



MY CHALLENGE IS...

INCREASING BUSINESS CONTINUITY
EFFICIENCY AND EFFECTIVENESS



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What does it take to be an organization with a “mature” business continuity program?

- A business continuity policy?
- An up-to-date Business Impact Analysis (BIA)?
- A comprehensive risk assessment?
- Defined alternate locations?
- A crisis management team?
- A crisis communications plan?
- Business recovery plans?
- IT disaster recovery plans?
- Some resilient business functions and technologies?
- Tested plans?
- Business continuity “aware” employees?
- Certified business continuity planners?
- Satisfied auditors and regulators?

This list includes most of the key elements of a sustainable business continuity program. However, you may be wondering if you’re doing all you can to ensure the program will be effective when needed, while maximizing a very finite risk management budget. The Avalution team met recently and discussed emerging best practices transforming the business continuity (BC) and disaster recovery (DR) industry.

A NEW SET OF OBJECTIVES

Wouldn’t it be easy to turn the previous list of business continuity program elements into a simple checklist in order to measure your program’s effectiveness? Thirteen check marks could equal one hundred percent effectiveness? During the first year or two, thirteen checks might be seen by executive managers as outstanding progress, but in most organizations, management expectations are on the rise.

We’ve identified seven emerging business continuity-related practices that business continuity managers should consider as they mature their business continuity programs into an efficient and effective risk management process. Some of these practices not only mature the business continuity function, but they also increase management buy-in.

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1. CONSIDER BC WHEN DESIGNING FACILITIES (AND BEFORE REORGANIZATIONS)

As business continuity professionals, we appreciate that business changes can lead to significant BC and DR strategy adjustments. We’ve all learned – in the eleventh hour – of a newly constructed facility housing a critical element of the business, a consolidation of facilities into a single campus environment or a reorganization introducing unimagined efficiency (and unimagined single points of failure).

Some organizations have highly structured business and IT change management processes. A growing number of these companies include business continuity professionals as members of change committees. What value does this offer? The business continuity professional can often point out the availability implications of business options (which are often overlooked in favor of cost savings), may assist in quantifying or describing risk and can assist in identifying risk mitigation strategy options.

2. COOPERATE AND COLLABORATE WITH CRITICAL SUPPLY CHAIN PARTNERS

It's one thing to identify critical suppliers and then send them surveys regarding their business continuity programs. It's a huge leap in maturity to consult with your suppliers' business continuity teams to share best practices, recovery objectives, strategy information, expectations and mutual aid options. That's what a few select organizations are doing – and this is driven by the extreme criticality of their relationships with these third-parties. Recurring meetings (some face-to-face) are leading to decreased availability risk and far-greater levels of business continuity program maturity for both organizations.



3. CONSIDER BUSINESS CONTINUITY WHEN ACQUIRING COMPANIES

Some organizations are good at acquiring other companies, while others are not. Those that are good have defined, repeatable processes to evaluate key elements of the target business in order to assess value, stability and longevity. Some acquiring business managers review and identify target company risk management practices (to include business continuity management program characteristics), key organizational risks and single points of failure. Due to the resource investment required to mitigate availability risk, the value of a defined, proactive business continuity program is not lost in the minds of the acquiring company. A big part of the business continuity program review is the strength and experience of the internal business continuity team.

4. COORDINATE YOUR RISK MANAGEMENT PROGRAMS

Where do the boundaries of emergency response begin and end? For example, is there overlap between risk management's insurance efforts, facilities management and business continuity? What about business continuity and enterprise risk management?

All organizations have a finite risk management budget, and executives are demanding closer coordination amongst risk management disciplines in order to conserve resources and increase effectiveness.

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5. PERFORM INTERNAL QA

It's true that real world events are the best measure of readiness, though exercises and simulations can be used as indicators. However, a number of organizations have developed a continuous process to assist with their measurement of program readiness by forming Quality Assurance teams. These experienced business continuity professionals develop measurement standards, interact with planners and plan owners, review processes and documentation and participate in exercises. Most importantly, they develop quantitative measures designed to gauge business continuity readiness and communicate results to executive management. Quality Assurance can be a cumbersome, time-consuming process, so leveraging planning tools and relying on data management strategies are keys to success. The automated gathering of business continuity program information is important to allow Quality Assurance personnel to focus on their most important task – coaching planners to improve their plans and strategies.

6. INTEGRATE CONTINUITY PLANNING INTO CHANGE MANAGEMENT

Change is constant. Reacting to change – as opposed to being proactive with change – can result in business continuity strategies that are more expensive than necessary because recoverability is designed and implemented after the fact.

Additionally, with a reactive approach to change, there will be recoverability gaps, since new processes and technologies are introduced into the business while viable recovery strategies catch up weeks later.

Work with your organization’s Project Management Office (PMO) and other change managers to play an advisory role in meeting the organization’s business continuity standards before projects “go live”. The time investment required will be significantly less than the time required to work on plans and strategies after the project is operational.



7. SHRINKING BUDGETS - SHRINKING RECOVERY OBJECTIVES

Shrinking budgets and shrinking recovery objectives are not mutually exclusive; they’re happening to many organizations simultaneously. Below are ideas that address one or both of these challenges simultaneously.

- Create program activity awareness: Business continuity management is often misunderstood by executive managers. Business Continuity managers should seek approval for a policy document, outlining the organization’s business continuity lifecycle, detailing key activities and defining the roles and responsibilities necessary to effectively execute these activities.

- Communicate the value: Decreasing budgets are often a symptom of poor internal communications and “internal sales”. The answer to a shrinking budget should focus on communicating the level of protection afforded by the continuity group. A common metric for showing an increase in protection levels is a comparison of overall annualized loss expectancy (ALE) figures.

