

Business Continuity Planning

Presentation and

Direction

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What is Business Continuity Planning?

Planning to ensure the continuation of operations in the event of a catastrophic event.

Business continuity planning goes beyond disaster recovery planning to include:

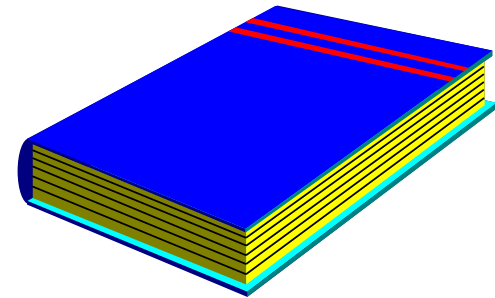
- the actions to be taken,
- resources required, and
- procedures to be followed to ensure the continued availability of essential services, programs, and operations in the event of unexpected interruptions.

Key Elements

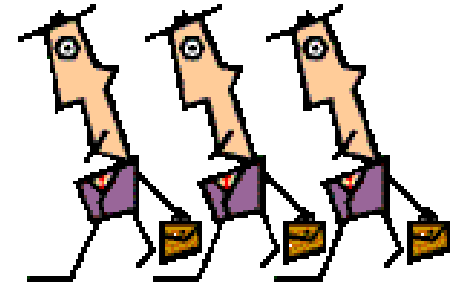
- Disaster Recovery
- Business Recovery
- Contingency Planning
- Crisis Management

Business Continuity Plan

- Identify Risks - Triage to assess all processes
 - ✓ All business functions
 - ✓ Data
 - ✓ Suppliers
 - ✓ Infrastructure
- Develop Plans for Everything
- Test and Exercise the Plans
- Layer Business Plan & Disaster Plan



Create a Business Continuity Management Team



- Lead by Top Management.
- Project Monitored by the Board of Directors.
- Regular Status Reporting to Management.
- Broad-based Planning Project.
- Awareness for Everyone.

Key Players

Senior Officials
Internal Audit
Risk Management
Legal
Finance/Budget
Procurement
Safety

Others?

Business Continuity Process

- **Assess** - identify and triage all threats (BIA)
- **Evaluate** - assess likelihood and impact of each threat
- **Prepare** – plan for contingent operations
- **Mitigate** - identify actions that may eliminate risks in advance
- **Respond** – take actions necessary to minimize the impact of risks that materialize
- **Recover** – return to normal as soon as possible

Project Reporting/Tracking

- Use summary reports for management
 - ✓ Measurable and quantifiable progress
 - ✓ Risk rating
 - ✓ Prioritization
 - ✓ Regular reporting (weekly or bi-weekly)
 - ✓ Sort on priority, progress, time-to-completion

BIA Review Factors

- All Hazards Analysis
- Likelihood of Occurrence
- Impact of Outage on Operations
- System Interdependence
- Revenue Risk
- Personnel and Liability Risks

Process Inventory and Triage

The purpose of the BIA is to:

