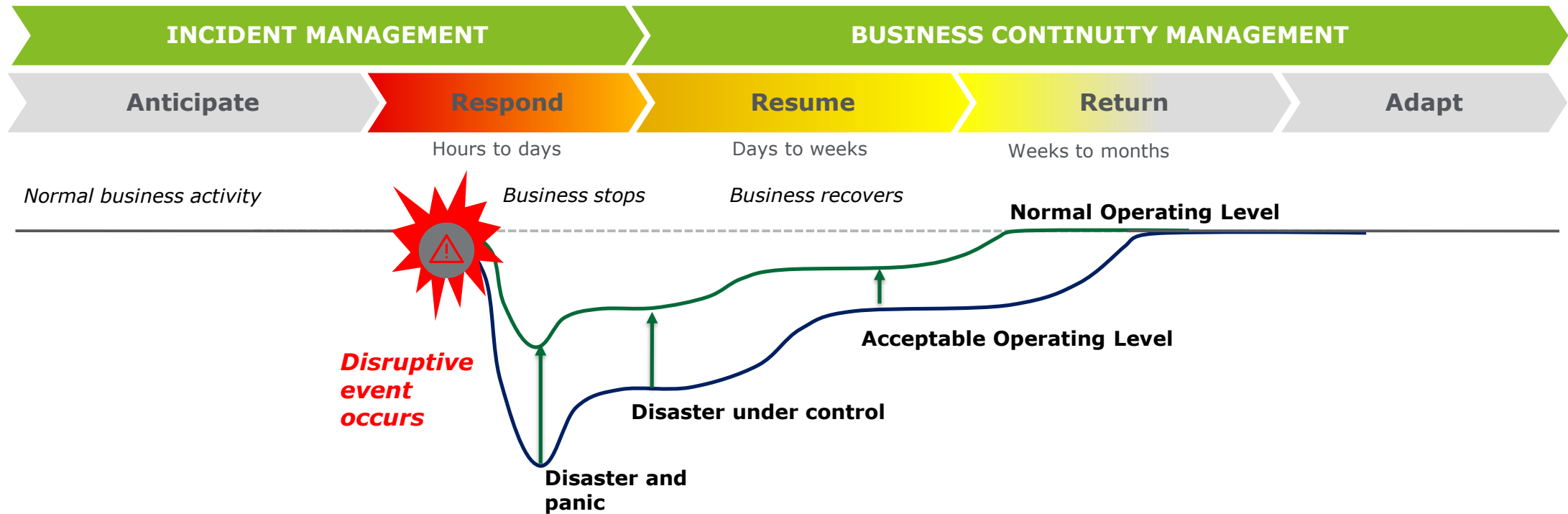# Insights into Business Continuity Management
What is a disaster?

Disaster can be defined as a sudden accident or a natural catastrophe that causes great damage to or loss of life. Disasters can be classified into 3 different categories based on their nature:

1. **Natural disasters,** such as hurricanes, tornadoes, earthquakes, flood, volcano eruptions, pandemic crisis, etc.

2. **Technological disasters,** such as chemical releases, power outages, natural gas explosions, etc.

3. **Man-made disasters,** such as terrorist attacks, race riots, mass shootings, etc.

Insights into Business Continuity Management

In case of a major incident becoming a disaster, BCM allows to reduce the impact on your business, and to shorten the time needed to return to normal operations

