

Business Continuity Template: Guidance notes for small businesses

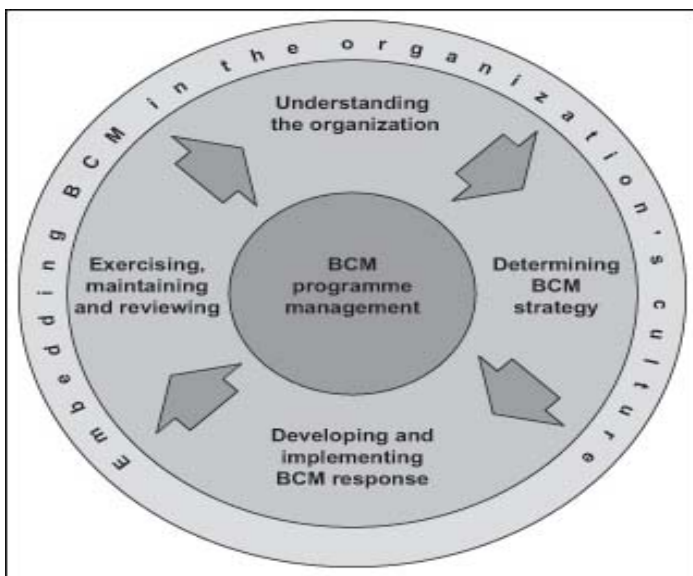
Introduction

Making decisions in a crisis is not easy. If the crisis is due to a disaster you may have other things on your mind as well as your business. The experience of previous disasters has taught us that unless you have put some simple things in place before hand – it may be impossible to recover your business. That is why you need to engage in business continuity planning now.

No one wants to tell you how to manage your business; especially not in a crisis situation where your decisions are critical to the survival of the business.

The business continuity process as set out in British Standard 25999 is well recognised and if it is carefully implemented **before** a crisis it will enable you to have the right resources and make the right decisions in a crisis.

The business continuity process



The business continuity process as set out in BS 25999 is composed of the following elements:

1. Understanding the organisation
2. Determining business continuity management strategy
3. Determining and implementing business continuity management response
4. Exercising, maintaining and reviewing
5. Business continuity management programme management
6. Embedding business continuity management in the organisation's culture.

Getting started

Download **our business continuity plan template**:

www.belfastcity.gov.uk/continuity

These guidance notes are designed to help you complete the template.

Also, have a look at how voluntary sector, VSO, have completed the template.

The Belfast template

The business continuity template developed for small businesses in Belfast only covers elements 1- 3 of the British standard:

1. Understanding the organisation
2. Determining BCM strategy
3. Determining and implementing BCM response.

Understanding your organisation (the nature of your business)

Of course you already understand your business better than anyone, but you may not have considered it in terms of its risks and vulnerabilities. Also, you may not have determined which parts of your operation you would maintain at all cost

and which parts you could leave for a while. The following guides you through the thinking process. (The Belfast template and associated guidance is targeted at small businesses **and** small organisations (for example, voluntary organisations. Therefore the word “*business*” is used in its widest sense and you may wish to replace it with the word “*organisation*”).

Step 1: Page 2: List your business activities. Identify those business activities which are critical. There is no correct way of doing this but looking at activities in terms of public expectation, income, reputation and organisational identity may be a good place to start. For example most retail businesses would have activities such as: sales, marketing, stores, with sales being most critical as it pays for everything else. Try not to think of staffing, premises, information technology as activities as you only do these to make the sales. In terms of business continuity: staffing, premises and information technology are resources and not activities. Place “*Critical Business Activities*” nearer the top, for example sales. It may take several sheets to get this right. You may have to return to this page when you have completed the following sections and that’s fine as business continuity planning is a cyclical process.

Step 2: Page 2: Identify dependencies. By drawing lines to indicate activities, which depend on one another, it should be possible to identify activities which are not critical in themselves but which are important to critical business activities. For example sales, which is usually a critical business activity is dependent on marketing which may not be critical in the short term.

