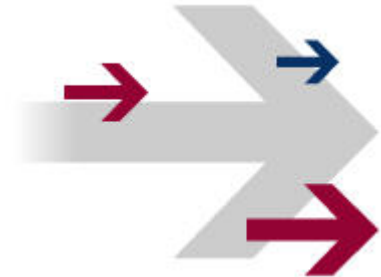




Business Continuity Planning 101





Presentation Overview

- What is business continuity planning
- Plan Development
- Plan Testing
- Plan Maintenance
- Future advancements in BCP
- Question & Answer



What is a Disaster?

- A disaster is a sudden, unplanned calamitous event that creates the **inability to provide the critical business functions** for some predetermined period of time and which results in great damage or loss
(DRI International)
- The **time factor** which determines whether a service interruption is an *inconvenience* or a *disaster* will vary from organization to organization



Disasters are never on our calendar However, we can prepare for them





What is Business Continuity Planning?

- An **on-going**, coordinated program of strategies, plans and procedures
 - Ensures critical resources are available in the event of a physical disruption to any part of the business
 - Changes along with your business
- Business continuity **bridges the gap** between disaster and recovery
- Business continuity identifies weak links in the flow of information & establishes procedures to **eliminate downtime**



Business Continuity vs. Disaster Recovery

● Business Continuity Planning

- Proactive Process
- Helps to prevent interruption of mission critical services
- Global - covers most or all of an organization's critical business processes and operations

● Disaster Recovery Planning

- Reactive Process
- Technical plans that are developed to recover a specific business application
- Focuses include IT, call centers, and distribution centers



The Goal of BCP

- Protect your **PEOPLE**
- Define **service alternatives** for accomplishing critical applications
- **Minimize** the extent of interruption
- Limit **financial losses** and hardships
- Establish customer **confidence**
- Satisfy federal and state **compliance regulations**



What's in a Business Continuity Plan?





Key Elements of BCP

- **Keep Plan up-to-date**
 - Plan changes should reflect organizational changes

- **Assure processes reflect business needs**
 - Modify processes and procedures accordingly

- **On-going training**
 - For all new and existing employees

- **Trained Recovery Teams**
 - Members of recovery teams must be aware of responsibilities



RECOVERY & RESTORATION

- Long-term Continuity
- Repair/ Replace
- Migration
- Resume "Normal" Service

Event



RESPONSE

- Assessment
- Escalation
- Declaration



RESUMPTION

- Initial Phase
- Short-term Continuity
- Most Critical Services

Focus has changed...

- Reasons for changes in criteria of BCP:
 - Organizations face **new threats**
 - Organizations have higher dependency on **new technology**
- As a result:
 - More focus on **Business Resumption**
 - Greater emphasis on **Plan Testing and Maintenance**



Why New Requirements for BCP?

- Old Assumptions – **No longer valid** in planning
- **New Perspectives** – Necessary for comprehensive planning
- Requirement for **institution-wide** planning
- **Recovery time objectives** – becoming shorter and shorter
- **Interdependency** within business processes
- **Technology** dependence outside the organization