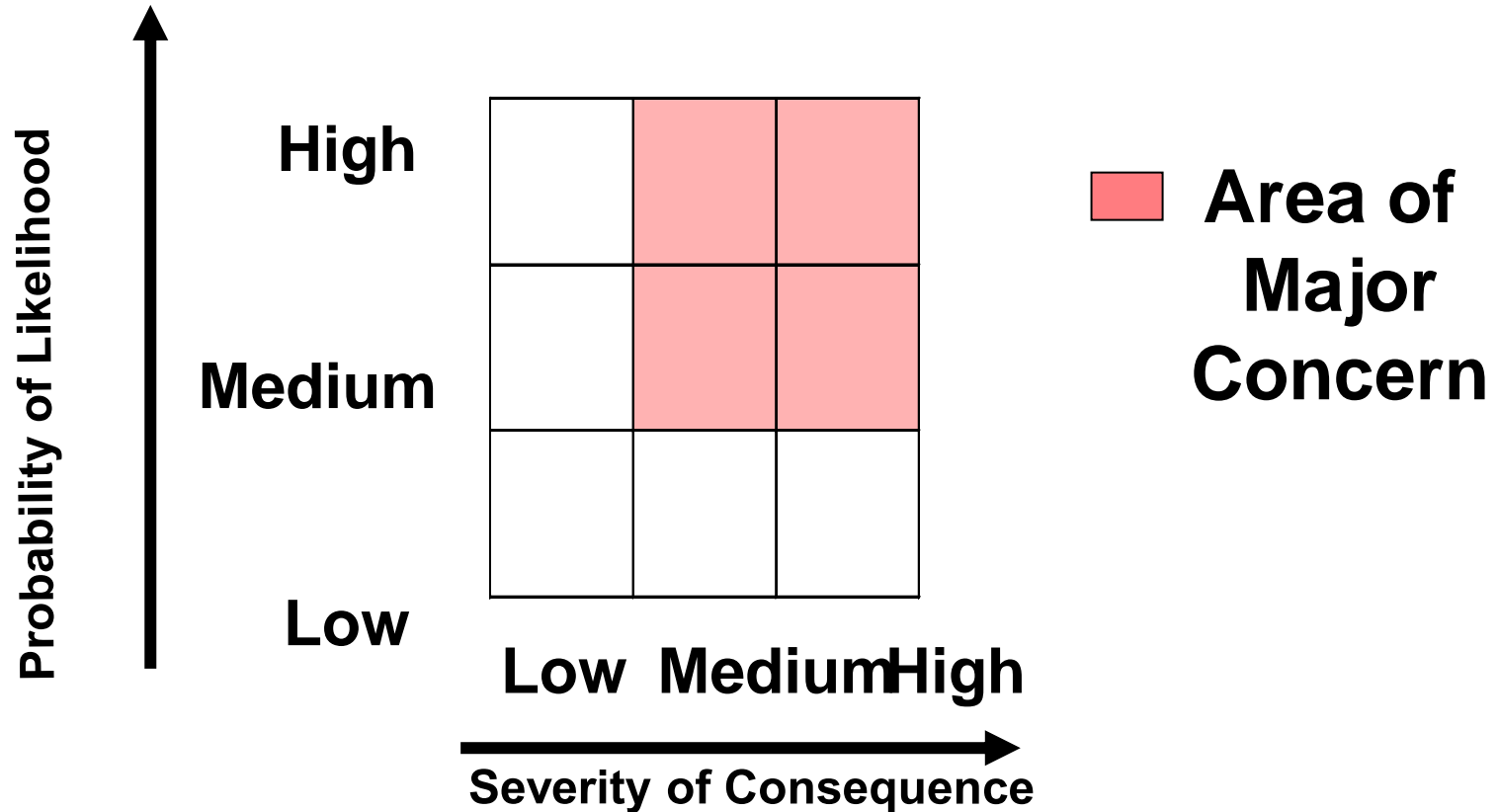
- Identify critical systems, processes and functions;
- Establish an estimate of the maximum tolerable downtime (MTD) for each business process
- Assess the impact of incidents that result in a denial of access to systems, services or processes; and,
- Determine the priorities and processes for recovery of critical business processes.

Prioritize Risk Factors

- Personal Safety Risk
- Services Risk
- Operational Risk
- Revenue Risk
- Liability Risk
- Good Will (Societal) Risk



