Preparing for the UNEXPECTED

Crisis Management | Business Continuity | Disaster Recovery

STANDBY®

Specialists in Business Continuity Services

In today's modern world, businesses and organisations are complex entities that are dependent on so many external and internal elements to function. They now operate in a global environment and can be influenced by events that occur outside of their local region.

Information technology is now incorporated throughout all aspects of a business. This in turn exposes the business to failures not only of IT, but also the infrastructures that support IT, such as electricity. Added to that is the continuous exposure to cyber attack and malicious software. Recent events in the Middle East where high profile organisations have suffered sigfnicant cyber-attacks highlight just how exposed businesses are. What has also been apparent, although not widely published has also been the politically motivated attack on organisations during the so-called Arab Spring and also the major changes in countries such as Libya and Syria.

These events have highlighted that Middle Eastern organisations can no longer consider themselves immune to the type of events that have caused countries such as the USA, England, Australia and New Zealand to have business continuity plans and disaster recovery plans in place.

Standby has been operating in the Middle East since 2006, when we were contracted by a Fortune 200 company operating in Bahrain to improve and enhance their business continuity and disaster recovery strategies and plans. Since then we have been operating across the GCC, sometimes in our own identity and sometime collaborating with organisations when they need to bring in a specialist in business continuity management.

In this document we outline at a high level the reasons for having a business continuity plan and the processes that needs to be followed to have an effective strategy and plans in place.

After reading this document, if you wish for further clarifications please do not hesitate to contact me directly or our office in Bahrain or New Zealand.

C.B (Sam) Mulholland MNZCS CBCP
Managing Director
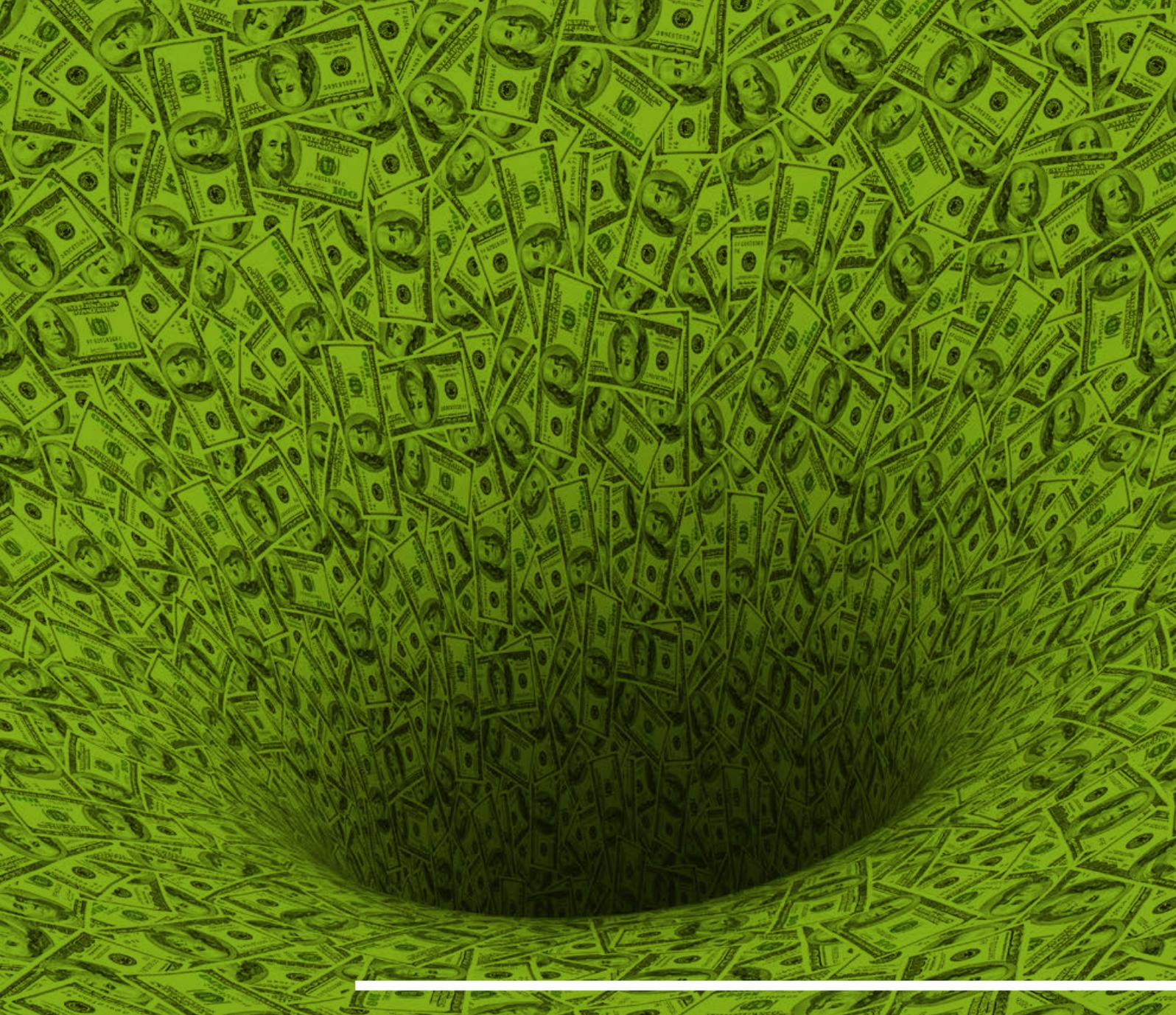
A research project conducted by the Gartner Group based in Stamford, CT, USA reported in a 1996 study that two out of every five companies struck with a major disaster were unable to recover. Of the survivors, one-third went out of business within two years following the disaster.

