



BUSINESS CONTINUITY MANAGEMENT

Keeping Organisations Working Come What May



Sue Berry
TimelessTime Ltd



Written and published by: TimelessTime Ltd
4 Newlands Park Way
Newick
Lewes
BN8 4PG

Telephone: 07554 420419

Facsimilie: 08700 547967

Email: info@timelesstime.co.uk

Internet: <http://www.timelesstime.co.uk>

Design and layout: TimelessTime Ltd

Copyright ©: TimelessTime Ltd 2009

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, mechanical, photocopying, recording or otherwise without the prior permission, in writing of TimelessTime Ltd.

Note: This document is intended only as a discussion of selected issues relating to the subject matter. It is neither a definitive statement nor a legal document, nor does it purport to suggest any detailed commercial strategy. For this reason, readers are advised to liaise with the appropriate authorities and, if necessary, seek suitable legal and/or technical advice prior to making business decisions. Whilst TimelessTime Ltd has exercised every care in the preparation of this document, no responsibility can be accepted for any omissions or errors contained herein.



Synopsis

Staff are key to any business. Whilst they are the biggest asset, they also potentially represent the greatest risk to business continuity. By developing a plan that centres on the key risks it is possible to be prepared for circumstances which may disrupt the business.

This paper explains the steps required to develop a robust human resources business continuity plan, which will link with the overall organisation-wide BCP. By logically considering each step, and by reference to the method given, managers can develop a plan tailored to their organisation.

This white paper takes the mystery out of preparing an organisation for potential disaster situations. By actively considering critical business functions and business assets in a calm and collected manner the business is more likely to continue to function in the face of rare but devastating untoward events.



Introduction

In this age of computerisation of nearly every function we do, organisations are more vulnerable than ever to disruption of normal business. There is unfortunately much myth and misunderstanding centring on the belief that if the computer system is protected, backed up and duplicated, all will be well.

Actually it is people that are key to every business. This means people are the most likely cause of disruption and in risk terms, afford the greatest risk to the organisations business continuity. One has to put this in context or we may be at risk of never employing anyone. Take a couple of the recent problems: striking public transport workers and swine flu. In the former case, the disruption is caused by the workforce not being able to get to the business without significant personal effort. In the latter, the workforce is struck down with flu and there's nothing anyone can do. Or is there?

People are the main risk to a business – and yet they also offer many solutions to business continuity. This paper addresses how one goes about building a Business Continuity Management Plan and how one subsequently manages that plan to assure minimal down time. It uses some of the established best practice and provides references for further reading.

Business Continuity Planning

This method of developing a plan follows the BCI Guidelines¹ and the BS25999² nomenclature. It gives a step-by-step guide to the whole process of developing your BCP. Whilst its primary interest is the people aspects of business it is valid for all aspects.

The paper will use a holistic process to identify potential impacts that threaten an organisation. It provides a framework for building resilience and developing a capability for an effective response that safeguards key stakeholders, reputation, brand and value creating activities. The resulting document forms the HR Business Continuity Management (BCM) plan.

As well as developing organisation-resilience to survive loss of some, or all of operational capability and equipment there is a requirement to consider surviving significant loss of people resources and loss of reputation. In addition to the two latter categories, people also have a major effect on the operational capability through inefficiency, negligence or malicious act. All of these consequences are quantifiable in financial terms.

¹ Good Practice Guidelines 2008: A Management Guide to Implementing Good Practice in Business Continuity Management, Version 2008.1, The Business Continuity Institute

² BS25999 Business Continuity (<http://www.bsigroup.co.uk/en/Assessment-and-Certification-services/Management-systems/Standards-and-Schemes/BS-25999/>. Accessed 24 October 2009)



The following diagram shows the overall process for developing a plan. Each element will now be considered in turn.

