

Regional Business Preparedness Campaign

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Business Continuity Planning Basics

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Why Business Continuity?

Disasters and disruptions cause downtime and that directly affects revenue. If the workers cannot work, the business is not making money, and the owners cannot pay the lenders, suppliers, employees – or themselves.

The longer the downtime, the more difficult it is to keep the business running. Many businesses simply close their doors after a disaster. Many more re-open, but only for a few years. In most of these cases, they were not prepared for the worst and either believed the worst would not occur or incorrectly believed they could be up and running in only a few days.

There are many reasons why a business should perform business continuity planning.

Regulations: Sometimes, BC planning is performed only to satisfy a government regulation,



such as HIPPA, Sarbanes-Oxley and Gramm-Leach-Bliley.

Fiduciary responsibility:

Business leaders can face liability from shareholders, employees or customers for failing to use “good business judgment” or provide for the safety of their employees.

Customer requirement:

BC planning may also be required for a customer, or business partner. Some Fortune 500 companies and government agencies may ask prospective suppliers for details about their BC planning efforts. A franchise may also have BC planning requirements.

But the BEST reason for BC planning: managers recognize that their organization is vulnerable to disasters and disruptions. They want to ensure that when – not if - something goes wrong, the business can continue to operate – possibly at a degraded level - or resume operations quickly with minimal impact on revenues, employees, customers and vendors. And they realize that this will not occur without proper planning.

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This is the fourth newsletter in the 2011 Regional Business Preparedness Campaign. The previous newsletters can be downloaded from:

www.millersville.edu/cdre/business-continuity/index.php

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Please take our business preparedness survey

Millersville University's Center for Disaster Research and Education is conducting research to assess the current level of business preparedness in the South Central PA region.

We would appreciate your taking 10 minutes to complete our online survey. The survey is anonymous and secure. The aggregate results of the survey will be published at a later date.

The survey can be reached at: www.millersville.edu/cdre/business-continuity/index.php.

Business Continuity Planning Basics

As an added bonus, during the BC planning process, current businesses functions may be changed to not only reduce vulnerabilities but also add efficiencies.

What is Business Continuity Planning?

The purpose of BC planning is to minimize the effect that disasters, disruptions, and crises have on the organization, its owners, stakeholders, employees and customers. BC Planning is a formal review of business functions to identify weaknesses, corrective actions, and alternatives to ensure the continued operation of the organization.

Getting Started

Often the first hurdle in BC planning is convincing management that BC planning is needed. If you are management, hopefully you are already convinced.

An effective BC planning project requires a team effort that involves key personnel in all critical functional areas. The project also needs commitment from top management: both support of the BC project and participation in the planning process.

The BC Planning Team should start by identifying the overall scope of the project: is the goal to produce a complete written BC plan or something less ambitious? Will an outside BC consultant be used to help drive the project?

Risk Assessment

The next step for the BCP Team is trying to identify the risks that can threaten the continuous operation of the organization. This is usually performed for each functional unit and includes evaluating natural (tornado), man-made (chemical spill) and technological (power

failure) hazards.

Do current controls exist to minimize the vulnerability? This could be as simple as moving vital records off-site or ensuring a fire extinguisher is properly positioned near where combustible materials are stored, then training employees on its use.

Current insurance coverage should also be reviewed as well as any regulations that may apply to your organization.

Business Impact Analysis

The results of the risk assessment are used to try to quantify the effects the risks would have on operations. This usually requires gathering information from each functional area to identify critical functions and their basic recovery needs. The BCP Team will then evaluate potential recovery times and the costs associated with meeting those time objectives.

Recovery Strategies

With the information collected so far, the BCP Team begins to determine the best strategies for ensuring the continued operation of each critical function in the organization after a disruption or disaster. To accomplish this, the Team will evaluate the advantages, disadvantages and costs of the various options. Will you build extra capacity into product lines in case one goes down, or develop options to subcontract a process to another vendor?

Plan development

As the strategies for business continuity has been defined, you will now be able to pull together the various plans. There are 3 distinct plans that will be developed.

1. Business Continuity plans will be the documentation needed for the business units to

continue their business while performing recovery operations. First one needs to define the recovery organization. Will it be organized by type of recovery or will it be organized by current company departments?

Example of recovery organization –

- Crisis Management Team
- Logistics Team
- Damage Assessment Team
- Restoration Team

Example of company department organization –

- Executive Team
- Information Technology Team
- Human Resource Team
- Sales / Marketing Team
- Legal Team
- Other business unit teams – Accounting, Claims, Customer Service, etc.

