HM Government

How prepared are you?

Business Continuity Management Toolkit

PREPARING FOR EMERGENCIES
WHAT YOU NEED TO KNOW

Version 1

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What is Business Continuity Management?

Business Continuity Management (BCM) is about identifying those parts of your organisation that you can't afford to lose – such as information, stock, premises, staff – and planning how to maintain these, if an incident occurs. Any incident, large or small, whether it is natural, accidental or deliberate, can cause major disruption to your organisation. But if you plan now, rather than waiting for it to happen, you will be able to get back to business in the quickest possible time. Delays could mean you lose valuable business to your competitors, or that your customers lose confidence in you.

BCM is simpler than you might think. To implement BCM you will need to consider the following questions:

- What are your organisation's key products and services?
- What are the critical activities and resources required to deliver these?
- What are the risks to these critical activities?
- How will you maintain these critical activities in the event of an incident (loss of access to premises, loss of utilities etc)?

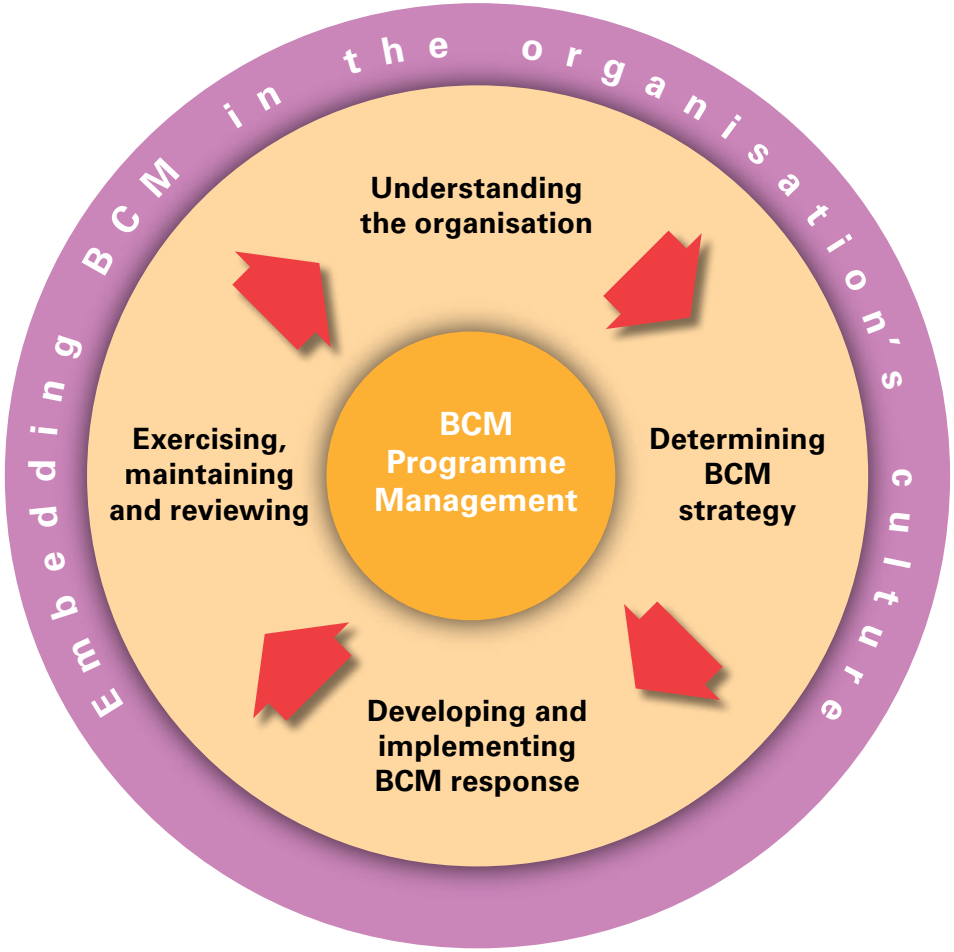
BCM is an established part of the UK's preparations for managing risks faced by organisations, whether from internal system failures or external emergencies such as extreme weather, flooding, terrorism, or infectious diseases. The Civil Contingencies Act 2004 recognised its importance by requiring frontline responders to maintain internal BCM arrangements and local authorities to promote BCM to commercial and voluntary organisations.

