

**Business Continuity Planning:  
As A Business Owner,  
What Do I Need to Consider?**

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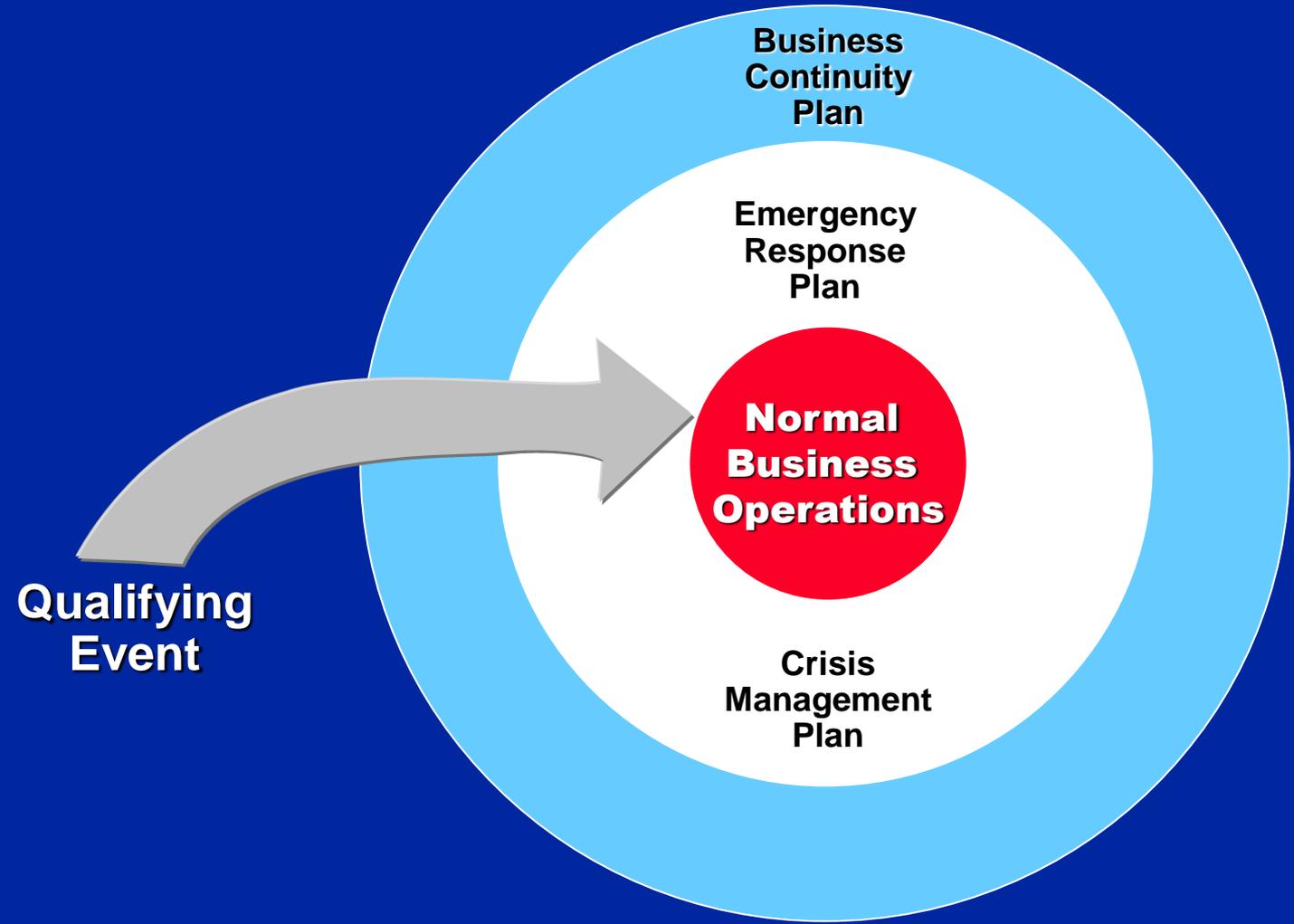
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# Qualifying Event Continuum

