

## What is business continuity management?

It is a process that can be applied to any business; micro, small, medium and large that will assist you to manage the risks that threaten the survival of your business. The objective is to identify hazards that may affect the critical functions and activities of your business and to ensure that they can be reduced or responded to in an effective way.

## Do you have a Business Continuity Plan for your business?

If the answer is No, ask yourself this "Could you afford for your business to fail because of something that was preventable?"

Why are you playing Russian roulette with your Business by not having a Business Continuity Plan? It really isn't a case of if an incident happens but rather when.



Buncefield Oil Storage Terminal  
Courtesy of Royal Chiltern Air Support Unit

As a result of the Buncefield Oil Storage Terminal explosion and subsequent fire, all 650 businesses near the facility that employ about 16,500 people were disrupted, some seriously.

20 businesses employing 500 people were destroyed and 60 premises employing 3500 people needed to be repaired.

Most businesses faced difficulties in delivering pre - incident levels of service from temporary accommodation; reduced trading and supply disruptions affected businesses over a wider area. Job losses were significant, those with Business Continuity Plans in place reduced their losses.

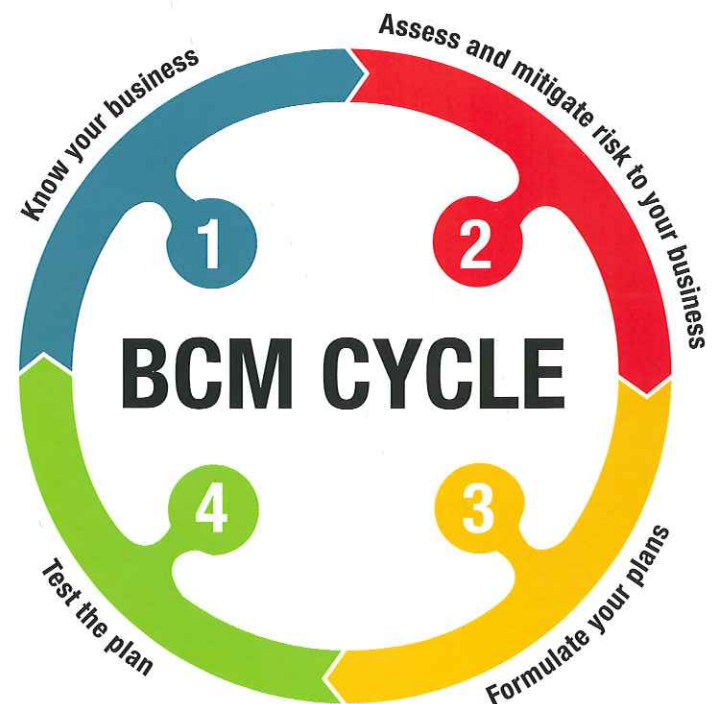
Be smart and produce a Business Continuity Plan which will help your business survive if the worst happens:

- Nearly 1 in 5 businesses suffer a major disruption every year
- 80% of businesses affected by a major incident close within a month.
- 90% of businesses that lose data because of a disaster are forced to shut within 2 years.
- 58% of UK organisations were disrupted by the September 11th incident in New York. Of those disrupted, 12% were seriously affected.

An emergency does not have to be large to bring a company to its knees. In West Mercia we are prone to flooding from rivers and flash storms. Are you safe from both?...and are your suppliers? ...What about burst pipes or even a tap left on in a rest room? What about fire? Are you safe from discarded cigarettes or from overheated electrical equipment left on overnight?

## Are you even insured?

The following plan template will assist you in developing a simple Business Continuity Plan that will be invaluable if your business suffers an emergency.



Part 1.  
Know your Business

Part 2.  
Assess the Risks

Part 3.  
Formulate the Plan

Part 4.  
Test the Plan

The aim of the plan is to prepare the business to cope with the affects of an emergency. The objectives are:

- To define and prioritise the critical functions of the business.
- To analyse the emergency risks to the business.
- To detail the agreed response to an emergency.
- To identify key contacts during an emergency.

## Plan template guide

### Front Cover:

Add your Logo, company name and the date the plan was last amended.

### Distribution List:

List who has a copy of the plan and where each copy is held. This will ensure that when you update the plan you know who will need a copy.