INCIDENT MANAGEMENT	BUSINESS CONTINUITY MANAGEMENT

Anticipate	Respond	Resume	Return	Adapt

Hours to days   Days to weeks   Weeks to months

Normal business activity   *Business stops*   *Business recovers*

Normal Operating Level

Disruptive event occurs

Acceptable Operating Level

Disaster under control

Disaster and panic

Terrorism   Geopolitical events (e.g. destabilised market)   Natural disasters (e.g. fire, flood, earthquake)   Health risks (e.g. pandemics, virus)   Cyber attacks
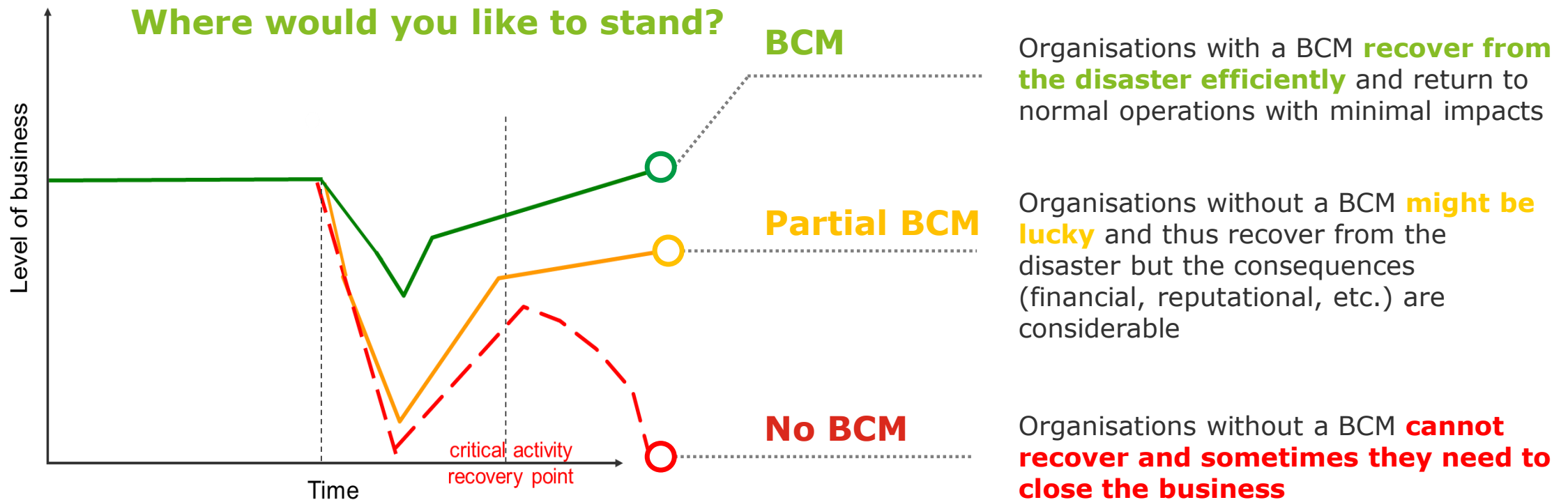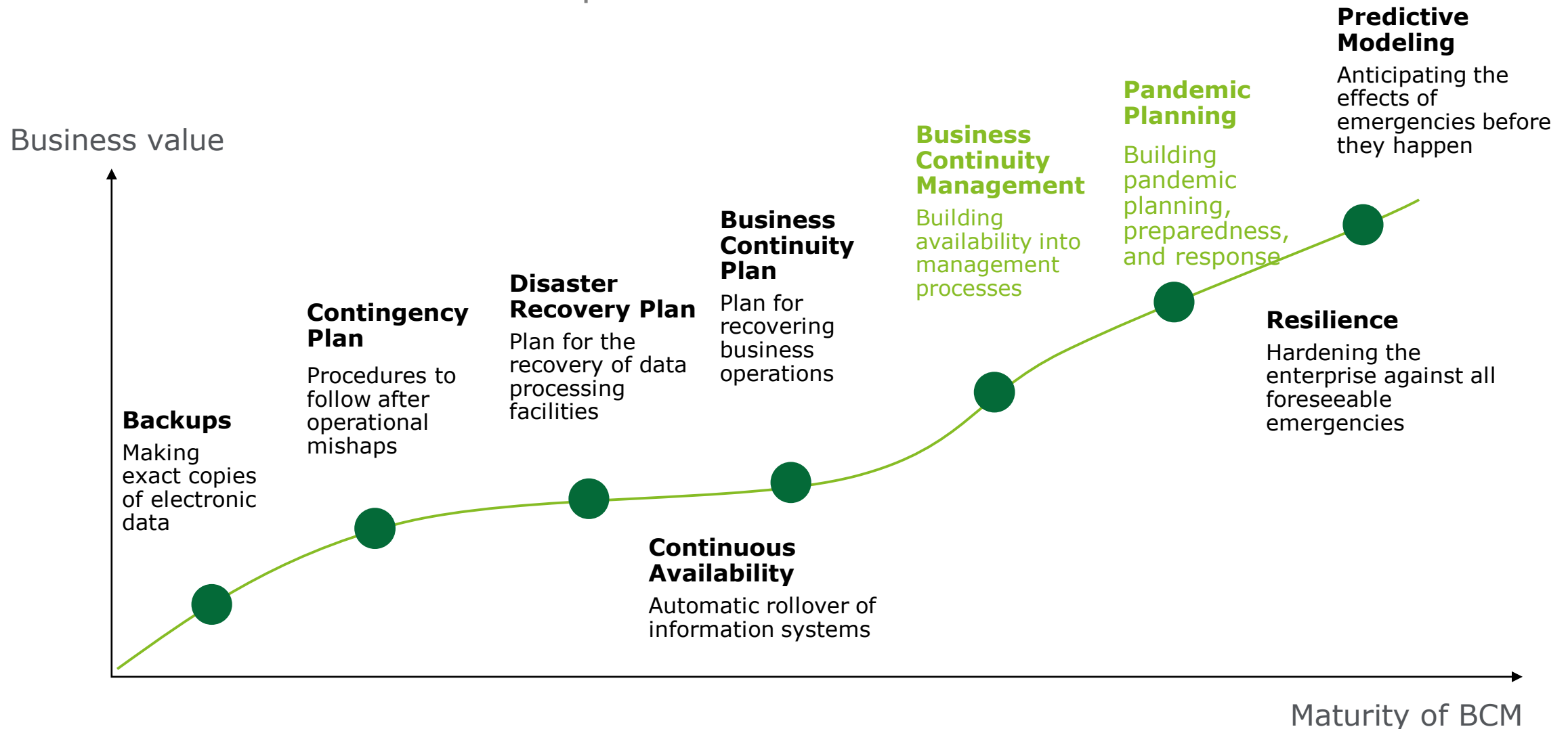
Insights into Business Continuity Management

