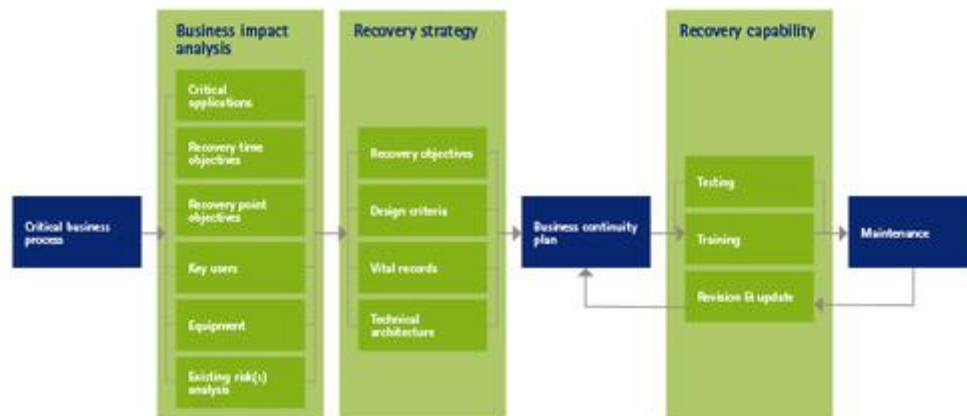




## What is Business Continuity?

Recent events such as terrorist attacks and high profile disasters together with an increased need for corporate governance have changed the emphasis of Business Continuity and Disaster Recovery Planning away from towards what was predominantly Information Technology (IT) recovery.

This emphasis is coming from several areas including customers, insurance and financial institutions, stakeholders and those who need to ensure there is a plan in place to deal with the "unexpected" so that the organisation can recover from a disastrous event quickly.



Business Continuity Planning is now high on the list of senior management and executives' agendas and is increasingly becoming an integral part of an organisation's good business practice processes. By having a plan an organisation can minimise the impact of such an event on its personnel, assets, market share and finances.

Research into business continuity has shown that the likelihood of an organisation surviving a major event without a plan is less than 20%. Conversely, with a documented plan there is an 80% survival rate.

Standby's Business Continuity Management process follows the professionally recognised series of steps, recommended by the Disaster Recovery Institute International (USA) and the Business Continuity Institute (UK).



## Why Plan?

*“It takes fifteen times the amount of money to recover from a disaster that it would have taken to carry on with a properly executed recovery plan.”*

US, Federal Emergency Management  
Agency

There are many reasons why organisations embark on the business continuity management process. The more common reasons concern the protection of:

- ∞ Company assets including data and information
- ∞ Company revenue
- ∞ Company market share
- ∞ Stakeholder interests
- ∞ Statutory and regulatory changes
- ∞ Legal obligations to take precautionary measures
- ∞ Auditors and Insurance Company document requirements

In line with this, it has been estimated that the costs of a recovery from a disastrous event may be in the vicinity of 15 times greater than if a properly executed recovery plan existed. Research has also shown that an organisation stands to lose up to 60% of its productivity within a few days following a disaster, making it uncompetitive. To make matters worse, experience has shown that insurance usually covers only 30-50% of all losses in a disaster.

*“Companies that identify risks early, and take appropriate action, will adapt, survive and prosper.”*

Andrew Hiles

## The advantages of having a documented and tested recovery plan in place are:

- ∞ A recovery will be quicker and more efficiently carried out
- ∞ An increased likelihood of business survival - It has been estimated that only 6% of organisations that do not have a plan and suffer a significant data loss will remain operational two years following the occurrence of the event
- ∞ An increased likelihood of meeting statutory and legal requirement
- ∞ A possible reduction in insurance premiums, particularly if an organisation can demonstrate to its insurers that it has undertaken sufficient measures to identify and mitigate risks. A documented and tested recovery plan is recognised as being part of the risk mitigation process
- ∞ An organisation may experience an improved credit rating
- ∞ May assist in securing business contracts with key customers i.e. by being able to prove to customers that an organisation will be able to continue operating or provide continuous supply of goods or services in the event of a crisis.



## Business Continuity VS Disaster Recovery

When people start on the journey to develop plans to deal with a major event they are usually confronted by two different terms - Business Continuity Planning and Disaster Recovery Planning. There is quite a difference between these two plans and it is important that an organisation clearly understands this difference and what sort of planning it will indeed require.

**“Two out of every five companies struck with a major disaster are unable to recover. Of the survivors, one third go out of business within the next two years.”**

**Gartner Study – 1996**

### Business Continuity Plan (BCP)

Business Continuity Planning is best described as the processes and procedures that are carried out by an organisation to ensure that essential business functions continue to operate during and after a disaster. By having a BCP, organisations seek to protect their mission critical services and give themselves their best chance of survival. This type of planning enables them

to re-establish services to a fully functional level as quickly and smoothly as possible. BCPs generally cover most or all of an organisation's critical business processes and operations.

"Conceptually the thinking for the test of if it is a Business Continuity Plan is; "If we lost this building how would we recommence our business?"

## Disaster Recovery Plan (DRP)

As part of the business continuity process an organisation will normally develop a series of DRPs. These are more technical plans that are developed for specific groups within an organisation to allow them to recover a particular business application. The most well-known example of a DRP is the Information Technology (IT) DRP.

The typical test for a DR Plan for IT would be; "If we lost our IT services how would we recover them?"

IT DR plans only deliver technology services to the desk of employees. It is then up to the business units to have plans for the subsequent functions.

A mistake often made by organisations is the thought that 'we have an IT DR Plan, we are all ok'. That is not the case. You need to have a Business Continuity Plan in place for critical personnel, key business processes, recovery of vital records, critical supplier's identification, contacting of key vendors and clients etc.

It is critical that an organisation clearly defines what sort of plan it is working on. It is one of the first questions that we will ask as it defines the approach that needs to be taken and the processes required. We are very familiar with both types of plans, we know the process and profiles and can consult and assist your organisation.



## The Business Continuity Process

Business Continuity processes used by Standby are in line with the standards recognised and recommended by the Disaster Recovery Institute International (USA) and the Business Continuity Institute (UK). These standards follow best practice guidelines for Business Continuity Management, which involves a six step process.



### These steps include;

- Risk Assessment
- Business Impact Analysis
- Recovery Strategy
- Developing a Plan
- Documenting the Plan
- Testing the Plan
- Maintaining the Plan



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