Normal Business Operations





# Crisis Management

- *Deals with first few hours of a crisis that meets specific criteria:*
- *Crisis Management Team (CMT) lead initiates activation of Crisis Management Plan which begins with notification and convening of CMT*
- *CMT consists of senior managers, lead managers and alternates representing various functional areas.*
- *Drill involving activation of the CMT should be conducted at least annually*

# Crisis/BC Management Team Member Functions



- ***Site Lead (Team Leader)***
- ***Technical Operations***
- ***Human Resources***
- ***Security***
- ***Finance & Business Management***
- ***Operations***
- ***Purchasing***
- ***Communications***
- ***ESH***
- ***Facility Services***
- ***Legal Counsel***



***Crisis/BC Management Team Members can be the same individual (s)...***



# Crisis Management Team Activation

*The team is activated by the Site Lead in response to any disaster or emergency incident (examples previously noted) that has or could negatively impact business operations...*

# CM/BC Team Preliminary Planning Tasks



***-- Examine each potential disaster or emergency situation to determine the (a) the likelihood of occurrence and (b) level of potential business disruption likely to result from each situation***

***-- Consider utilizing a risk ranking system to prioritize and focus on potential scenarios based on a and b above***

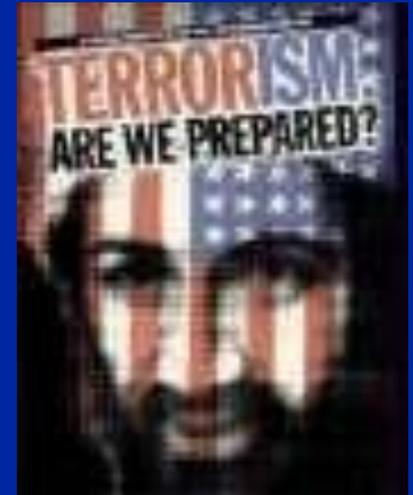
***Disaster/emergency situation examples follow:***



# Organized and/or Deliberate Disruptions



- ***Act of Terrorism***
- ***Bomb Threat***
- ***Kidnapping***
- ***Extortion***
- ***Act of Sabotage***
- ***Act of War***
- ***Theft***
- ***Arson***
- ***Labor Disputes / Industrial Action***



# Environmental Disasters

- **Epidemic**
- **Hurricane**
- **Flood**
- **Snowstorm**
- **Drought**
- **Earthquake**
- **Electrical Storms**
- **Fire**
- **Landslides**
- **Freezing Conditions**
- **Contamination and Environmental Hazards**
- **Tornados**





# Loss of Utilities and Services

- ***Electrical power failure***
- ***Loss of gas supply***
- ***Loss of water supply***
- ***Petroleum and oil shortage***
- ***Communications services breakdown***
- ***Loss of drainage / waste removal***





# Equipment or System Failure

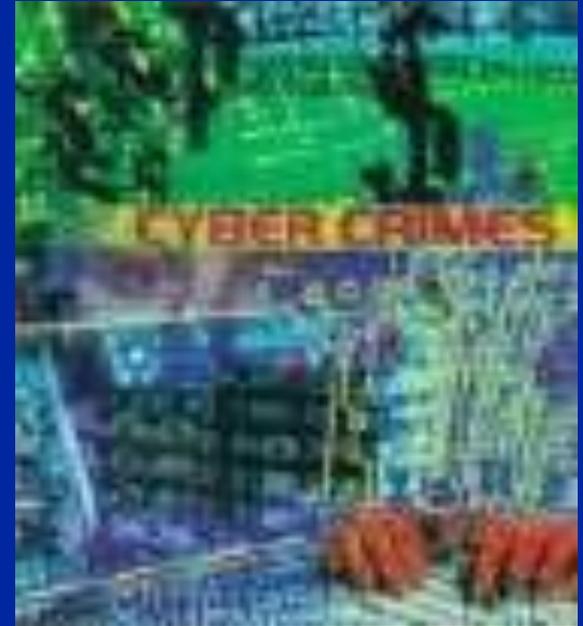
- *Internal power failure*
- *Air conditioning failure*
- *Production line failure*
- *Cooling plant failure*
- *Equipment failure (excluding IT hardware)*



# Sensitive Information Security Incidents



- *Cyber crime*
- *Loss of records or data*
- *Disclosure of sensitive information*
- *IT system failure*