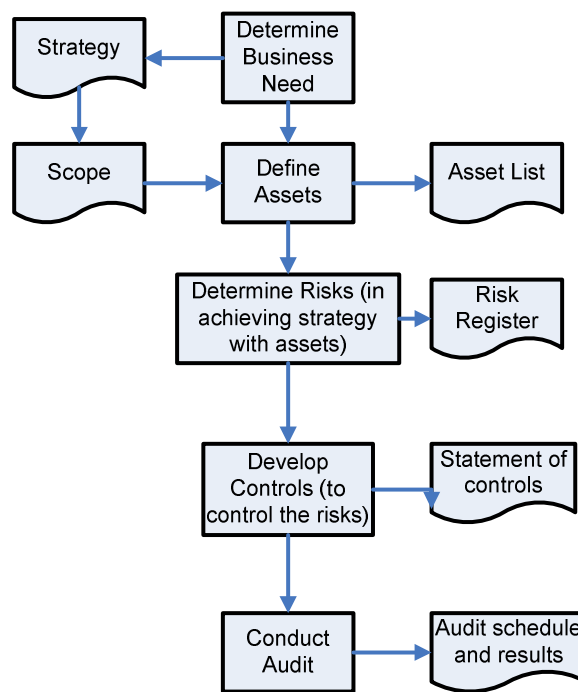


Figure 1 - Business continuity development plan

The process starts with identification of business need for continuity. It's easy to be carried away with BCP but everything spent should be targeted towards controlling some risk or other that is considered important to the business stakeholders. The process ends with completion of audits to make sure the whole process will work if called on.

Activities are shown as rectangles and documents and data repositories are shown as rectangles with a wavy base. The process flows from top to bottom.

Process for developing an HR-Oriented BCM Plan

The following is a step by step process. Follow it faithfully and you will end with a BCP. Do however be careful to start at the beginning or you will fall into the trap of presuming the initial requirements and reason for the BCP in the first place.

Identifying Business Need

This can be captured in a succinct statement. State the processes that are critical to maintain. There is no focus at this point, simply establish what is important to the business. You'll see that the business strategy links in to this because there is no point in guarding something that is not part of your strategy.



In a charity that re-homes stray and abandoned dogs, there are two activities that are critical to the business – raising money and re-homing dogs. Other activities might aid these two but really, they are the only things that matter to the charity.

Defining Business Assets

From the processes that are critical to maintain and protect, identify the assets which are part of these processes. These must be protected from destruction or corruption and the whole process must be protected against interruption.

The business assets are much wider than software, hardware and data systems infrastructure. These aspects make up the IT element of the asset register, but the asset list is much larger for most firms.

A good tool in analysing businesses is the business process analysis. The example below uses the IDEF0³ method.

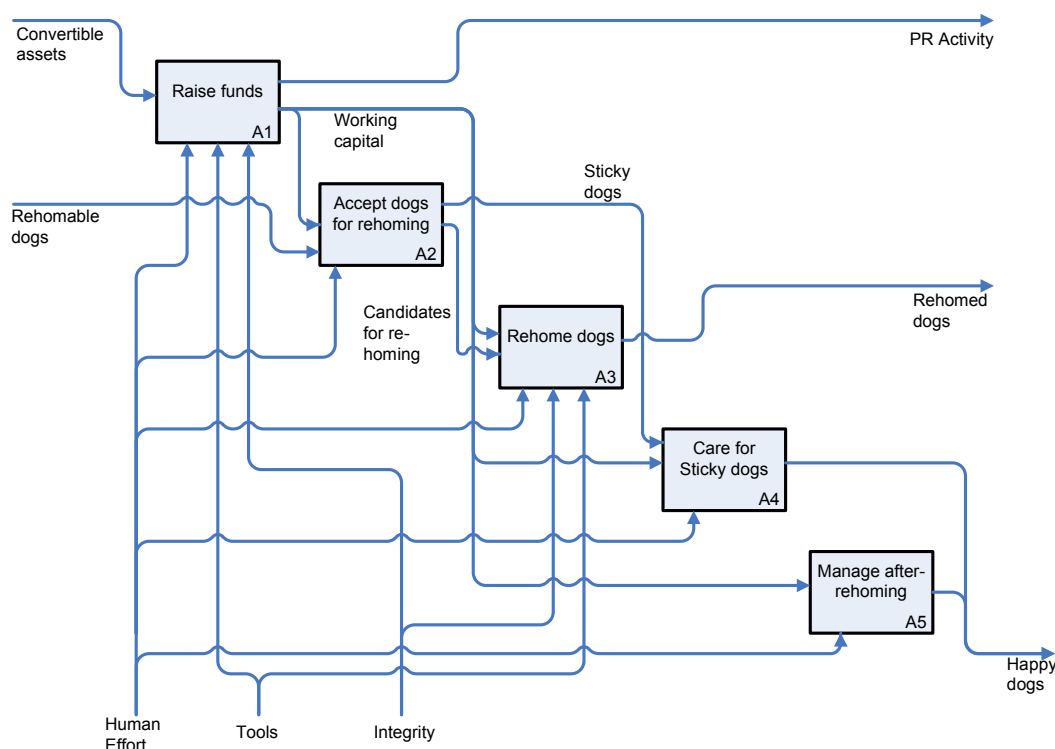


Figure 2 - Identifying business assets

In this diagram processes are rectangles, inputs (entities or assets) enter from the left and outputs (entities or assets) exit to the right. Enablers (entities or assets) enter from the bottom. It shows that the business begins with convertible assets which enter the system in A1, the end process is happy dogs as an output after re-homing at A5. It is clear to see that without funding the organisation will not function.