### Any suggested changes statement:

Add in the name of the person who is responsible for updating the plan.

### References:

List any other plans, legislation, policy or guidance that may be relevant to your Business Continuity Plan, for example: Fire Evacuation Plan.

### Aims and Objectives:

A generic 'Aims and Objectives', as shown above, can be inserted or can be amended if appropriate.

The guidance on the following pages will help you fill in the rest of the plan template.

## Know Your Business

In order to develop an effective Business Continuity Plan, you will need to have a thorough understanding of your business. This involves knowing what are the critical functions of your business, what would be the likely affect of those functions being disrupted and the priority for recovery of those functions. This process is known as a Business Impact Analysis. Once completed the Business Impact Analysis will assist you to prioritise what function or service you need to reinstate first following an emergency. The first stage in completing your Business Impact Analysis is to complete the Critical Function Priority List in the Plan Templates.

### Critical Function:

You need to consider what the critical functions/activities are for your business - without which it would cease to operate.

Examples of potentially critical functions, using a small manufacturing company as an example are:

- **Paying Staff Wages** - Nobody will work for nothing for long but, depending on what stage wage preparation is at, this task may not be immediately critical.

- **Operating a Call Centre** - without communications there may be orders coming in and no credible aftersales service.
- **IT Department** - businesses are increasingly dependent on IT. Without the IT network much of the information crucial to running a business may not be available.
- **Sales** - this can be either obtaining new sales, or maintaining information on current sales.
- **Goods in** - without the resources to manufacture, the company will fail very quickly.
- **Distribution** - If orders cannot be moved, 2 problems occur: customers are lost and storage space is used up.
- **Manufacturing Process** - if you can't manufacture, you can't meet orders. Each phase may have a different timescale before becoming critical.

**NB - You will need to complete the planning process for each of your critical functions/teams. This will include a Business Impact Analysis, a Risk Assessment and producing plans as required. You will need to complete separate sheets for each critical function.**

### Effect on Service:

You should consider the importance of each function on the survival of your business (percentage of income or workload, how critical the function is to other functions etc.) and how quickly each function must be re-established.

For each of the time spans, identify what effect of the loss of Critical Function would be.

For example, disruption to the 'Goods In' function could have the following effect:

### First 24 Hours:

- Lack of stock causing orders not to be completed on time
- Storage space for part processed goods causing concern

### 24-48 Hours:

- Cut manufacturing hours due to lack of stock
- Company reputation damaged

### Up to one week:

- Financial implications of missed deadlines
- Need to outsource work to maintain market share

### Up to two weeks:

- Loss of customers to competitors
- Temporary or permanent reduction in staff numbers

### Resources required for recovery:

This section will help you identify what resources you need and when you need them. When completing this section you need to consider the effects of loss of function/service per time span, as detailed in the section above.

**Number of Staff:** You will probably need all your staff to be present immediately after an emergency.

For each time span, detail how many staff you would need. For example, if you had a problem with a key supplier and no stock was available, you may need your forklift truck drivers, stock controllers, quality checkers, etc. to all be working to full capacity within the first 24 hours.

**Relocation:** Could this function be carried out by staff anywhere else?

For example, working from home, in another branch or office, mutual aid with another organisation, etc.

**IT and Communications:** You will need to know what IT resources you require to get going in a defined timescale - how many workstations, what software and what data. Also how many telephones, faxes etc. do you need to be able to function.

**Resources Required:** For each time span, list what resources are required for example

- Materials
- Vehicles
- Machinery
- Power/Water

**Data Required:** List what data is essential to the delivery of the service/critical function:

- Customer contact details
- Supplier contact details
- Service/maintenance contact details
- Insurance details
- Costing
- Work in progress

## Assess The Risks

Risk is a statement of the chance of something happening that will impact on your business objectives. Risk is normally considered in terms of impact and likelihood of a hazard affecting your business. By assessing your risks you will be able to prioritise your risk reduction activities.

There are many hazards that may disrupt your business, these include:

- Flooding
- Utility failure
- Transport accident
- Loss of premises
- IT failure / loss of data
- Fire or explosion
- Extreme weather
- Staffing issues

These hazards will affect different businesses and the critical functions within them, to varying degrees.

