A GUIDE TO BUSINESS CONTINUITY PLANNING

WOULD YOUR BUSINESS SURVIVE?

Introduction

The Civil Contingencies Act 2004 places a duty on Local Authorities to ensure that local businesses and voluntary sector organisations in their area have the opportunity and tools to prepare and plan for the recovery from any potential disruption.

This leaflet aims to provide a general overview on the subject and is not intended to replace detailed guidance and planning specific to your business.

You might wish to consider obtaining detailed guidance once you have read this leaflet. Falkirk Council's Emergency Planning Unit can assist you in sourcing the relevant guidance.

The Facts

- 80% of businesses affected by a major incident close within a month.

- 90% of businesses that lose data from a disaster are forced to shut within 2 years.

- 58% of UK organisations were disrupted by September 11th.

- Of those disrupted 12% were seriously affected.

- Nearly 1 in 5 businesses suffer a major disruption every year.

- Buncefield – December 2005

    - 650 businesses close to the site employing 16,500 people were disrupted.

    - 20 businesses employing 500 people were destroyed.

    - 60 premises employing 3,500 people needed to be repaired.

What is Business Continuity?

Business Continuity planning provides a means of recovery for a business which has been affected by a crisis or a business interruption. Effective planning will minimise the impact on your employees, customers and your reputation.

A crisis could happen to any business irrespective of size, from a large enterprise employing a number of staff to a family run corner shop. The effects would be the same – potentially devastating.

The objective is to identify hazards that may affect the essential functions and activities of your business and to ensure they can be reduced or responded to in an effective way.

Although developing a plan requires careful preparation and planning, it is not difficult and need not be expensive. The time spent however, is a worthwhile investment which will ensure the safety and protection of your staff and increase the likelihood of your business surviving.

5 Minute Business Continuity Assessment

This is a quick assessment to assist with your planning arrangements:

	Yes	No	Don't Know
Do you have a business continuity and recovery plan?	☐	☐	☐
If yes, have you tested your plan within the last 12 months?	☐	☐	☐
Do you have a policy for activating your plan?	☐	☐	☐
Do you regularly review and update your plan?	☐	☐	☐
Are your staff trained in activating your plan?	☐	☐	☐
Is there someone in your organisation who has responsibility for maintaining your plan?	☐	☐	☐
Is the plan clearly documented and accessible to staff?	☐	☐	☐
Do you have a list of essential personnel including home/mobile telephone numbers?	☐	☐	☐
Do you have a list of all employees' details including home/mobile telephone numbers?	☐	☐	☐
Do you have information stored on your computer backed up and safely stored in a location away from your premises?	☐	☐	☐
Do you have fire safety procedures in place?	☐	☐	☐
Do you have an alternative building to use in an emergency?	☐	☐	☐
Do you have sufficient insurance to pay for disruption to business, cost of repairs, hiring temporary employees, leasing temporary accommodation and equipment?	☐	☐	☐
Do you have your insurance company's details accessible in order to contact them immediately?	☐	☐	☐

Why Business Continuity?

Without effective business continuity planning, the consequences of a natural or man made disaster could result in any one of the following:

A complete failure of your business.

Loss of income.

Loss of reputation and/or loss of customers.

Financial, legal and regulatory penalties.

Human resource issues.

An impact on insurance payments.

Examples of Business Continuity Risks

Your plan should address the following questions and others:

Have you considered financial/legal/regulatory penalties that could be imposed if you fail to provide an essential service based on your contract?

Consider how long each of your essential services could continue during a prolonged utility loss.

Now think about a loss of utilities lasting 24 hours or longer.

Which of your essential services would be jeopardised if your facility was evacuated for a week/month with all access denied?

How many staff would be needed to continue to cover essential tasks and how would you accommodate them?

How would you continue to operate if a large number of staff were absent due to ill health e.g. a flu epidemic?