About the Toolkit

The toolkit aims to help you put the theory into practice by guiding you through the steps you will need to take to implement **BCM** in your organisation. It is a step-by-step guide taking you through the six elements that make up the BCM lifecycle as set out in the **Business Continuity Management Standard (BS25999)** and depicted in the diagram opposite.

Although the toolkit is applicable to all sizes of organisation across all sectors, it has been developed specifically for small and medium organisations in the commercial and voluntary sector that are relatively new to BCM.

The toolkit has been specifically designed to be used as an e-tool but can be printed if preferred.



Reference: BS25999-1, 2006

1. BCM programme management

Effective programme management will ensure that **BCM** capability is established and maintained within your organisation. There are three steps in the process:

- assigning responsibilities;
- establishing and implementing BCM in the organisation; and
- ongoing management.

Assigning responsibilities

It is essential that BCM has the full support of senior management and this should be obtained from the outset. Without this support, it will be virtually impossible to instil a sense of value and ownership among the rest of the workforce. It is also important that an individual or team within your organisation is responsible for managing and co-ordinating the BCM capability. For these reasons, it is recommended that senior management:

- appoint or nominate an individual at management board level to be accountable for BCM; and
- appoint one or more individuals with responsibility for taking the programme forward.

Establishing and implementing BCM in the organisation

One of the early tasks should be to agree the BCM policy for the organisation. This would normally be the responsibility of the management board representative, working with others as appropriate, and should set out:

- scope, aims and objectives of BCM in the organisation; and
- the activities or "programme" that will be required to deliver these.

The policy should be owned by the management board and regularly reviewed.

Once the policy has been developed and agreed, it will be the task of the individual or team with responsibility for BCM to ensure the policy is implemented. This will involve:

- communicating the programme to internal stakeholders;
- arranging appropriate training for staff;
- ensuring activities are completed; and
- initial exercising of the organisation's BCM arrangements.

Ongoing management

There are a number of activities that should be undertaken on an ongoing basis to ensure that BCM continues to be embedded in the organisation and remains current. Responsibility for ensuring this happens should rest with the individual or team given responsibility for BCM. It will involve:

- making sure that the organisation's business continuity plans, and related documents, are regularly reviewed and updated;
- continuing to promote business continuity across the organisation;
- administering the exercise programme; and
- keeping the BCM programme updated through lessons learned and good practice.

The following pages will look at these activities in more detail.

2. Understanding the organisation

This is a key element of **BCM** and the foundation work from which the whole process is built. Undertaking a Business Impact Analysis and Risk Assessment will enable you to better understand your organisation and build your BCM capability.

Business Impact Analysis (BIA)

A BIA identifies and documents your key products and services; the critical activities required to deliver these; the impact that a disruption of these activities would have on your organisation; and the resources required to resume the activities.

To undertake a BIA you should follow the steps set out below:

Step 1 – List the key products and services your organisation provides which if disrupted for any reason will have the greatest impact. For each product or service identified, you should consider what the impact of a disruption would be both in terms of your organisation's ability to meet its aims and objectives, and the impact on its stakeholders.

You should then document what the impact would be for:

- First 24 hours
- 24 – 48 hours
- Up to one week
- Up to two weeks

Step 2 – You should now be able to identify the maximum length of time that you can manage a disruption to each of your key products and services without it threatening your organisation's viability, either financially or through a loss of reputation (this is often referred to as the Maximum Tolerable Period of Disruption or MTPD).

Step 3 – You should now set the point in time at which each of your key products and services would need to be resumed in the event of a disruption (this is often referred to as the Recovery Time Objective or RTO).

In determining the RTO, you should:

- take into account the confidence you have in the MTPD and whether on reflection it was too optimistic; and
- ensure that you have built in a margin for unforeseen difficulties with recovery;

Step 4 – You should now document the critical activities that are required to deliver your key products and services.

