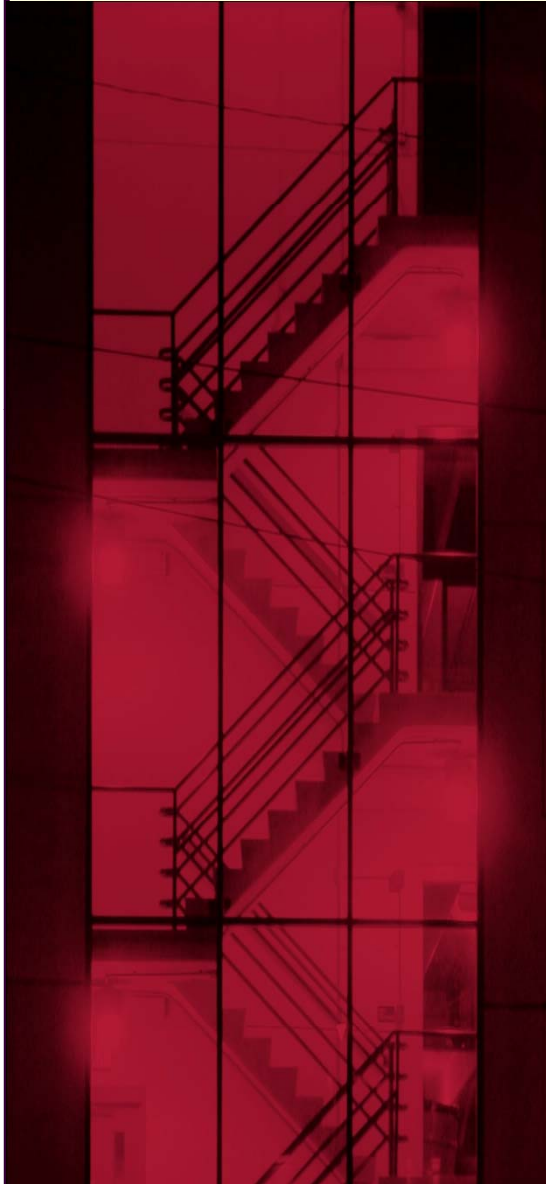


Business Continuity Management

TKW Manufacturing Conference
September 22, 2010

Peter Zwingli
ACME Business Consulting



- BCM (Business Continuity Management) – BSI 25999
- IPOCM (Incident Preparedness & Operational Continuity Management) – ISO PAS 22399
- BR (Business Resilience)
- OR (Organizational Resilience)
- Emergency Management
- Crisis Management

Business Continuity Management (BCM) is an holistic management process that identifies potential impacts that threaten an organization and provides a framework for building resilience and the capability for an effective response that safeguards the interests of its key stakeholders, reputation, brand, and value creating activities.

BCI BCM Good Practice Guidelines 2007

“Ninety percent of business threatening incidents are ‘quiet catastrophes’ which go unreported in the media but can have a devastating impact on an organisation’s ability to function. Many causes are outside of an organisation’s control.”

BCI BCM Good Practice Guidelines 2007

- 1. Tolerate:** Accept the existing risk and impacts and do nothing
- 2. Transfer:** Insurance, outsourcing (not all risks are transferable)
- 3. Terminate:** Change, suspend, or terminate
- 4. Treat:** Business Continuity – improve an organization’s resilience to the event (prevention, mitigation, preparedness, monitoring, response and recovery programs)

- IT initiative
- Prominent PR & Reputational events
 - Tylenol poisoning case
 - Union Carbide Bhopal, India accident
 - E-coli outbreaks (fast food restaurants, organic foods)
- Increasing scrutiny by financial market analysts
- Natural disasters
- US Department of Homeland Security
 - US Federal Law (Aug 3 2007) “Implementing Recommendations of the 9/11 Commission”

Title IX of the Act call for the creation of voluntary private sector preparedness standards, meaning standards for preparedness, disaster management, emergency management, and business continuity programs