Step 3: Page 3: Identify Potential Impacts. This page enables you to analyse the impact of a disruption to each critical business activity in your entire operation. Unfortunately, the only way to do this is to look at each critical business activity separately, with a separate sheet for each one. Just imagine what the impacts on your operation would be if each activity is disrupted for the time periods set out on the sheet: 1-2 hours, 8 hours, 24 hours, 24 - 48 hours, 1

week, 2 weeks and 6 weeks. Only **you** can identify what the potential impacts might be. Even if there is a small likelihood of an impact you should document it here. When you have identified the potential impacts it may help at this stage to document what your immediate response would be. For example, for an 8 hour disruption to a critical activity you may want to call a crisis meeting. After 24 hours you should perhaps consider providing the public, your customers or partners with specific information. You should consider the scale of the impact and whether the impact is temporary or permanent. In theory, the impact of a disruption on your organisation should increase over time. However, you need to be very careful about hidden or delayed impacts. One very good example is bad publicity. The impact of one quotation in the news may not have an immediate impact, but as public opinion changes over time the final impact on your organisation may be massive. As the impact increases over time you should think about whether it can be absorbed by the organisation, or not. You will reach a stage where the impact of the disruption is intolerable. Your immediate response at this stage may not have much effect and you will realise that you should have acted sooner. The corresponding time is the maximum tolerable period of the disruption for that activity. You need to have taken effective action before the maximum tolerable period of disruption is reached. **You will need to complete a separate page 3 for each critical business activity and keep this information where it can be retrieved in a crisis.**

Determining BCM strategy

Step 4: Page 3: **Strategy:** Determine a recovery time objective for each critical business activity. Simply note that the activity must be up and running again before the maximum tolerable period is reached.

To ensure that this is achieved you should identify a time deadline as an objective by which each activity must be operational. This is the recovery time objective.

The recovery time objective must always be shorter than the maximum tolerable period of disruption. Again, this is something only you can do in the knowledge of how your business works and what disruption can be tolerated.

Write the recovery time objective for each activity at the bottom of the business impact analysis sheet for each respective activity and keep this information where it can be retrieved in a crisis.

Prioritising

Step 5: Page 4. **Prioritising:** You will need to look at all the business impact analysis (steps 3 and 4 assessments) you have completed for every critical business activity. In relation to the recovery time objectives place the sheets in the order that the critical business activities must be recovered. Then copy the activities into the table on page 4 in order with those which need to be recovered first at the top. This is the priority in which your critical business activities should be recovered. **This list must be available to assist effective management decisions in a crisis.**

Understanding your organisation: the operating environment

You need to understand the hazards to your business which exist in your operating environment. You will need to make this assessment wherever you operate. So, if you operate at other locations you will need to do this separately.

See the Belfast Resilience Community Risk Register:

<http://www.belfastresilience.co.uk/com.htm>

The first six hazards most likely to happen in Belfast are:

- **Prolonged widespread absence of staff** (this covers human pandemics and industrial action)
- **Prolonged loss of premises** (this covers widespread flooding and security measures)
- **Prolonged disruption to transport** (this covers traffic logjam and fuel supply problems)
- **Loss of phones or utilities** (including loss of landlines, mobile networks, electricity or water supply). Loss of telecommunications is a major hazard which you should consider in terms of impact on your business operation.
- **Disruption of IT services** (this covers all IT software problems, including both internal systems and the internet).
- **Major equipment failure** (this covers specific equipment you may operate and IT hardware). Something as simple as a credit card scanner would fall into this category.
- **Product recall or bad publicity** (this covers anything which would damage your reputation whether it is your fault or the fault of a partner or supplier organisation).

The last two Hazards are left blank for you to consider foreseeable hazards which are specific to your business sector.

Step 6: Page 4. This guides you in considering the impact of all these hazards on each critical business activity. Where you consider there to be an impact you should

mark the box with an X. Where you consider that there is no impact leave the box blank.

Step 7: Page 4. Total Risk: this guides you to count the Xs in each vertical column and write the total in the bottom row. This number is the number of critical business activities which would be affected by each hazard and will give a total risk score for each hazard which is useful in determining which hazard you are most vulnerable to. For example:

- Prolonged widespread absence of staff: 5 critical activities affected.
Total risk score: 5.
- Prolonged denial of premises: 4 critical activities affected.
Total risk score: 4.
- Prolonged disruption to transport: 1 critical activity affected.
Total risk score: 1.
- Loss of phones or utilities: 4 critical activities affected.
Total Risk Score: 4.
- Disruption of IT services: 2 critical activities affected.
Total risk score: 2.
- Major equipment failure: 1 critical activity affected.
Total risk score: 1.

The hazard with the highest score would potentially have the greatest impact on your business. You should now copy these scores into the relevant box for each hazard on pages 5 and 6.

