Business Continuity – Why is it Important Now?: An Overview for Safety Professionals & Our Importance

San Diego ASSE
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This is not a test, but a high level discussion
Business Continuity Planning ("BCP")

Highlighted throughout, will be…

Overview

BCP Planning Process – The essential elements

Why BCP Now - Considerations

What to Evaluate - “The Points”
Overview: Continuity is Comprised of Many Elements

- Pre-Event Activities
- Emergency Response
- Crisis Management
- Communications
- Business Recovery
- Post-Event Activities

• BCP must be viewed as a continuum of strategic and tactical activities
Recover What?

- What do you seek to recover?
  - Everything?
    - Hurdles to this desire?
  - Revenue?
  - Operational capacity?

- At what levels do you wish to recover?
  - 25, 50, 75%?

- What levels are you compelled to recover to and why?
  - Internal
  - External
Core Competencies: Pre-Event

- Pre-Event (Strategic)
  - Threat/Vulnerability Identification
  - Impact Assessments
Core Competencies: Event Dependant

- **Tactical: Event-Related (recall Cathi’s recent talk)**
  - Emergency Response
  - Crisis Management, and
  - Crisis Communication*
  - Operational Recovery

* Pre-and post-event dynamics as well
Core Competencies: Post-Event

- **Post-Event (Strategic)**
  - Plan Maintenance
  - Exercises and Validation
    - What is not practiced, does not functionally exist
    - No, not those exercises!
BCP Planning Process: *Avoiding Silos*

- Executive management
- Operations management
- Engineering or facilities management
- Environmental, health and safety
- Security
- Public relations, government affairs
- Finance, risk management
- Human resources
- Legal counsel
Response and Recovery: Signal Recognition – More on this in a minute...
Avoiding Silos - Why?
* Universal approach - hmmm
Emergency Response

- Difficult to get to effective recovery without adequate response
- Emergency response is often confused with the recovery aspect of BCP
“The Points” - First Stop

- Facilities

- Architecture
  - Physical
  - Operational
  - Business Plan-wise

- Resource Allocation
Hmmm....there’s a corollary.

“The Americans are a great people, and you can count on them to do the right thing, after they have exhausted all other options.” - Sir Winston Churchill, ca. 1942
Why BCP Now?

- Technology
- Third-Party Reliance
- Marketplace Demands
- Legal
- Terrorism
- For some, Insurance Market Pressure
Why BCP Now?

- Technology
  - SAP / BAAN / JD Edwards – like reliances
  - Social Media
  - “Wrap-Around” Technology reliance
  - Operational Speeds / JIT
  - Corporate Espionage
  - So many more – e.g. communications
“The Points” - Second Stop

- Threat recognition
- R&D
- Systems/Operations
- Equipment
- Intelligence
- Technologies
Why BCP Now?

- Third-Party Reliance
  - Efficiency Gains Through Partnerships
  - Pre-Qualification Requirements
  - Cost-Driven Demands
  - Highly Complex Services / Products
  - Outsourcing
“The Points” - Third Stop

- Raw materials
- Transportation
- Supply network
  - Single Points of Failure
  - Single/Sole Source
- Individual supplies and suppliers
- Contractors
Why BCP Now?

- Short Product Shelf-Life
- Rapid Customer Migration
- Customer Expectations
- Down-Stream Requirement For BCP
- Upstream?
“The Points” - Fourth Stop

- Market position
  - History
  - What you are known for and as...

- Value Chain
  - Map what can happen along the way
  - “Intuitively” we know..., but...
Why BCP Now?

- Legal
  - Due Diligence
  - Corporate Governance Issues
  - Shareholder / Stakeholder Expectations
  - “Auditable” Item (Annual Report Notes)
  - Instant Media Response / Reputation Risk
“The Points” - Fifth Stop

- Regulatory compliance
- Response capabilities
- Programs
- Safety and Health Plans
- Management
- Executive protection
- Staffing/personnel
Signal Recognition (cont’d)

Shields
- Politics
- Ignorance/lack of effort
- Economics
- Purposeful lack of attention
- “Sabotage”

Factor
- Wrong People
- Recognition Systems
- Rationalization
- Cultural Denial (Mitroff) or Organic Denial
- Lack of Proper Criticality (not giving a signal the proper weight)
Getting Ahead of the Issue: Internally and Externally – Crisis Management (part of the bridge)
Getting Ahead of the Issue: Internally and Externally – The importance of communicating (part of the bridge, too)

- Identify those you need to communicate with
- Determine when you should communicate
- Who will provide communications
- The form of communications?
- Where will you communicate from?
- Communications staging & set-up
- What do you provide communications constituents
- Tools
- Documentation
- Clarification
- Closure & follow-up

Communications Cascade (useful for media interaction)
Current Trends

- Terrorism
  - Current World Events
  - September 11th and now so many more
  - Work-Place Violence
  - Increasing Potential
  - Systems Attack – New York Dam, banking
  - Cyber Stalking, Terror, Sabotage
  - Hacking
“The Points” - Sixth Stop

- Terrorism
- Geo-political/International
  - North Korea
  - Russia
  - The Middle East
- Security
- Special hazards (NBC - a resource risk?) – smaller things (Tsarnaev’s)
- Infrastructure management
Why BCP Now?

- For some - Insurance Market Pressure
  - Business Interruption Coverage
  - Extra Expense Coverage
  - Availability Of Coverage
  - Costs Of Coverage
  - Carrier Expectations For BCP
“The Points” - Seventh Stop

- Natural hazards
- Process control
- Environmental
- Document control
- Contingent threats
RTO

- No, not a radio station
- It stands for:

Recovery Time Objective – what’s yours?
When to Activate Plans: Relevance to RTO

Whether an event is disclosed/discovered or not, you can never reach “0” impact. The numerous qualitative impacts need be the only measure.
Multi-Category Crises

Ex: *Sabotage* – Clearly a human threat but can easily include technological or *contingent* issues
Multi-Category Crises: Where can we affect a positive impact?

Ex: *Sabotage* – Clearly a human threat but can easily include technological or *contingent* issues
The Complex of Considerations

- Lots of ways to plan
- Lots of business aspects to consider
- Challenging - yes
- Possible – yes
- Relevant to WC - yes
The Planning Funnel

How do you overcome the hurdles presented by the information or communications "funnel paradox"?

- Reports
- Facts
- Disinformation
- Stories
- Intelligence

(info in)

(distillation)

(useful info)

(tactical data)

Application

Recognize that in some cases, applications of distilled data may be to "do nothing".
Thank You!

- Questions
- Thoughts
- Next Steps