Step 5 – You should now quantify the resources required over time to maintain the critical activities at an acceptable level and to meet the **RTO** identified in **Step 3** above and document these. These may include:

- people;
- premises;
- technology;
- information; and
- supplies and partners

The table opposite sets out some of the questions that you may want to consider when quantifying the resources you will require to maintain your critical activities but should not be seen as an exhaustive list.

PEOPLE

- What is the optimum number of staff you require to carry out your critical activities?
- What is the minimum staffing level with which you could provide some sort of service?
- What skills/level of expertise is required to undertake these activities?

PREMISES

- What locations do your organisations critical activities operate from?
- What alternative premises do you have?
- What plant, machinery and other facilities are essential to carry out your critical activities?

TECHNOLOGY

- What IT is essential to carry out your critical activities?
- What systems and means of voice and data communication are required to carry out your critical activities?

INFORMATION

- What information is essential to carry out your critical activities?
- How is this information stored?

SUPPLIERS AND PARTNERS

- Who are your priority suppliers/partners whom you depend on to undertake your critical activities?
- Do you tender key services out to another organisation, to whom and for what?
- Do you have any recipricol arrangements with other organisations?

It should be noted that the resources required to resume an activity after an incident will not necessarily be the same as during normal operations as you may need additional resources to clear backlogs.

The approach you adopt in undertaking a **BIA** will be dependant on the size and type of organisation. For example, in some organisations the individual or team appointed to manage and co-ordinate **BCM** may very well have a sufficient overview of end-to-end delivery of your key products and services to undertake this exercise. Whereas, in a larger organisation it will be necessary to involve a range of individuals with a detailed knowledge of the specific activities of the organisation.

If it is necessary, to consult across the organisation, there are three commonly recognised mechanisms for doing this, each having particular strengths.

Workshops – these provide rapid results and an opportunity for hands-on engagement

Questionnaires – these provide large amounts of data but information quality can be very questionable if not completed with consistency

Interviews – these can provide very good information but can be time consuming and output can vary in detail and format

Risk Assessment

In the context of BCM, a risk assessment looks at the likelihood and impact of a variety of risks that could cause a business interruption. By assessing these, you will be able to prioritise your risk reduction activities.

You should focus your risk assessment on the critical activities and supporting resources identified in the BIA stage. For this reason a risk assessment can only take place once a BIA has been completed.

To undertake a risk assessment you should follow the steps set out below:

Step 1 – Identify and document the risk to your organisation. These could include:

- Loss of staff
- Loss of systems (IT and telecommunications)
- Loss of utilities eg water, gas or electricity
- Loss of, or access to, premises
- Loss of key suppliers
- Disruption to transport

Information about some of these generic challenges can be found at http://www.preparingforemergencies.gov.uk/business/generic_challenges/index.shtm

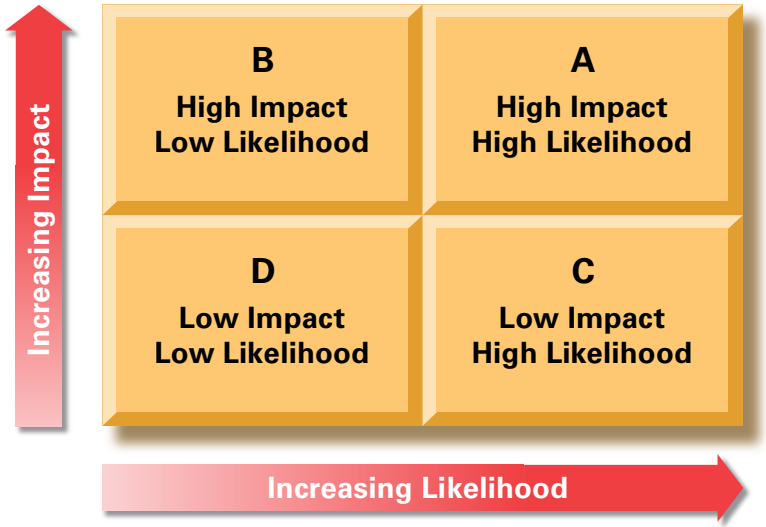
Step 2 – List the likelihood of the risk occurring.

