

THE CAPABILITY DIAGRAM

: a new way of explaining business continuity

ABSTRACT: Various diagrams exist which explain the process of business continuity management but these do not explain the essence of what business continuity is all about. This paper presents the capability diagram, which aims to address this situation. The diagram provides a simple means to explain the essence of business continuity without jargon or any technical terminology, whilst being powerful enough to completely capture the concept of business continuity.



AUTHOR: Charlie Maclean-Bristol, MBCI, is currently a director of PlanB Consulting, a business continuity consultancy based near Glasgow. Charlie has specialised in business continuity management and emergency planning over the past 13 years. His experience includes working as business continuity and emergency manager for a number of multinational companies, followed by working for two consultancies, before setting up PlanB Consulting in September 2007. Previous to working in the business continuity he was an officer in the Kings Own Scottish Borderers for five years. Charlie is a regular conference presenter and has had a number of his articles on business continuity and more recently on supply chain and business continuity published. He is a visiting lecturer at Hertfordshire University, recently achieved Fellow of the Emergency Planning Society and was Runner Up Business Continuity Manager of the year at the 2005 Business Continuity Awards.

Introduction

I have on many occasions had to try to explain to colleagues and clients what business continuity is all about. I have started a number of times explaining “if their organization suffered a disaster which caused the loss their head office building or their data centre it is all about planning for the recovery after a disaster....”. Eyes quickly begin to glaze over and listeners rapidly lose interest. What I have looked for is a simple diagram which would explain the essence of business continuity without jargon or any technical terminology but is powerful enough to capture completely the concept of business continuity. In the Business Continuity Institute’s Good Practice Guidelines and BS 25999 there are diagrams which explain the *process* but these do not explain the essence of what business continuity is all *about*. To solve this problem I have developed the ‘capability diagram’ and for me this works in capturing, in a simple diagram, what business continuity is all about. I cannot remember exactly where all the ideas for the diagram came from, but significant inspiration came from diagrams in ‘An introduction to business continuity management’ written by the CCTA.

The basic diagram

The basic diagram consists of a graph. The X axis is a measure of time and the Y axis is a measure of the organization’s capability. I feel that capability is the appropriate measure for this axis but others may argue for a different measure; such as capacity. Line A shows the organization in normal day to day operation (figure one). The capability may vary with minor issues and events but should stay reasonably constant.

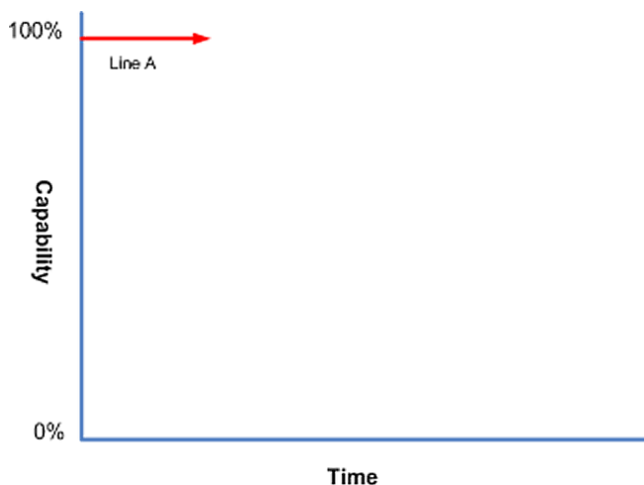


Figure one: organization operating normally.

A major incident occurs

An incident occurs (figure two) which has a major impact on the organization and so its capability is affected. This could, in a large distributed organization, affect a certain amount of its capability but in this example it is explained that the whole capability is lost. In my opinion, business continuity is only about incidents which have a major impact on the organization so it takes a major loss of capability to require business continuity to be invoked and the subsequent recovery to be carried out:

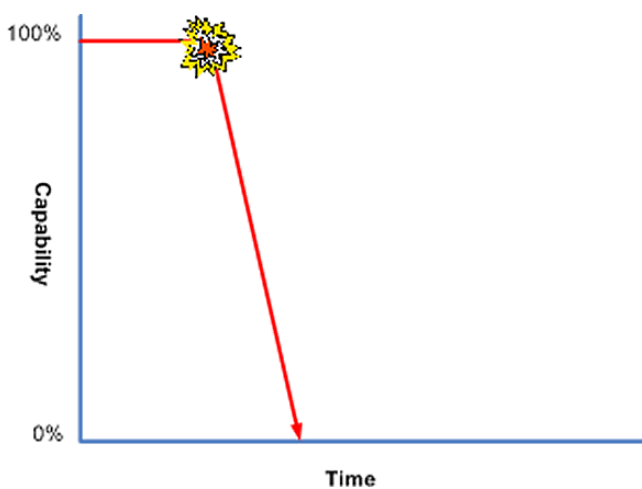


Figure two: an incident occurs.