Risk Analysis Matrix



Risk Rating Methodology

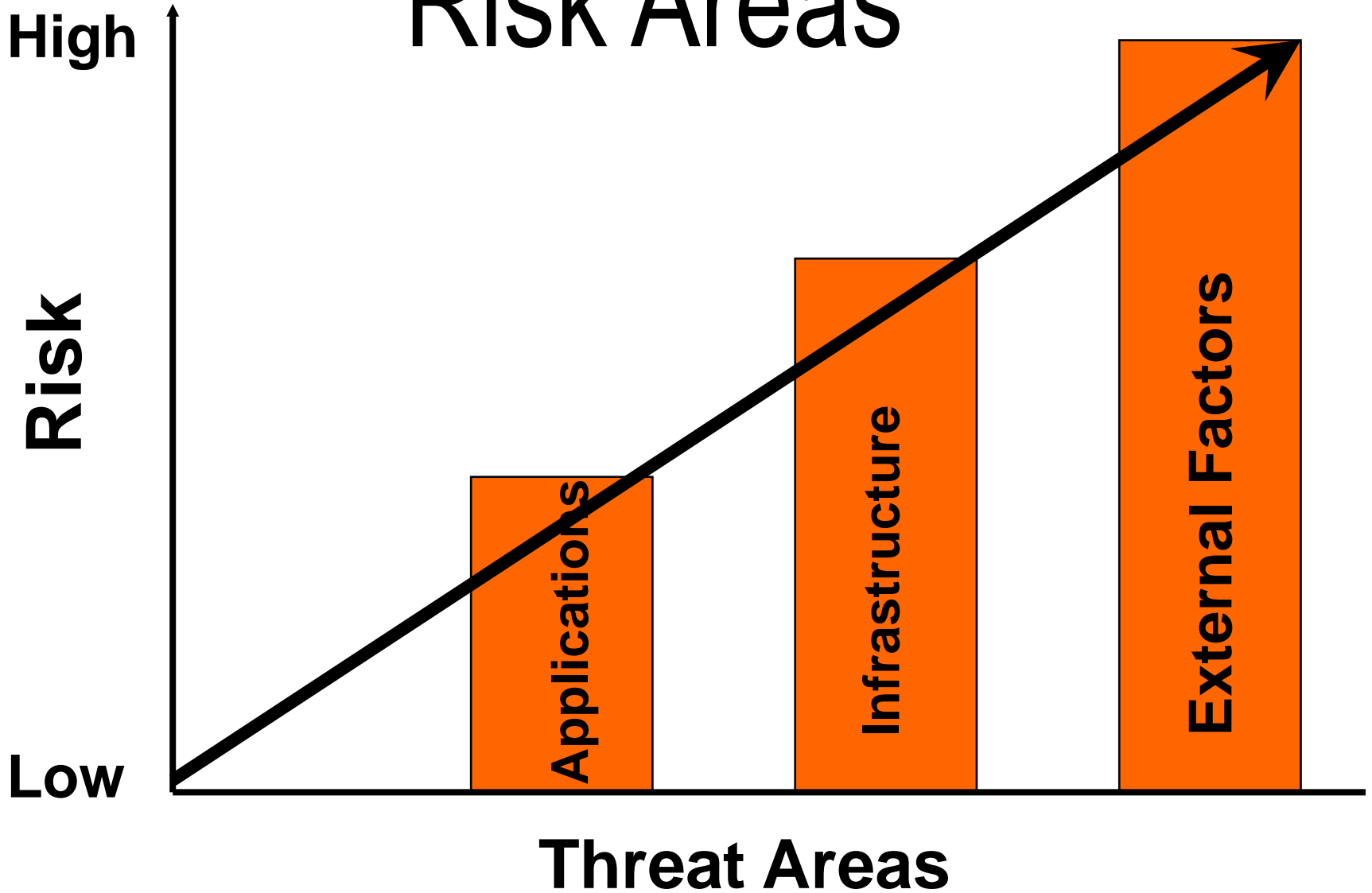
Degree of Organizational Dependence	H	8	Process must function for core operations
	M	6	Process required for daily settlement
	L	3	Process is not critical to daily operations
Probability of Successful Alternative	H	0	Probability > 0.5 that alternative process will work
	M	2	Probability < 0.5 that alternative process will work
	L	3	No plans for alternative process
Dependence on Automation	H	5	Business functions depend highly on process
	M	3	Business functions depend somewhat
	L	1	Manual operation possible w/o penalty
Criticality of Business Process	H	4	Critical business function - core process
	M	2	Secondary line-of-business
	L	0	Not a critical process

What Are External Risks?