Regardless of the organization structure, each team will need certain documentation in their BC plan. Sample documentation outline would be –

- BCP Team name and description
- Team members
- Tasks to be performed
- Team / department member contact information
- Vendors / Services contact information
- Resources needed by team
- Supporting documentation

Sample categories of the Tasks to be performed would be –

- Initial notification
- Immediate (within 24 hours)

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It is a question of when— not if— something goes wrong. Will your organization be ready?

Business Continuity Basics

- Damage assessment
- Short range (within the first several weeks)
- Recovery / restoration
- Repetitive / administrative
- Move back to operations normalcy
- Debrief

2. Disaster Recovery plans are the Information Technology detailed plans for recovery and restoration of the IT resources – Servers, Desktops, and other equipment. It goes into depth on what steps to take to restore the equipment. It should contain relationship information between equipment and applications. It needs to detail the configuration settings. It should be in sufficient detail that if your expected IT person to perform the recovery is not available, you could give this document to a sufficiently trained IT person and they would be able to successfully perform the restoration steps.

3. The Emergency Response plans will specify the steps to be taken with various disruption scenarios. What do you do for fire evacuation, tornado shelter in place, bomb threat, workplace violence, etc. You should consider separate plans for the Crisis Management team (Executives), your Floor Fire Wardens, and All Employees.

Finally, where do these BC plans reside? The BC must be in a document or database that can be easily maintained and referenced. My preference is to keep a printed copy of the plans off-site. Most people do not want to power up their PC, access a document or Web site with the document, to review their plan during a disruptive event.

Coordination with Outside Agencies

If your organization does suffer a disaster or disruption, such as a fire or other emergency, you will likely be interacting with outside emergency services or specialized recovery service providers. To ensure a smooth recovery operation, contact should be made with these entities during plan development.

Do the emergency services have current copies of your floor plan? Are they aware of any special hazards that could endanger them? Have you designated which personnel will coordinate with the emergency services?

When using other outside services to assist in your recovery efforts, such as property restoration services or temporary office vendors, their capabilities and response times should be documented in the plan. If possible, contracts should also be obtained.

Testing the plan

Testing is one way you can assure your organization that the BCP is viable and workable. It is valuable to use testing to train / remind the participants what is in the plan and how to use it. Testing is especially successful if you document the specifics that did not work and develop action plans to correct them. I'd be careful about grading your testing efforts as you would have done in a school / higher education class. You want to identify what works and what does not work.

What kind of tests are there?

- Drills – these would be conducting the fire evacuation drill, or the tornado shelter in place drill. It involves practicing the procedures with the

involvement of many or all of the staff.

- Desktop testing – is very effective in reviewing the BCP for the business units. Gather the BCP team in a room around a table and present them with a disruption scenario. Then walk through their BCP noting any changes to the plan.

A highly effective approach is to include all the BCP teams in one large meeting. This allows each BCP team to share their activities and reliance on the other BCP teams. This can be referred to as an integrated desktop test.

- IT Testing – many times these tests are conducted off-site from the main office. It's IT opportunity to exercise the plans and rebuild the technology needed by the company. This is an excellent test to first ensure the procedures do work, and second to ensure that the steps can be completed in the requested Recovery Time Objective (RTO). That is will the MS Outlook Email be available in the stated 4 hour RTO?

Crisis Communications

Communications is critical in a disruptive event. Many organizations rely on manually maintained call trees (MS Word or Excel documents) to list the people by department or supervisor, who would then use this to call and relay the message. Even if these lists were close to being current, what would the message being delivered be? Would each supervisor be stating the same thing – not adding their own commentary?

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How much downtime can your company afford before it begins to seriously impact revenues?

Regional Business Continuity Conference planned for November 2nd

The South Central PA Task Force will hold a Regional Business Continuity Conference in Harrisburg, PA on November 2, 2011. The one day conference will be FREE for businesses located in the South Central PA region. However, registration is required and seating is limited.

Building a business continuity plan may seem like an impossible challenge for many businesses. However, even a basic plan can have a positive impact on an individual business, the local community, and the region as a whole.

Session topics are:

- Keys to Effective Business Continuity Planning
- Conducting a Business Impact Analysis
- Business Recovery Funding Through Insurance
- Data Backup Best Practices
- Business Continuity Plan Development
- Emergency Response Planning
- Cyber Security for Business
- Business Continuity Plan Testing
- Communicating During a Crisis
- IT Disaster Recovery Plan components

The conference brochure is available at:

www.millersville.edu/cdre/business-continuity/index.php



A good Business Continuity Plan can reduce the downtime and impact of an incident on business operations.

About the Regional Business Preparedness Campaign

Regional Business Preparedness Campaign is a collaboration between Millersville University's Center for Disaster Research and Education and the Business, Industry and Infrastructure Subcommittee of the South Central PA Task Force. They have partnered with the Chambers of Commerce in the region to reach out to their members. The goal of the Campaign is to improve business preparedness in the South Central PA region. Additional articles will be published in September.

