

What is Best Practice Business Continuity Management?

Scott Lansley and Bryan McAtee, Directors, BCM in a Box

Business Continuity Management (BCM) Definition

The Business Continuity Institute's (the BCI is an industry peak body) definition is "a holistic management process that identifies potential impacts that threaten an organisation and provides a framework for building resilience and the capability for an effective response that safeguards the interests of its key stakeholders, reputation, brand and value creating activities".

BCM in a Box extend this definition to specifically identify three key components - we define BCM as:

The integration of the disciplines of:

- Crisis Management (Corporate issues);
- Business Continuity (Process contingencies);
- Disaster Recovery (IT system availability);

to identify potential impacts that threaten an organisation and provides a framework for building resilience and the capability for an effective response that safeguards the interests of its key stakeholders, reputation, brand and value creating activities.

Regardless of definitions, the US department of Homeland Security probably summed it up best when they simply said "it's the ability of an organisation to take a lickin' and keep on tickin'".

BCM Efficiency and Effectiveness

To operate according to best practice we not only have to perform the discipline well (efficiently) but also cost-effectively.

To determine if our business continuity discipline is efficient, we need to understand what business continuity activities are being performed, the time required to complete these activities, the frequency of their performance, the tools and techniques being utilised and the outcomes being achieved. When this information is available an assessment of current business continuity activities can be performed.

The effectiveness of a BC plan needs to be assessed long before it may have to be used to respond to a real event – learning the shortcomings of the plan at the time of real event is potentially fatal for an organisation – at the very least it will be highly embarrassing for the organisation.

Rigorous testing is the first step to determining whether actual recovery capability is consistent with the required capability. Even if testing highlights plan inadequacies, at least an opportunity exists to address this position, rather than "assuming" everything will be fine. Another way to test effectiveness is to run various interruption events and determine whether the plans are adequate under these different circumstances. Flexibility of the plan to accommodate different outage conditions improves the effectiveness of the plan, as the one plan now provides more comprehensive scope coverage.

Evolution of BCM Best Practice

Business Continuity has evolved over the last 40+ years. The Business Continuity Institute and Disaster Recovery Institute (DRI) have published Professional Practice Standards to define and certify Business Continuity Professionals, refer www.thebci.org/

What the industry lacked was a framework which focused on best practice by which an organization's Business Continuity Program can be developed and measured.

In January of 2002, the concept of a Business Continuity Management Maturity Model was advanced by Scott Ream in a Contingency Planning and Management article, "How Mature is your Business Continuity Program?" In this article a 6-level model, summarized below. This model describes how organizations evolve in their implementation of Business Continuity competency and capability and is available from, www.virtual-corp.net/html/news.cfm, along with a wealth of other BCM best practice articles.

Level 1 - Self-Governed - Business continuity management has not yet been recognized as strategically important by senior management.

Level 2 - Supported Self-Governed - At least one business unit or corporate function has recognized the strategic importance of business continuity and has begun efforts to increase executive and enterprise-wide awareness.

Level 3 - Centrally-Governed - Participating business units and departments have instituted a rudimentary governance program, mandating at least limited compliance to standardized BCM policy, practices and processes to which they have commonly agreed.

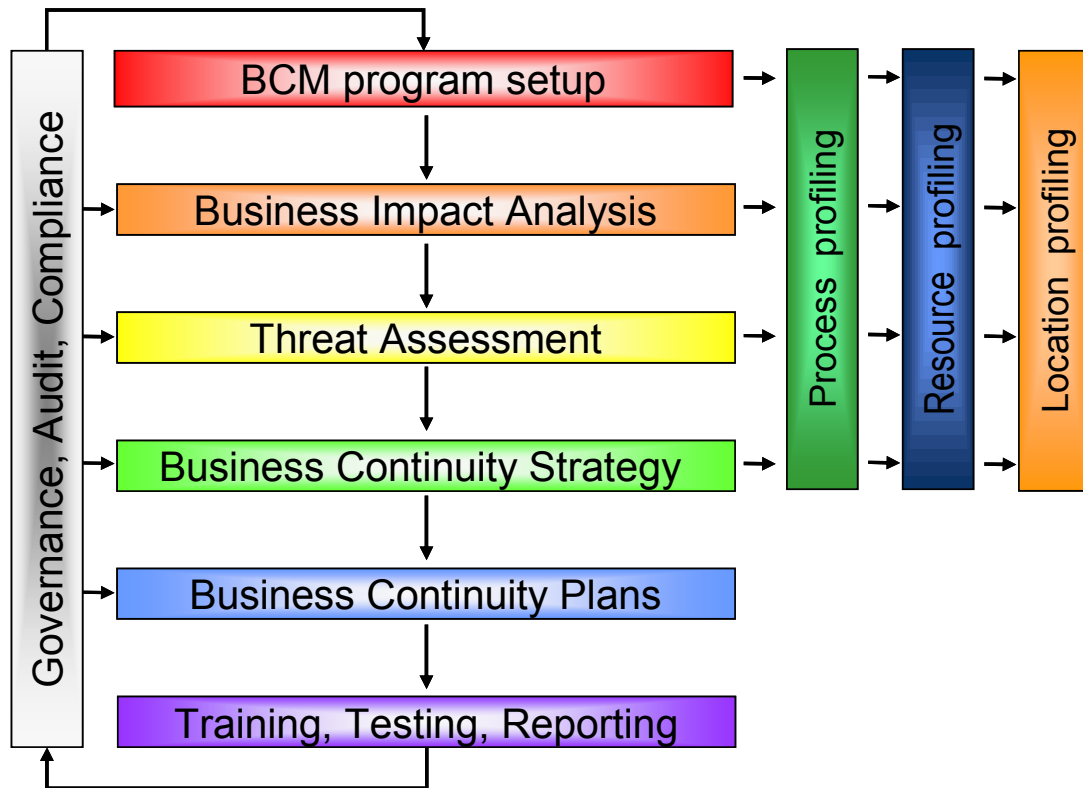
Level 4 - Enterprise Awakening - All critical business functions have been identified and continuity plans for their protection have been developed across the enterprise.