³ IDEF – Integrated Definition Methods (www.idef.com Accessed 24 October 2009)



The enablers to the system are human effort, tools and integrity – each have an effect on the system as described below:

- Human effort impacts the raising of funds (A1) since without the fundraisers the organisation will have no income. They also impact the care of dogs (A4) and the post re-homing process (A5).
- Tools are needed to manage the fundraising (A1) and to manage the re-homing process (A3). The donor database is fundamental to the administration of both activities; it is a key asset to be protected.
- Integrity impacts on A1 and A3. Loss of reputation will result in loss of income and loss clients to take dogs.

By identifying all key assets and functions first, the assets to be protected become clear.

Determining the Risks

The next step is to identify the risks to the assets and processes. By far the biggest risk is always associated with people. Humans produce and control many assets and these are generally the most vulnerable.

In order to understand the implications of the risks, they need to be scored in some quantitative way. The normal method is to multiply the chance that they will occur by the severity of effect on the business if they do occur. Chance is a factor between 0 and 1 with 1 representing certainty and a low number representing a very low probability. It is chance that a specified untoward event (that causes loss or degradation of asset) occurs. The severity is normally measured in money terms and is the cost to you of losing the asset.

Once multiplied, select a threshold above which you will expect the BCP to control the loss. Then make a plan to cover the risks. Below the threshold accept the risk. You have to score on a single uniform metric for all assets. One way of looking at the loss is loss of future earnings to the business. For example, anything at or above £25k (when multiplied) requires control.

Risk Register

The Government discusses risk and severity of effect in its National Risk Register document⁴. The summary diagram is shown below. In addition, your organisation will have further risks unique to its operation which need to be captured. Don't forget that the most likely events are things like loss of telephones or strikes causing problems for staff attendance. A small, local event can cause more loss than a very unlikely national event.

⁴ National Risk Register, Cabinet Office, 2008
(http://www.cabinetoffice.gov.uk/media/cabinetoffice/corp/assets/publications/reports/national_risk_register/national_risk_register_introduction.pdf Accessed 8th October 2009)

