

Great expectations

SIEMENS

It's a good idea to have business continuity plans in place in times of crisis, says **Mark Bryce**. Just as long as they haven't been written with certain assumptions in mind...

OVER TIME, BUSINESS CONTINUITY plans (BCPs) have become an accepted part of good corporate governance. It gives stakeholders the confidence that an organisation is equipped to deal with significant interruptions to its business, and is even perceived to offer a competitive advantage over rivals that don't have them in place.

The comfort factor provided by BCPs comes from the knowledge that an organisation will be able to continue operating, normally at reduced levels, if the regular mode of operation is severely disrupted. There is often a subliminal assumption that the plans provide a solution for any event. But do they?

Generally, the strategies formulated in BCPs assume that predefined numbers of people and specific assets will be available to reinstate operation and conduct business. Rarely do plans take into account what to do if these assumptions are not realised.

Clearly there are thresholds. There are some incidents that simply cannot be catered for, where there would not reasonably be any expectation that an organisation will continue to deliver its services. Consequently, some plans describe the exclusion of extreme events that have resulted in a complete loss of resources and infrastructure, and where any small amount of control has been lost.

STRATEGY

However, this approach provides an opportunity for lesser events to find their way into the 'too difficult' or 'too big for anyone to care' boxes. There are some events, for example, that, while not of Armageddon proportions or permanent consequences, could be a step too far for an organisation to deal with in providing a solution that permits the immediate continuity of operations. Is it acceptable that events such as these are simply excluded from response plans?

The exclusions may state, for example, that a BCP does not cater for a loss of more than 90 per cent staff. To suggest otherwise may raise questions among senior managers as to business-as-usual resource levels. But is it acceptable to simply write it off in this way without a caveat – particularly if the reduction is over a relatively short period?

Consider events such as pandemics where



If a BCP hasn't accounted for, for instance, a massive loss of staff, whoever is left in charge will have to decide the best strategy

photo: Stockxpert.com

large numbers of staff are directly or indirectly affected, or, as recently experienced in the UK, severe flooding resulting not only in physical damage, but complete disruption to transport and staff unable or unwilling to travel. There is probably no recovery solution to cater for these types of disruption, but that does not mean that they should not be included in the plans.

The organisation still exists and still has obligations to its staff and to stakeholders. Surely continuity demands a strategy to effect a temporary suspension of the front line or customer facing operations, while the management and supporting organisational structure is maintained? In particular if, after the affects of the event have subsided, there is any expectation of the company continuing in business.

When these thresholds are breached, the management team (or whoever is left in charge when such an incident occurs) will have to decide the strategy to be implemented given the circumstances. Is this really the

time for them to be put on the spot?

There is not, unreasonably, an expectation that the plan has considered all eventualities and provides appropriate guidance as to the required responses. Unpalatable though it may appear, the only option may be to temporarily suspend operations, but what does this mean from a planning perspective? Simply put, it is all about setting and actively managing expectations. The golden rule of incident response is to communicate.

BUSINESS CONTINUITY

So, what should the shutdown strategy look like? It needs to consider appropriate communication to stakeholders which, by now, will include the media and general public. They will need to be informed of what decisions have been taken, and why, who is affected and how, how long before operations will be resumed, and what the reinstatement strategy will be. They will also need to be informed of (probably the most commercially difficult decision) what they, as customers and suppliers, should do in the meantime.

The crisis response plan has to include the ongoing management decision-making process, demonstrating why decisions have been taken. These include personnel safety considerations, keeping staff aware of progress, assurances for their job security, and the anticipated continuation of the company's well-being (including shareholder value) beyond the incident.

In summary, business continuity does not necessarily have to cater for immediate continued delivery of services. However, it does have to demonstrate that all levels of interruption have been considered, and that strategies appropriate to the risks have been documented.

Above all, responding to incidents is as much about perception as it is about continuity of operations. It will be viewed far more positively if the message you convey is that your response, while not desirable, has been thoroughly thought through, that you have a strategy to resume normal operations as soon as is practicably possible, and that in the meantime you will monitor and communicate your operational status as openly and transparently as you can.

CRJ

AUTHOR

Mark Bryce is a senior consultant with Siemens Insight Consulting and has many years experience in the fields of business continuity and crisis management