

FIVE SIMPLE RULES FOR BUSINESS CONTINUITY

Gregory N. Mirsky, a BC coordinator for a large personal beauty products manufacturer in North America, shares a training primer that he has developed.

As the current disaster recovery / business continuity coordinator for a major data centre of a very large personal beauty products manufacturer in North America whose organisation frequently buys other companies and incorporates them into our global operations, I was asked to come up with a 'crash course' on business continuity to be given to the resident, newly volunteered, business continuity planners of our new acquisitions until their respective organisations were fully assimilated. Hence, this was the genesis of my "Five simple rules for business continuity" that I use to introduce the topic and help cultivate the mindset required to successfully teach the discipline. While not a complete primer on the subject, it is a germination point for creating a workable and viable business continuity plan for the beginner.

FIRST RULE

A business is in business to make money – our job is to make sure that business stays in business and continues to make money in the event of a 'detrimental circumstance'.

This is 'Business 101' that we learned in our very first business class. If a company is not making money in some sort of fashion it will be quickly out of business. A business exists to make a profit, hopefully more than it could by simply keeping that money in a bank.

What is a detrimental circumstance? It is any event or condition that adversely affects your organisation in such a way that it causes it jeopardy. A detrimental circumstance could be a fire, flood, earthquake, a labour strike, sabotage, a hijacking, a kidnapping, or any event that would cause you to initiate your business continuity plan.

SECOND RULE

Business continuity management and planning is a structured common sense 'mindset'.

Business continuity (BC) is a structured common sense framework to base how we will handle future challenges that our business may face. You should try to plan and construct your BC plan like you were playing a game of chess. Try to think at least three moves ahead and anticipate the effects and outcomes of your moves and the reaction of others and the environment on your moves.

Your plan will never address everything! So don't try to have excruciatingly detailed instructions for every little thing. When the pressure is on and you need to quickly adjust course, no-one will have time to read detailed instructions in your plan, nor will they have the mindset to do so. Detailed procedures should be left for those things that are really critical to ensuring the survival of the business, the employees, or the community. How to shut down your nuclear power plant would be a good example of something requiring a detailed procedure plan!

Frequently occurring detrimental circumstances like power outages, water main breaks, etc. will tend to have more detailed instructions because more people have experienced and learned from such problems. This results in a baseline of what to expect and what to anticipate and react to.

Strive to set up models in your plan to give the plan executors a foundation to compare against and act as a guideline to improvise and formulate an ad-hoc response to the new unplanned situations they most likely will encounter. A disaster recovery / business continuity manager

located in the United States mid-west region will probably never have planned for a lava flow through his/her business but that same DR/BC manager would be able to piece together a plan of action using a fire and flood planning scenario to try to deal with the situation.

Another area of concern is the usage of local, business specific, or industry slang, monikers, nicknames, or just plain lingo and acronyms. Use standard or industry neutral terminology and spell out the acronyms in your plan! You would be amazed at how many plans I have seen that reminded me of Mark Twain's "Instructions on harnessing a horse" from "A Tramp Abroad".

"The man stands the horses on each side of the thing that projects from the front end of the wagon and then throws the tangled mess of gear on top of the horses and then passes the thing that goes forward, through a ring and hauls it aft, and then passes the other thing through the other ring and hauls it aft on the other side of the other horse, opposite the first one, after crossing them and bringing the loose end back and then buckles the other thing underneath the horse and takes the other thing and wraps it around the thing I spoke of before, and puts another thing over each horse's head with broad flappers to keep the dust out of his eyes, and puts the iron thing in his mouth for him to grit his teeth on, and brings the ends of these things aft over his back after buckling another one around under his neck to hold his head up, and hitching another thing on a thing that goes over his shoulders to keep his head up when he is climbing a hill, and then takes the slack of the thing which I mentioned a while ago and fetches it aft and makes it fast to the thing that pulls the wagon and hands the other things up to the driver to steer with."

After that, anyone should be able to do it!

Does this sound like your business continuity plan? If it does, I think you are in need of a revision!

Additionally, never assume you or someone else you know will be executing the plan. You or your 'buddy' may not be there to deal with the crises. The true hallmark of a good plan is when someone comes in totally 'cold' and can put the plan into action.

THIRD RULE

In the event of a detrimental circumstance, we need to ask ourselves whether it is in the best interest of the business to recover and restore the business back to its previous form, a new form, or to terminate the activity?