Step 3 – List what arrangements you currently have in place to prevent or reduce the likelihood of the risk occurring.

Step 4 – List what arrangements you could put in place to prevent or reduce the risk on your organisation.

Step 5 – Using the information above, you now need to assign a likelihood score to each risk.

Step 6 – Using the risk matrix in fig. 2 plot the likelihood identified in step 5 against the impact as previously identified in the **BIA**.



Step 7 – You will now be able to rank the risks and make an informed decision about what action to take. The options are:

Treat – use of **BCM** to reduce disruption by ensuring the activity continues at, or is recovered to, an acceptable minimum level (**RTO**) and timeframe stipulated in the **BIA**.

Tolerate – you may decide that you are willing to accept the risk as the cost of implementing any risk reduction strategies outweigh the benefits.

Transfer – for some risks the best response may be to transfer them. This might be done by conventional insurance or contractual arrangements, or it might be done by paying a third party to take the risk in another way. This option is particularly good for mitigating financial risks or risks to assets.

Terminate – in some circumstances it might be appropriate to change, suspend or terminate the service, product, activity, function or process. This option ought only to be considered where there is no conflict with the organisation's objectives, statutory compliance and stakeholder expectation. This approach is most likely to be considered where a service, product, activity, function or process has a limited lifespan.

In many cases, a combination of **BCM** and insurance will give your organisation the best chance of recovering quickly. This view is supported by the British Insurance Brokers' Association who state:

> *'.....Insurers have recognised the benefit of Risk Management and Business Continuity Planning and will offer premiums that reflect suitably protected businesses.'*

Outputs from "understanding the organisation"

The following documents should be produced and signed off by senior management in this process:

Business Impact Analysis detailing:

- your organisation's key products and services, critical activities and supporting resources;
- the maximum length of time you can manage a disruption to each key product/service; and
- the resources required to resume the key products and services.

Risk Assessment detailing:

- the risks that could occur to the critical activities and supporting resources which would impact on your organisation's ability to deliver its key products and services.

3. Determining BCM strategy

This stage of the **BCM** process is about identifying the action that you can take to maintain the critical activities that underpin the delivery of your organisation's products and services.

Having previously determined the **RTO** for each critical activity, you now need to develop a strategy for meeting it. This involves taking appropriate action to mitigate the loss of the resources that you identified in **Step 5 of the "understanding the organisation"** stage.

The table below provides some of the tactics that you could adopt to protect your resources but should not be seen as an exhaustive list.

PEOPLE

- Inventory of staff skills not utilised within their existing roles - to enable redeployment
- Process mapping and documentation - to allow staff to undertake roles with which they are unfamiliar
- Multi-skill training of each individual
- Cross-training of skills across a number of individuals
- Succession planning
- Use of third party support, backed by contractual agreements
- Geographical separation of individuals or groups with core skills can reduce the likelihood of losing all those capable of undertaking a specific role

PREMISES

- Relocation of staff to other accommodation owned by your organisation such as training facilities
- Displacement of staff performing less urgent business processes with staff performing a higher priority activity. Care must be taken when using this option that backlogs of the less urgent work do not become unmanageable.
- Remote working – this can be working from home or working from other locations
- Use premises provided by other organisations, including those provided by third-party specialists
- Alternative sources of plant, machinery and other equipment

TECHNOLOGY

- Maintaining the same technology at different locations that will not be affected by the same business disruption
- Holding older equipment as emergency replacement or spares

INFORMATION

- Ensure data is backed-up and it is kept off site
- Essential documentation is stored securely (e.g. fire proof safe)
- Copies of essential documentation are kept elsewhere

SUPPLIERS AND PARTNERS

- Storage of additional supplies at another location
- Dual or multi-sourcing of materials
- Identification of alternative suppliers
- Encouraging or requiring suppliers/partners to have a validated business continuity capability
- Significant penalty clauses on supply contracts

STAKEHOLDERS

- Mechanisms in place to provide information to stakeholders
- Arrangement to ensure vulnerable groups are accommodated

4. Developing and implementing BCM response

This stage of the **BCM** process is concerned with the development and implementation of appropriate plans and arrangements to ensure the management of an **incident** and continuity and recovery of **critical activities** that support key products and services.