"It takes fifteen times the amount of money to recover from a disaster than it would have taken to carry on with a properly executed recovery plan"

Source: US, Federal Emergency Management Agency

Expect the unexpected

Disasters by their nature, come unannounced, are uncontrollable whilst they are happening and can be devastating to a business. How quickly and efficiently you get back to a 'business as usual' state following a disaster depends on how effectively you can react and put into action, your own business continuity plan.

Making business continuity part of the way you run your business will reassure your personnel, customers and suppliers and promote confidence by knowing you have a tested and effective policy and plan for managing the unexpected.

"A disaster can strike any organisation, large or small... whether the business recovers or not and whether it is still operating 12 months later depends on what advanced planning has taken place. This means action before and not after a disaster strikes."

Source: British Home Office (1998)

What is business continuity planning?

Business continuity management is the process used to create a formal and sustainable plan to cope with an unexpected and potentially business threatening event. This provides a framework for an organisation to recover operations in a timely manner following a disaster or a critical business disruption.

"Business continuity planning is a holistic management process for identifying potential threats to an organisation and to providing a framework for building resilience within the organisation. It provides a capability for an effective response that safeguards the interests of an organisation's stakeholders, reputation, brand and value creating activities."

(Source: Business Continuity Institute, 2001)

Why you need business continuity planning

Business continuity planning allows an organisation to develop well thought out recovery processes and trains personnel the actions to take following a disaster. Organisations are complex entities that has been developed over a long period of time by many people. When the operations of that organisation are severely interrupted, it is extremely difficult, if not impossible to recover without having a pre-developed plan to deal with such an event.

Reasons why your organisation needs a business continuity plan include:

- Legislative and regulatory requirements
- Protection of the assets of the organisation
- Protection of reputation, market share and stake holder value
- Specified requirement of clients
- Risk reduction which is beneficial to insurance requirements and raising finance
- Satisfying audit requirements.

For those organisations supplying critical components to their customers, a Business Continuity Plan is necessary, for without taking prudent measures to ensure supply the customer could then be liable for claims for non-supply. Similarly, when an organisation is seeking a new supplier, more and more organisations are specifying as part of their contract that the prospective supplier have a business continuity plan.

Organisations with well developed and practiced business continuity plans cope with major outages significantly better than those without. Many businesses are now seeing business continuity planning as part of good business practice.

"Business Continuity Planning gives you a way to gain a commercial and competitive advantage".

Source: BCI (UK)

Risks to your business

Without business continuity, a natural or manmade disaster could result in:

- Cessation of cash flow
- Loss of business to competitors
- Loss of reputation and brand damage
- Failures within your supply chain
- Increased insurance and finance premiums
- Human resource problems
- Health and safety liabilities.

Sometimes several simultaneous setbacks can culminate into one large event. In these situations, the worst-case scenario can even lead to business failure. If your plan enables your organisation to cope with the worst-case scenario, it will also help your organisation to deal with lower-impact incidents. Generally, the worst case will be something that completely prevents your business from operating. Therefore, you need to think about the cause and effect: a chain of events might be far worse than just one incident. For example, a building contamination may result in the following events:

"If you assume it will never happen to your business then you are putting your business at risk".

