

BUSINESS CONTINUITY MANAGEMENT

MANY ORGANISATIONS WHO SUFFER A CATASTROPHIC EVENT MAKE AN INITIAL RECOVERY BUT FAIL WITHIN 18 MONTHS OF THE EVENT. THERE IS STRONG EVIDENCE THAT ORGANISATIONS WITH A CLEARLY DEFINED RECOVERY STRATEGY ARE MUCH MORE LIKELY TO OVERCOME BOTH THE INITIAL CRISIS PERIOD AND GO ON TO RESTORE SUFFICIENT CAPABILITY TO KEEP OPERATING LONG TERM.

WHAT IS BUSINESS CONTINUITY MANAGEMENT?

BCM is hard to define because it includes various elements of pre-planning, risk assessment, emergency response, crisis management and business recovery. However, a useful definition is provided by the Business Continuity Institute, namely: ***“BCM is the act of anticipating incidents which will affect mission critical functions and processes for the organisation and ensuring it responds to any incident in a planned and rehearsed manner”.***

Organisations generally have very clearly defined plans, processes and procedures for normal operations but in a crisis, these rarely apply. As a result, many otherwise well-managed organisations have failed shortly after an unexpected major event because they were unable to recover and re-group in time. For example, 63% of businesses failed to restart after the Manchester Arndale Centre bomb in 1996 and the September 11th attacks in New York destroyed or closed down some 15,000 companies.

HAVE THE REAL RISKS TO YOUR BUSINESS BEEN IDENTIFIED AND HOW WILL YOU HANDLE THEM?

Building a resilient organisation, able to cope with the unexpected, is no accident. It requires an understanding of the resources on which your organisation depends, analysis of the possible disaster scenarios, pre-planning of potential responses, having alternative strategies rehearsed, clear lines of communication and a good relationship with customers, suppliers and the media.

WHAT WILL BUSINESS CONTINUITY MANAGEMENT DELIVER?

BCM deals effectively with the immediate aftermath of an incident, through to resuming normal operations as quickly as possible. While templates can be followed, the dynamics of an organisation require specific responses, often requiring delegation of authority and freedom from interference

Handled properly, organisations have actually enhanced their reputation, re-built morale and emerged stronger and more successful than before, for example, British Midland, following the Kegworth crash or Tylenol after malicious product tamper.

For many insurers, the development of an effective BCM is a pre-requisite for insurance cover. Evidence of a sound BCM strategy is a contributory factor in establishing good Corporate Governance through protection of stakeholders' investments and interests.

CONTACT DETAILS

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HOW DOES BCM WORK?

Developing sound BCM does not happen overnight; it is best achieved in a set of stages described below:

Risk Evaluation and Control

- Map the supply chain and identify critical dependencies to achieve objectives
- Review current controls, contingency arrangements and 'work-arounds' to maintain function

Business Impact Analysis

- Identify threats to normal operations
- Model failure scenarios and assess organisational impact

Development of Business Continuity Strategies

- Address recovery and re-establishment of operations within the required timeframe
- Identify the resources, materials and information that will be required to achieve recovery

Emergency Response Plan

- Define actions to be taken as the incident is discovered (e.g. summoning emergency services, removing plant / materials, where appropriate)

Crisis Management Plan

- Address call-out cascades, media management and initial customer / supplier / media / investor contact

Business Recovery Plan

- Address all physical and technical issues needed to ensure the business is returned to full operability, in the shortest possible time

We believe that organisations should write their own plan but momentum can be maintained by sensible use of external advice from Willis Risk Management consultants.

Plan Testing:

- Ensure the validity and robustness of developed plans
- Regular review of plans to ensure they are current

Software Evaluation:

- Assess software packages which support BCM activity

WHAT ARE THE BENEFITS OF INTRODUCING BCM?

The benefits of taking the steps outlined opposite can be summarised as follows:

- Increases the likelihood of post-loss survival
- Maintains or even enhances reputation
- Prevents costly mistakes, either pre or post loss
- Ensures resources are channeled to where the greatest benefit can be derived

HOW MUCH TIME WILL THIS TAKE?

Introducing and completing BCM could take months to achieve. By using Willis' experience and expertise, the overall time may be shortened considerably.

The complexity of your organisation and its interrelationships will be a governing factor, as will the degree of leadership and actual resources you provide to support the process.

WHO WILL MANAGE AND MONITOR PROGRESS?

Willis' resources are best used as a catalyst for developing plans. We strongly recommend that you appoint a Project Manager from within your own organisation to ensure the required plans are delivered and implemented.

If required, Willis consultants will be available to audit progress from time to time to ensure the programme is still on track to deliver the desired benefits.

WHAT HAPPENS NEXT?

If you are concerned about your organisation's ability to handle a crisis and subsequently recover from it, Willis recommends an initial consultation (without obligation) to discuss your current state of disaster preparedness.

Detailed recommendations and programme plans will then be drawn up for you to consider. Willis consultants will discuss the outcome with you and agree timescales, deliverables and cost.

For further details, please contact us at the address below or email Fearghal Cunningham cunninghamf@willis.com

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