The number of plans and the content of these will vary from organisation to organisation and should reflect the structure and culture of the organisation and the complexity of its critical activities. Based on these factors, you may choose to have separate incident management, business continuity and business recovery plans; or separate plans covering a particular part of your organisation, premises or scenario. For a very small organisation a single plan which incorporates all the above elements may be sufficient.

The key point to remember is that in totality the plans and supplementing material should provide all the information the organisation needs to ensure that it can manage the immediate incident and continue and recover the critical activities identified in "**understanding the organisation**". It is also important to ensure that your plans are easily accessible and copies should be kept on and off site.

Given that there is no one plan that would be appropriate to all organisations, we have not included a plan template in the toolkit. However, the advice set out below should provide a useful reference point to get you started.

Plan content

Purpose and scope

Whatever type of plan you are writing, it is important to clearly state its purpose and scope. Any relationship to other relevant plans or documents within the organisation should be clearly referenced and the method of obtaining and accessing these described.

Document owner and maintainer

You should document who owns the plan and who is responsible for reviewing, amending and updating it at regular intervals.

A system of version control should also be adopted.

Roles and responsibilities

The plan should list all individuals with a role in its implementation and explain what that role is.

Plan invocation

The method by which the plan is invoked should be clearly documented, setting out the individuals who have the authority to invoke the plan and under what circumstances. The plan should also set out the process for mobilising and standing down the relevant teams. In doing this, you should consider putting in place arrangements so that the relevant teams are mobilised as early as possible when an incident occurs. Delay in mobilising these teams could have a major impact on the effectiveness of your BCM arrangements.

Contact details

All plans should contain or provide a reference to the essential contact details for all key stakeholders, including all those staff involved in the implementation of the plan.

Incident management

You should document the tasks that will be required to manage the initial phase of the incident and the individual responsible for each task. This is likely to include:

- site evacuation;
- mobilisation of safety, first-aid or evacuation-assistance teams;
- locating and accounting for those who were on site or in the immediate vicinity; and
- ongoing employee/customer communications and safety briefings

The plan should set out the arrangements for communicating with staff, wider stakeholders and, if necessary, the media. There should be an up to date contact list and the location and method of obtaining it described in the plan.

In developing your communiucations strategy, you will need to give particular consideration to any people with disabilities or other specific needs.

The organisation should identify a robust location, room or space from which an incident will be managed. Once established, this location should be the focal point for the organisation's response. An alternative meeting point at a different location should also be nominated in case access to the primary location is denied. Each location should have access to appropriate resources, such as telecommunications, by which the incident team may initiate effective incident management activities without delay. You should also have your "**emergency pack**" on site.

Business continuity and recovery

In terms of business continuity and recovery, your plan should:

- set out the critical activities to be recovered, the timescales in which they are to be recovered and the recovery levels needed;
- the resources available at different points in time to deliver your critical activities;
- the process for mobilising these resources; and
- detail actions and tasks needed to ensure the continuity and recovery of your critical activities.

5. Exercising, maintaining and reviewing BCM arrangements

This element of the BCM lifecycle ensures that an organisation's BCM arrangements are validated by exercise and review and that they are kept up to date.

Exercising

Your BCM arrangements cannot be considered reliable until they are exercised and have proved to be workable. Exercising should involve: validating plans; rehearsing key staff; and testing systems which are relied upon to deliver resilience. The frequency of exercises will depend on your organisation, but should take into account the rate of change (to the organisation or risk profile), and outcomes of previous exercises (if particular weaknesses have been identified and changes made). As a minimum we would suggest plans are exercised annually.

The four main types are testing, discussion, table-top and live exercises.

Testing – Not all aspects of your plan can be tested, but some crucial elements can, such as the contact list and the activation process. You can also use this type of exercise to test your back-up power, communications equipment and information management arrangements.

