Promoting Business Continuity

A Guide for Businesses in Somerset

Somerset Local Authorities'
Civil Contingencies Partnership

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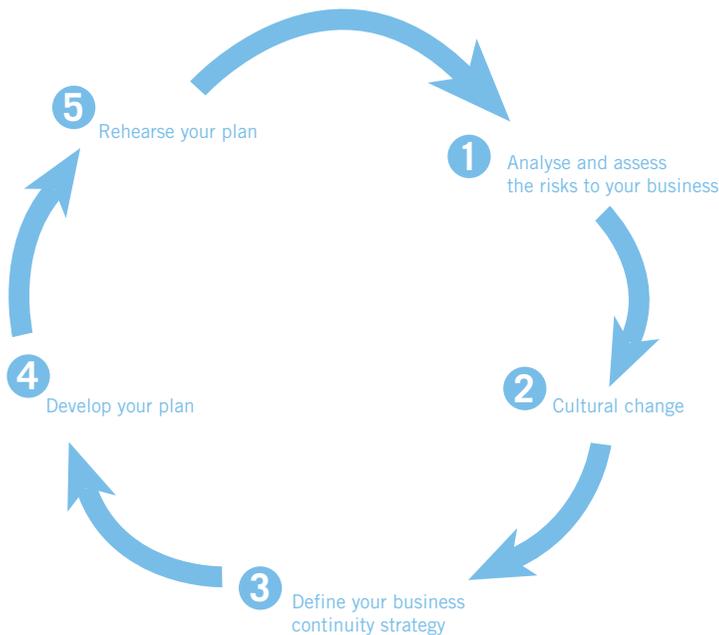# What is Business Continuity?

Business Continuity is a planning process which provides a framework to ensure the resilience of your business to any eventuality. This approach will help you to ensure that key customers, your brand, reputation and key suppliers are maintained, as well as the long-term survival of the organisation.

"Nearly 1 in 5 businesses suffer a major disruption every year"

Business Continuity needs to be considered by small companies as well as larger corporations. Plans need to be clear, concise (but not simplistic) and tailored to the needs of the business. Incidents can have catastrophic effects on your business and the threats can come from accidents, criminal activity or natural disasters.

Business Continuity should become part of the way you perform business. It is better to plan for incidents, which may affect your business, rather than having to "catch up" when a problem occurs.

Five Steps to Continuity Planning

5 Rehearse your plan

1 Analyse and assess the risks to your business

4 Develop your plan

2 Cultural change

3 Define your business continuity strategy

① Analyse & Assess the Risks to Your Business

Consider For Each Site

If your organisation operates over multiple sites, then each site will need a separate continuity plan of its own, based on the same principles.

Where is Your Business Vulnerable?

Following the analysis of your business processes formulate a list of where your business is vulnerable.

- **Property Suppliers**
- **Human Resources**
- **Systems**
- **Processes**
- **Timescales**
- **Technology**

Consider For Each of Your Departments

How essential is the Department's work to the overall performance of the business on a day-to-day basis?

For each Department:

- What equipment, IT and other systems does the department need to be able to function appropriately?
- Who does this department depend on to carry out its work?
- Which other departments depend on this department?
- Who in the department is essential?
- Are there any service level agreements, legal or regulatory obligations on the department?
- Do they already have business continuity and emergency plans in existence?
- How long can the department cease to operate before catastrophic failure of your business: hours/days/weeks?
- Are there any natural fluctuations of operational activity, eg Month-end for payroll dept, or end of year for Accounts dept?

Risks

To identify risk you must look at the vulnerable areas of your business, as well as considering some of the more generic "what if" scenarios, eg what if the power failed?; What if a virus wiped out our IT system? Look for single points of failure in your technology or processes.

The essential part of Risk Assessment is that you ask three simple questions for each risk that you identify:-

- **How likely is it to happen?**
- **What effect will it have on your business?**
- **What factors can reduce the likelihood or effect or mitigate the risk entirely?**

Always try to consider the worst case scenario when carrying out your risk assessment. This will mean that less serious incidents will be easier to manage.