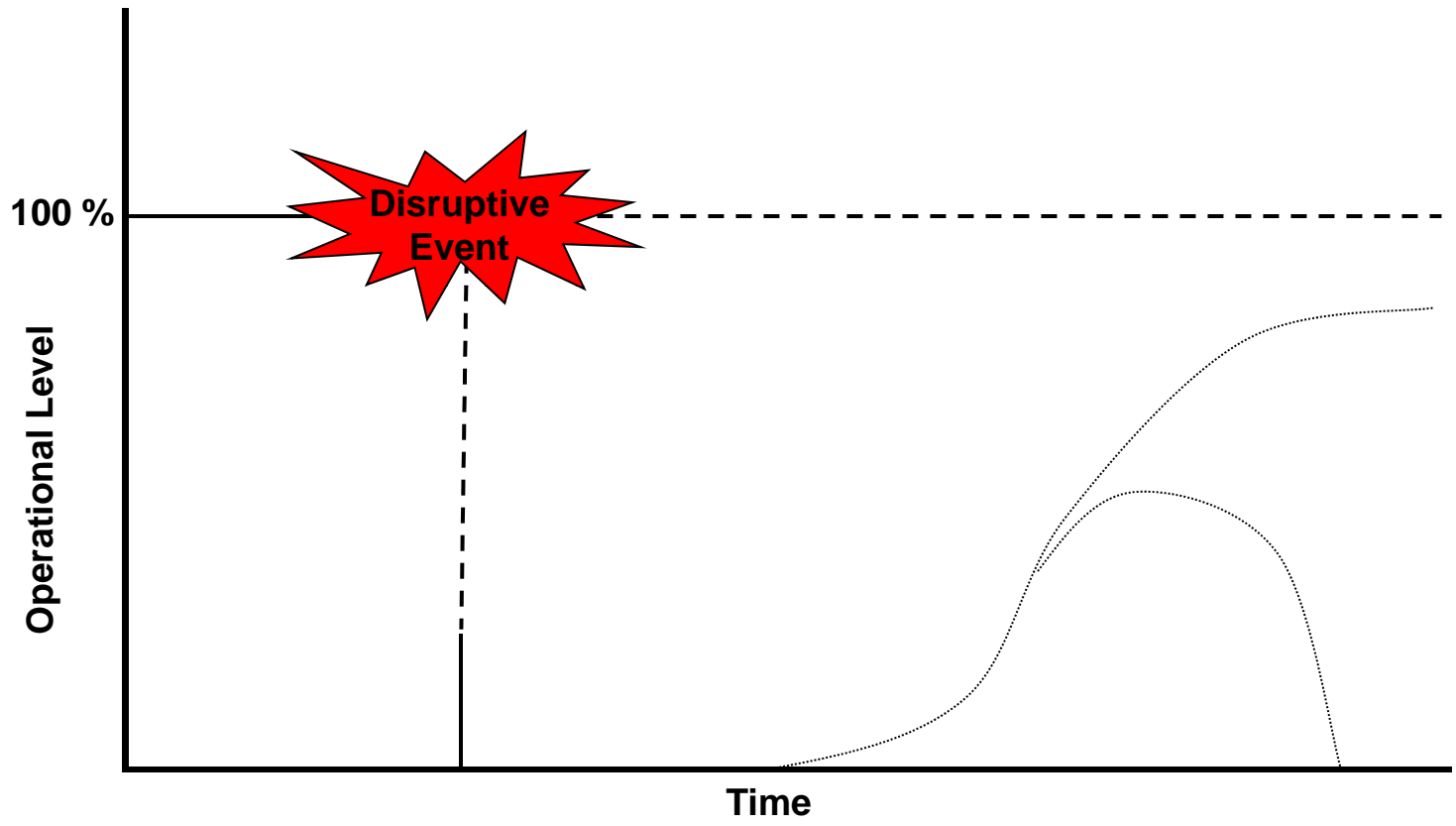
- **BSI / BCI** (British Standards institute, Business Continuity Institute)
 - BS 25999
 - GPG (Good Practice Guidelines)