Every organization can recover

Any organization given sufficient time and recourses can recover without any business continuity planning in place (figure three). This is again shown by Line A. Buildings can be rebuilt or a new building can be found, staff can be recruited, data could be reconstituted and new production equipment could be repurchased. Any organization given sufficient time should be able recover to its original capability.

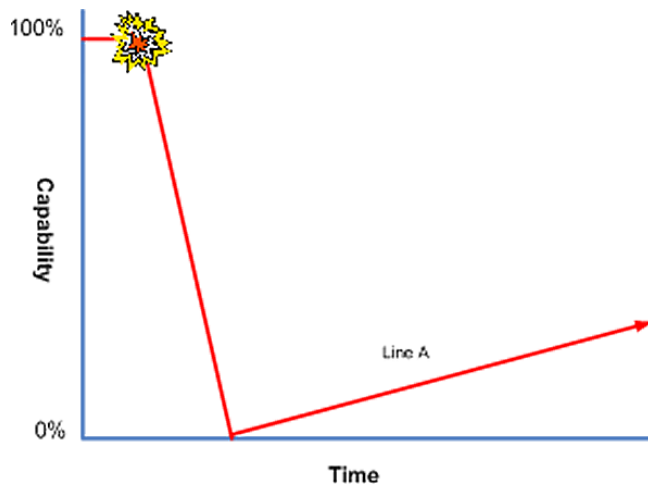


Figure three: recovery without a business continuity plan.

This may not be enough

The recovery line shown by Line A in figure three may be enough but for most organizations this level of recovery will not be sufficient and the organization may be irretrievably damaged or go may out of business.

The example I usually use to make the points is: A washing machine manufacturer loses its single production line through fire. It therefore is not producing any goods so it has no money coming into the company. It still has the same level of overheads, such as staff wages, rent, loan repayment etc. It purchases a new production line (from insurance) and aims to get manufacturing up and running again. Unfortunately the company runs out of money before it can start producing washing machines again and get money into the company. In this case, recovery with no preplanning (Line A) is not good enough.

Every organization has a recovery level

Every organization has a recovery level which, if they recover at this level, will be sufficient to ensure the ongoing viability of the organization. This is shown by Line B (figure four). I use the happy face and the death symbols to show that if they recover below the line this could be the end of the organization and as long as they recover to or above the line, the organization will survive. The line could represent a number of different factors. It may represent a level of income that must be reached so that the organization does not run out of money. For another organization this line may represent a level of recovery sufficient to protect its reputation. For other organizations this may be a level of customer service or a combination of all three.

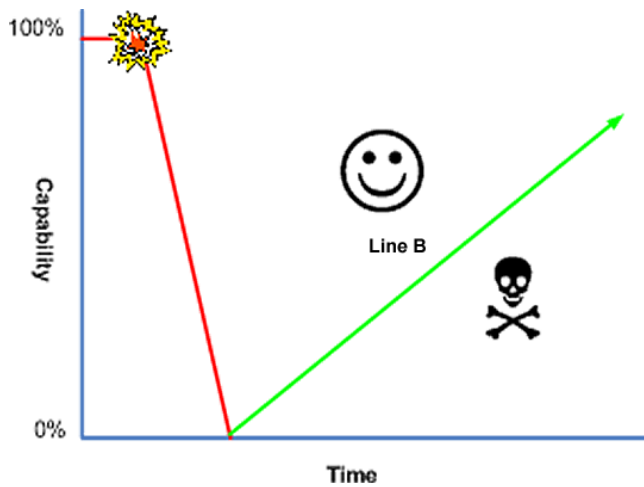


Figure four: required recovery profile.

Recovery levels may vary

Different organizations have different recovery requirements and within that organization different processes require different recovery profiles (figure five). A trading organization might require a rapid recovery followed by a slower recovery of back office functions. An activity such as human resource management may require little or no initial recovery and long term recovery may be able to progress more slowly.