The Hazard Analysis Table lists the hazards to your business, the impact of each hazard, any possible mitigation or mitigation in place and the Risk Matrix Score.

### Risk Matrix

The Risk Matrix shown on the next page helps you identify the higher priority risks for your business. When considering the score you should think about any mitigation currently in place.

Hazard Analysis Table	
Hazard:	In this column list the hazards faced by your organisation
Hazard Impact:	List the physical disruption that may be caused List the financial implications of such a disruption List people affected by the disruption (staff, clients, partners) for example Flooding <ul style="list-style-type: none"> <li>■ Loss of access and utilities (electricity, phones, etc.)</li> <li>■ Water damage to equipment and stock</li> <li>■ Cost of damage and / or fines for pollution</li> <li>■ Teams working on the ground floor</li> <li>■ Customers and suppliers</li> </ul>
Mitigation:	List what you currently do that prevents or reduces the likelihood and / or the impact of the hazard on your business. e.g. Flooding: <ul style="list-style-type: none"> <li>■ Monitor Flood warnings issued by the Environmental Agency</li> <li>■ Insurance to cover damage to equipment and premises</li> </ul>
Mitigation possible:	List what additional actions can be taken to prevent or reduce the likelihood or the impact of the hazard on your business. e.g. Flooding <ul style="list-style-type: none"> <li>■ Relocate premises to higher ground</li> <li>■ Flood barriers / sandbags stored ready for use</li> </ul>
Risk Matrix:	As described above

Increasing impact ^^^	<b>B</b> High Impact Low Likelihood	<b>A</b> High Impact High Likelihood
	<b>D</b> Low Impact Low Likelihood	<b>C</b> Low Impact High Likelihood
	Increasing likelihood >>>	

## Risk Matrix

By determining the likelihood of the hazard occurring (either high or low), then determining the impact that hazard has on your business, it is possible to rate the risk as A, B, C or D.

For example:

The likelihood of a chemical spill at your business: **LOW (B or D)**

The impact a chemical spill would have on your business: **HIGH (A or B)**

The Risk Matrix Score would be: **B**

When completed, the Hazard Analysis Table shows which are the highest risks to your business. You can make an informed decision whether to accept or treat the risk. Risks in the blue area are unlikely to happen and, if they did, would have minimal impact on your business. Risks in the green area are much more likely to happen but still have a minimal impact - you may wish to look at ways to reduce the frequency of the incident. The risks in the amber area are unlikely to happen but if they do they would have a serious impact on your business - you may wish to look at reducing the impact on your business but you would need to have a plan for what to do in the event that it does happen. Finally, if the risk lies in the red area, the problem is likely to happen often and will have a significant impact on your business. This is not acceptable and you will need to look at measures that reduce the likelihood of the problem occurring (moving it into the amber area) then having a plan to cover it happening or reducing the impact on your business into the green area. No matter where your risk lies you will need to either:

**Accept** - You may decide that you are happy to 'live with' the risk as the cost of implementing any risk reduction strategies may outweigh the benefits.

**Treat** - You want to treat the risk i.e. take steps to reduce the impact or reduce the likelihood ('Possible Mitigation') because the risk is too great for your business.

It is not possible to mitigate against all risks, this is why a plan is required.

## Formulate the Plan

Having completed the Business Impact Analysis and the Hazard Analysis Table, you now need to develop a generic checklist of actions that may be appropriate when an emergency occurs. The checklist in the Plan Template is designed for you to adapt to suit your business. You may wish to add text into the plan outline and any arrangements you already have in place, including any specific actions you would take for specific hazards.

The checklist can be used during an emergency to ensure that no major tasks are forgotten.

### Start a log of actions taken:

It is essential to keep a log of the actions you have taken and the decisions you have made. Include a time with each entry.

This information will be vital if you have to defend in court any actions you have taken.

A blank copy of a log sheet is located in the downloadable Business Continuity Plan templates.

### Liaise with Emergency Services:

If the Emergency Services are involved in the incident you will need to appoint somebody from your organisation to act as Liaison Officer. This person needs to pass information between the Emergency Services and your Internal Response Team.

### Identify any damage:

As soon as possible and only if safe to do so, an assessment must be made as to the extent of the damage caused by the emergency.