# Other Emergency Situations



- *Workplace violence*
- *Public transportation disruption*
- *Highway traffic route closures*
- *Property access denials*
- *Neighborhood hazard*
- *Health and Safety Regulations*
- *Employee morale*
- *Mergers and acquisitions*
- *Negative publicity*
- *Legal problems*





# Risk Ranking Matrix

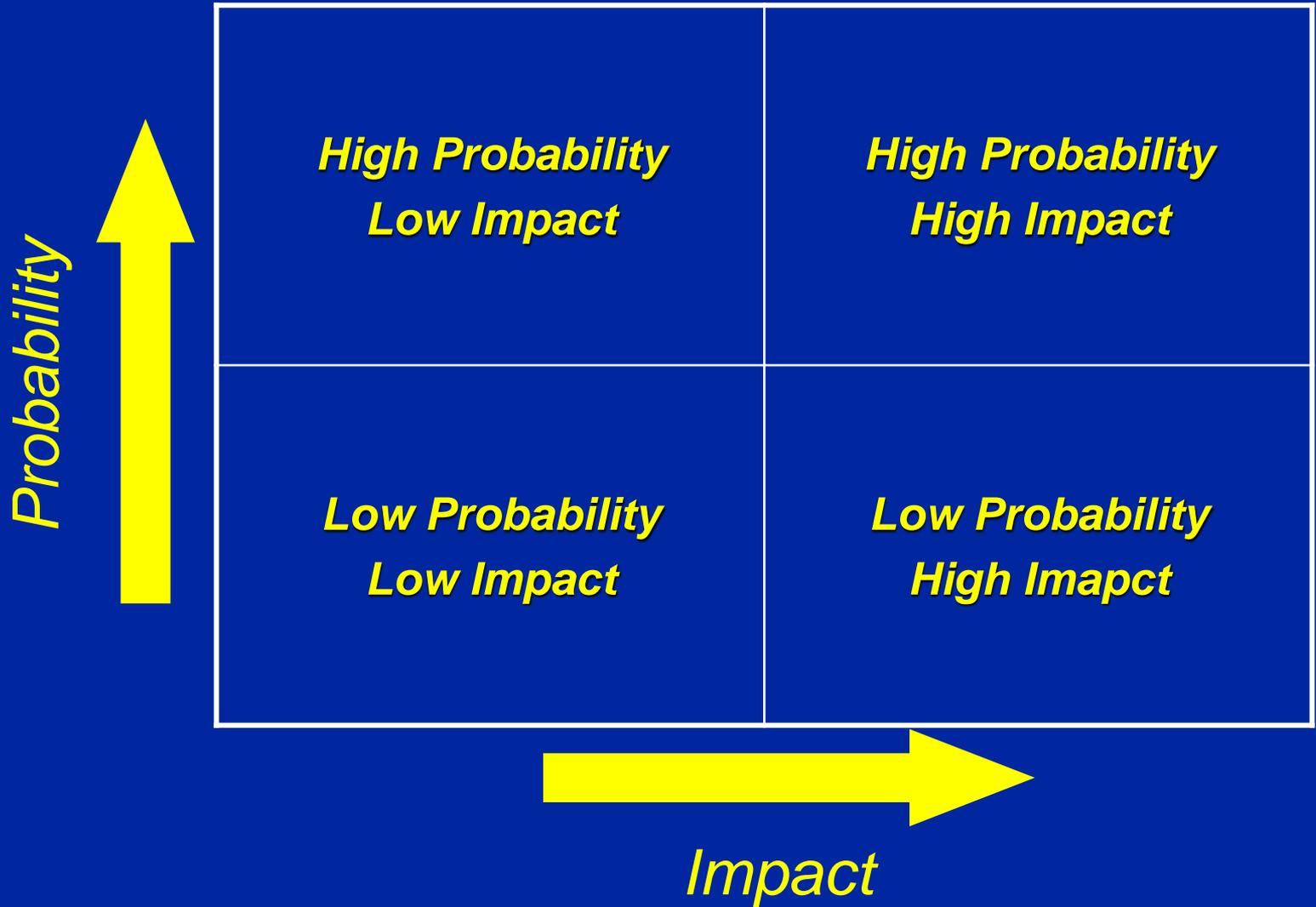
## Probability Rating

<b>Score</b>	<b>Level</b>
<b>1</b>	<b>Very High</b>
<b>2</b>	<b>High</b>
<b>3</b>	<b>Medium</b>
<b>4</b>	<b>Low</b>
<b>5</b>	<b>Very Low</b>