❷ Cultural Change

It is essential to have the active support of the senior team in your organisation. During your planning you should take the opportunity to convince your staff of the importance of Business Continuity Management and promote the concept internally and externally.

With this approach Business Continuity becomes the normal process of day to day activity.

Business Continuity must be included in the preparation of new contracts, partnerships and business processes.

It is every manager's responsibility to ensure Business Continuity is an integral part of their normal business activity.

"Business Continuity: it's the way we do things around here"

③ Define Your Business Continuity Strategy

Most likely the Board will consider the options for continuity, which will often be one of the following strategies:-

- **Accept the risks and change nothing**

- **Accept the risks, but consider making mutual aid arrangements with another business (competitor/Business Continuity Specialist)**

- **Attempt to reduce the risks**

- **Attempt to reduce the risks and make arrangements through mutual aid for help after an incident**

- **Reduce all risks to the point where you should not need outside help**

All of these approaches will still need a detailed plan to outline the arrangements for an incident.

You will also need to consider how quickly recovery will need to occur for the strategic areas of your business or various departments. It may be useful to draw a chart of the timescales involved in re-establishing certain functions.

One essential decision is how you respond to risks that cannot be reduced.

Example

The risk of an incident causing the loss of a building and how to establish your operations at another location.

Responses could be:

- I have an agreement with another local organisation in the area for mutual assistance

- Arrange temporary accommodation (a "cold site")

- Agreement for immediate accommodation at a specialist facility (a "hot site")

④ Develop Your Plan

Your Business Continuity Plan should contain the key areas as listed below. This is not an exhaustive list and you may find other key pieces of information that may be required as part of your strategy.

Items to Include

Roles and Responsibilities

Make it clear who needs to do what, and who takes responsibility for each action. Always include deputies to cover key roles. Identify a Recovery Team and a Co-ordinator.

Incident Checklists for Key Staff
● Use checklists that readers can follow easily.

First Stage
● Include clear, direct instructions or a checklist for the crucial first hour or so after an incident.

Following Stages
● Include a checklist of things that can wait until after the first hour.

Document Review
● Agree how often, when and how you will check your plan to make sure it is still current. Update your plan to reflect changes in your organisation's personnel and in the risks you might face.

Plan for worst-case scenarios. If your plan covers how to get back in business if a flood destroys your building, it will also work if only one floor is flooded.

Information From Outside Your Business

Consider getting specialist information on the roles of other organisations that may be involved in the emergency such as:-

Landlord
If you rent your business space find out what plans and assistance your landlord or management company may be able to provide

Neighbouring Businesses
Nearby businesses may be affected, but you may still be able to help each other.

Utility Companies
Telephone, electricity, water, gas. Find out what they will need to know and their emergency supply procedures and targets.

Your Insurance Company
What information do they need from you? Do you need their permission to replace damaged critical equipment immediately? Will the existence of a plan reduce your premiums? They may also be able to give you advice.

Suppliers and Customers
How will you contact them to tell them you have been affected by an incident, and what their critical timescales are. They will be affected by your decisions, so involve them if you can and they may be reassured by your planning process.

Local Authority Civil Contingencies Officer
Find out what your Local Authority would do in response to a major incident (see page 10 for contact details)

Emergency Services
What information will the Emergency Services require from you? How can you help them by ensuring access routes, and providing information (key holders, etc)?

Points to Remember

Make your plan usable. Don't include information that will be irrelevant or can be accessed in other places. Use existing organisational roles and responsibilities and build on them in the plan.

Specify the escalation of the plan. Who decides when to invoke the special arrangements and who manages the process. How will the stand-down process be managed.

⑤ Rehearse Your Plan

Testing and rehearsing your plan is one of the fundamental parts of contingency planning. It gives you an opportunity to test the arrangements and principles of the plan in a "safe" environment, without risk to the business.

There are various levels of rehearsal or evaluation, which can be used. They will obviously vary with cost and value, however a planning lifecycle should allow for periodic tests of different types.

Table Top Exercise
Test your plan using a 'what if' written scenario. New pieces of information can be added as the scenario unfolds, in the same way that more details would become clear in a real incident.