A discussion based exercise is the cheapest to run and easiest to prepare. This type of exercise will bring staff together to inform them of the plan and their individual responsibilities. It will also involve a discussion of the plan to identify problems and solutions. This type of exercise is particular useful for training purposes and provides an important tool for embedding BCM in your organisation's culture. It is also effective as an initial validation of a new plan.

A table-top exercise is scenario based and for small to medium sized organisations is likely to offer the most efficient method of validating plans and rehearsing key staff. It brings staff together to take decisions as a scenario unfolds in very much the same way they would in the event of a real incident. Ordinarily it will be held in a round table format and last between 2 hours and half a day. The advantage of this type of exercise is that it engages players imaginatively, generates high levels of realism and provides participants with an opportunity to get to know the people with whom they would work in the event of a real incident.

As a point of reference to help you develop your own scenario, an example of a **bad weather scenario** has been developed. This can be viewed on-line, or can be saved to your PC (to save open link and select "File" and then "Save As" from your browser toolbar).

The main challenge in designing this type of exercise is in developing the scenario and setting questions for the participants to consider. In some cases your LRF http://www.preparingforemergencies.gov.uk/government/lrfs.shtm will be able to help but it also possible to do this yourself. In developing a scenario you should:

- Keep it simple
- Ensure the scenario is relevant and realistic – the best way to do this is to refer back to the "**understanding your business**" element of the BCM process and think about the scenarios that you considered when thinking about the risks your organisation face

A live exercise ranges from a small scale test of one component, such as evacuation, through to a full scale test of all components of the plan. Live exercises are a neccessity for components such as evacuation that cannot be tested effectively in any other way. While single component tests are relatively easy to set up, full tests are much more complex and can be costly. Before embarking on a live exercise it is important to consider whether your organisation has the neccesary capacity to run the exercise without it causing a disruption to your ability to deliver your key products and services.

Whatever type of exercise you opt for, it is worth considering inviting other stakeholders, and in particular, those that you rely on to deliver your key products and services.

It is also important to record and evaluate the event, through a debriefing immediately after the exercise and then written up in a lessons learned report with actions if required.

Maintaining BCM arrangements

Your organisations should not only put BCM arrangements in place, but should ensure they are kept up to date. A maintenance programme should be put in place that ensures that your plans are updated:

- if there are any changes to your organisation, including restructurings, changed methods of the delivery of your critical activites;
- if there is a change to the external environment in which the organisation operates;
- following lessons learned from an incident or exercise; and
- changes to staff

When updating plan(s) an effective system of version control should be adopted.

Reviewing BCM arrangements

It is highly recommended that your organisation's BCM arrangements are reviewed either through formal audit or self assessment at regular intervals as deemed appropriate. This review should be documented and should verify that:

- all key products and services and their critical activites and supporting resources have been identified;
- arrangements accurately reflect your organisation's objectives;
- arrangements are fit for purpose, and appropriate to the level of risk your organisation faces;
- BCM maintenance and exercising programmes have been effectively implemented;
- BCM arrangements incorporate improvements identified during incidents and exercises and in the maintenance programme;
- an effective programme for training and awareness raising is in place; and
- change control procedures are in place and working effectively

One mechanism for reviewing your own and your key suppliers' BCM arrangements is to assess these against the **British Standard on Business Continuity Management (BSI 25999)**

Outputs from "exercising, maintaining and reviewing BCM arrangements"

- An exercise programme, including the aims and objectives
- Lessons learned report from each exercise or real incident
- Updated business continuity plan
- BCM review report

6. Embedding BCM in the organisation's Culture

To be successful **BCM** has to become part of the culture of your organisation. This can be achieved through a combination of awareness raising and training.

Awareness

Raising and maintaining awareness of BCM with all your staff to ensure that they are aware of why BCM is important to the organisation. Mechanisms for raising awareness include:

- involving staff in the development of the organisation's strategy;
- written and oral briefings;
- learning from internal and external incidents; and
- discussion based exercises

All new staff should be made aware of the organisation's BCM arrangements on joining and this should form an integral part of the induction process.

Training

It is good practice to ensure that all staff in your organisation who have business continuity responsibilities receive training on BCM. As a minimum it is recommended that these staff work through this toolkit.