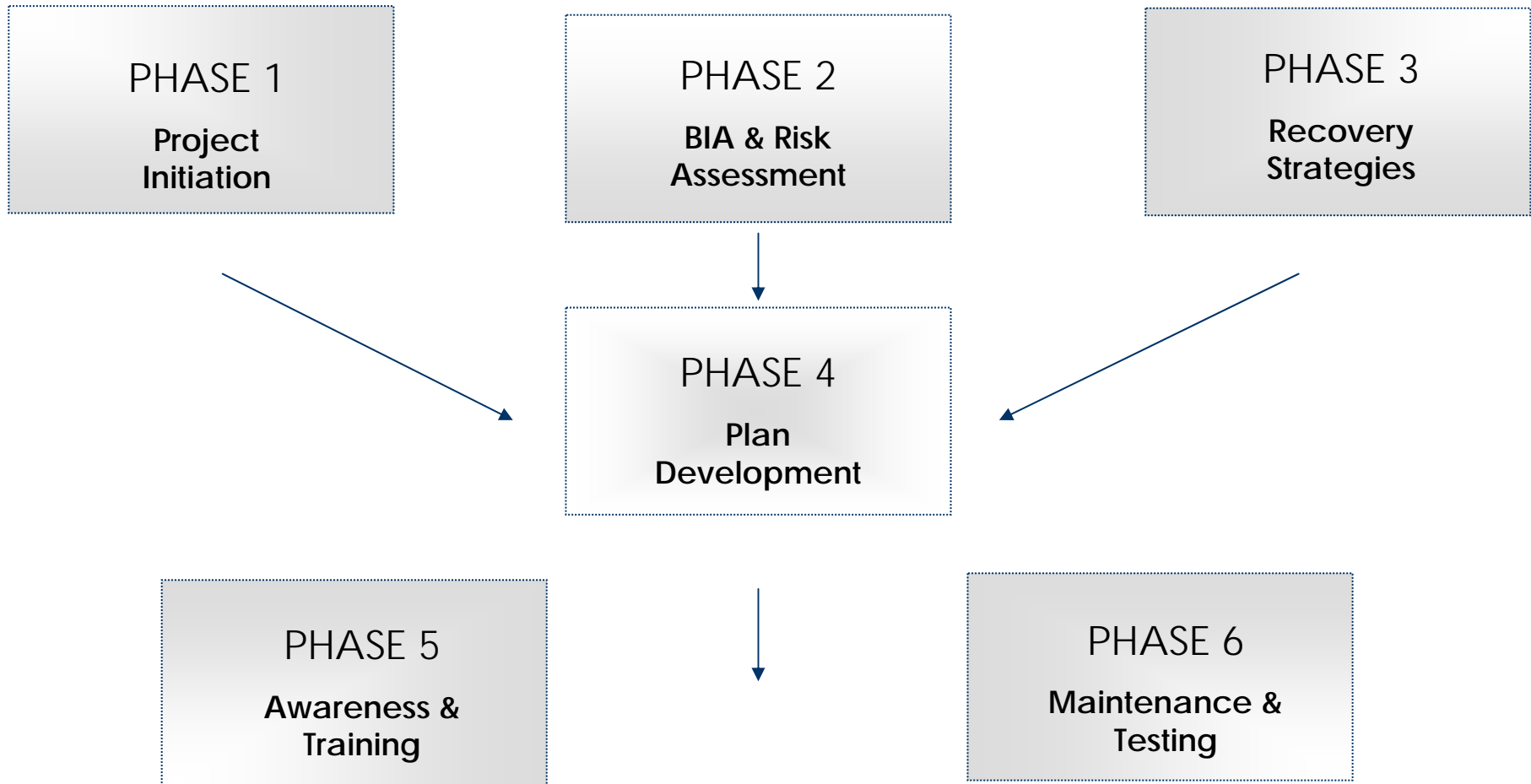


Responsibilities have increased...

Including:

- Allocating sufficient resources and knowledgeable personnel to development of BCP
- Setting policy by determining how the institution will manage and control identified risks
- Reviewing BCP test results and approving the plan on an annual basis
- Ensuring maintenance of BCP and training all employees
- Coordinating with local Emergency Response Units for BCP

A Project Approach To Planning





Phase 1 – Project Initiation

- Gain Senior Management/Executive Level Support
- Define terms, objectives and assumptions
- Assign responsibility and accountability
- Familiarize Team Leaders and participants with the planning process and resource requirements
- Provide a roadmap of the project with projections



Phase 2 – Business Impact Analysis

- **BIA is the foundation** of all Business Continuity Programs
- Detailed analysis of **all business functions & processes**
- Aids in determining the potential impact of a disruption
 - **Quantitative Impact** – monetary loss
 - **Qualitative Impact** – intangible loss
- Information gathered will help to:
 - **Prioritize** business units & critical processes
 - Define **interdependencies** within institution



Approach to BIA

- Define scope & assumptions
- Develop a survey to gather necessary information
- Identify & notify appropriate recipients
- Distribute survey
- Analyze data and verify results
- Present findings
- Make joint decisions on risk mitigation

DISASTER RECOVERY TOOLKIT

Question Module: IMPACT - Business Impact Analysis

Question 23 - Completion is **OPTIONAL**, and more than one response may be selected.

What level of internal embarrassment would a prolonged period of unavailability cause to each of the following, in terms of existing Client or Customer relationships?

Business Unit

Division

Company

Group

FURTHER EXPLANATION

Section 3, **OBJECT** OF UN-**ET** ABILITY

Consider the level of embarrassment caused by unavailability, if any of the business sections are not applicable to your environment, use the value 0.