Consider and document the following:

- Injury to staff, contractors, public
- Damage to building
- Damage to stock
- Damage to reputation

### Identify Functions disrupted:

Document which functions or areas have been disrupted and the extent of the disruption.

### Convene your Business Recovery Team:

You will need to identify who within your organisation will make up the team that manages the Response and Recovery of the emergency. If the emergency is such that you need to call the team together, you need to do so as soon as possible.

**Hint** - in the Contact Sheet, list the members of your Response and Recovery Team.

### **Provide information to staff:**

It is essential that you keep your staff well informed regarding the emergency and the response and actions being taken. Staff may be concerned about:

- Colleagues who may be injured.
- What is expected from them?
- Should they turn up for work?
- Will there still be a job for them if the building has gone up in smoke, etc?

Consider issuing a help line number for staff to call or depending on the scale and type of emergency, tannoy announcement, email, intranet, poster in the reception area/canteen, local radio or phone call to staff.

**Remember** - providing information quickly will stop rumours!

### **Decide on your course of action:**

Decide what you need to do and produce an Action Plan. Use the Critical Function Priority List and the Business Impact Analysis included in this pack to assist you.

### **Communicate decisions to staff and business partners:**

Let staff and business partners know what you have decided to do.

### **Provide public information to maintain reputation and business:**

Appoint a member of staff to act as your Media Representative. This person should be trained in Media Response Techniques and be able to answer questions regarding the emergency and your business in general.

Your Media Representative should work in collaboration with the Emergency Services Media Officer if possible.

A holding statement should be pre-prepared for your business so that you can to 'fill in the blanks' at the time.

### **Arrange a debrief:**

After every emergency it is important to hold a debrief so that you can learn from it. Disseminate the lessons learnt to all concerned.

### **Review Business Continuity Plans:**

Following an emergency you should review and amend your plan as necessary.

### **The Plan Template has a Key Contact List.:**

The list should be adapted to be relevant to your business. Consider including details of key employees, utilities, insurance company, suppliers, customers, key holder, security company, partner organisations, members of your response team, etc. In line with the Data Protection Act, you need to ensure that you have the permission of every person to hold their personal information on file, such as home contact numbers.

The Log Sheet is for you to use during an emergency.

## **Test The Plan**

It is important that, once your plan is written, you test the procedures you have put in place.

Before a plan can be tested, staff need to be familiar with the content of the plan and their role in response and recovery. This can be done by reading through the plan together and discussing how you would apply it to a fictional scenario.

When you are confident that your staff understand the plan and their part in it, you should test the plan acting out a scenario – this is called an Emergency Exercise. It can be a table-top exercise where the main players go through the scenario and discuss the planned actions or it can be a full scale exercise when all staff carry out the actions of the plan.

During the exercise have somebody take notes on what happens, what aspects went well and equally as important, what didn't go well. This will help with the review of the plan after the exercise to make sure the plan meets your requirements and that next time you need the plan it will work better.

The Business Continuity Management Process is a continuing cycle of assessment in relation to risk and risk reduction as shown in the diagram on page 2. It is vital the planning does not end once the plan is written. It should be reviewed and tested regularly to ensure it remains up to date and effective.

We have produced a Business Continuity Leaflet that is now available for you to either download from your Council website or is available at libraries and Council information centres.

Further information and guidance can be obtained from the following websites:

- ✓ Business Continuity Institute  
[www.thebci.org](http://www.thebci.org)
- ✓ The Business Continuity Information Centre  
[www.business-continuity.com](http://www.business-continuity.com)
- ✓ The Department of Trade and Industry  
[www.dti.gov.uk](http://www.dti.gov.uk)
- ✓ London First  
[www.london-first.gov.uk](http://www.london-first.gov.uk)
- ✓ London Prepared  
[www.london-prepared.gov.uk](http://www.london-prepared.gov.uk)
- ✓ UK Resilience  
[www.ukresilience.info](http://www.ukresilience.info)

Information on external risks to your business can be obtained from the Community Risk Register on the West Mercia Local Resilience Forum website at: <http://www.westmerciaprepared.org/>

**Don't let your business become just another statistic; have a plan in place.**