



Business Continuity Guide





Resources:

[The Business Continuity Institute](#)

[RISCAuthority](#)

[UK Government](#)

Contents

Introduction	3
Risk Analysis	4
Frequently asked questions	5
A simple guide to Business Continuity Planning	6
Step One: Basic Emergency Procedures	7
Step Two: Define your disasters and assess your risks	8
Step Three: Focusing on the important, undertaking a business impact analysis	9
Step Four: Secure your business, bit by bit	10
Step Five: Writing your own business continuity plan	15
Step Six: Test the plan	16
Step seven: Regularly update the plan	17



Introduction



Douglas Barnett
Director,
Mid-Market and Customer Risk Management
AXA Insurance

The first two decades of the 21st century have firmly established the importance of having a business continuity strategy. Events, including recessions, severe weather incidents, pandemics and global disruption to supply chains have increased the importance for maintaining business continuity capability.

In the event of a business suffering from an unexpected disaster, a robust business continuity plan can really make the difference between a company surviving or failing after the event. We continuously have to re-appraise our plans to cover new and unexpected disruptions.

As one of the largest insurers of businesses in the UK, AXA knows all too well the disasters that can affect businesses – driven by issues ranging from fire, flood, crime, to computer failure and legislation.

We've seen first hand the long-term effect of business disaster – as a high proportion of businesses affected by a major incident either never re-open or close within two years.

It's essential that you have a Business Continuity Plan in place and your employees are aware of it. A continuity plan fits in with your business so it need not take a lot of time to complete. We've produced this guide to help you write your own continuity plan.



Risk Analysis

Businesses are operating in a world full of risk and uncertainty, yet the identification and management of risk is still often poorly understood. Most companies will survive if they ensure risk management is central to their business ethos and updated regularly, in line with their business plan and mission.

Any number of incidents can bring businesses grinding to a halt, and simply getting back up and running isn't where it ends.

For this reason, when planning for serious incidents like fire and flood it's critical to look beyond the basics. Effective Business Continuity Planning should look at every possible impact on the business, from cyber risks, stock losses, impaired transport, communication links to damaged customer relationships and reputational damage.

For businesses, the impact of the potential risks mentioned is likely to be more destructive as the majority operate in specialised markets and any short interruption to normal business can have a disproportionate effect – totally halting output and letting customers down. In addition, it's more difficult to absorb the financial impact of business interruption, making it hard to recover even after returning to normal operations.

The impact of potential risks should be considered across all business functions, to assess the impact of foreseeable events.

AXA understands that many businesses don't have easy access to basic information about Business Continuity Planning. We've addressed the most frequently asked questions on the next page.



Frequently asked questions

What is Business Continuity Planning?

Put simply, business continuity is about anticipating the crises that could affect a business, and planning for those crises, making sure that the business can continue to function in the event of an emergency.

Disaster recovery plans traditionally focus on the IT recovery of the business such as data backup systems, storage systems, and hot sites. A Business Continuity Plan will address all the requirements essential to keeping the business running and includes processes to keep disruption to customers and employees to a minimum. In short, it's about ensuring that a crisis is managed effectively before it escalates to a disaster.

What is a Business Continuity Plan?

A Business Continuity Plan sets out clear roles and responsibilities, for example those assigned to manage all liaison with customers, employees and the emergency services.

It lists a series of contingencies that enable key business activities to continue in the most difficult circumstances, for example when a vital computer system or other equipment is unavailable.

Importantly, it also details clear emergency procedures to ensure that the safety of employees is a top priority. Because it requires an assessment of all critical areas of a firm, Business Continuity Planning is a valuable management tool.

Why should firms care about Business Continuity Planning?

Business success is as much about protection as growth. In an uncertain world, that means creating a business with the flexibility to prosper in changing conditions and strong enough to survive should a disaster strike. The ability to withstand serious incidents like flooding and fire, and quickly re-open for 'business as usual' is critical.

There's also the commercial benefit to consider, as companies with Business Continuity Plans are more attractive to do business with. For example, large businesses that rely on the outsourced services of third parties will prefer to work with suppliers who have a Business Continuity Plan in place.

How does Business Continuity Planning differ from a disaster recovery plan?

Disaster recovery plans traditionally focus on the IT recovery of the business such as data backup systems, storage systems, and hot sites.

A Business Continuity Plan will address all the requirements essential to keeping the business running and includes processes to keep disruption to customers and employees to a minimum. In short, it's about ensuring that a crisis is managed effectively before it escalates to a disaster.



A simple guide to successful Business Continuity Planning

Spending time developing a Business Continuity Plan will not only increase the likelihood of your company's survival following a crisis or business interruption, but will also ensure the safety and protection of your biggest asset, your people.

The main objective of the plan is to recover all business critical processes and minimise the impact for your employees, customers and your reputation.

Implementing a plan is essential to every business, but many don't know where to start. It requires careful preparation and planning. Appointing a business continuity project manager, who will ensure that a Business Continuity Plan is created, developed and maintained is the best approach.