Business Industry and Infrastructure Subcommittee of the South Central PA Task Force

The Business, Industry and Infrastructure Subcommittee of the South Central PA Task Force is made up of members of the business and government community that volunteer to assist the business community in preparing for disasters. Their website is: www.ready4business.org



Millersville University's Center for Disaster Research and Education

Millersville University's Center for Disaster Research and Education provides multi-disciplinary education, research and internship opportunities, including a Master of Science in Emergency Management and a Minor in Environmental Hazards and Emergency Management. Their website is: www.millersville.edu/cdre.



Campaign Coordinator

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Business Continuity Planning Resources

[DRI International](http://www.drii.org) (www.drii.org)

Business Continuity Education and Certification

[Flu.gov](http://pandemicflu.gov/professional/business) (pandemicflu.gov/professional/business)

Getting Ready for Flu Season

[Open For Business](http://disastersafety.org) (disastersafety.org)

Insurance Institute for Business and Home Safety

[Prepare My Business](http://www.preparemybusiness.org) (www.preparemybusiness.org)

From the U.S. Small Business Administration and Agility Recovery

[Ready Business](http://www.ready.gov/business/) (www.ready.gov/business/)

From the U.S. Small Business Administration and Agility Recovery

[South Central PA Task Force](http://www.ready4business.org) (www.ready4business.org)

Business, Industry and Infrastructure Subcommittee

BCP Basics (continued)

An industry has formed that provides a service that can house the employee contact information and then in an event, send a consistent message to each employee. Not only that, but it can send the message in multiple channels – Email work, Cell phone work, work phone, home phone, home cell phone, home Email, etc. Then it tracks the response of the employees to the message, providing statistics of those confirmed and not confirmed.

You'll find most education and higher education schools using such a system to connect with students, faculty, and parents. So why not use such a system for business?

Don Long, MBCP, CISA, Business Continuity and Disaster Recovery, Philadelphia Insurance Companies

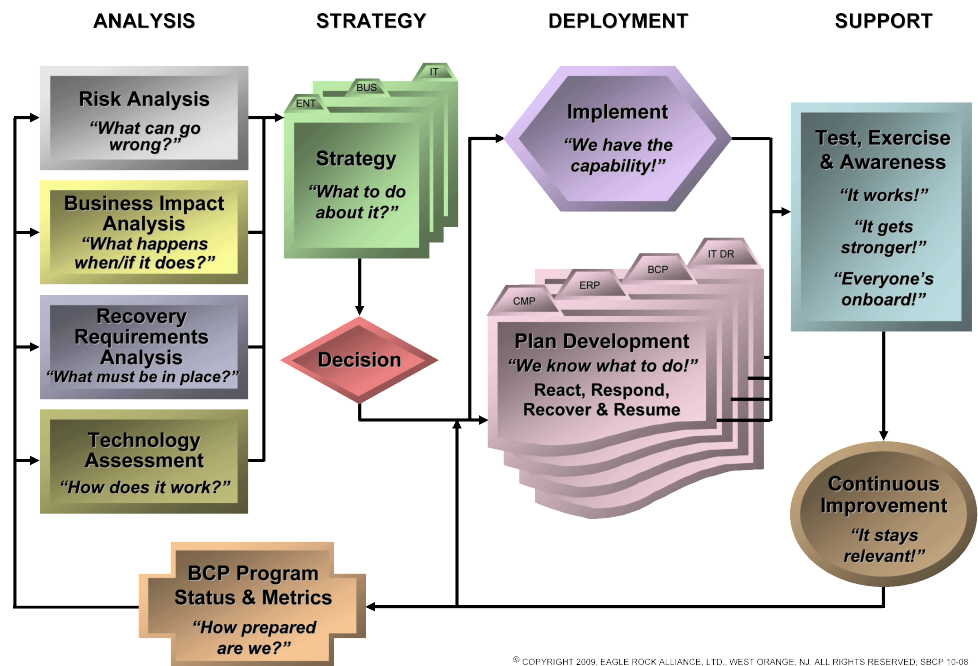
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Thank You!

Millersville University's Center for Disaster Research and Education, and the Business, Industry and Infrastructure Subcommittee of the South Central PA Task Force would like to thank the following Chambers of Commerce for participating in this Campaign:

- Lancaster Chamber of Commerce and Industry
- Harrisburg Regional Chamber of Commerce
- York County Chamber of Commerce
- Greater Chambersburg Chamber of Commerce
- Lebanon Valley Chamber of Commerce
- Gettysburg-Adams Chamber of Commerce

Business Continuity Planning



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