Source: BCI UK

Building contamination leads into business collapse

1. Building contamination
2. No access
3. Access denied to vital records & IT system
4. Unable to supply customers
5. Customers unable to pay you
6. Customers seek alternative suppliers
7. Dramatic falloff in revenue
8. Costs remain the same or increase
9. Damage becomes unsustainable
10. Business collapse

Key steps for developing business continuity management

The following diagram shows the steps that business continuity management follows.

This is the internationally accepted process and it has been Standby's experience that by following this process, an organisation will be able to:

- Identify the risks that it faces
- Establish the impact of a failure
- Establish which elements of the organisation are business critical
- Develop strategies that are cost effective and appropriate to the organisations needs

- Develop plans that are relevant to your organisation
- Meet International standard certification requirements.

STEP 1: Assessing the risks

There are two key elements to every risk to your business

- The likelihood of it happening
- The effect it will have on the business

Risk: a potential threat for an interruption or loss to an organisation.

Using Business Continuity Management to balance these risks

A risk assessment is usually defined in terms of monetary and loss of service costs i.e. the costs an organisation can afford to lose if an emergency or event prevented it from doing business for days, weeks or months. What would be the reaction from your customers, potential customers and suppliers, if your organisation were exposed to adverse publicity because it was either unprepared or unable to cope with an incident?

Probability of event — Effect on business
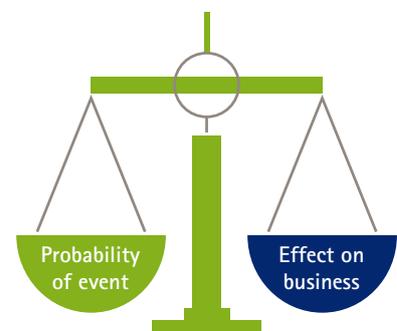
Identifying the risks

Disasters are often made up of a series of seemingly minor events, which when they occur can cause a major interruption to your organisation. If you identify one of these events or risks and stop them from happening, you can also stop the disaster from happening. This prime focus of Standby's risk assessment is to identify the disaster event related risks that your organisation may be exposed to and what actions can be taken to address these risks.

The benefits of the risk assessment for your organisation will be:

- An independent view and assessment
- Your organisation will be more resilient and less exposed.

Documented evidence to show stakeholders and other parties that your organisation is aware of the risk and working to address them. Identification of risk is part of good corporate governance.

People	Natural
Arson	Storms
Burglary	Floods
Cyber and hacking attack	Earthquake
Disgrunted employee	Tsunami
Key person protection	Volcanic activity
Political unrest	Global warming

Risks

Physical	IT Related
Site Security	Hardware failure
Building construction	Software failure
Site locality	Telecommunications & network connectivity
Power supply	Data loss
Fire	Data corruption
Flooding	

Step 2: Analyse the business

Identifying the impact of a disaster on your organisation

This process is the Business Impact Analysis (BIA) and it is a process that will identify the impact of a disaster on your organisation.

A modern organisation is a complex and dynamic mix of processes all orchestrated by people and technology. During and following a disaster, managing your people and re-establishing these processes is the critical element of business continuity planning. The Business Impact Analysis will identify these processes and establish the correct order of priorities.

Re-establishing these processes is the critical element of business continuity planning. The Business Impact Analysis will identify these processes and establish the correct order of priorities.

Key deliverables from the Business Impact Analysis

Analysis of information collected during this stage will highlight the following:

- The recovery priorities of business processes
- The importance of the various supporting systems to these processes
- The Recovery Time Objective (RTO) and the Recovery Point Objective (RPO) for each process
- The anticipated costs of service loss
- Estimated financial costs
- Identify where there is a time gap between the requirements of the business units and the actual recovery times
- Identification of vital records
- Identification of key resources.