Level 5 - Planned Growth - Business continuity plans and tests incorporate multi-departmental considerations of critical enterprise business processes.

Level 6 - Synergistic - All business units have a measurably high degree of business continuity planning competency. Complex business protection strategies are formulated and tested successfully.

Business continuity has continued to evolve to provide resilient solutions that are integrated into normal business practice. An example of this practice is the inclusion of a contingency allowance for provision of temporary accommodation into Insurance premiums for existing building facilities. This enables detailed planning to be undertaken with the knowledge that if a significant event does occur with cost recovery integrated into the planned response.

An overview of the framework for Business Continuity development is shown in the following diagram



The continuous improvement interactive process is driven through a gap analysis of testing and reporting against governance, audit and compliance requirements and edicts. Updating of the Business Continuity business case provides a contemporary perspective of resilience requirements and communication of cost and risk associated with strategy options.

Characteristics of a Best Practice BCM programme

The following points are typical of a best practice for BCM:

- BCM Policy guides the programme of activities that holistically assesses and addresses continuity planning across the organisation in a way that meets the organisation's stated risk appetite. Policy provides the strategic alignment of the business continuity activities to the organisation's core values and goals.
- A lexicon is used in the organisation to ensure that all stakeholders are communicating consistently regarding BCM activities.
- Business processes / functions are assessed for their criticality (or value to the organisation) using a consistent, common criteria using a number of relevant metrics.
- An all-hazards approach is used; Focus is placed on determining the key resources that underpin the key organisational processes and consider the impact on processes as a result of interruption to those resources. Determining the cause of an interruption event is secondary to responding to the impact of the event. Using this approach allows resources to be categorised into "resource types", thereby simplifying the thinking and confusion often experienced by general business users when participating in BCM workshops, interviews and surveys.

- Plans are easily produced, maintained and accessible when needed. Furthermore, the plans are built and owned by the business (process) owner. Each process should have its own Business Recovery Procedures, which can be invoked individually or en-masse as required.
- Business Continuity planning for the organisation's processes is integrated with the IT Disaster Recovery Planning programme and the Crisis Management Planning activities. The IT DR programme should be fundamentally driven by the critical business process demands. From these business demands, certain core or common IT infrastructure components will be identified that must exist to support all processes.
- Key personnel dependencies are identified and mitigated wherever possible. Skill dependencies should be minimised by taking advance preparations to provide "key skills redundancy" where possible. This may require geographic disbursement of key staff to remove "key-person" concentration risks.
- Built on facts – not assumptions. All assumptions made through the planning lifecycle are captured and validated to ensure appropriate capabilities will exist if / when required. If gap analysis and remediation is performed prior to embarking on BC Testing, significant benefits will be achieved - tests will take less effort to prepare and execute and will achieve better results (that require less post-test attention for rectification activities).
- Visibility of resource dependencies and process inter-relationships across the organisation should be a natural outcome of BCM planning. Implementing a methodology that affords full consideration to achieving this outcome is not only prudent but required. Given the effort required to collect and maintain BCM planning information versus the likelihood of it being used in anger, a 'best practice' approach will attempt to derive other tangible benefits from the information collected.
- Satisfies the compliance requirements of the organisation, both external (regulatory / statutory / legal / fiduciary) and internal – compliance requirements should be a mandatory section of the BCM policy.
- Simplifies reporting of BCM to its stakeholders. Consistent, relevant, objective and current reports from a variety of views are necessary to support the needs of all stakeholders, regardless of whether they are operational, managerial, executive or external.
- A stringent review and approval process is incorporated into the framework to ensure governance is attended to in real time. This will ensure that problems and impediments in the BCM programme will be noticed and addressed sooner – reducing the risk profile of the organisation.
- Aim for constant improvement of the activities and deliverables in the BCM programme. This requires activities to be recorded, monitored and measured. A long term objective of the BCM programme should be to improve BCM Programme scores / results over a defined and agreed period. This ensures momentum is maintained and awareness with BCM is embedded into "business-as-usual" activities and the culture of the organisation.

The last word

Trying to obtain the best value for the time invested in planning should be the ultimate goal in the planning process. After all, BCM IS just another (internal) business process. Why not do it properly?