Determining and implementing BCM response

You cannot lessen the hazards which surround your business; unfortunately none of us can do that. The nature of hazards cannot be changed. However, you can reduce or treat the impact of the hazard on your organisation. Reducing the impact of a hazard is usually called risk treatment.

Risk treatment

Step 8: Pages 4 and 5. **Risk treatment:** Risk treatment is the measures put in place **before** anything goes wrong, to provide a cushion between the business and the worst impact. Some good examples of risk treatment are shown in the tables. As you may imagine in some cases risk treatment involves resource allocation and money. The total risk score determined in the previous step is one factor which can be used to target resources to greatest effectiveness. If disruption to transport has a total risk score of 1, that is, it would only impact one critical business activity then it would be inappropriate to allocate massive resources to controlling that risk. Whereas, if absence of staff has a total risk score of 5, that is, it would impact all critical business activities, then comprehensive treatment of this would be money well spent. Only you can decide the best way to treat the risks to your business. Only you understand what additional resources you have available.

A word of warning:

In deciding on risk treatment measures be careful to avoid resources and facilities which may be in high demand. You must consider that in a civil emergency all other businesses will be in the same boat. For example, you could pay a lot of money to a third party provider to have standby premises, but other businesses may also have specified that standby premises in their plans. Another example is replacement staff: it's no use saying that employment agencies will provide replacement staff in a human pandemic situation.

Planning a response

Step 9: Pages 4 and 5: **Planning.** Every week there is news of a disaster impacting on a city throughout the world. Despite foresight and the best preventative measures things still go wrong. You now need to plan what you will do with your business **after** things go wrong. This is an essential part of the business continuity process and all the previous steps 1 - 8 have been leading up to this. If you have completed the previous steps methodically you will now understand your business in terms of critical activities, deadlines, priorities, the local hazards, their impacts and your vulnerabilities.

In planning you should consider all the options. However, there are actions which must be considered previously in order to make all options viable. It is conceivable that you as a business proprietor could carry all business continuity options in your head – but the business continuity crisis may be **your absence**. Therefore, the first consideration in surviving a crisis is a written business continuity plan which appropriate staff have access to. Another example is home working: you cannot consider home working unless you have previously arranged the human resources and IT systems allow it to happen. As per risk treatment the total risk scores should be used to analyse cost benefit. Unlike risk treatment a plan may not cost anything until that option is activated at which time there may be considerable cost, for example, renting new premises. Therefore managers, supervisors and staff need to understand what they are authorised to do in the event of a crisis, what expenditure are they allowed to incur in order to recovery a critical business activity.

The general demands of planning are usually fulfilled by asking the five questions: who, what, when, where, and how. Again, the total risk score should be used to determine how comprehensive the plan should be. Comprehensive planning may need to be completed on separate sheets and referenced back to this table. However, crucially the steps which the template has guided you through are the recognised steps of business continuity planning and should enable to make the right planning assumptions and crisis management decisions.

Conclusion

The **Belfast template** has been developed for small businesses in Belfast. It covers elements 1 - 3 of the British Standard BS 25999:-

1. Understanding the organisation
2. Determining BCM strategy
3. Determining and implementing BCM response

The remaining parts:

4. Exercising, maintaining and reviewing
5. Business continuity management programme management
6. Embedding business continuity management in the organisation's culture

are **not** covered in the Belfast template and it is up to you to implement these yourself. In general, it is recommended that your business continuity planning process is repeated every year and a full review is carried out after every crisis and if the nature of your business changes significantly.

Further guidance can be found at the following sites:

For further information check out the UK Resilience Website on Business Continuity

<http://www.preparingforemergencies.gov.uk/bcadvice/>

You can buy a copy of BS25999 at BSI Link.

Business Continuity Institute Website Link.

For advice on business security go to: www.mi5.gov.uk

Other links:

Crisis management and business continuity planning

www.nibusinessinfo.co.uk/businesscontinuity

Business continuity and planning in IT

www.nibusinessinfo.co.uk/ITbusinesscontinuity

Identifying and managing IT risks to your business

www.nibusinessinfo.co.uk/ITrisks

Risk assessment – an overview

www.nibusinessinfo.co.uk/riskassessment

Managing risk

www.nibusinessinfo.co.uk/managingrisk

Managing risk in e-commerce

www.nibusinessinfo.co.uk/ecommercerisk