Ask what is critical to the business as a whole and what is critical to a particular part of the business. Again, if you have any questions – see rule number one!

Very few business continuity planners ask this question of themselves. Why ask this question at all? Let us assume that a factory has just burnt down. What do we do? Was that factory a money loser? Was the factory barely profitable and will disaster recovery costs be too high to justify? Does the company have idle capacity elsewhere? If this factory is unprofitable, or marginally unprofitable, does it keep another part of the business profitable?

I know this all sounds very 'Machiavellian' but remember rule number one! Are we going to restore some unprofitable piece of the business to lose more money? Remember that your contingent production facilities will not be as efficient as the facilities they are temporarily replacing, unless your old facility was using really outdated machinery and methods. Will your unit profit go negative in the contingent facility? Can you afford to have your unit profit go negative?

This is an instance where senior management needs to come into play as soon as possible and quickly make a decision before you waste resources that can best be utilised insuring the viability of the business elsewhere. A primary reason why any good business continuity plan should have a high ranking sponsor ready to make the CEO or board of directors aware that a critical decision is required immediately.

FOURTH RULE

What is the corporate culture of the industry/business/division/unit? Additionally, what is the culture of the country, if you are in a foreign land?

Ask these questions because it will help drive your continuity planning and anticipate the type of execution you can expect. Is the organisation a pro-active empowered environment or a chaotic reactive organisation? Two different environments on either end of the spectrum that obviously will attract and let totally different personalities thrive in those organisations.

Your business continuity plan is only as good as the people executing that plan. Each organisation will have their pluses and minuses; your plan should accommodate this. One group, the 'pro-active empowered' employees, will dynamically improvise and 'run with the ball' with little or no direction trying to accomplish 'the commander's intent', while the other group, the 'chaotic reactive' employees, will require strict protocols, centralised command and control and be constantly in a 'Cover Your Anterior' mode. Many flavours of both groups exist out there, including many in the same organisation, so try to plan accordingly.

FIFTH RULE

Take into account that your plan may span jurisdictions that have multiple or conflicting legal and contractual requirements (specific and implied) and the resultant ramifications to your business.

The unintended costs and impacts can kill the best plans and contingencies. Don't be afraid to enlist the aid of a 'subject matter expert' (SME) when formulating a plan. Especially do not be afraid to pass the plan around and have people throw rocks at it. The holes you patch now will save your business latter.

A true case in point: one business I dealt with in my career had a fire in a shipping transfer depot making the depot unusable. Thankfully very little inventory was damaged and the local business manager was able to find a vacant warehouse for rent with the required loading docks a few miles away. Signage was placed at the old location directing shipments and people to the new contingent location and what appeared to be a major mishap would hopefully only turn out to be a small speed bump in the business operation.

Everything was fine until the rest of the world caught up with the company! Delivery trucks were being stopped and detained for being over-weight and not taking the approved truck routes to the new locations. I believe the local police force made its quota for the year in the first few days of the new depot's operation.

A local building inspector cited them for conducting a business without having proper fire devices (they had been ordered and were due to arrive that day, except they were on a detained over-weight truck) and for conducting a business without the proper business permits and licenses according to local ordinances.

The new location was just over the state line and the company's telecommunication provider terminated its contract since the business was now out of its regional jurisdiction. The same

problem occurred with its fuel vendor since it too was not licensed for the other state because of all the municipal paperwork and fees.

About the same time the business realised that its various insurance policies were not effective since the insurance carrier was not licensed to do business in that state.

The problems were only compounded when the official from the union local was fighting with the original union local for jurisdiction and rights to the representation and dues of the workers which halted all work since the other union employees would not deliver the loads until the 'union thing' was ironed out.

I think the final straw for the business manager was when the employees became angry when they found out that they would be taxed at the new states higher state and local tax rates including a one time local municipal occupational levy or 'head tax'. After all was said and done, the company moved back to the original location, operated out of rented trailers and the all the employees were happy to work in their open air transfer depot in the middle of the winter.

Conclusion

Your business continuity plan is a living breathing thing; it mirrors your business which is also a dynamic entity which fluctuates and reacts to its environment. You can not just formulate a business continuity plan and leave it on a shelf and then expect to "In case of emergency – Break glass" and use it like a fire extinguisher for your problems. Like the business it protects, a business continuity plan requires constant care and feeding and the periodic re-examination in order to function correctly. BC planning is not rocket science it is pre-planned common sense.