

BUSINESS CONTINUITY MANAGEMENT

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Handbook

Business Continuity Management

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Preface

This Handbook was prepared by the following authors for the Joint Standards Australia/Standards New Zealand Committee OB-007, Risk Management to supersede HB 221:2003. In particular, the Committee acknowledges the contributions of the following:

Dr Carl Gibson	Victorian Workcover Authority
Dr Neil Britton	NDRI Kobe, Japan
Mr Gavin Love	Water Services Association of Australia
Mr Neil Porter	Australian Institute of Risk Management
Mr Edmund Fernandez	Association of Risk and Insurance Managers of Australasia (ARIMA)

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The Disaster Recovery Institute International fully supports HB 221, *Business Continuity Management* and recommends it as an essential tool to assist in the achievement of viable business continuity management programs.

The objective of this Handbook is to outline a broad framework and core processes that should be included in a comprehensive business continuity process.

The objective of this revision is to align the Handbook with the 2004 edition of AS/NZS 4360, *Risk management*.

It is intended that this Handbook be used by any size or type of organisation—from large multinationals to small businesses, not-for-profit agencies and government agencies—that has identified the requirement for, and merit of, developing effective business continuity management processes. However, some recommendations may be more appropriate to some organisation types rather than others.

This Handbook is presented in two parts:

- **Part One—What is Business Continuity Management?**

Provides a definition of Business Continuity Management (BCM) and outlines its evolution, from a narrow IT-centric focus to a planning tool that can assist an organisation in its strategic and business planning.

- **Part Two—The BCM Manual**

Outlines a BCM framework that can be developed by any organisation. Supplementing the detailed discussion of each of the BCM steps is a separate workbook for the BCM practitioner. The workbook consists of a number and templates and provides an easy to follow process that can be implemented at all levels of the organisation; whether at a specialist area, such as developing information technology (IT) recovery plans, or at an

organisation level, linking the risk management, corporate governance and BCM program.

This Handbook is consistent with the framework for risk management outlined in AS/NZS 4360:2004, *Risk management*. BCM plays a critical role as part of the organisation's risk management process in providing a fundamental mitigation process for certain types of risk. BCM also stands as a dedicated process incorporating the risk assessment process for the examination of the organisation's disruption risks. The Handbook demonstrates that risk management and BCM are intrinsically linked as part of an effective risk management system.

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Foreword

Business Continuity Management—An Integral Part of Risk Management

Current thinking on business continuity recognises the importance of business continuity planning (BCP) and disaster recovery, but now places it as an essential aspect of sound risk management, corporate governance and quality management. Understanding of business continuity has evolved substantially from the historically narrow concepts of BCP in specialised areas, such as information technology, disaster recovery and crisis management, to a more holistic approach embracing all aspects of strategic and operational areas of an organisation.

Business continuity management (BCM) now includes the concepts of business resilience and long term performance. The outcomes of BCM today, and into the future, need to contribute a substantial benefit to the continuity of an organisation before a major disruption, as well as following the disruption.

BCM can assist organisations, regardless of size, to sustain good corporate governance; maintain their customer base, market share, reputation and public image; and assist market growth.

The key elements of BCM include:

- Understanding the overall context within which the organisation operates.
- Understanding what the organisation absolutely must achieve (the critical objectives).
- Understanding what barriers or interruptions may be faced in trying to achieve these critical objectives.
- Understanding the probable outcome of controls and other mitigation strategies (remaining residual risk).
- Understanding how the organisation can continue to achieve these objectives should interruptions occur.
- Understanding the criteria or triggers for implementing crisis and emergency response, continuity response and recovery response procedures.
- Ensuring that all staff understand their roles and responsibilities when a major disruption occurs.
- Ensuring that there is a clear understanding throughout the organisation of what accountabilities and responsibilities are in place when emergency, continuity and recovery response are in effect, and that currency is maintained.
- Building consensus and commitment to the requirements, implementation and deployment of business continuity integrated as part of the routine way ‘we do business’.

The terms ‘corporate governance’, ‘risk management’, and ‘business continuity management’ are, by their very nature, broad concepts.

They comprise many different elements, and may be defined differently by individual organisations. This Handbook and the Risk Management Standard (AS/NZS 4360:2004) together provide consistency in respect of BCM and risk management and in the definitions used for BCM and risk management.

The principles of good corporate governance require that an organisation undertakes appropriate risk management practices including effective business continuity management. In turn, the establishment of effective business continuity management requires the use of well founded risk management processes. At the same time, effective risk management and business continuity management at the strategic level will dictate the establishment of an appropriate corporate governance framework.

This Handbook highlights that BCM is a necessary inclusion in the business planning and management cycles throughout an organisation and an integral part of the risk management process.

The key outcome of any BCM process should be to identify what is the minimum level of acceptable performance of the organisation and what infrastructure and resources are required to achieve and sustain it. Obviously a major benefit of a well conducted BCM approach should be to place the organisation in a more resilient position than previously.

1 What is business continuity management?

1.1 Introduction

There have been many events, such as corporate collapses, acts of terrorism, war and natural disasters that have demonstrated the dramatic negative consequences that can suddenly befall any community or organisation, large or small. Many organisations, not even directly associated with these events, suffered severe disruption to their operations and financial hardship as a result of collateral effects such as continuity of supply or retraction of a traditional customer base. There have been profound negative impacts on employees, their families and the wider community within which such organisations operate. The true extent of these human consequences is often unrecognised and commonly unaccounted for in the development of business continuity plans.

Many organisations weathered these storms, a few because of pure good luck, some because of the sheer hard work, dedication and expertise of highly skilled employees, and many because of pre-planning, preparation and preparedness.

Whatever names these organisations gave to their proactivity in this respect, they were all endeavouring to maintain the continuity of key parts of their organisation. Some will have achieved this through significant use of resources and ad hoc processes; others will have had in place more formal planning and management processes.

A term, now in common use globally, Business Continuity Management (BCM), describes these integrated planning and management processes. This broad term incorporates practices that have more traditionally gone under such terms as continuity, contingency and disaster recovery planning into an organisation-wide activity. However, business continuity management goes beyond the traditional (and often isolated) process of just writing a continuity or recovery plan. Today's view on business continuity management:

- is about managing risk;
- is a powerful force for business sustainability; and
- provides for business success.