Annex A – Glossary of terms

Business Continuity Management (BCM)
A management process that helps manage the risks to the smooth running of an organisation or delivery of a service, ensuring that it can operate to the extent required in the event of a disruption.

Business Continuity Management Lifecycle
A series of business continuity activities which collectively cover all aspects and phases of the business continuity management programme.

Business Continuity Plan (BCP)
A documented set of procedures and information intended to deliver continuity of critical activities in the event of a disruption.

Business Continuity Management Standard (BS25999)
A code of practice that establishes the process, principles and terminology of BCM.

Civil Contingencies Act 2004
The Civil Contingencies Act 2004 establishes a single framework for civil protection at the local level, establishing a clear set of roles and responsibilities for local responders.

Critical Activity
An activity the continuity of which an organisation needs to ensure, in order to meet its business objectives.

Cross Training
Teaching an employee who was hired to perform one job function the skills required to perform other job functions.

Exercise
A simulation to validate a plan, rehearse key staff or test systems and procedures.

Exercise Programme
Planned series of exercises to validate plans and to train and develop staff competencies.

Incident
An event that causes disruption to your organisation.

Invocation
Act of declaring that an organisation's business continuity plan needs to be put into effect in order to continue delivery of key products or services.

Local Resilience Forum (LRF)
A process for bringing together all the Category 1 and 2 responders within a local police area for the purpose of facilitating co-operation in fulfilment of their duties under the Civil Contingencies Act.

Maximum Tolerable Period of Disruption (MTPD)
Duration after which an organisation's viability will be irrevocably threatened if product and service delivery cannot be resumed.

Process Mapping
A graphic representation showing all the steps, actions, and decision points of a process.

Recovery Time Objective (RTO)
Identifies the time by which critical activities and/or their dependencies must be recovered.

Risk
Risk measures the significance of a potential event in terms of likelihood and impact.

Risk Assessment
A structured and auditable process of identifying significant events, assessing their likelihood and impacts, and then combining these to provide an overall assessment of risk, as a basis for further decisions and action.

Succession Planning
A process designed to ensure the continued effective performance of an organisation by making provision for the development and replacement of key people over time.

Stakeholders
Those with a vested interest in an organisation's achievements.

Version Control
Technique to control access to and modification of documents and to track versions of a document when it is revised.

Annex B – emergency pack

One of the most useful actions that you can take to cope with an incident is to have prepared an "Emergency Pack" in advance. This is a pack of items that will help you implement your plans.

Items that you may wish to include are:

Documents:

- Business Continuity Plan – your plan to recover your business or organisation.
- List of employees with contact details – include home and mobile numbers, and even e-mail addresses. You may also wish to include next-of-kin contact details.
- Lists of customer and supplier details.
- Contact details for emergency glaziers, salvage organisations and building contractors.
- Contact details for utility companies.
- Building site plan (this could help in a salvage effort), including location of gas, electricity and water shut off points.
- Latest stock and equipment inventory.
- Insurance company details.
- Financial and banking information.
- Engineering plans and drawings.
- Product lists and specifications.
- Formulas and trade secrets.
- Local authority contact details.
- Headed stationery and company seals and documents.

Equipment:

- Computer back up tapes / disks / USB memory sticks or flash drives.
- Spare keys / security codes.
- Torch and spare batteries.
- Hazard and cordon tape.
- Message pads and flip chart.
- Marker pens (for temporary signs).
- General stationery (pens, paper, etc).
- Mobile telephone with credit available, plus charger.
- Dust and toxic fume masks.
- Disposable camera (useful for recording evidence in an insurance claim).

Ensure you are able to repair or replace any equipment vital to your business at short notice. If you are able to, consider storing spare parts off-site.

Notes:

- *Make sure this pack is stored safely and securely off-site (in another location).*
- *Ensure items in the pack are checked regularly, are kept up to date, and are working.*
- *Remember that cash / credit cards may be needed for emergency expenditure.*
- *This list is not exhaustive, and there may be other documents or equipment that should be included for your organisation.*