

## Tips for Implementing an Effective Business Continuity Plan

Implementing a Business Continuity Plan (BCP) provides a strategy for dealing with the possible interruption of business due to natural and man-made disasters such as fire, weather, hazardous materials incidents, technological emergencies, or a pandemic outbreak. Maintaining the continuity of essential services is a responsibility that must be upheld even if critical resources are unavailable as a result of an internal or external emergency event.

“Business Interruption” is an exposure that should be identified and mitigated through the use of a BCP. Every day businesses move towards increasingly more integrated business systems which rely on computer technology, telecommunications, and outside partners to deliver client services and generate revenue, all of which make this type of emergency planning vital. The more integrated a system, the more difficult it is to restore functionality if even one element of that system is compromised.

Some benefits of having an effective BCP include:

- Minimizing the disruption of your business
- Increased peace of mind by management and employees
- Contributes to a well-rounded risk management strategy
- Encourages greater understanding of exposures and risk mitigation activities that will help determine real insurance requirements and areas for further improvement to processes
- Ensures client service with minimal interruption in the event of an incident

### What is Business Continuity Planning?

Business Contingency Planning is the process of confronting the possibility of events that could interrupt the flow of normal business operations. An interruption could be something related to a winter storm, the loss of electricity to the general area, or the complete inaccessibility of a facility for an extended period of time due to a hurricane, earthquake, or even terrorist act. The cause of the interruption doesn't matter, but being capable of gaining manageable control of the interruption does.

Depending on the length or severity of the interruption, significant consequences or the very survival of a corporation may depend on the management's ability to re-establish critical business functions. Usually these business functions have required years to create and establish, but if compromised management must be able to re-establish them as quickly as possible, sometimes within hours or days. The best way to resolve such a complex problem is to have a well thought out plan ready to be executed.

A pre-determined crisis management team empowered to carry out the key elements of the BCP will also be necessary. This team should have the capability of responding appropriately to

any interruption; from a minor service up to and including a worst case scenario involving complete inaccessibility of facilities. The members of this team should be listed by name along with their designated responsibilities and emergency contact numbers. The list should be in order of who needs to be contacted first, and include back-up contacts in the event someone is unavailable to respond.

As a proactive, management-controlled program, a BCP modifies the consequences of business interruptions to acceptable levels and provides a tested vehicle to execute resumption of interrupted business functions. The outage consequences of each business function should be analyzed and defined in quantifiable financial terms, operational impacts, and legal or regulatory restrictions. Management should then define at which point the consequences are unacceptable. That point becomes the recovery time frame, which may be different depending on the business function.

The BCP then identifies recovery alternatives approved by management, such as pre-approved vendors or contractors, that cost-effectively restore critical business functions within an acceptable time frame.

## **The Business Continuity Planning Process**

Following this nine-step planning process will help guide your organization through the necessary elements of creating an effective BCP.

### **1. Obtain Management Commitment**

Management must support and be involved in the BCP planning process. They should be responsible for coordinating development and ensuring that the end product will provide maximum effectiveness for the organization. Adequate time and resources must be committed to these efforts, including financial considerations and the personnel involved.

### **2. Establish a Planning Committee**

A committee should be appointed to oversee the development and implementation of the BCP, as well as to define its scope and reach. The committee should include representatives from all functional areas of the organization, and key members should include the operations manager and the data processing manager. In a small business, a manager or operations position can fulfill this role.

### **3. Perform a Risk Assessment**

Prepare a risk analysis and business impact analysis that includes a range of possible disasters, including natural, technical and human threats. Each functional area of the organization should be analyzed to determine the potential consequence and impact associated with various disaster scenarios.

The risk assessment process should also evaluate the safety of critical documents and vital records in order to assess the impacts and consequences resulting from loss of information and services.