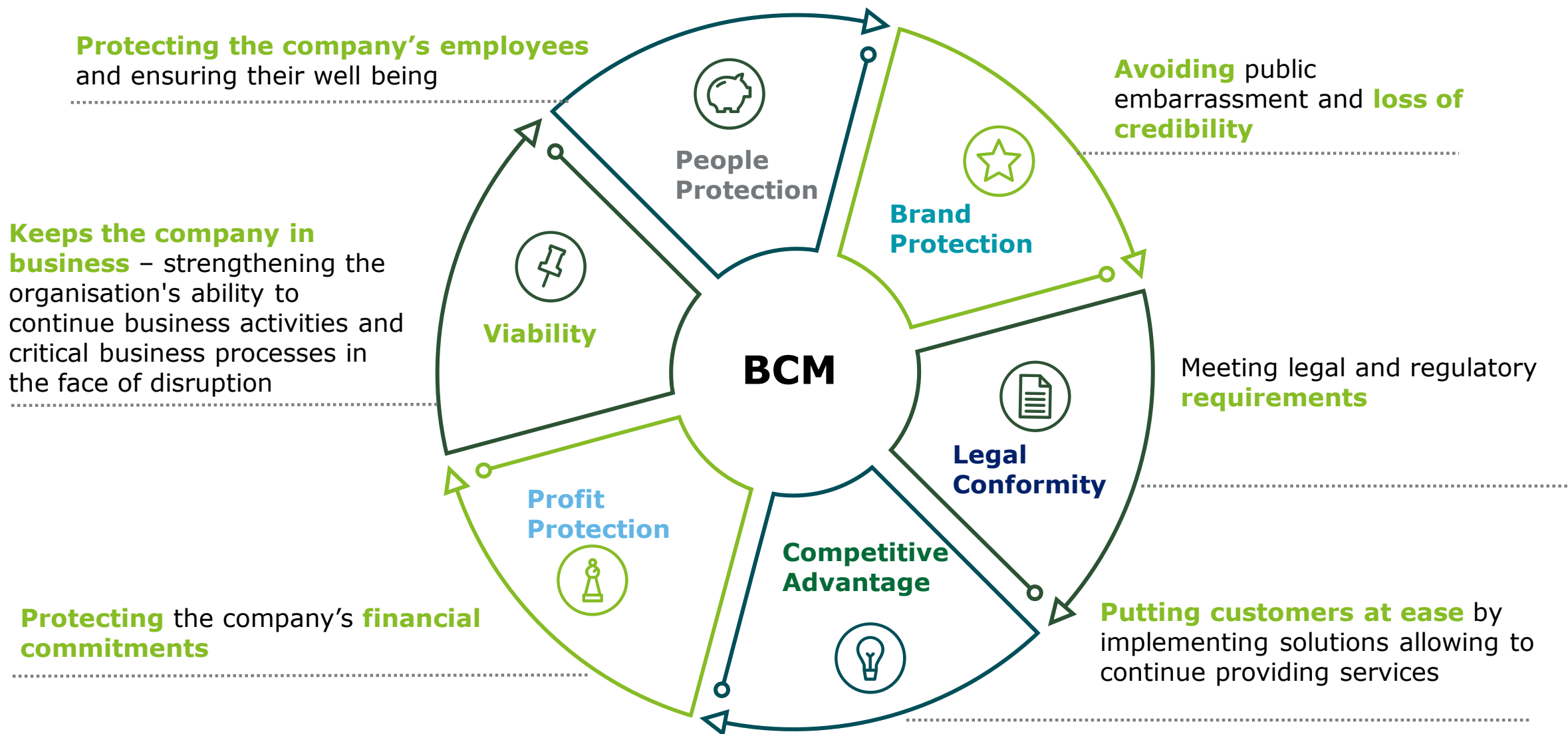In case of a major incident becoming a disaster, it is better to have a Business Continuity Management (BCM)….