Business Impact Analysis: a process or methodology, which determines critical functions of a company's business. Results can be expressed in financial, service level or other impacts.
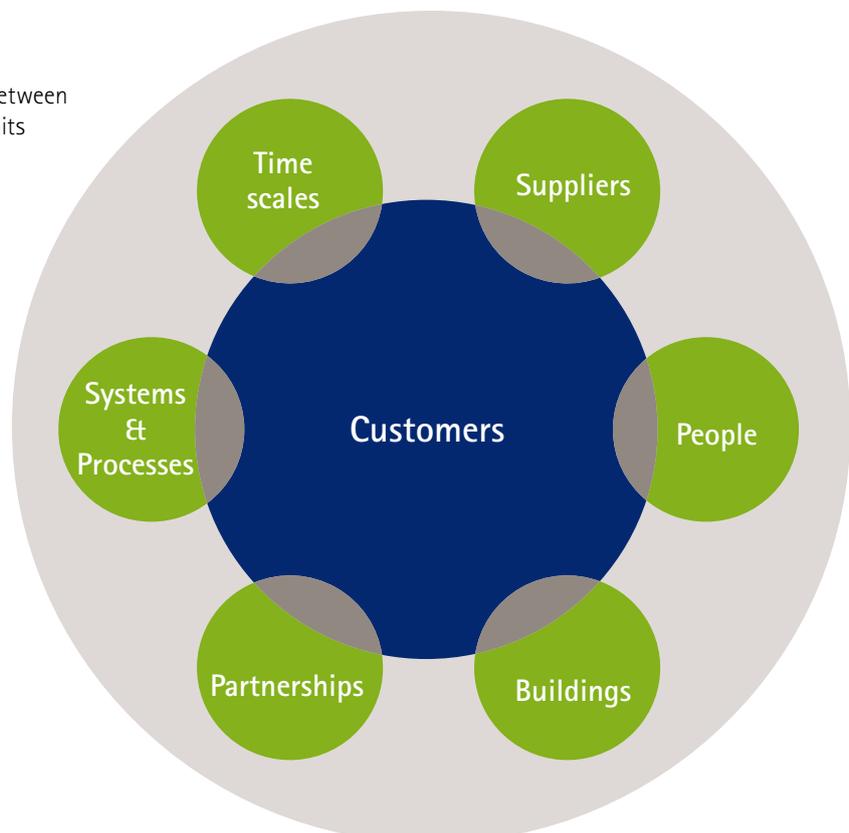
"The real purpose of a business impact analysis is to identify those systems that when absent would create a danger to the enterprise's survival and to ensure those systems receive correct priority in the subsequent business continuity plan."

Source: Australian Audit Office

Impact of a disaster report

With both the Risk Analysis and the Business Impact Analysis completed, a consolidated report of all findings would be supplied. Because the impact of a disaster is known and the likely costs to the organisations, an informed decision can be made as to the appropriate action to be taken to mitigate against identified risks.

As the costs and impact of a disaster is now known the appropriate cost justified strategies can also be documented for approval by the senior management.

The Business Impact Analysis and Risk Assessment sets down the foundations for a Business Continuity Plan and the development of recovery strategies.

> "In a perfect world we would know all the threats that face us and could predict the probability of their occurrence to manage our daily lives. But we do not live in such a place."
>
> Source: Barney F Pelant MBCP (2003)
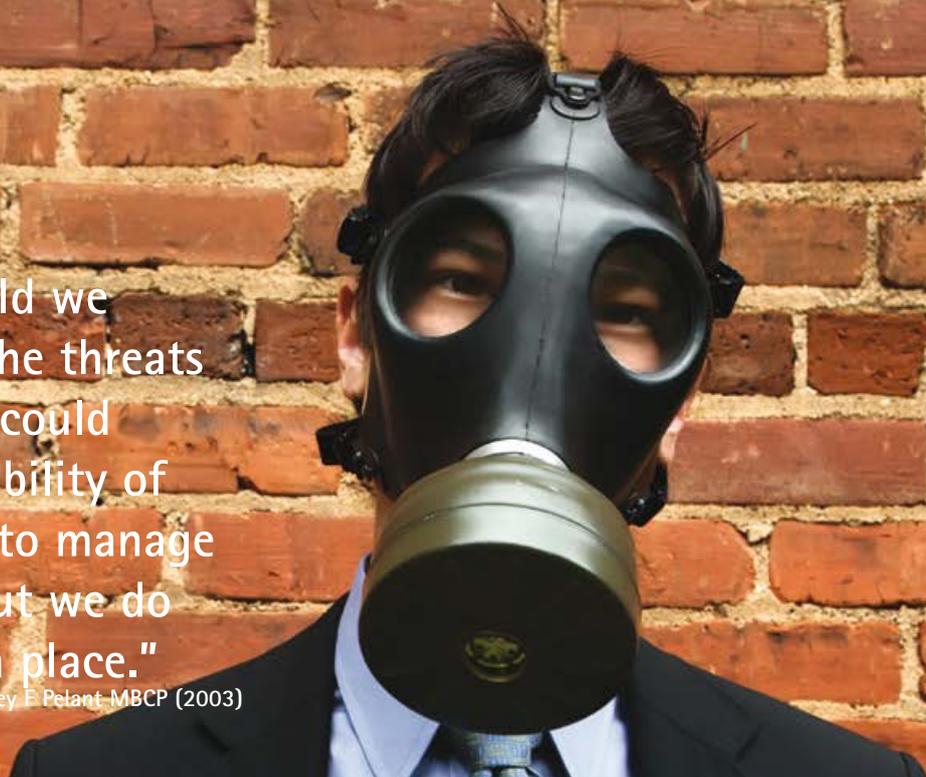
Step 3: Develop the strategy