Question 24 - Completion is **OPTIONAL**, and more than one response may be selected.

What level of embarrassment would a prolonged period of unavailability cause to each of the following, in terms of outside parties (e.g. competitors, general public)?

(0 = NONE, 1 = LOW, 2 = MEDIUM, 3 = HIGH)

Business Unit

Division

Company

Group

FURTHER EXPLANATION

Section 3, **OBJECT** OF UN-**ET** ABILITY

Consider the level of embarrassment caused by unavailability, if any of the business sections are not applicable to your environment, use the value 0.

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DISASTER RECOVERY TOOLKIT

Question Module: IMPACT - Business Impact Analysis

Question 25 - Completion is **REQUIRED**. Please select only **ONE** response.

What level of impact would a prolonged period of unavailability have in reducing general Market confidence?

High

Medium

Low

None

FURTHER EXPLANATION

Section 3, **OBJECT** OF UN-**ET** ABILITY

Consider the level of confidence in products and services, as well as in the organization itself.

Question 26 - Completion is **REQUIRED**. Please select only **ONE** response.

What level of impact would a prolonged period of unavailability have in reducing Staff confidence?

High

Medium

Low

None

FURTHER EXPLANATION

Section 3, **OBJECT** OF UN-**ET** ABILITY

Consider the effect on staff confidence that unavailability would cause, especially in those areas that may deal with customers or the general public.

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Phase 2 – Risk Assessment

- Identify threats to institution
 - Human Threats
 - Natural Threats
 - Technical Threats
- Estimate probabilities of identified threats occurring
- Assign critical ratings to identified risks
- Identify effective controls to reduce risks
- Make decisions on risk mitigation



Phase 3 – Recovery Strategies

- Develop strategies based on **BIA & Risk Assessment**
- Conduct a **Cost/Benefit Analysis**
 - What is the most **cost effective** strategy?
 - Invest \$ in the **most effective** identified strategies
- The selected strategy(ies) should achieve:
 - A **controlled and effective response** to crisis situations
 - A **timely and cost effective** acquisition and utilization of resources
 - Recovery of most **critical processes** in the shortest RTO



Phase 4 – Plan Development

- **Definition** - A previously established set of arrangements and procedures that enable an organization to respond to a disaster:

Who, what, when & how

- **Scope of Project**
 - Cover the **worst case scenario** that is recoverable
 - Address **three areas** of exposure
 - Service interruption
 - Financial loss
 - Legal responsibility
 - Address the **entire** institution

Plan Development Tasks

- Identify **Recovery Team Members**
- Develop **roles and responsibilities** for recovery team
- **Determine RTO's** for each functional area (based on BIA results)
- Develop **tasks and processes** for each business function
- **Assign** recovery tasks by Role- not individuals
- Identify **resource requirements** (technology, equipment, vital records, vendors, etc.)
- Plan how the team will be **notified, mobilized and activated** in the event of a disruption

Phase 5 – Awareness & Training

- **Elements of Awareness & Training Programs:**
 - Policy Statement – Why is the plan being developed?
 - All components of the BCP
 - Who is involved and what are their roles
 - Where BCP information be found
 - How the BCP is activated

Awareness and Training is an ongoing program!!



Phase 6 – Maintenance & Testing

- Testing is recommended on an **Annual Basis**
- **What is testing?**
 - It is the technique of demonstrating the **correct operation of all equipment, procedures, processes and systems** that support the institution's infrastructure
 - The testing program has one overarching goal: *the survivability of the institution*
- **Tests should focus on:**
 - Capabilities
 - Gaps and Shortcomings



Importance of Testing

- Enables efficient BCP **maintenance** through **early corrective action**
- Enables testing of many plan elements with **minimal cost and overall disruption**
- Provides **low-pressure atmosphere** that fosters learning
- Stimulates business continuity and **recovery preparedness** at all levels