Have you an alternative building in which to work effectively? Is this sufficient? Can staff work from home?
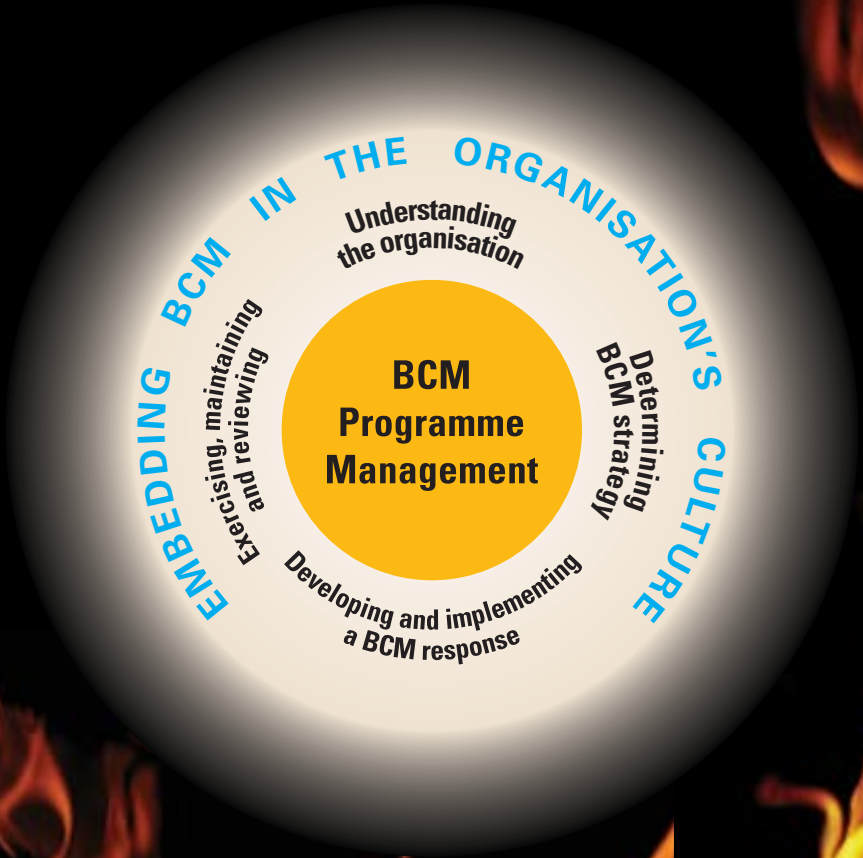
Do you need access to any services not currently available at your temporary site?

Do you use any special software or stationery such as forms? How long can you manage without these and how long would it take to replenish stocks?

The Business Continuity Process

Key concepts of the BC process are:

- Understand your business and key business objectives.

- Identify key activities and staff working within those areas.

- Identify service areas/business activities or processes where any failure (e.g. of equipment suppliers, etc) would lead to a major business interruption.

- Identify the potential threats.

- Access all internal and external risks.

- Calculate the impact of those risks.

- Plan to reduce the likelihood or reduce the impact of identified risks/threats.

- Exercise the plan and train your staff.

- Audit the results and review the plan regularly.

EMBEDDING BCM IN THE ORGANISATION'S CULTURE

Understanding the organisation

Determining BCM strategy

BCM Programme Management

Exercising, maintaining and reviewing

Developing and implementing a BCM response

Starting Off…

The first step in any BCM process should be to review any existing plans and prioritise the order or criticality of business/functions services.

Start the review with the most essential services and work through all services that require a business continuity plan.

If you don't have any existing plans, start by listing key services in priority order. Prepare and document alternative arrangements, and 'work around', so that each of these priority business functions/essential services could continue in all circumstances. Consider prolonged power failure, lack of access to office buildings, loss of key staff through accident or illness, etc.

1st Milestone

- Identify the need to plan.

- Identify all essential business functions/services and prioritise them.

- Prepare a list of all known risks/threats.

- Decide how much risk you can prevent or reduce and set the 'risk appetite' for how much your business is prepared to accept.

- Plan for the remainder.

Things to consider:

- Have you considered financial/legal/regulatory penalties that could be imposed if you fail to provide an essential service which you are contracted to do?

- Consider how long each of your business functions/essential services could continue during a lengthy power loss (e.g. of several hours' duration).

- Now think about a prolonged loss of power (e.g. lasting 24 hours or longer).

- Which of your critical business functions would be jeopardised if your building was evacuated for a week/month with all access denied?

- How many staff would be needed to continue to cover essential tasks and how would you accommodate them?

- How would you continue to trade if a large number of staff were absent due to ill health (e.g. a flu epidemic)?

- Have you an alternative building in which to work effectively? Is this sufficient? Can staff work from home?

- Do you need access to any services not currently available at your temporary site?

- Do you use any special software or stationery such as forms? How long can you manage without these and how long would it take to replenish stocks?

2nd Milestone

- Prepare your plan.

- Prepare a simple generic plan of actions to enable you to continue each of your priority services.

- Ensure your plan details specific actions for different types of risk and different services.

3rd Milestone

- Test your plan.

- Discuss your plan with all relevant staff, including the staff involved in key services.

- Simulate a theoretical emergency situation to test your plan.

For more information on the process of BCM see the Good Practice Guidelines 2010 on the BCI website: www.thebci.org

Role of your Local Authority

Falkirk Council's Emergency Planning Unit can offer advice and support in developing Business Continuity plans, but cannot write the plans for you. You are best placed to know your business and its essential processes.

We will offer advice free of charge and assist by giving details of useful websites and further reading to enable you to develop your plan.

There may be a charge for more specific advice and/or assistance. For example, when providing support in preparing BC plans or running exercises.

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