## Impact Rating

<b>Score</b>	<b>Level</b>
<b>1</b>	<b>Terminal</b>
<b>2</b>	<b>Devastating</b>
<b>3</b>	<b>Critical</b>
<b>4</b>	<b>Controllable</b>
<b>5</b>	<b>Irritating</b>

# Pick Chart Diagram





# Other important Business Processes to Consider

- *E-commerce processes*
- *E-mail based communications*
- *Other on-line real-time customer services*
- *Production line*
- *Production processes*
- *Quality control mechanisms*
- *Customer service handling*
- *Maintenance and support services*
- *Sales and sales administration*
- *Finance and treasury*
- *Research and development activities*
- *Human resources management*
- *Information technology services*
- *Premises (Head Office and branches)*
- *Marketing and public relations*
- *Accounting and reporting*
- *Strategic and business planning activities*
- *Internal audit*

# Business Continuity



- *Grew out of Y2K*
- *Deals with longer term impact of a crisis that meets specific criteria e.g. extended power outage*
- *BC Team lead initiates activation of BC Team and BC Plan which begins with notification and convening of BC Team*
- *BCT consists of lead managers and alternates*
- *Drill involving activation of the BCT should be conducted at least annually to test the BCP*

*Most critical element of any emergency plan is current contact list of key personnel and alternates...*