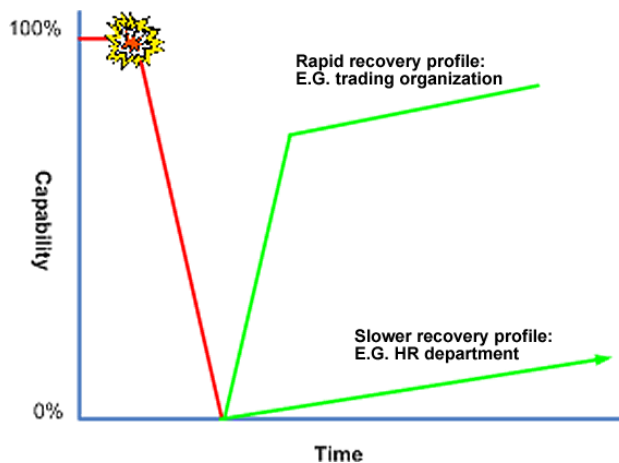


Figure five: required recovery profile will vary depending on the organization.

Do not over-recover

The art / science of business continuity is working out the required level of recovery. As we have seen recovery at too low a level the organization may fail. The business continuity manager needs to also ensure that they should not over-recover . This is shown by Line C on the graph in figure six. In over-recovering the organization is recovering at a speed and level which is above that which is required and therefore wasting resources.

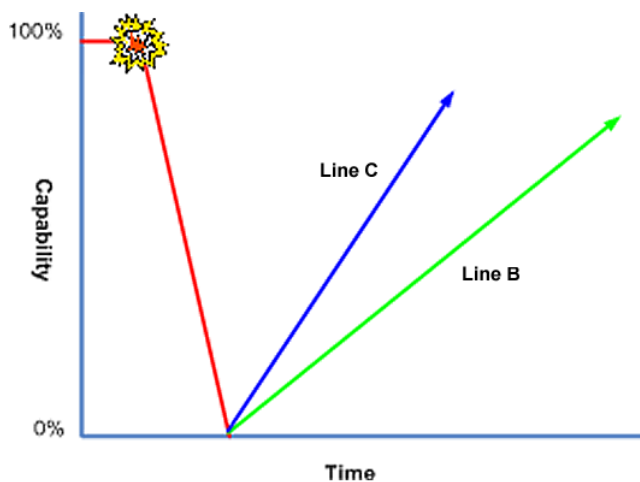


Figure six: over-recovery.

The role of business continuity planning

The role of the business continuity manager is twofold. It is first to work with the organization to identify what a required recovery level should be: Line B (figure seven). He/she then needs to ascertain the current level of recovery (Line A). The role is then to implement the business continuity lifecycle to develop and put in place business continuity strategies which will move the recovery capacity of the company up to the desired level (Line B).

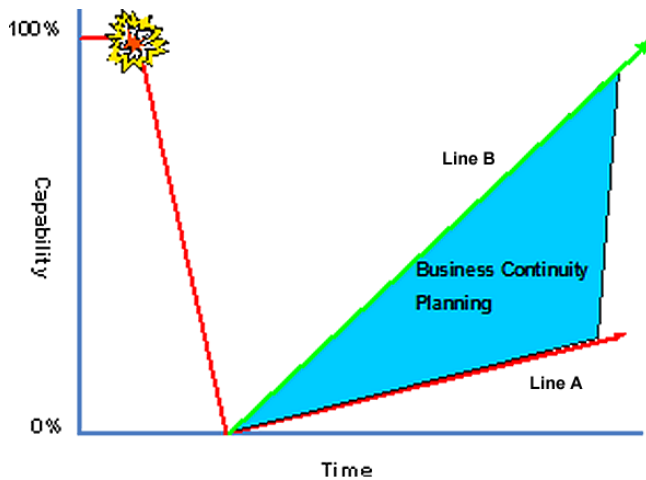


Figure seven: role of business continuity planning.

Conclusion

The graph could be made more detailed to try and explain some of the more complex details of business continuity and could easily be used to introduce technical terms such as RTO etc. However, this would defeat the purpose of a simple non-technical explanation of the subject.

The author would welcome any feedback on the graph, where and how it could be used and any ways to improve explanation of the subject: cmb@planbconsulting.co.uk

Reference

An Introduction to Business Continuity Management (1995) : CCTA - the Government Centre for Information Systems. ISSN 0956-2591

Copyright

Copyright to this paper has been retained by the author's organization: PlanB Consulting. All rights reserved.