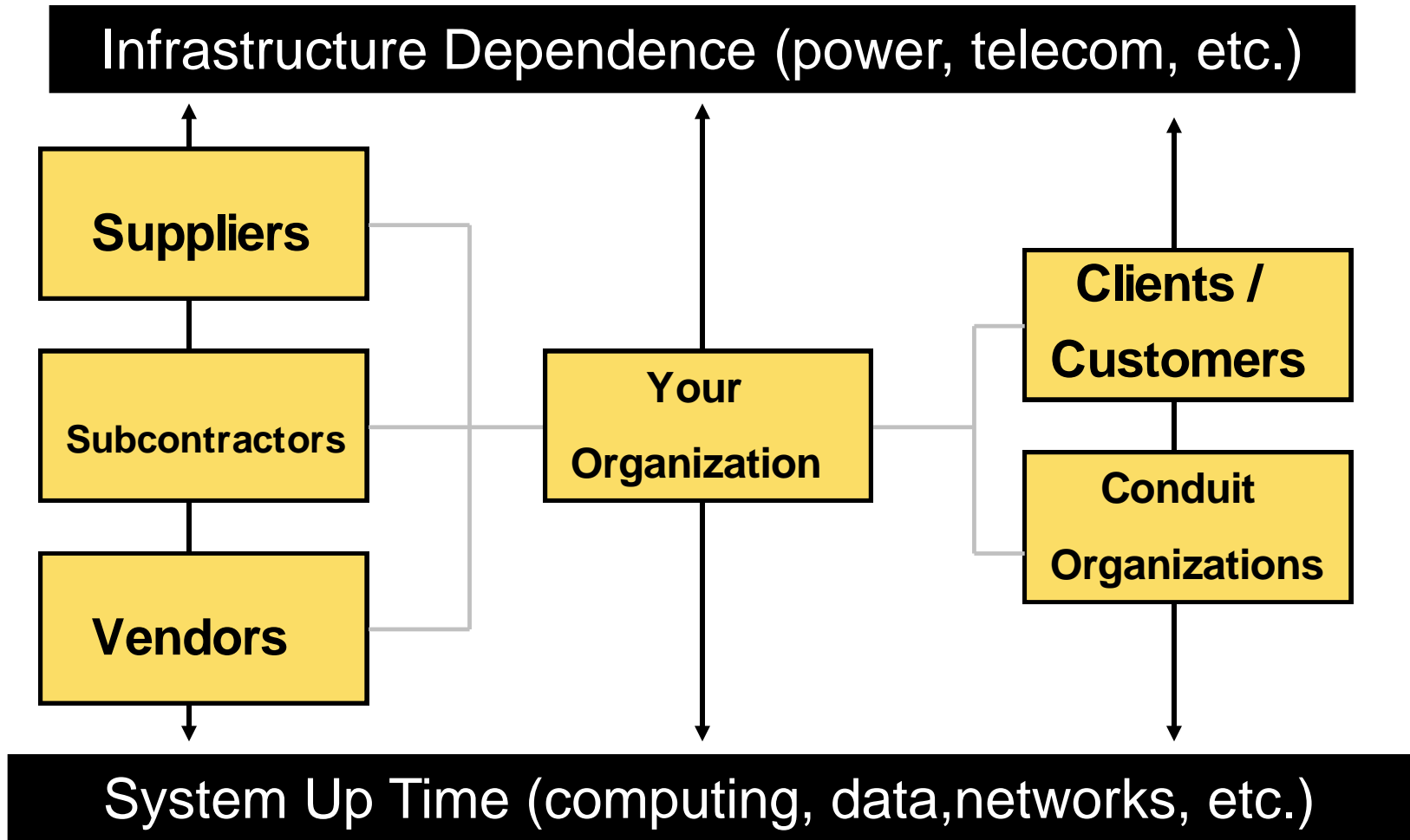
External Risks are risks presented by factors outside the enterprise; these include:

- risk present in natural disaster,
- labor strife,
- the possible failures of business partners,
- suppliers,
- public utilities,
- transportation,
- telecommunications, and
- other businesses.

Risk Areas

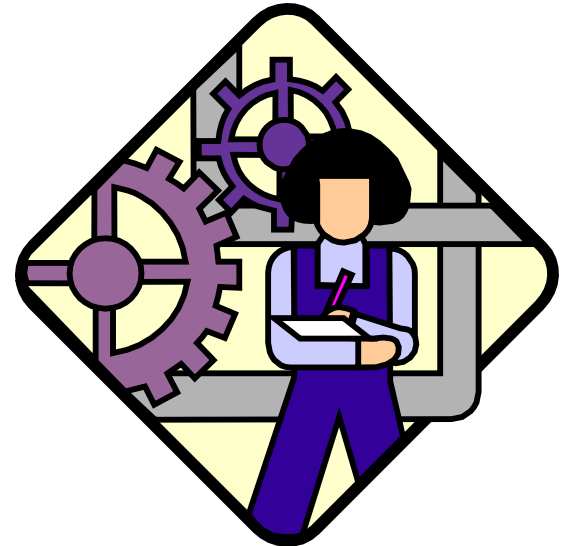


Review External Dependencies

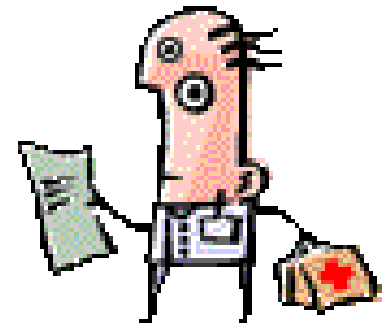


Loss of Lifelines

- What will we do if there is no power?
- No phone service?
- No Water?
- Government services?
- How will the public react?