ALE is easy to calculate for your organization by using the following formula:

Single loss expectancy (the amount of money that would be lost for a single failure) multiplied by the annualized rate of occurrence (i.e., once every 25 years equals a 1/25 ARO).

This level of analysis will quantify continuity planning’s contribution to risk reduction in a way executive management can support.

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CONCLUSIONS

Continuity programs continue to mature, but expectations are rising as well. The past ten years have seen rapid change, from technology-centric disaster recovery programs to today’s enterprise-wide business continuity management efforts. More change should be expected. Can you say your program is characterized as:

- Structured
- Visible
- Efficient
- Collaborative
- Flexible
- Creative

If so, it’s highly likely your executive management team will find great value, comfort and confidence in your ability to deliver continuity and availability now and in the future.

Taken one step further, let’s revisit the original list of key business continuity program elements and add some key characteristics found in organizations that are considered mature, efficient and effective.



Key Elements of a Business Continuity Program	Taken One Step Further – “Mature” Business Continuity Execution
A Business Continuity Policy	A business continuity policy statement is signed by an executive sponsor. Business and technology managers are held accountable for compliance through periodic internal audit reviews and annual performance objectives.
An Up-to-Date BIA	A review process is in place and information updates occur annually. Recovery time objectives (RTOs) are defined, as is the capacity of the business function.
A Comprehensive Risk Assessment	Linked to ERM initiatives, the risk assessment assists in framing the selection of recovery strategies, and helps identify business and technology practices that could lead to an increased risk of downtime.
Defined Alternate Locations	Each business function and IT asset with a RTO has an assigned recovery location. Additionally, the organization has “deconflicted” these recovery location selections to ensure multiple business functions from the same location aren’t relying on the same alternate facility.
A Crisis Management Team	Executive managers are named to lead the response effort. They maintain a copy of the crisis management plan and participate in training and testing.
A Crisis Communications Plan	Internal and third-party methods of communication are addressed, and redundant capabilities are identified. Management is trained in media handling.
Business Recovery Plans	Business recovery strategies are documented and alternate operating facilities are noted. Business managers are involved in the development and maintenance of planning documentation, and they understand their roles and responsibilities during a crisis.
IT Disaster Recovery Plans	IT disaster recovery procedures are documented using enough detail so that a general technologist can execute the plan. Recovery objectives are based on an enterprise-wide BIA, recovery strategy artificialities are minimized and business and technology dependencies are noted.
Some Resilient Business Functions and Technologies	Recovery implies downtime. Some business functions and technologies can afford neither. Consider influencing the inherent design of business and technology processes so they remain resilient – but only when completely warranted.
Tested Plans	Testing is the best way to measure readiness. Avoid artificialities and test key elements of the business continuity process, to include crisis management, crisis communications, business recovery and IT disaster recovery. Don’t create a pass/fail environment, but instead, a learning environment. Use scenario-based testing influenced by the results of the risk assessment.
Business continuity “aware” employees	An annual training and awareness plan is documented and approved. Not only does the business continuity team receive adequate training, but so do response and recovery team members and employees in general. Awareness programs are available “on-demand” for employees. As applicable, awareness spans across multiple risk management disciplines and may address evacuations, emergency response and physical security practices. Awareness is measured and reported.
Certified Business Continuity Planners	Certainly not required, but certification adds credibility to internally-generated recommendations.
Satisfied Auditors and Regulators	Business continuity quality assurance practices are used to self-assess practices. Internal audit is an active participant in the planning process - as an advisor.

MATURING A BCM PROGRAM

AVALUTION'S SERVICES DESIGNED TO ADDRESS YOUR UNIQUE CHALLENGES

Avalution Consulting is focused on the delivery of end-to-end event management and business continuity services and solutions. For our clients with defined business continuity programs, we offer a number of compelling services designed to increase efficiency and effectiveness:

- **Program Assessment**

Avalution's program assessment approach and deliverables provide management assurance that the organization is positioned to respond and recover effectively in the event of a crisis or business interruption. For our more "mature" clients, we focus on sustainability, optimization, effectiveness and efficiency. We provide a series of recommendations – organized by value potential – in order to help the business continuity manager prepare for increased readiness. Related to program assessment, we can assist our clients in defining quality assurance practices to self-assess performance and measure readiness.

- **Risk Assessment**

Avalution's risk assessment approach mirrors enterprise-wide risk management concepts by not only estimating the likelihood of risk occurrence but also identifying opportunities to reduce the likelihood of occurrence. We meet this objective by identifying likely sources of availability risk, current-state controls to mitigate risk and options to further mitigate the likelihood of the event to a level acceptable to management. Of equal importance, we enable our clients to perform similar assessments in the future by providing them with tools and frameworks to monitor risk and risk mitigation efforts.

- **Strategy Design and Planning**

Our more mature business continuity clients often have strategies in place to respond to events and recover critical business functions. We can assist these organizations with unique strategy alternatives, as well as provide management concepts designed to eliminate strategy conflicts and bottlenecks. Additionally, we have deep experience in the design of resilient business functions and technology solutions.

- **Test Facilitation**

All of our maturing business continuity clients test (or exercise) their plans and response/recovery teams. We assist these organizations with the identification of unique testing methods, the execution of facilitated testing sessions designed to free the business continuity team so they can participate, and the design of processes to develop test objectives and track lessons learned.

- **Training and Awareness**

A key Avalution service offering is the development and implementation of custom training programs designed to increase employee awareness. One solution is our on-line awareness training modules, which are designed to deliver customized, on-demand awareness to all employee desktops.



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