- **ISO / ASIS** (International Standards Organization, ASIS International)
 - PAS 22399
 - BC Guidelines

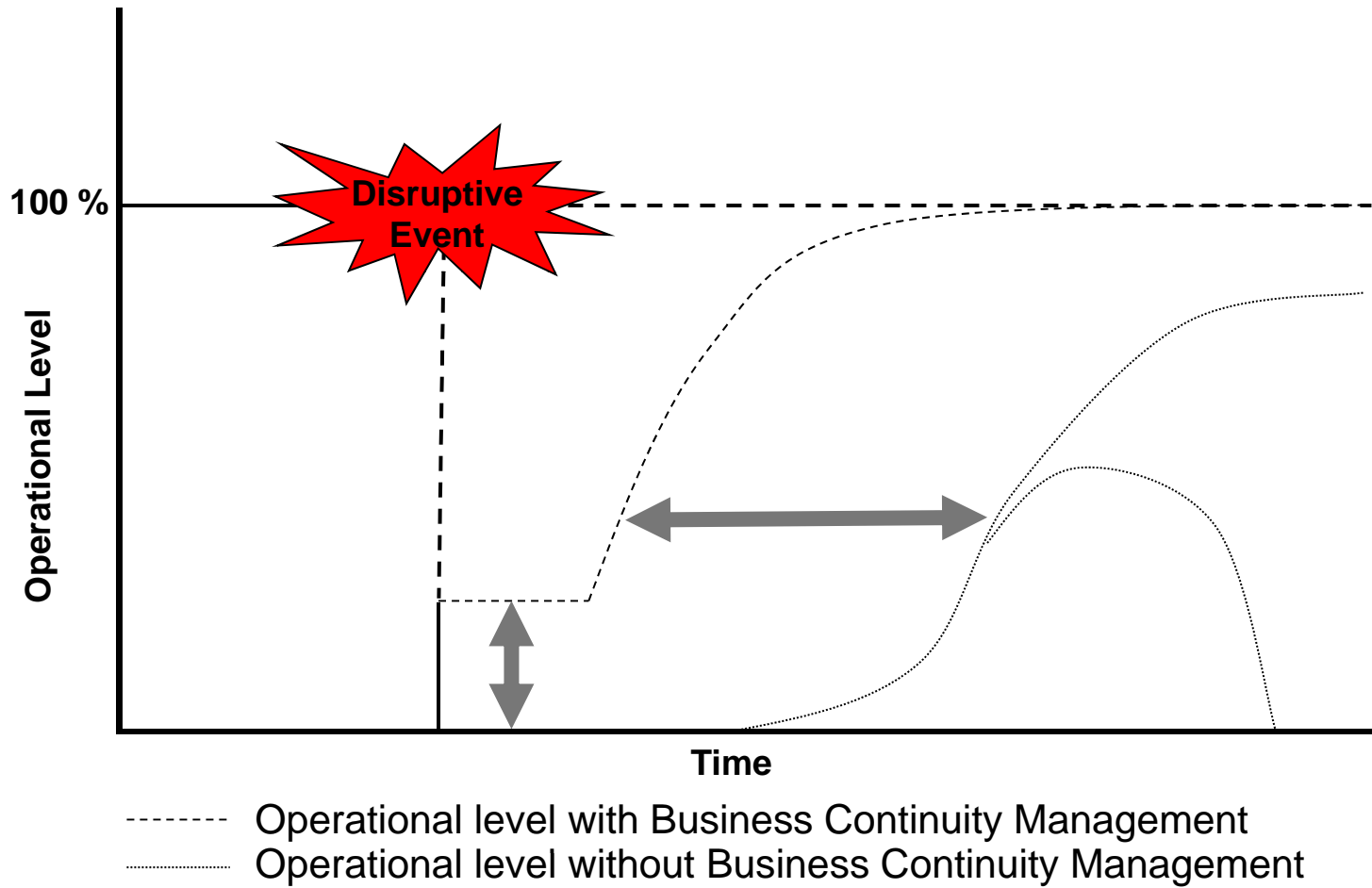
- **DRII** (Disaster Recovery Institute International)
 - Professional Practices for Business Continuity Planners