Emergency Management Planning



- Work with local and regional disaster agencies
- Assess special problems with disasters
 - Loss of lifelines
 - Emergency response
- Review and revise existing disaster plans
- Look for new areas for disaster plans
- Include Disaster Recovery Planning

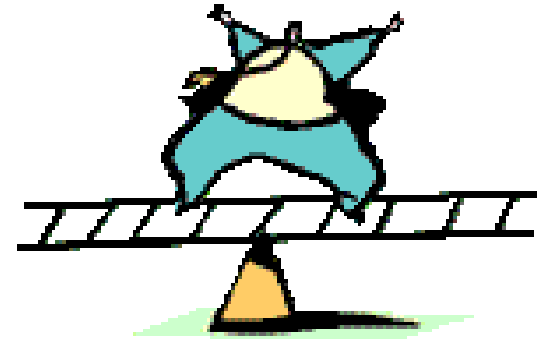
Contingency Planning Issues

- Power and Telecommunication Failures
- System Failures
- Natural Disasters
- Local Emergencies
- Workplace Violence
- Supply Chain Disruptions

Contingency Planning Process Phases

- **Assessment** - organizing the team, defining the scope, prioritizing the risks, developing failure scenarios
- **Planning** - building contingency plans, identifying trigger events, testing plans, and training staff on the plan
- **Plan Execution** - based on a trigger event, implementing the plan (either preemptively or reactively)
- **Recovery** - disengaging from contingent operations mode and restarting primary processes of normal operations by moving from contingency operations to a permanent solution as soon as possible.

Develop Scenarios



- How bad will the “big one” be?
 - Extended Power, Water, or Telecom Outages?
 - Supply Chain Disruptions?
 - Civil unrest?
- Develop various scenarios and pick which ones to plan for.

Evaluating Alternatives

- **Functionality** - provides an acceptable level of service
- **Practicality** - is reasonable in terms of the time and resources needed to acquire, test, and implement the plan
- **Cost Benefit** - cost is justified by the benefit to be derived from the plan

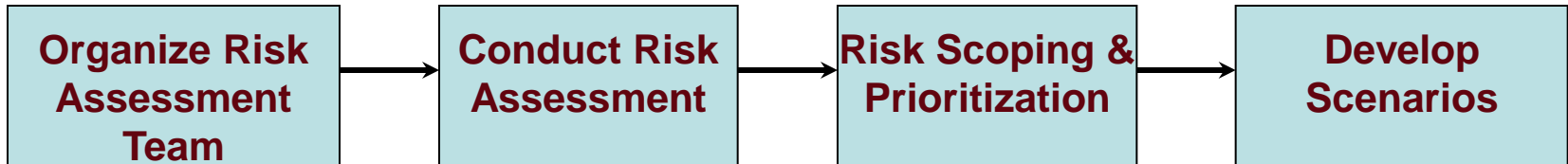
It's Not Enough Just to Plan



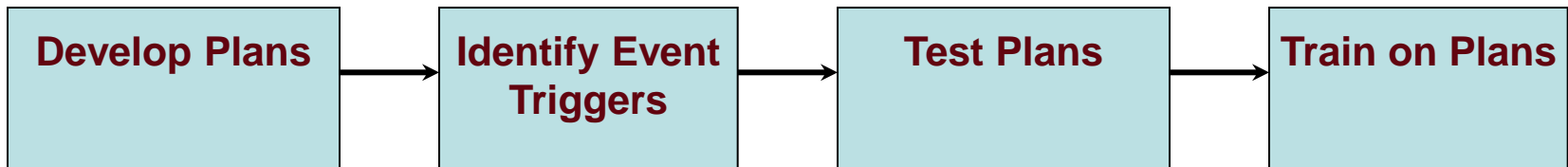
- Use focus groups and brainstorming
 - ✓ Seek “what can go wrong”
 - ✓ Find alternate plans & manual work arounds
 - ✓ Find innovative solutions to risks
- Contingency plans must be exercised
 - ✓ Hold table top exercises for disasters
 - ✓ Conduct “fire drills” of plans
 - ✓ Train staff for action during emergencies

Contingency Planning Phases

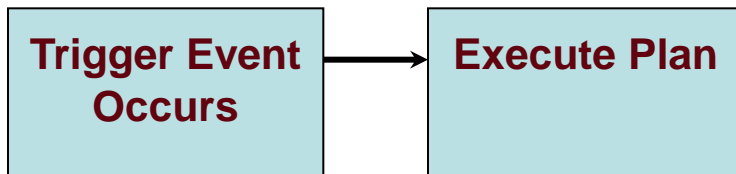
Assessment



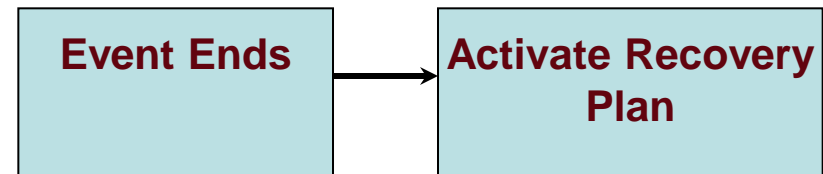
Planning



Execution



Recovery



Risk Management Formula