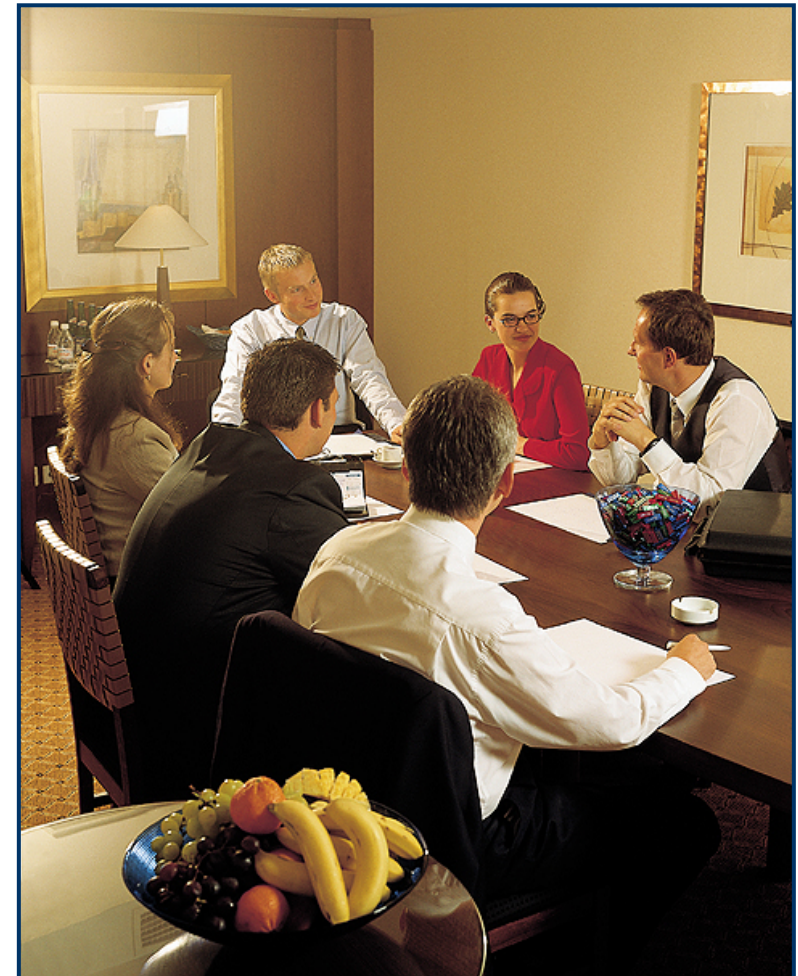
Testing Methodology

- A **Four Phased** approach should be used to test BCP plans & components
 - Test Planning
 - Test Execution
 - Post Test Review
 - Self-Assessment
- Applying this method allows all tests to be **consistent**



Walkthrough Test

- Most **basic** type of test
- Source of the most **changes** to the plan
- Facilitated **discussion** of one or all recovery procedures
- Ensures members of recovery team are **familiar** with the the plan





Desktop Test

- **More involved** than Walkthrough – but still a discussion
- Specific **scenario** is applied to BCP
- Acts as both a **test & a training**
- Focuses on **demonstration** of knowledge
- **Role Playing** is key





Functional Test

- **Mobilization** of personnel at other sites
- Demonstration of **emergency management** capabilities
- Actual or simulated response to **alternate locations**
- Use of **actual communication** capabilities
- Varying degrees of **actuality**





Full-Scale Test



- Most **comprehensive**
- **Implements** all or portions of BCP
- Processing data and transactions using **back-up media**
- **Validation** of crisis response functions
- **On-the-scene** execution
- **Global participation** and interaction of internal and external management response teams



Test Frequency & Complexity

- BCP plans should be tested on an **annual basis**
- Frequency of testing:
 - Based upon assigned **criticality** and **risk assessments**
 - Establish a **test schedule** to perform portion
- Complexity is based on the criticality of the **application or processes**
 - This will determine how **robust** the test will be



Keys to Running a Smooth Exercise

Clarify **roles and responsibilities** ahead of time

Use **checklists** throughout the exercise

Keep an **active log** throughout the exercise as an aid to track timing

Always be prepared to manage **unexpected developments** that can occur during the exercise



Questions for Analysis

- Can recovery of critical tasks be completed within the RTO?
 - If not, do alternate strategies exist?
- Was the scenario valid?
- Did the test effectively detail the activities to be completed during a disaster?
- Were the procedures clearly stated and understood?
- Is overall recovery possible using the current plan?