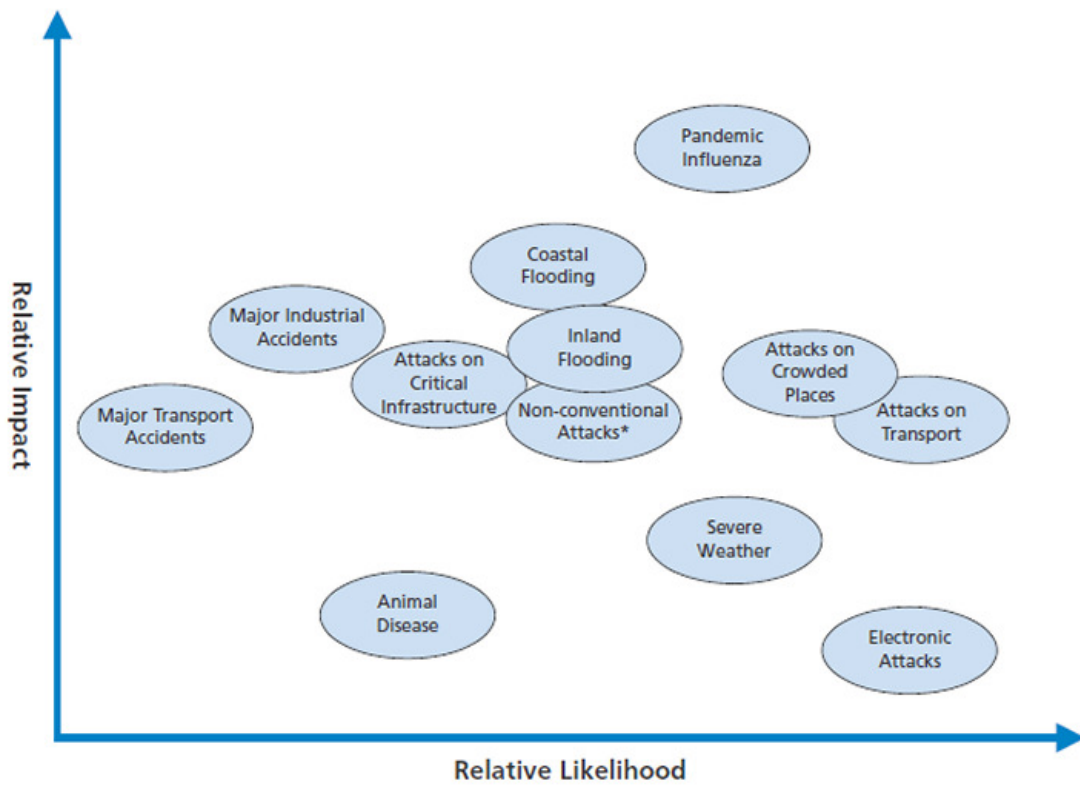


Figure 3 - High consequence risks facing the UK (see footnote 4 for the link)

Using government data and your own specific risks a risk register can be developed. An example is shown below.

Event	Probability of occurrence	Severity of occurrence (£)	Composite score (PxS)	Mitigation, control or plan
Denied staff effort through loss of public transport	30% 5% 0.1%	1 day £ 5 days £ 10 days £		
Loss of reputation caused by bad publicity about dog treatment	0.1%	£500k	£500	Accept
Disgruntled employee spreads bad press about the organisation	1% 0.1%	£		

Developing controls

Having determined the risks, controls must be developed to manage them. There will be many risks which are acceptable. Others must be controlled such that the loss moves below the threshold.



There are several people oriented controls. The most obvious is the employment contract. This has many expressed and implied controls including the obligation of confidentiality about the employer's business. It also should prevent involvement with competitors and other conflicts of interests. Less obvious are the policies, procedures and guidelines that form the basis of HR management. An example is the Disciplinary Procedure that sets out the employer's right to dismiss employees for gross misconduct. These signal to the employee that certain behaviour is not acceptable and act as both deterrent and control.

There are of course more effective controls such as the benefits and remuneration system and with it the system of communications within the organisation. Someone who feels committed to a good employer is more likely to accept a requirement to struggle in to work during heavy snow than someone who is treated poorly.

For staff that need not always be in the workplace, permitting periodic working from home is a form of control. Every day an employee uses their laptop at home, logging on over their home broadband they are testing their ability to continue working when disruption strikes. Trust given to these employees will be re-paid many times provided that it is given in the right way.

Conducting audits

There are two aspects to audit. The first is the initial evaluation to determine that the controls will take the effect planned. Secondly, once developed the system should be audited on a regular basis in order to ensure it is fit for purpose. The BCP must be a living document that is frequently reviewed and tested.

Conclusion

Business continuity plans should be developed for all organisations. They are relatively simple to develop and almost always involve risk control that centres around people. There is much myth and those from the ICT world will tell you that BCP works only in the ICP domain. That's to black and white. BCP is also a people thing with people risks and people controls.

People can do huge damage to an organisation, both from within as employees and from outside as customers and stakeholders. And yet people within an organisation can protect that organisation when disaster strikes. What is needed is a work programme such as that given in Figure 1 of this white paper. Working diligently to this framework will give an organisation the protection it needs.

And now?

TimelessTime has many years of experience putting the HR elements of Business Continuity in place and ensuring they are effective. Contact us today.



The Author



Sue Berry is a Director with TimelessTime, and has over 25 years of HR experience across many industry sectors in large multinationals and smaller enterprises, with the last six years being spent as the head HR practitioner in each establishment. With a BEd(Hons) in sociology and environmental science she is a qualified teacher, holds a Masters degree in Human Resource Management and is Chartered Fellow of the Chartered Institute of Personnel and Development.

Prior to founding TimelessTime she gained operational HR experience in a wide variety of niche markets including aerospace, electronics, chemicals, service industries, the Health Service, academia, nor-for-profit NGO's and the charity sector. She has published two books and written several papers related to various aspects of HR.

Sue may be contacted by telephone on 07554 420419 or by email at sue.berry@timelesstime.co.uk

TimelessTime

TimelessTime is a limited company, based in Sussex and was founded by Sue Berry. With over 25 personal experience she has teamed with other like-minded professionals who can support the work of TimelessTime offering an extended portfolio of support for organisations of all sizes.

Unlike large organisations TimelessTime can be extremely versatile and nimble with the support service offered to all out clients. We understand that managers don't work in a 9-5 manner anymore. TimelessTime is a fact of life as is flexible working for senior business professionals. TimelessTime can help you redress your work-life balance by providing the support you need when you need it.

For more details about the concept of TimelessTime please visit www.timelesstime.co.uk