#### **4. Establish Priorities for Processing and Operations**

The critical needs of each department within the organization should be carefully evaluated in the following areas:

- Functional operations
- Key personnel
- Information
- Processing Systems
- Services
- Documentation
- Vital records
- Policies and procedures

Processing and operations should be analyzed to determine the maximum amount of time that you can operate without each critical system. Critical systems are defined as the procedures and equipment required to continue operations should the operation be destroyed or become inaccessible.

#### **5. Determine Recovery Strategies**

The most practical alternatives for proceeding in the case of a disaster should be researched and evaluated. It is important to consider all aspects of the organization in this regard, such as:

- Facilities
- Hardware
- Software
- Communications
- Data files
- Customer services

#### **6. Perform Data Collection**

Identifying critical data beforehand is a crucial step in streamlining restoration efforts. Having this information easily available, regardless of any systems losses, will save time and enable faster responses than if it has to be looked up in the middle of a crisis or is completely unavailable due to a systems shutdown. The recommended data, materials, and documentation to gather includes:

- Backup position listing
- Critical telephone numbers and master call lists
- Communications inventory

- Documentation inventory
- Equipment inventory
- Insurance policy inventory
- Main computer hardware inventory
- Master vendor list
- Microcomputer hardware and software inventory
- Notification checklist
- Office supply inventory
- Off-site storage location inventory
- Software and data files backup/retention schedules
- Telephone inventory
- Temporary location specifications

## **7. Plan and Organize Written BCP**

Organizing before beginning to write the BCP provides the following benefits:

- Helps to organize the detailed procedures that will be included
- Identifies all major steps required before writing can begin
- Identifies redundant procedures that only need to be written once
- Provides a road map for developing the procedures

The BCP should follow a standard format for detailed procedures and the documentation of any other information to be included. A consistent format facilitates organization, ease of use and implementation, and streamlines future development efforts. Standardization is especially important if more than one person is involved in writing the procedures.

The plan should include teams responsible for addressing administrative functions, facilities, logistics, user support, computer backup, restoration and other important areas in the organization. Identifying the management team is especially important, because they will coordinate the recovery process. They will be responsible for assessing the disaster, activating the recovery plan, contacting team managers, and coordinating restoration efforts. The management team will also oversee, document, and monitor the recovery process. Management team members should be the final decision-makers in setting priorities, policies, and procedures.

Each team will have specific responsibilities that must be completed to ensure successful execution of the plan. The teams should have an assigned manager and an alternate in case the team manager is not available. Other team members should also have specific assignments where possible.

The procedures should include methods for maintaining and updating the BCP on a regular basis to make sure any significant internal, external, or systems changes are included, and that the elements within it are always consistent with the current state of the company. The procedures should require regular review by key personnel within the organization.

## **8. Develop Testing Criteria and Practice**

It is essential that the BCP be thoroughly tested and evaluated on a regular basis (every 6 months is recommended). Test procedures should be documented, and the tests themselves will provide the organization with the assurance that all necessary steps are included.

Being prepared for emergencies requires practice. Exercising your emergency preparedness plans will best serve your staff and customers/clients during emergency situations. Regular practice and review beforehand helps the appropriate responses to become second nature, and can identify weaknesses which can then be addressed and remedied.

The plan should be updated to correct any problems identified during the test. Initially, testing should be done in sections and after normal business hours to minimize disruptions to the overall operations of the organization.

## **9. Approve the Plan**

Once the disaster recovery plan has been written and tested, it should be officially approved by management. It is the management's ultimate responsibility that the organization has an approved, documented, and tested plan.

Management is also responsible for:

- Establishing policies, procedures, and responsibilities for comprehensive contingency planning
- Reviewing and approving the contingency plan annually, and documenting such reviews in writing

## **Conclusion**

Disaster recovery planning involves more than off-site storage or backup processing. Organizations should also develop written, comprehensive disaster recovery plans that address all the critical operations and functions of the business. The plan should include documented and tested procedures, which, if followed, will ensure the ongoing availability of critical resources and quick continuity of operations.