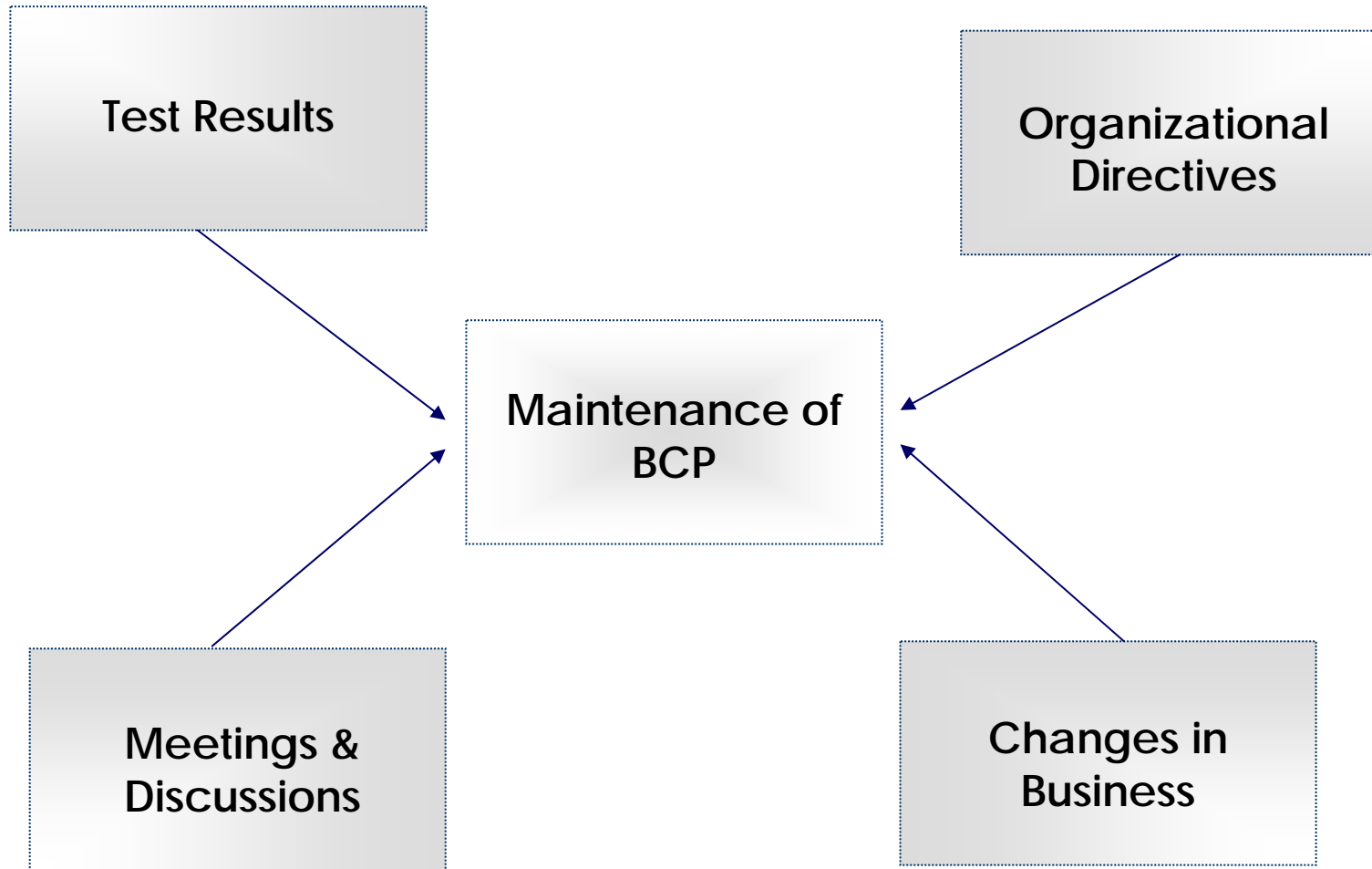


Plan Maintenance



- BCP is a “living” document
- Must change in conjunction with changes in the business activities it supports
- Development of a maintenance strategy to minimize the “gaps” between the plan and daily operations

Sources of Change



Lessons from Disasters

- **Airports and local transportation may be shut down**
 - Be prepared to recover without out-of-town personnel
 - Ensure you don't test the same personnel in the same positions every time

- **Business Continuity tests become very valuable in real-world disruptions**
 - One company conducted 11 tests in 2004 and 2005. In one test, they learned that when a disaster strikes, they may not have access to cash to purchase critical supplies. Added in procedures to get money to disaster scene. That very lesson has proved critical in their ongoing recovery effort in Louisiana.



Question & Answer Session