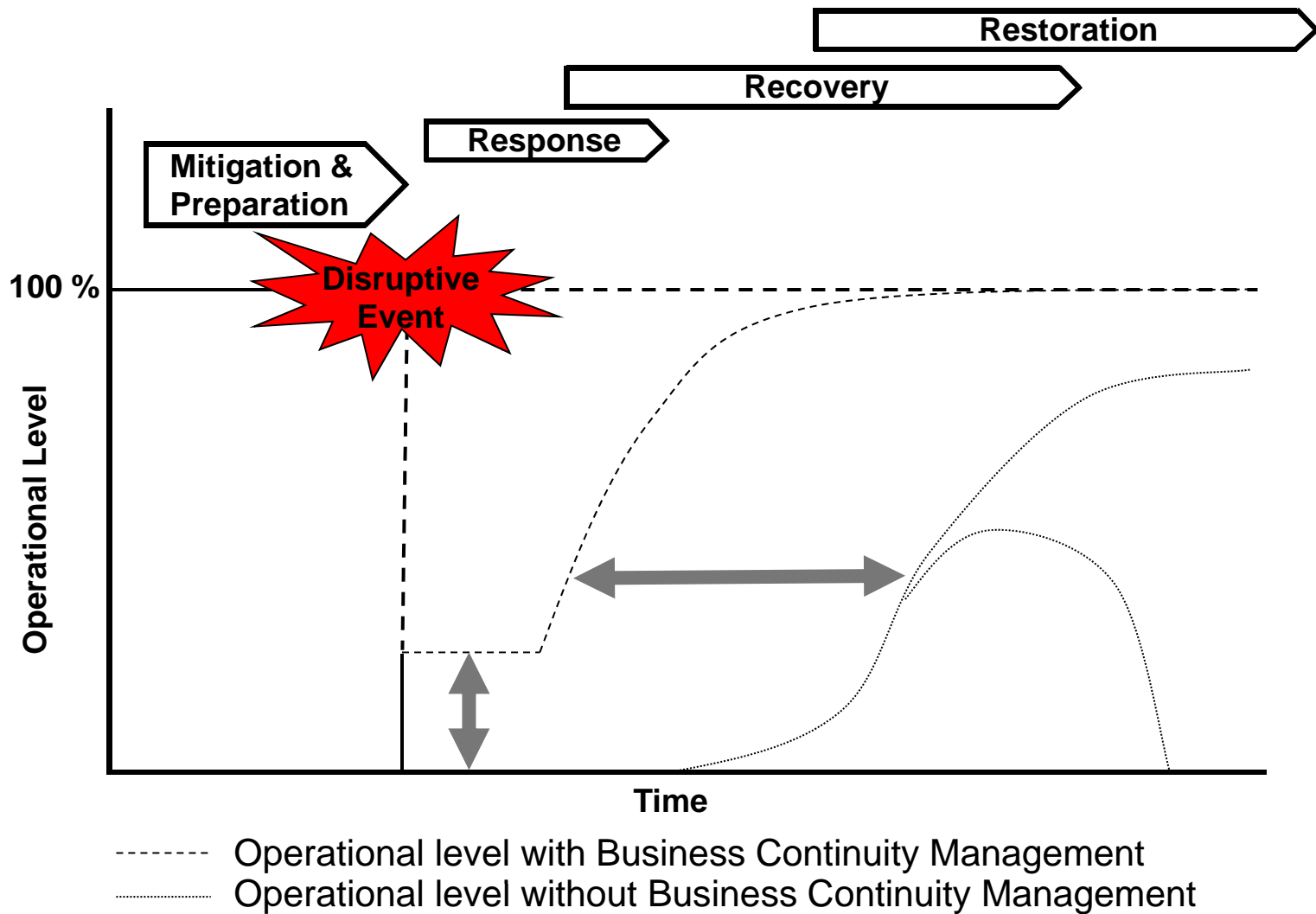
- **FEMA**
 - FCD (Federal Continuity Directives)

