

Opinion piece

Business continuity 2014: From traditional to integrated Business Continuity Management

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ABSTRACT

As global change continues to generate new challenges and potential threats to businesses, traditional business continuity management (BCM) slowly reveals its limitations and weak points to ensuring 'business resiliency'

today. Consequently, BCM professionals also face the challenge of re-evaluating traditional concepts and introducing new strategies and industry best practices. This paper points to why traditional BCM is no longer sufficient in terms of enabling businesses to survive in today's high-risk environment. It also looks into some of the misconceptions about BCM and other stumbling blocks to establishing effective BCM today. Most importantly, however, this paper provides tips based on the Business Continuity Institute's (BCI) Good Practices Guideline (GPG) and the latest international BCM standard ISO 22301 on how to overcome the issues and challenges presented.

Keywords: ISO 22301, ISO 22313, business impact analysis, risk analysis, BCI GPG, good practices guideline

LIMITATIONS OF TRADITIONAL BCM AND OTHER BCM TIPS

Reality mixed with culture and beliefs

One of the biggest limitations of traditional BCM lies in the term itself: 'traditional'. To a lot of people, especially in Asia, 'cultural background and personal

beliefs' always come first — even in business or when making business decisions.

It is true that holding on to or practising old customs and traditions is generally a good thing and may in fact be considered venerable. However, in most cases, culture and beliefs are the main reasons why most companies do not venture into BCM, and indeed why most programmes fail. Why is this? Due to beliefs or principles that good deeds can beget good fortune, some companies tend to believe that nothing bad will ever happen to them as long as they remain 'good people'. For them, there is no need to plan for disasters or such incidents.

In addition, in some cases, some companies mix up or confuse real issues and facts with superstitions. For example, in 2010, IRIN reported that, in Pakistan, a 'holy man' believed to have the power to purify water was being sought for help by many at the height of a health crisis, where water containers were found to be contaminated.

Meanwhile, *The Telegraph* reported that 'Japan is bracing itself after dozens of rare giant oarfish — traditionally the harbinger of a powerful earthquake — have been washed ashore or caught in fishermen's nets'.

How can these superstitions cause problems to companies? If companies consider or integrate this kind of unproven data in BCM processes such as business impact analysis (BIA) or strategy, the results will be flawed and unreliable.

Too many standards for 'regional' application

During the early years of BCM, the problem was the absence of a standard. Eventually, however, the problem was that there were too many standards. Indeed, despite the ready availability of ISO standards, several countries still decided to come up with their own version or variation of a BCM standard.

What is the problem with having too many BCM standards? For one, most of these standards were 'region-specific' and not designed to meet the requirements of today's global organisations.

In addition, it results in confusion and arguments among BCM practitioners. It is impossible to know which standard is best, never mind which is best suited to a specified company in a specific field in a specific country.

No standard process for risk analysis and business impact analysis

Given an absence or abundance of standards, there are also misconceptions and disagreements on how risk analysis (RA) and business impact analysis (BIA) are supposed to be conducted. The most persistent issue is the age-old question: 'which comes first, RA or BIA?'.

Confusion brews among practitioners with regard to the proper sequence of RA and BIA. To BCM practitioners, it is a common notion that BIA comes first. Ask a risk management practitioner, however, and the answer would be more direct and obvious.

The confusion regarding the sequence, however, is only part of a bigger problem — the lack of knowledge and skills on how to conduct RA and BIA properly.

For the longest time, practitioners were looking for a standard process on how to conduct RA and BIA correctly. With the difference in terms used, the disagreement in information shared and the overall lack of a universally applicable BCM standard however, practitioners were left to figure out how RA and BIA really work.

Too focused on past or individual incidents

Another criticism of traditional BCM is that plans or planning were previously more focused on singular events (eg for fire only) or solely on events that the com-

pany had already experienced — not giving consideration to other incidents that may potentially happen.

Certainly, companies should plan or be prepared for the 'obvious'. In Asia, for example, such incidents include fire, flood, earthquake and typhoon events. The danger in not looking outside of this scope, however, is that companies may overlook other potential threats, such as policy change and supply chain disruption.