Where would you like to stand?

BCM

Organisations with a BCM **recover from the disaster efficiently** and return to normal operations with minimal impacts

Partial BCM

Organisations without a BCM **might be lucky** and thus recover from the disaster but the consequences (financial, reputational, etc.) are considerable

No BCM

Organisations without a BCM **cannot recover and sometimes they need to close the business**

Level of business

critical activity recovery point

Time

Insights into Business Continuity Management

BCM evolution for efficient responses

Business value

Backups
Making exact copies of electronic data

Contingency Plan
Procedures to follow after operational mishaps

Disaster Recovery Plan
Plan for the recovery of data processing facilities

Business Continuity Plan
Plan for recovering business operations

Continuous Availability
Automatic rollover of information systems

Business Continuity Management
Building availability into management processes

Pandemic Planning
Building pandemic planning, preparedness, and response

Resilience
Hardening the enterprise against all foreseeable emergencies

Predictive Modeling
Anticipating the effects of emergencies before they happen

Maturity of BCM

Insights into Business Continuity Management

The need for an effective risk reduction and BCM program has never been so evident

Protecting the company's employees and ensuring their well being

Avoiding public embarrassment and **loss of credibility**

Keeps the company in business – strengthening the organisation's ability to continue business activities and critical business processes in the face of disruption

Meeting legal and regulatory **requirements**

Protecting the company's **financial commitments**

Putting customers at ease by implementing solutions allowing to continue providing services

People Protection

Brand Protection

Viability

BCM

Legal Conformity

Profit Protection

Competitive Advantage

Insights into Business Continuity Management

A major disaster could lead to an economic downturn

An **economic downturn** is a general **slowdown** in **economic** activity over a sustained period of time. It can happen in a specific region (e.g. the Asian financial crisis in the late 1990s) or on a global scale (e.g. the global financial crisis in the late 2000s). In the actual context, an expected downturn could impact all the industries. Industries that could be impacted:

6 INDUSTRIES	Financial Services	Government & Public Services	Technology, Media & Telecom	Energy, Resources & Industries	Consumer	Life Sciences & Health Care
21 SECTORS	Banking and Capital Markets	Health and Social Care	Technology, Media & Telecom	Power & Utilities	Consumer Products	Health Care
	Insurance	Defense, Security and Justice	Technology	Mining & Metals	Retail, Wholesale and Distribution	Life Sciences
	Investment Management	Civil Government		Oil, Gas and Chemicals	Automotive	
	Real Estate	International Donor Organisations		Industrial Products and Construction	Transportation, Hospitality and Services	
		Transport				

Possible impacts*

- Could be less impacted in the immediate period
- Could be moderately impacted in the immediate period
- Could be more impacted in the immediate period

There is no study behind these impacts estimations.

Insights into Business Continuity Management
A major disaster occurs – how prepared are you?

Experience shows that typically over 50% of businesses without an effective Business Continuity Plan will ultimately fail following a major disruption

Would you know what to do in case of a major incident or disaster?

Are you certain that your continuity investments are allocated to your critical processes?