# BCP: Process Based On Proven Methodology



**Initiate  
Business Continuity  
Planning**



**Conduct Business  
Impact Analysis**



**Identify Critical  
Business Processes**



**Identify Risks  
& Scenarios**

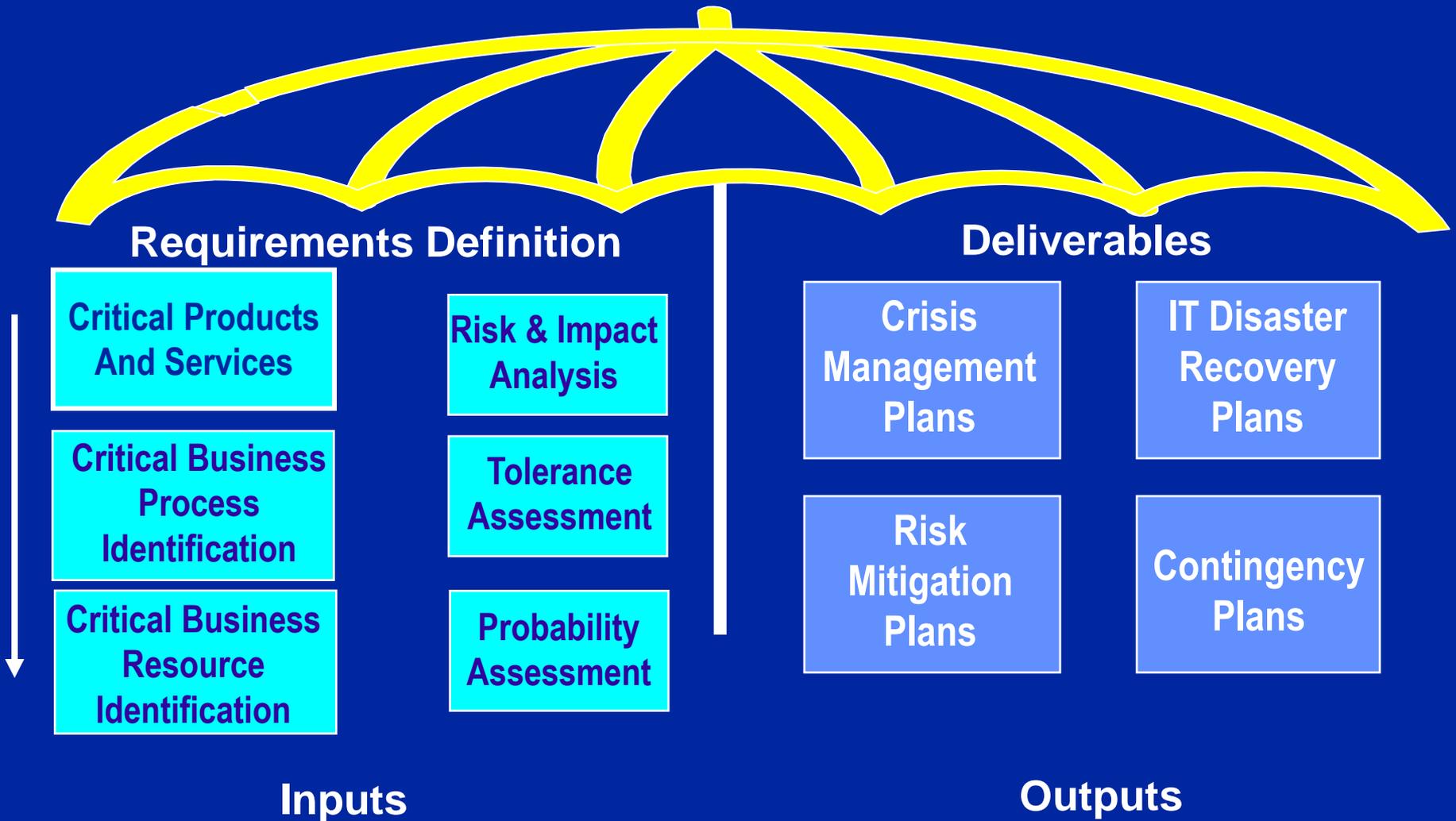


**Identify Contingency  
Plans/Mitigating  
Actions**



**Perform Test/Drill**

# Business Continuity Umbrella



# Comprehensive Emergency Response Plan Elements



- ***Emergency Response Plan – includes various incident specific procedures***
- ***Crisis Management Plan – includes key business contacts and alternates office, cell, home phone numbers, other emergency contacts***
- ***Business Continuity Plan – critical sensitive documentation necessary to maintain business operations and combination of emergency plan elements below***
  - ***Emergency Response Plan***
  - ***IT Computing Resource-Disaster Recovery Plan***
  - ***Communications Crisis Plan***

# Goal of Business Continuity Planning



- ***Minimize disruption / interruptions to key business processes which could:***
  - ***Impact the ability to deliver product or services to your customers***
  - ***Affect your business's operating plan and revenue***
  - ***Result in permanent loss of business***
- ***Accomplished through:***
  - ***Establishing documented plan with key individuals of business***
  - ***Updating and testing plan annually***



# CURRENT PHASE OF ALERT IN THE WHO GLOBAL INFLUENZA PREPAREDNESS PLAN

Inter-pandemic phase New virus in animals, no human cases	Low risk of human cases	1
	Higher risk of human cases	2
Pandemic alert New virus causes human cases	No or very limited human-to-human transmission	3
	Evidence of increased human-to-human transmission	4
	Evidence of significant human-to-human transmission	5
Pandemic	Efficient and sustained human-to-human transmission	6

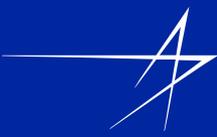
# Business Pandemic Influenza Planning Checklist



- *The following six slides have been created directly from the Business Pandemic Influenza Planning Checklist initially developed by the CDC, adopted by the NJ Dept. of Health and Senior Services and others....*

*<http://www.pandemicflu.gov/plan/tab4.html>*

# Business impact planning



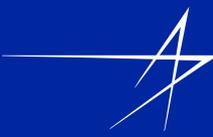
- *Identify a BCP Coordinator and Team with defined players and roles*
- *Identify essential employees, critical skills, redundancies*
- *Identify critical inputs raw materials, suppliers, sub-contractor services*
- *Plan for scenarios involving increase or decreased product demand*
- *Determine potential business impact to financials where different product lines are affected*
- *Determine potential impact due to domestic and international travel restrictions e.g. quarantines, border controls*
- *Stay abreast of current reliable pandemic or other information utilizing all available resources e.g. CDC, WHO*
- *Establish a broad communications plan and revise as needed. Include key contacts and alternates, process for employee, supplier and customer communication,*