Communications Test
With or without warning, a test message is sent out to everyone at the top of the call cascade lists in the plan(s). An audit can then take place on how well the information was communicated through your organisation.

Full Rehearsal
A full rehearsal will show you how well different elements in your plan work together, which may not have become clear when you tested the individual plans. However, this can be an expensive way to test your plan.

What Should You Do Next?

If you are considering developing a Continuity Plan for your business, start immediately.

Write yourself a realistic action plan based on the five steps outlined earlier.

Be realistic about timescales, and consider getting colleagues involved. Get the support of both Senior Managers, Directors, Shareholders and staff; only a team effort will succeed.

What Have You Got to Lose?

If you don't have a Business Continuity Plan, you may be at risk of losing work to competitors, being exposed to failures in your supply chain, suffering loss of reputation and higher insurance premiums.

Business Continuity affects everyone: customers, staff, the community and ultimately the economy.

Be prepared, and have a Business Continuity Plan.

❻ Advice from Avon and Somerset Police Authority

Resilience is a vital part of your business. Making it part of the way that you run your business, rather than having to 'firefight' any emergency, helps prepare you to offer 'business as usual' in the quickest possible time.

Planned Business Continuity Management, so that your staff, customers and suppliers are reassured that you have an effective policy and practice for managing the unexpected, helps build confidence in your business.

Without business continuity, a natural or man-made disaster could result in:

    Loss of work to competitors
    Failures within your supply chain
    Loss of Reputation
    Human Resource issues
    Health and Safety Liabilities
    Higher Insurance Premiums

The worst case scenario if setbacks arise in combination could ultimately be business failure.

Manchester Bombings, 1996 - More than 40 per cent of businesses affected by the bombings went out of business. Of the businesses that did survive, the majority had Business Continuity Management plans in place.

What are the Risks your Business is exposed to?
Imagine not being able to access your place of work, or having to evacuate your office due to flooding? Do you have a GO bag ready full of the documents and information you'll need? Insurance documents, staff contact lists and other important information must be at hand. Don't be caught out!

Acts of Terrorism / Man Made Disasters - Acts of Terrorism could come at any time, make sure you're aware of all the risks it could pose to your business.

Get involved!
Project ARGUS is a National Counter Terrorism Security Office (NaCTSO) initiative, exploring ways to aid you and your business in preventing, handling and recovering from a terrorist attack. It involves getting business people around the table and discussing how you prevent, handle and recover from such an attack.

For further details visit the NaCTSO website at www.nactso.gov.uk/argus.php and find out where your nearest ARGUS event will be taking place.

⑦ Climate Change

The Stern Review on the Economics of Climate Change states that "Adaptation is the only response available for the impacts that will occur over the next several decades before mitigation measures can have an effect". The impact of climate change will vary between locations, and therefore, the associated risks will vary accordingly. Gauging the threat to your business will help you draw together plans to mitigate the risks of climate change. As Lord Stern suggests, adapting to the increased risks will help promote a shift in culture that is aware of the possible economic impact of not being prepared.

The business impact of Climate Change

A recent study by the Chartered Management Institute found that nearly a third of all businesses in England were affected by severe weather in the last year. Notably, this figure is set to rise under the threat of Climate Change, as either directly or indirectly businesses will experience new challenges to the way they work. Climate Change will affect businesses directly through conditions, such as extreme rainfall, sea level rise and drought, and also indirectly through resource depletion and other factors of globalisation. Many simple actions can be taken to improve a company's resilience, including steps to mitigate the effects of climate change and an increased capacity to respond and recover after an event.

An efficient way for a business to adapt to climate change is to manage the emergent risks. In order to do this, you should consider creating a business continuity plan that considers the following:

- identify what the risks are, such as increased flooding or supply chain interruptions
- identify which elements of the risk you have control over or can influence, e.g. changing suppliers to a firm that also has a business continuity plan in place.
- where it is not possible to avoid a risk, you should take measures to minimise the chance of the event occurring e.g. applying flood defences to your property
- plan how to respond and recover quickly from an event in order to minimise the severity of a loss should the event occur

⑧ Flooding and other factors of Climate Change

Increased flooding, as secondary factor of climate change, will require greater foresight as to the impact it could have on the services you provide. The questions below are an example of the some key issues you need to consider when thinking about drawing up a business continuity management plan;

- Have you thought about defending your property from floodwater?
- Is a short-term relocation a viable option if your business is flooded?
- Have you checked with your insurance provider to make sure you are covered against flooding?
- How accessible is your organisation in the event of a flood and what impacts will a flood have on your facilities, in terms of power supply, water supply, and general infrastructure?