Too much importance given to alternative sites

Previously, the prevailing notion was that BCM equates to having a disaster recovery site or an alternative site. This is a total misconception.

The problem with having this kind of mentality is that, because having an alternative site is usually an expensive endeavour, companies — especially those with limited budgets — immediately get discouraged from looking further into BCM.

Having an alternative site was never mandatory. Moreover, there are other options that companies may consider, such as outsourcing or having a 'reciprocal site' instead. Today, there are also several web and mobile solutions available that offer the same functions as an alternative site.

CURRENT BEST INDUSTRY PRACTICES AND OTHER BCM TIPS

ISO 22301, ISO 22313 and BCI's GPG

Since being published in May 2012, ISO 22301 (otherwise known as the Societal Security — Business Continuity Management Systems — Requirements) has been referred to as the world's first international BCM standard.

It provides a standardisation for all regions and provides a collective agreement on the most effective workflow. In

effect, BCM practitioners around the world can now refer to just one standard in terms of establishing an effective BCM system and attaining an internationally recognised certificate.

Together with ISO 22301, BCM practitioners can also refer to ISO 22313 (Societal security — Business continuity management systems — Guidance) and BCI's GPG (the latest version is 2013) for further guidance and relevant information on implementing ISO 22301 and establishing a BCM system.

Integrate relevant disciplines to a BCM programme

Global change has spawned new threats and risks that companies around the world should be worried about. All things considered, BCM alone may no longer be enough to ensure survival or resiliency against these threats.

Today, one of the trends is the integration of relevant disciplines such as risk management, emergency management, supply chain management, crisis management and IT disaster recovery to a BCM programme.

Aside from the fact that this allows companies to have a wider scope and means of identifying potential threats, this approach also leads to the development of better and more effective strategies.

Conduct RA and BIA based on ISO 22301, ISO 22301 and GPG 2013

Highly relevant to the first best industry practice highlighted, BCM practitioners can now properly conduct RA and BIA by meeting the requirements of ISO 22301 and the guidelines provided in both ISO 22313 and GPG 2013.

In ISO 22301, requirements for conducting RA and BIA can be found under 'Clause 8 Operations'. Some of the requirements mentioned in this section are 'identifying activities that support the pro-

vision of products and services' and 'evaluating which disruption related risks require treatment'.

Meanwhile, ISO 22313 suggests that 'when assessing impacts, the organisation should address those relating to its business aims and objectives and its interested parties'.

Tips and guidelines on RA and BIA may also be found under the 'Understanding the organisation' section of the GPG.

Test plans and conduct exercises

The only way for companies to find out if their plans work is if they test them and conduct exercises.

In ISO 22301, 'exercising and testing' is highlighted as an essential process in establishing an effective BCM system. As with RA and BIA, requirements to conducting proper exercises and tests are also sectioned under Clause 8 Operations. One of the requirements mentioned is that organisations shall conduct exercises and tests that 'are based on appropriate scenarios that are well planned with clearly defined aims and objectives'.

Again, BCM practitioners can refer to ISO 22313 and GPG 2013 for relevant tips and guidelines.

CONCLUSION

BCM has come a long way from its humble beginning in the IT and finance industries.

Due to global change, however, BCM needs to evolve once again to stay relevant and remain useful to companies today.

How BCM would be more effective in terms of ensuring the resiliency or even survival of companies today can be summed in one word: integration. For a BCM programme to be more effective and extensive, it has to integrate relevant disciplines.

It is equally important for BCM practitioners and companies intending to implement BCM to make reference to the new international BCM standard ISO 22301. As mentioned earlier, ISO 22301 offers a collective agreement on the most effective workflow and is universally applicable to all types of organisations. The best thing about ISO 22301, however, is the fact that there is finally consistency in the business continuity processes and that it allows agreement among BCM practitioners.

The bottom line is that people must make adjustments and carry out necessary changes in the way they practice BCM. The famous American computer scientist Grace Hopper once said: 'The most dangerous phrase in the language is: we've always done it this way'. This is perhaps most true in BCM. The only problem is that when people say 'danger' in BCM, it could pertain to countless disastrous events. Everyone must be able to determine truthfully what works in BCM and carry out changes as needed.

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