

Coping with a major business disruption

Some
practical
advice

What is business continuity?

Business continuity planning (BCP) is a management process that helps manage the risks to the smooth running of an organisation or the delivery of a service, thereby ensuring that it can continue to operate in the event of a disruption.

The whole process is sometimes referred to as business continuity management (BCM). The Business Continuity Institute defines this process as follows...

“Business Continuity Management (BCM) is a holistic management process that identifies potential business impacts that threaten an organisation and provides a framework for building resilience with the capability for an effective response that safeguards the interests of its key stakeholders, reputation, brand and value creating activities.”

Three very good reasons why your business should have a plan...

1. 80% of businesses affected by a major incident close within 18 months.
(DTI survey)
2. 90% of businesses that lose data from a disaster are forced to shut within 2 years.
(London Chamber of Commerce & Industry)
3. 58% of UK organisations were disrupted by September 11th. One in eight was seriously affected.
(London Chamber of Commerce & Industry)

Why business continuity?

Making business continuity part of the way you run your business, helps prepare you to offer 'business as usual' in the quickest possible time, rather than `fight fire` the impacts of an emergency. Having a tried and tested plan in place will help protect your business against the impacts of a natural or man made disaster, such as...

- Fire.
- Adverse publicity.
- Loss of key personnel.
- Loss or denial of access to your premises.
- Floods and severe weather.
- Computer failure or loss of data.
- Theft.
- Bomb threat.
- Technical or environmental failure.
- Power failure.
- Product contamination.
- Failure of critical suppliers.

Any of these could result in any one or more of the following...

- A complete failure of your business.
- Loss of income.
- Loss of reputation and or loss of customers.
- Financial, legal and regulatory penalties.
- Human resource issues.
- An impact on insurance payments.

Your business continuity plan could involve...

- Moving to another part of the office or building.
- Moving to another location.
- Staff giving up their work areas.
- Working from home.

Therefore it is just as important that small companies, as well as large corporations, ensure that in the event of a disruption to normal business, critical services are maintained to a minimum acceptable level and employees understand what is expected of them. This is to ensure that the business survives the disruption and that an organised and effective `return to normality` is conducted.

What is the business continuity process?

Key concepts of the BCM process are...

- Understand your business and key business objectives.
- Identify key activities and staff working within those areas.
- Identify service areas / business activities or processes where any failure (e.g. of equipment suppliers, etc) would lead to a major business interruption.
- Identify the potential threats.
- Assess all internal and external risks.
- Calculate the impact of those risks.
- Plan to reduce the likelihood or reduce the impact of identified risks/threats.
- Exercise the plan and train your staff.
- Audit the results and review the plan regularly.

A simple process to follow...

1. Understanding your business.
2. Assess the risks.
3. Prepare your plan.
4. Test your plan.

1. Understanding your business

In order to develop a business continuity plan you need to have a thorough understanding of your business. This involves identifying the critical functions of your business, the effect of those functions being disrupted and the priority for recovery of those functions. This process is commonly known as a business impact analysis.

2. Assess the risks

Next you will need to identify a list of all known risks or hazards which may threaten your business. By determining the likelihood of the hazard occurring, then calculating the impact that hazard would have on your business, it is possible to rate the risks which will help inform what you need to do with them. This process is determining how much risk your business is willing to accept and is often referred to as your 'risk appetite'.

The choices are to...

Accept the risk: You may decide that you are happy to 'live with' the risk as the cost of implementing any risk reduction strategies may outweigh the benefits.

Alternatively you may decide to...

Treat the risk: You want to treat the risk i.e. take steps to reduce the impact or reduce the likelihood ('Possible Mitigation') because the risk is too great for your business.

It is not possible to mitigate against all risks, this is why a plan is required.

3. Prepare your plan

Having completed the main information gathering exercises it is now time to develop a simple generic plan of actions that may be appropriate when an emergency occurs. This plan should enable you to continue each of your priority services and it should also contain specific actions for different types of risk to your business.

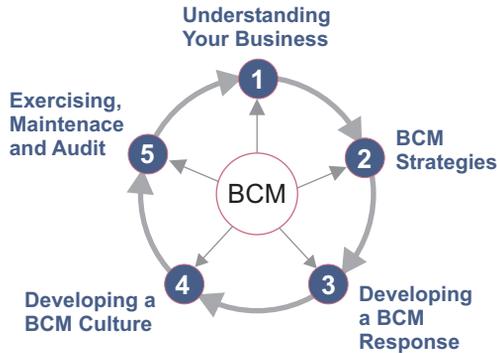
4. Test your plan

It is important that, once your plan is written, you test the procedures you have put in place. Before a plan can be tested, staff need to be familiar with the content of the plan and their role in the response and recovery. This can be done by reading through the plan together and discussing how you would apply it to a fictional scenario.

When you are confident that your staff understand the plan and their part in it, you should test the plan by acting out a scenario; this is called an emergency exercise.

The Business Continuity Institute has developed the following life cycle...

- Understanding your business.
- BCM strategies.
- Developing a BCM response.
- Developing a BCM culture.
- Exercising, maintenance and audit.



Where can I get further information?

For further details on business continuity in Cardiff...

Contact us

Address: Cardiff Emergency Management Unit
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For more information on the process of BCM, see the Good Practice Guidelines 2005 on the BCI website.

Web: www.thebci.org