Are you confident in your organization's resilience should a major incident occur?

What regulatory and legal requirements do you need to consider and comply to?

How would you plan to communicate during a major disaster with your external stakeholders?

Business Continuity Management Methodology

Business Continuity Management Methodology

How to ensure an effective BCM

The following methodology gives the main phases for succeeding an effective BCM:

1 **In-depth Analysis of the current BCM maturity**

- The organization's current state of preparedness;
- The risks to continuity of operations (concrete scenarios);
- The impact on business, including the time it would take for adverse impact, the level of services and products acceptable to achieve the business objectives, etc..

3 **Implementation of the continuity strategies**

The **strategies** developed in the previous phase often require the acquisition of resources, the implementation of technical solutions and security measures, the negotiation of contracts, etc. The efforts related to the implementation should not be underestimated.

4 **Maintaining & Improving the new Business Continuity strategy**

Because of the continuous evolvement of risks and the evolution of the crisis situations, it is important to regularly review and update the BCM, through a continuous improvement/quality assurance program.

2 **Development of strategies for continuity**

Build enterprise strategies that attain the organization's continuity goals, and anticipate outages and failures.
The strategies should:
- Consider people protection, brand and values protection, profit protection, but also the legal and regulatory constraints;
- Be build in a cost – effective approach, and pragmatically consider key resources to critical activities: people, ICT, suppliers, facilities.
- Respond to the concrete risk scenarios of the organisation

ANALYSE	DEVELOP	IMPLEMENT
CURRENT STATE ASSESSMENT	GOVERNANCE	RESOURCE ACQUISITION & IMPLEMENTATION
RISK ASSESSMENT	AVAILABILITY & RECOVERY STRATEGIES	TRAINING
BUSINESS IMPACT ANALYSIS	BUSINESS CONTINUITY PLANS & PROCEDURES	TESTING

CONTINOUS IMPROVEMENT & QUALITY ASSURANCE

Crisis Management

Business Continuity Management Methodology

10 practical steps for an effective Crisis Management

In an emergency situation, hereafter some practical steps for managing the crisis:

1 Establishing **emergency decision-making teams**

2 Assessing the risks and **clarifying emergency response mechanism**, plans and division of labour

3 **Establishing a positive information communication mechanism** for employees, customers and suppliers, and creating standardized communication documents

4 **Maintaining the physical and mental wellbeing of employees**, and analysing the nature of different businesses and jobs to ensure appropriate resumption of work

5 Focusing on **supply chain risk response plans**

6 Developing solutions to **compliance and customer relationship maintenance** risks arising from the inability to resume production in the short term

7 Practicing **social responsibility and stakeholder management**, and incorporating sustainable development strategies into decision making

8 Building **management plan of employee master data, information security and privacy**

9 **Adjusting budgets plans, cash flow plans**, and early warning mechanisms for international trade

10 **Upgrading enterprise risk management mechanisms**

Crisis Management
An organization preparedness guide

Disruptive events can be: Natural disasters (e.g. fire, flood, earthquake), Cyber attacks , Terrorism, Geopolitical events (e.g. destabilised events), Health risks (Pandemics, virus). Here are some specific topics related to crisis management due to health risks:

1 What is the Organizational impact?

- **Mass absenteeism:** e.g. employees who fear they may have contracted a disease may refrain from coming to the office, which results in a halt of critical business processes

- **Loss of key personnel:** e.g. as a result of casualties, we may lose personnel in key positions, which could result in strategic uncertainty, reduced confidence and impact on business processes

- **Affected suppliers or business partners:** e.g. the inability to procure critical resources, outsourced services or any supply-chain disruption could bring daily operations and processes to a halt

- **Significant decline in market demand:** e.g. key markets, if affected, could see a demand slump in the short-to-medium-term, resulting in unsold inventory

2 How to respond to a Crisis?

- **Documented information:** having documented information, such as employee contact details, a crisis playbook and clear communication plan and templates, is crucial to respond to a crisis. The other BCM documents should also be present

- **Response capabilities:** having the capability to respond to a crisis is another crucial part of the crisis response plan. This includes not only on-site medical assistance and preventive aids, but also incident/crisis management, business continuity plans and recovery management