Floods and other factors of climate change, such as extreme periods of hot weather, may cause power outages. Your business should think about the problems this can create and how you will continue to offer essential services. It is recommended that if short or long-term power outages will impair service provision, your business should think about obtaining back-up generators or alternative energy supplies, such as solar panels.

Drought is another threat which is increased by climate change, and businesses which are heavily dependent on water supplies for manufacturing processes may need to take this into account. If businesses are reliant on water supplies, business continuity managers would need to plan for periods of reduced water supply or look at gaining a more reliable water supply through long-term relocation.

For some businesses climate change will have very little impact; for many it will have only a minor impact, however, for some it will be real business continuity issue requiring difficult mitigation decisions. Every business should assess the risks and determine the threats to their organisation. Business continuity is about the long term survival of your organisation and climate change may be one of the biggest threats you face.

8. flooding

9 IT Risks

The more your organisation relies on IT systems, the more you will have to plan for unexpected interruptions that may affect your business. As we are a society that is becoming increasing reliant on IT, the systems themselves are being seen as a target for malicious attacks and are at risk of other disruptions, such as fire and floods. As described in earlier chapters, the first step in producing a business continuity plan is to assess such risks your organisation is exposed to. This will help you decide which threats to concentrate on and identify the possible impact they would have on your organisation's IT systems. Measures that may be taken as part of the business continuity plan include ;

- A back-up and data recovery strategy, including off-site storage.
- The development of a resilient IT infrastructure with redundancies in case of failure. For example mirrored central server computers sited in different locations, each containing the same information, so that if one goes down, the other one is available to ensure continuity of service and alternative storage facilities.
- The elimination of single points of failure, such as a single power supply.
- The introduction of an uninterruptible power supply for your IT systems. This is a battery-powered device that allows your systems to keep running, giving you time to save any data that you may be working on.

Although such measures will reduce the vulnerability of the business, problems can also occur in other areas. Therefore, the business continuity plan should specify the actions to be taken in order to recover from 'any' unexpected disruptive event, covering:

- people and accommodation
- IT systems and networks
- services such as power and telecommunications
- critical business processes

Methods of recovery might include:
- carrying out activities manually until IT services are resumed
- moving staff at an affected building to another location
- agreeing with another business to use each other's premises in the event of a disaster
- arranging to use IT services and accommodation provided by a specialist third-party standby site

Further Information

Information on Business Continuity and Emergency Planning can be found from a variety of sources: -

Business Continuity Institute
www.thebci.org
0870 603 8783

Business Continuity Magazine
www.kablenet.com/bc

Emergency Planning Society
www.emergplansoc.org.uk
0845 600 9587

The Institute of Risk Management
www.theirm.org

MI5 Advice
www.MI5.gov.uk *(There is a specific section on business continuity)*

Survive Association
www.survive.com

UK Resilience
www.ukresilience.info

Office of Government Commerce
www.ogc.gov.uk

London Prepared
www.londonprepared.gov.uk

Business Standards Institute
www.bsi-global.com

further information

Somerset Local Authorities' Civil Contingencies Contacts

Mendip District Council
Civil Contingencies Manager
01749 648999
www.mendip.gov.uk

Sedgemoor District Council
Civil Contingencies Manager
0845 4082540
www.sedgemoor.gov.uk

Somerset County Council
Civil Contingencies Manager
0845 3459166
www.somerset.gov.uk

South Somerset District Council
Civil Contingencies Manager
01935 462462
www.southsomerset.gov.uk

Taunton Deane Borough Council
Civil Contingencies Manager
01823 356356
www.tauntondeane.gov.uk

West Somerset District Council
Civil Contingencies Manager
01643 703704
www.westsomersetonline.gov.uk

further information

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