



Business Continuity Planning: Guidance Notes

Reading this overview document will assist you in:

- Identifying and describing the main points of Business Continuity Planning
- Aid in the creation of a Business Continuity Plan for most small businesses
- Seeking further help

Main Elements of the Plan

- A list of key personnel with telephone numbers and specific responsibilities in the event of an incident. This will include 'call out' procedures, a damage limitation team, delegated authorities etc.
- Arrangements for the orderly evacuation of the premises, the summoning of all emergency services as appropriate, the shutting down of plant and machinery, computers and other equipment.
- Directory of contractors' names and addresses: 24-hour glaziers, fire/intruder alarm companies, plumbers, electricians and others.
- Professional contacts e.g. engineers, plant specialists, insurance contacts, surveyors/architects, all of whom may have knowledge of your premises.
- Suppliers of services e.g. telecom engineers, water/gas/electricity suppliers.
- Names and addresses of suppliers of materials, customers, staff records, machinery details, stock records, budgets and other financial records.
- Site service drawings and service agreements.
- Salvage procedures and names of specialist companies which may be required.
- Reciprocal arrangements with similar companies – consider competitors who may be in the same situation.
- Back up software and computer details. Is the equipment available off the shelf? Will the software company reissue software free of charge or is it 'dongle' protected?
- Pre-prepared and rehearsed statement to the media/principal customers.

Preparing the Plan

Preparing the Recovery Strategies

1. Explore possible sources of assistance for the rapid replacement of raw materials and manufacturing capacity.
2. Ensure that alternative supplies of essential raw materials are available in the event of the supplier being affected by a disaster on their premises.
3. Consider preparing a site/building overview file giving brief details of the layout, plant operation, services and fire protection. This may also indicate water courses and proximity of neighbours.
4. Provide cross training to reduce dependence on key staff.

Further Guidance:

Public Safety Canada - A guide to business continuity planning
www.publicsafety.gc.ca

BDC - 8 Steps for Planning your emergency & disaster plan.
www.bdc.ca

Government of Canada - Business Continuity Planning
www.canada.ca

National Fire Protection Association (NFPA 1600) standard on Continuity, Emergency & Crisis Management
www.nfpa.org/codes

Background

Businesses cannot avoid all forms of risk that affect their assets or earning capacity. A realistic objective is to ensure the survival of an organization following a loss.

Effective Business Continuity Management (BCM) is a process that will identify the vulnerabilities of the business and the controls that can be implemented to minimize the extent of disruption following a loss. A plan can then be developed to assist recovery immediately following the incident.

This need not be a complicated or expensive exercise, although it should be documented and regularly reviewed.

BS 25999 is the new Business Continuity Standard from the BSI. It establishes the principles and practices of Business Continuity Management and is a best practice framework. It defines the essential elements of BCM as:

- BCM Programme Management
- Understanding the Organization
- Determining Business Continuity Strategy
- Incident Management Plan
- Developing and implementing a BCM response
- Business Continuity Plan

Definition of Business Continuity Planning

Business Continuity Planning is the planning and preparation that is required to identify the impact of potential losses, to formulate and implement viable continuity strategies, and to develop a plan which ensure continuity of organizational services in the event of an incident.

The object of the Business Continuity Planning exercise is the development of a Business Continuity Plan (BCP) which is a documented collection of procedures and information that is compiled and maintained in readiness for use in an incident.

The development of a BCP does not signify the end of the BCM process as the plan needs to be tested, reviewed and updated in order to remain effective.

Reasons to Adopt

Principal reasons an organization should adopt and practice Business Continuity Management:

BCM should be an integral part of corporate governance and should focus upon and directly support the business strategy and goals of an organization.

Some of the main reasons for establishing an effective BCM process are:

- Self preservation
- Moral/social obligation
- Continuity of supply to customers
- Loss of reputation to competitors
- Shareholders' interests
- Bank or Insurer requirement
- Best business practice
- Due diligence
- Competitive advantage
- Statutory compliance (Civil Contingencies Act 2004/ Companies Act 2006)

Prerequisites for Success

Key elements required for an effective BCM include:

1. BCM Programme Management

Top level commitment to initiate the management process is essential. One senior manager needs ownership of the project – ‘a business champion’ who can support and drive the process.

The objective of the programme management is the setting up and maintenance of the Business Continuity capability in a manner appropriate to the size, type and complexity of the organization.

2. Understanding the organization

A general model of the organization needs to be established outlining critical activities of business areas, resources required, interdependencies and relevant timescales.

Consider the following dependencies:

- Buildings
- Machinery/tools/patterns
- Certain customers/suppliers
- Skilled employees
- Utilities
- Computers

A Business Impact Analysis (BIA) is then applied to the model to identify and quantify the impacts on critical activities. There are two aspects to every risk to your business (probability and severity).

- How likely is it to happen?
- What effect will it have?

Once the various scenarios for potential losses are established the effect of these on the business critical activities should be analyzed and the resources required to reinstate these should be calculated.

The findings from a BIA are used to make decisions and justify business continuity strategy and solutions.

3. Determining a Business Continuity Strategy

Develop an appropriate response to the loss scenarios. Many techniques are available including back ups, alternative sites, reciprocal arrangements with other companies, sub-contracting and duplicate processes.

4. Developing and implementing Incident Management and Business Continuity Plans

Creation of a management framework and a structure of Incident Management, Business Continuity and Business Recovery Plans that specify the action to be taken during and after an incident to restore operations.

Components of a Good Plan

The plan(s) should have assigned tasks with time based objectives with the necessary teams, structures and information provided. In essence the plan must answer the questions:

- Who?
- What?
- When?
- Where?

It can be that simple. Ask the ‘What if?/Worse case scenario questions for example:

- What if the factory burns down and the MD is abroad on holiday?
- What if the FD’s car is stolen containing the month’s IT back up and accounts?
- What if your premises are located at the bottom of a ‘cul de sac’ and the access road is blocked for a week?
- What if a nearby lightning strike causes a transient overvoltage and your telephone and IT network are destroyed?

Overview

Business Impact Analysis Overview

A team should be put together to consider all the potential losses the organization may suffer. Potential losses, some identified from our own claim files include:

- Fire/arson/gas explosion
- Fraud/theft/malicious damage
- Accidents within or outside the premises
- Loss of services/denial of access
- Storm damage
- Flood
- Pollution/contamination
- Labour strike
- Computer virus/hacking

The team should be comprised of senior personnel and department heads, with the knowledge and understanding of the business including the manufacturing, marketing, personnel, computer and financial aspects.

The Plan

The Plan should consider the list below and how these issues are dealt with following a threat (this is not an exhaustive list and not all eventualities may be relevant to your organization).

- Inclement weather – severe frost, high winds, lightning, flood etc.
- Boiler/process shut down
- Electricity supply
- Hot and cold water supply
- Heating
- Gas supply/isolation
- Lift operation
- Telephones/communications/switchboard
- Server room/IT equipment
- Fire alarm and fire engineering
- Drainage/sewage treatment and fire water run off
- Air conditioning and ventilation
- Refrigeration
- Waste disposal
- Staff
- Loss of road access
- Loss of raw materials in transit
- Problems with key suppliers

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