- **Communication:** the ability to efficiently communicate with employees, shareholders, customers through alerts and updates is an essential part of a crisis response plan. Managing communication with the different stakeholders, media and regulators is also a critical part of the crisis response plan

- **Monitoring capabilities:** a crisis response plan must have strong monitoring capabilities. Efficient monitoring should include the monitoring of the external environment, of the updates on the recovery efforts (global and local), but also intelligence sharing with peers

Key components of a crisis response plan
A crisis such as a pandemic outbreak can escalate quickly, crippling an organization's business operations and threatening the life and safety of its employees. It is, therefore, imperative to have an effective crisis response plan, integrated in the Business Continuity Management, which includes:
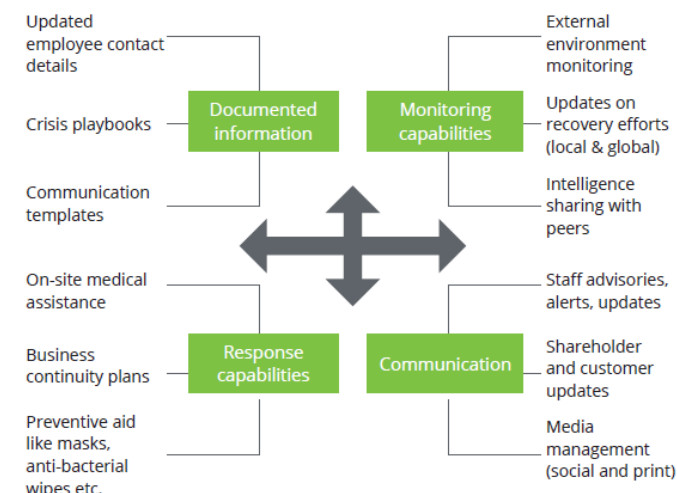
3 Examples of key actions to be taken immediately within the crisis management due to health risks

- **Immediate actions:** Activate Crisis Command Centre (CCC) and set-up periodic status update calls with the Crisis Management Team, gauge the extent of exposure the crisis poses to the organization, notify employees and contractors, initiate awareness campaigns, review the Business Impact Assessments focused on mass absenteeism of employees and suppliers, invoke business continuity plans and recovery management, etc.

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Crisis Management

16 practical steps for an effective Crisis Management due to health risks

How to prepare for a crisis situation and minimise the negative impact on organizational processes, and how to ensure successful business continuity while taking into account the wellbeing of all involved parties:

1 Establish a business response and continuity office
Immediately establish a cross-function team to develop a coordinated response effort

2 Confirm critical roles and backup plans
Prepare temporary succession plans for key executive positions and critical roles in your business

3 Evaluate the essential work of your company and how it might change
Identify what work requires on-site attendance and which meetings can be shifted to remote communication methods

4 Understand what work is mission-critical and what can be deferred or deprioritised
Help your teams understand, where their focus needs to be

5 Show up for your people, set the tone at the top
How leaders behave during critical moments leaves a lasting mark on corporate culture

6 Develop a plan for your whole workforce
Remember that your workforce is not just the direct employees, but also vendors and subcontractors

7 Define your communication strategy and make it visible
Remain transparent and provide accurate and authorative information

8 Educate employees about health symptoms and prevention
Wellbeing of the people is a first priority, strengthen safety education and establish self-protection guidelines

9 Establish employee support procedure
Consider a dedicated hotline for inquiries from employees

10 Develop workforce / labour plans, and conduct scenario analysis
Think ahead to how this situation could play out, including the recovery period.

11 Create strategies for a temporary labour reduction. Be ready for a slowdown
The need for your current workforce may temporarily be disrupted, and you'll need to decide how to handle this

12 Prepare plans for site disruption and reactivation
In the event an entity has to close its doors for non-critical workers for a period, determine a communications plan for all employees, including contractors and vendor partners

13 Develop clear protocols and obligations for employees who are at risk
All employers need to have clear protocols to ensure their people know they must self-report in the cases of high-risk travel or close contact with high-risk individuals

14 Review leave policies
Review sick leave policies and procedures, including paid sick-leave programs, statutory leave, and eligibility criteria for medical leaves

15 Prepare for increased absenteeism and work refusal
Absenteeism will increase and employees who may be showing symptoms will remain at home

16 Review anti-discrimination policy and practices
Discrimination based on a person's ethnicity has no place in an outbreak plan