The problem with strategies is that they can cost money and the expenditure needs to be justified. Therefore, it is very important that any strategies defined are appropriate to your organisation. The quicker the recovery time the more expensive the strategy will be. Having identified the risks and defined the costs of an impact, an organisation will then be in a position to make quantitive judgement in strategy development.

Once the costs of a failure are known, Management can then make an informed decision as to what will be an acceptable business continuity strategy.

Two or three strategies need to be presented to senior management, each with different recovery periods, the cost to the organisation of that period of inactivity and costs of the recovery solution. It is then the role of Management to decide which is the appropriate strategy.

Plan Strategy:
developing the strategies or procedures that would be used to cover critical business functions at the time of the disaster.
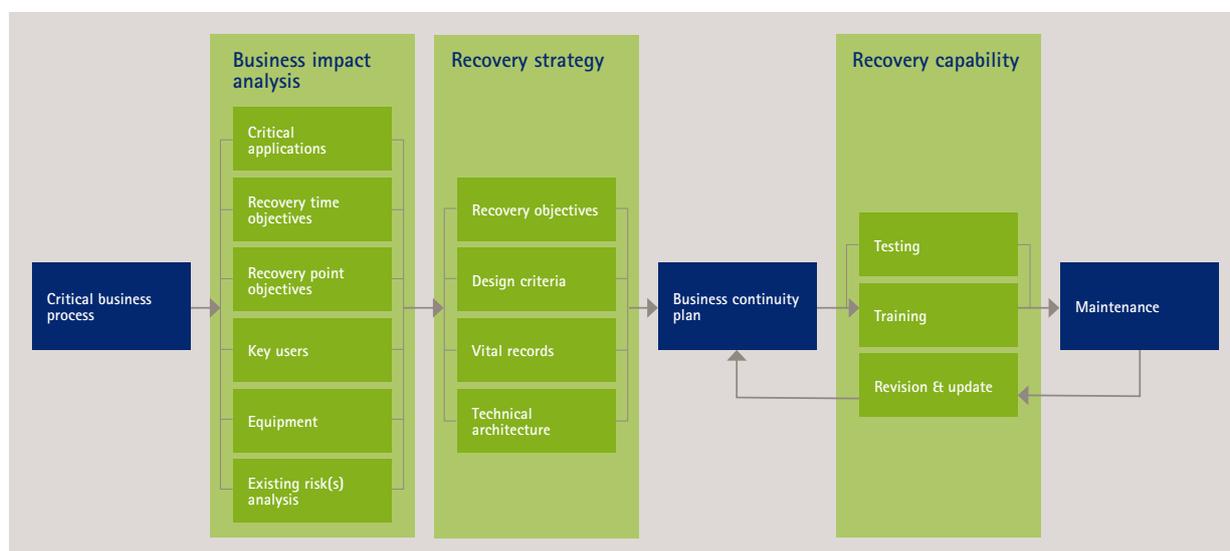
Step 4: Developing the plan

Documenting the strategy and the actions to be taken is the core objective of the process.

Business continuity plans differ depending on the organisation. However, most good continuity plans share some important features. These are:

Design

- Make it clear that the entire business has been consulted
- Use clear and concise non-technical language that everyone can understand
- The document is a "plan" – that is action steps that need to be taken
- Ensure the plan is simple, but not simplistic. Remember that people need to be able to read the plan under stress and to act quickly. Therefore, detailed plans can slow down a rapid response and recovery.

Contents

- Plan for worst-case scenarios. If your plan covers how to get back into business if for example a fire destroys your building, it will also work if one floor is damaged
- Define roles and responsibilities for key people who will be involved
- Checklists that are clear and easy to follow
- Clear, direct instructions for the first crucial hour following incident
- List of tasks that do not need to be looked at until after the first critical hour
- Plan update schedule.

Plans should be seen as a living document. With a commitment by the organisation, plans continue to be enhanced as time passes.

Plan Development: the process or methodology of documenting the pre-determined strategies and procedures.