- Creates competitive advantage
- Enhances image and confidence with stakeholders (shareholders, customers/suppliers, employees, local officials)
- Helps organizations fulfill moral responsibility to protect employees and the community
- Enhances an organization's ability to minimize and recover from financial losses, market changes, fines, supplier interruptions, reputational hits, etc.
- Reduces exposure to civil or criminal liability
- Reduces insurance costs



..... Operational level without Business Continuity Management





Executive Sponsorship



Incident Management

- Leadership & direction
- Resource allocation
- Stakeholder communications

Emergency Response

- Highly tactical
- Protect people first
- Protect property and assets

Recovery Plans

- Recovers operational processes
- Plans and strategies to respond to resource disruptions

Infrastructure Restoration

- IT disaster recovery plans
- Restores critical infrastructure



Strategies and plans to:

- **Prevent** a disruptive event from happening.
- Prevent or **reduce impacts** if it does happen.
- Prepare to effectively **respond** to the event.



- Monitoring activities
- Response planning
- Asset management
- Safety programs
- Security programs
- Diversity programs
- Training / Exercises
- Cross training
- Audits
- Vaccinations



- Occurs only if and when there is a high probability of an imminent disruptive event.
- Provides **time to prepare** to respond.



- Heightened alert status
- Activate response teams
- Contingency planning
- Resource staging
- Communicate with stakeholders
- Move to alternate locations



Objectives:

- Stabilize the situation
- Assess situation and damage
- Minimize initial impacts
- Prevent follow-on impacts
- Return to normal operations as soon as possible



- Activate Emergency Response team and plans
- Activate Incident Management team and other response teams
- Communicate with stakeholders
- Situation / damage assessment
- Salvage operations
- Workarounds



Objective:

- Ensure the organization can recover operations as fast as necessary



Variety of potential resource impacts...

- Human Resources
- Data
- Facilities
- Supplies
- Equipment



- Activate Recovery teams and plans
- Activate Infrastructure Restoration plans
- Temporary work locations
- Backup equipment
- Alternate supply channels



- Occurs only in extreme cases
- Rebuilds organization back to “normal”



- Deactivating tasks in recovery plans
- Confirming or redefining the organization's vision, mission, and role
- Restoring or creating new facilities
- Deciding which products and services will be provided in the future
- Creating awareness and understanding:
 - What the new normal operating environment will be
 - When it will happen
 - My role in the transition
- Ending with a formal declaration



What if we can't return to the way things were before?

Answer: The "New Normal"

- Work locations
- People
- Organizational structures
- Labor arrangements
- Legal & financial structures
- Functions & services
- Processes
- Regulatory requirements

How will a disruptive event affect you and your employees?

How will a disruptive event affect your families?

- Plan ahead and discuss as a family
- Have emergency supplies on hand
- Have a 72-hour kit
- Know locations of utility-shut offs and how to shut them off
- Have a communications plan
- Have a meeting place

Ready
Prepare. Plan. Stay Informed.

Ready America.
Ready Business.
Ready Kids.

- 1 GET A KIT.
- 2 MAKE A PLAN.
- 3 BE INFORMED.

Looking For Disaster Response Information? Interested In Getting Involved?

World Upside Down
NEW Public Service Advertisements

<http://www.ready.gov/>

“All I have left are the clothes on my back and the items in my purse. My house is gone, my car is gone, but I have a job and my neighbors don’t.”

- ▶ Employee of Convergys, a company in the Southeast United States that “weathered” the 2004 and 2005 hurricane seasons due to its preparedness and planning efforts.

- How prepared am I and my family for a disaster ?
- How would my organization respond to a disruption ?
- What would I do if my office / plant wasn't usable ?
- How well does my organization monitor external situations ?
- What happens if a key supplier suddenly shuts its doors ?
- What happens if my organization misses a payroll cycle ?