

Hardfacts



Business Continuity Planning

Owning and managing a business in today's fast-paced world is challenging enough. However, in recent years, many businesses have been faced with the additional stress of unpredictable disasters such as SARS, flooding, power outages, ice storms, forest fires, hurricanes, Y2K and 9/11. More than ever, preparation for these types of challenges, known as business continuity planning, is a key component of good business practices.

Sobering statistic:

Every year approximately 20% of Canadian businesses experience such a challenging event and according to the Canadian Centre for Emergency Preparedness, 86% of small to medium sized businesses fail within three years of a major incident if they do not have a tested plan in place to recover.

It is not all about preparing for the worst

Efforts put into developing a plan are not only important in case of potential interruption but this planning process can strengthen your entire organization by helping you identify redundancies and find efficiencies. As well, it can enhance your image in the eyes of employees, shareholders and customers by demonstrating a proactive attitude. It can make your business more resilient and not only able to respond to challenges but also maximize opportunities.

5 Step Business Continuity Planning Process

This planning process can be broken down into 5 key steps.

Step One: Establishing control

It is essential to have someone or a group of people responsible for ensuring your business continuity planning process is done correctly, completely and is tested and updated on a regular basis by creating the structure and assigning key responsibilities for the plan to staff within your business.

Step Two: Business impact analysis (BIA)

This step's purpose is to analyze each business process and determine the effect a disaster may have upon it. The results of this analysis will determine the business process' level of criticality. This will assist in developing the appropriate recovery strategy.

Upon completion of a BIA for all business processes and support functions (e.g., IT applications and infrastructure), a complete business continuity strategy can be formulated that includes critical inter-dependencies between business processes and related support processes.

Step Three : Create actual plans for business continuity (BCP):

This step consists of the preparation of detailed response/recovery plans and arrangements to ensure continuity. These plans and arrangements outline the ways and means to ensure critical services and products are delivered at minimum service levels within tolerable down times. Continuity plans should be made for each critical service or product as identified during your Business Impact Analysis.

Some of the questions you should consider in this process include:

The Where? Where will my business operate from? Can I outsource all or part of my operations? Can all or some of my employees work from home? Do I need to temporarily set up part or all of my operations at another location which may or may not be currently owned or used by my business? What does my current lease require me to do?

The Who? People who are critical to your operations may be unwilling or unable to work if their own homes and families are threatened in a crisis. Consider what happens if key people are lost or unavailable. What would be the minimal amount of staff you require to maintain delivery of your critical products or services and who are they?

The What? Your business needs things to operate. Review those things necessary to maintain your critical products and services.

The When? The timing of when you will institute these plans is also important. Think through the actions you will take pre- disruption, within the first 24 and 72 hours, the first week and first month and then how you will return to your original site.

Step Four: Readiness procedures:

In order for your plan to be effective when you need it, you should make certain all of your affected staff, know what to do, when and how to do it. For critical products and services it is recommended that you test your plan in advance of a disruption and make any amendments to it. Neither the training for, or the testing of your plan should be a one time event. These areas need to be reviewed and potentially redone, on a regular basis and any time you make a change to your operations.

Step Five Continuous review of the plan:

It is not enough to complete the plan and put it in a binder on the shelf. Review of the BCP should assess the plan's accuracy, relevance and effectiveness. It should also uncover which aspects of a BCP need improvement. Continuous appraisal of the BCP is essential to maintaining its effectiveness. The appraisal can be performed by an internal review, or by an external audit. You should consider establishing a set time to review the plan.

Summary

Business continuity planning involves focusing on how your business will recover from a major disruption that challenges your ability to deliver critical services or products. By being prepared, you will not only protect your business from devastation during a disaster but enable it to better weather lesser disruptions and project a positive image.

Good planning is just good business.

Additional Resources:

Aviva Hardfacts:

A-5654 Pandemic Planning

A-5601 Telecommunications and Business Continuity

Government of Canada Business Continuity Planning Website

www.psepc-sppcc.gc.ca/prg/em/gds/bcp-en.asp

Disaster Recovery Journal

www.DRJ.com

Disaster Recovery Institute International

www.DRII.org