Step 5: Embedding BCM into your organisation

An organisation needs to be prepared for an expected event at any time. Having carried out the BCM process it needs to be installed and embedded into your organisation to ensure that should the unthinkable happen, your personnel can cope.

This means that BCM becomes part of your normal business processes and as each new project or significant change occurs, it needs to contain business continuity and disaster recovery provisions.

The plans need to also be regularly updated and tested. Personnel need to be taken through exercises on a regular basis so that they are aware of what will happen in an emergency.

On-going support contracts

Standby can provide our clients with on-going support contracts. These contracts are designed to provide the client with a set number of consultancy days per year to update and review their plans. Besides this, we provide advisory and consultancy services to ensure our clients are kept up-to-date with the changes that are occurring in the BCM industry that could influence their organisation.

Where Standby can help

Standby is an organisation that specialises in developing Business Continuity and Disaster Recovery Plans.

Benefits Standby can bring to your organisation include:

Experience

Standby offers an experienced team of individuals who are fully conversant in the process of business continuity management. Besides consulting and practical experience in implementing plans, several members of the team have been personally involved in disaster recoveries.

Focused

Disaster Recovery and Business Continuity Planning forms Standby's core business competency. It is "what we do" and is not just an add-on service that forms part of our business operations.

Knowledgeable

The Company makes it its business to stay knowledgeable on emerging trends and new events. To ensure that its team of consultants remain at the leading edge of Disaster Recovery and Business Planning, the Company regularly subscribes to trade magazines and technical publications on these topics. Standby's consultants also attend conferences and trade shows. In addition to this, our consultants have all worked on a large variety of projects internationally and can leverage off their broad industry knowledge for your organisation's needs.

Standby "Cuts the Cloth to Suit the Client"

Standby realises that all businesses are different. Known for its down to earth and practical knowledge and advice, Standby does not use fixed stylised formats for producing reports, plans and recommendations. The Company focuses on each individual client organisation and the type of business they are running, and then melds its approach and reports to suit the specific business needs of the client.

Impartiality

Standby firmly believes that it must remain impartial in order to provide independent advice to best meet the client's needs. The Company prides itself on this impartiality and does not receive incentives from other vendors to sell their products or services into a client site.

Credibility of Service

Several of the Consultants in Standby have business and IT degrees and/or are Certified Business Continuity Planners (CBCP) from the Disaster Recovery Institute International (DRII). Standby also keeps up to date with the requirements of international standards in business continuity planning and in particular ISO 22301.

Affiliated Partnerships

Where there is a specialised service required, such as IT and cyber security audits, Standby has partnerships and agreements with these companies to provide the client required service.

An Established and Recognised Product

Standby has spent many years developing and refining the way it carries out and manages its projects. The Company produces reports that are comprehensive, informative and decisive. We specialise in writing reports on the issues that are easy for management to understand the risks and impacts and provide advice on how to address them. Standby takes pride in its efforts to provide plans that are well-designed, easy to read and navigate, yet comprehensive.

Standby client base

- Banking and finance
- Government Departments
- Retail
- Utilities and service providers
- Entertainment providers
- Hospitals and healthcare providers
- Pharmaceutical manufacturers
- Food and beverage manufacturers
- Print manufacturers
- Insurance
- Media companies
- Motor vehicle manufacturers
- Building industry
- Academic institutions
- Legal firms

From major oil companies to entire governments, from power outages to cyber attacks, political unrest, fires and even flooding – Riyadh, Qatar, Jeddah, Bahrain, Dubai, no one and no place is immune.

In a jointly published report "The Second Middle East Business Continuity Management Survey" conducted across the Middle East it was found that:

- 16% of the respondents reported at least one significant business disruption during the last year, citing hardware/software failures, power failure, application infrastructure failure and site outages as the top four reasons.

- Close to 21% of the organizations have had a robust business continuity management programme in place for the past three years, while 14% have started the process more recently. The rest (65%) of the organizations do not yet have a business continuity management programme in place. Out of the latter, around 50% conduct IT-disaster recovery drills. This outcome underscores the fact that some organizations are implementing IT- disaster recovery without adopting a holistic business continuity management program.

- 57% of respondents rated their organization's business continuity readiness as average or below average; 51% assessed their organization's IT disaster recovery readiness as average or below average; and 54% of respondents rated their organization's crisis management readiness as average or below average. In addition, the report also found that 65% of the respondents were not very sure of the over-all reliability of their current IT backup and recovery systems and procedures.