# Employee and customer impact plan



- *Forecast employee absences due to personal or family member illness, community actions e.g. quarantines, school, bus, public transportation closures*
- *Communicate and implement guidelines to limit face to face contact e.g. handshaking, meetings, office layout, shared workspace among employees and customers*
- *Encourage and track employee flu vaccinations*
- *Determine employee access and availability of medical facilities and seek improvement of services if needed*
- *Determine employee access and availability of mental health and social services including corporate, community, faith-based resources and seek improvement of services if needed*
- *Identify employees and customers with special needs and incorporate these requirements into the planning process*

# Business continuity policies



- *Employee compensation...sick-leave, absences, return to work, pay continuance*
- *Work from home...telecommuting options, flex-hours*
- *Illness prevention...promote personal hygiene practices e.g. cough etiquette, exclusion of symptomatic personnel*
- *Symptomatic employee protocols... infection control response, mandatory sick leave*
- *Travel restriction to affected geographic areas, evacuating employees in such areas and guidance for returning from such areas*
- *Set up authorities and procedures for altering business operations, facility shutdown and transferring critical knowledge to key employees*

# Allocate resources to protect personnel



- *Obtain and provide infection control supplies e.g. hand hygiene products, disposable tissues and receptacles in all business locations*
- *Enhance communications and IT to support telecommuting and remote customer access*
- *Ensure availability of medical advice for emergency response*

# Employee communication and education



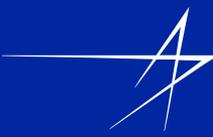
- *Develop and disseminate programs and materials re: pandemic fundamentals, signs and symptoms, hygiene, etiquette, family protection*
- *Anticipate and strategize for employee fear and rumors...plan communications to address*
- *Ensure communications are culturally and linguistically appropriate*
- *Inform employees about company response plans for pandemic*
- *Provide information about at-home care for ill employees and family members*
- *Develop protocols for consistent communication of pandemic status e.g. Hotlines, websites within and outside the company to employees and customers, vendors, suppliers*
- *Identify community resources for accurate timely domestic and international pandemic information and resources for treatment (e.g. vaccines, antivirals)*

# Coordination with external organizations



- ***Collaborate with insurers, local healthcare facilities, health plan providers to share your plans and understand their capabilities and plans***
- ***Collaborate with federal, state and local public health agencies to share your plans and understand their capabilities and plans***
- ***Communicate with local and/or public health agencies and/or emergency responders about the assets and/or services your business could contribute to the community***
- ***Share best practices with other businesses in your community, chambers of commerce and associations to improve community response efforts***

# BCP Pandemic Challenges



- ***Prioritization of Mission Critical Roles – Redundancy -***
- ***Significant increase in virtual work requirements -***
- ***Extended Period “Stay in Place” policy, response –***
  - ***Domestic/International partners/suppliers***
- ***Coordination/Integration with State and Local Plans –***
  - ***Coordination with Stakeholders –***
  - ***Customers, Partners, Suppliers***
- ***Develop Sustainable International BCPs –***
- ***Communications – approach with caution to avoid panic***

***Fundamentally greatest challenge - employee family concerns, health and wellness issues...***

# Critical Skills Pandemic Challenges



- ***Human Capital will be severely limited during a pandemic***
  - *Those who are ill*
  - *Those who are taking care of family members*
  - *Those who will self impose isolation out of fear of contracting the virus*
  - *“Stay in Place” mandate*
- ***Prioritization of Mission Critical skills/roles***
- ***Critical skills and roles need to be identified, including necessary clearances and mapped to appropriate redundant human resources***
  - *Develop plans for critical roles that cannot be performed virtually*
  - *Need distribution of critical skills/roles including back-up support across geographical locations*
  - *If critical resources are not available, develop plans (if possible) to secure resources from other Business Units, Suppliers or Customers*

# Information Security Challenges



- *IT services will be critical in sustaining operations during a pandemic scenario*
- *Must be reliable, secure and sustainable*
- *Backup capability in the event critical systems e.g. servers fail*
- *Data protection for company trade secret proprietary or sensitive information as virtual work increases*



# ***Bottom Line...***



***Fail to Plan...Plan to Fail***