The business continuity project manager's role is to ensure all the steps outlined in this guide are followed and the plan is updated on a regular basis.



Step one: Basic emergency procedures

Before you begin work on a Business Continuity Plan check that you have in place the following emergency procedures.

Please note: these are all part of essential Health and Safety Legislation and are a legal requirement for any UK business.



It's essential that all businesses have and follow basic emergency procedures to ensure safety at all times:

- Make certain your employees understand the evacuation procedures
- Make sure your employees really know what to do if a fire breaks out
- Ensure your employees know what to do if a colleague is injured
- The key to a sound emergency procedure is clear process, clear roles and responsibilities and employee awareness. A clear evacuation process should be in place, with team members from each department given responsibility for ensuring a smooth and orderly process.

All employees must receive training on your emergency procedures, with regular updates and refresher courses. It's also important that your workforce know where to access a 'guidelines and procedures' document to ensure that they are always fully aware of what's expected of them.



Step two: Define your disasters and assess your risks

It's vital to remember that a disaster could happen to any company – no matter the business size, be it a multinational company or a small business. Before looking at risks in individual areas of the business, it's important to determine what would constitute a disaster. In simple terms, a disaster is an incident that has serious consequences for the business.

Common business disasters include:

- Fire
- Flooding
- Utilities failure
- IT/telecom's failure
- Key equipment failure
- People issues such as illness, resignations, etc.
- Denial of access to the premises
- Product defects
- Bomb/terrorism threat
- Legal/regulatory action

It's critical that you understand the disruptions that would be disastrous for the running of your business when writing your plan. Take the time to identify all the risks your business faces and then rank them in order of likelihood and importance.





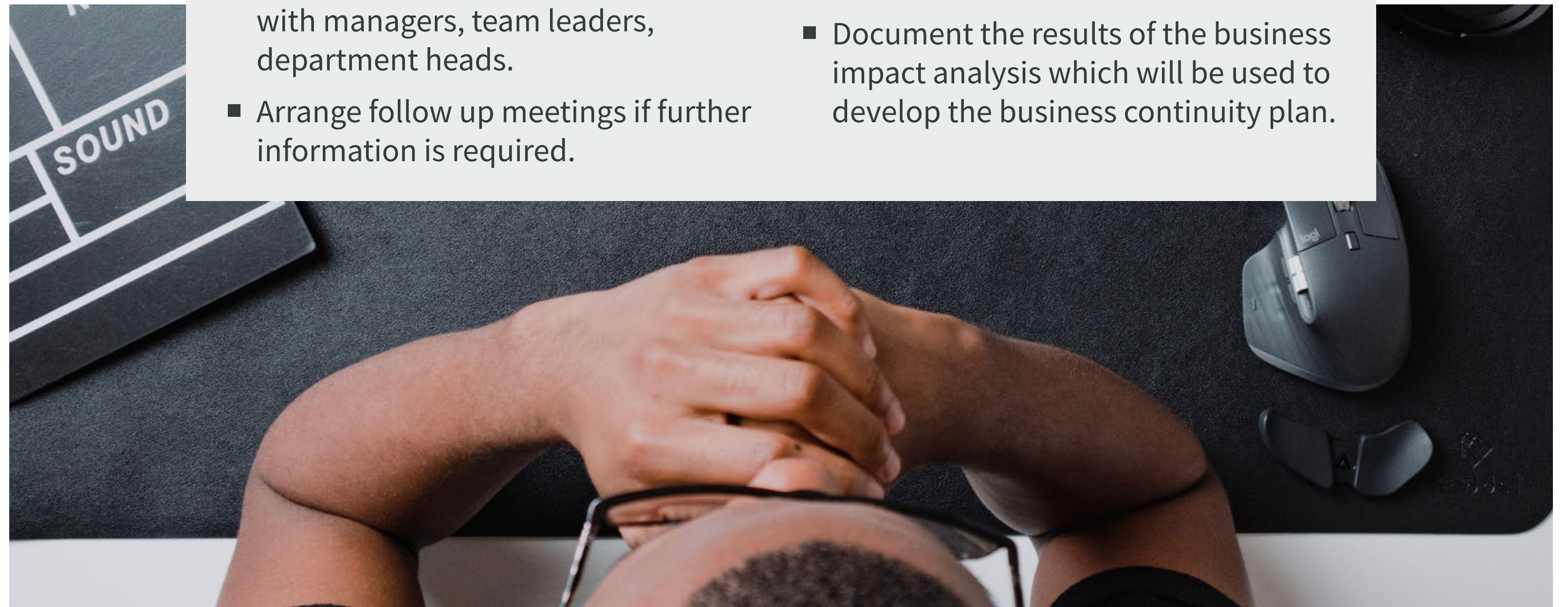
Step three: Focusing on the important, undertaking a business impact analysis

Business Impact Analysis (BIA) is a key function of the continuity management, which helps a business to understand its key products and services and the supporting activities and resources which are required to maintain them.

The BIA process helps to identify, quantify and qualify the impacts a loss, interruption or disruption would have on business. As part of this step a business should assess at what point the interruption would become intolerable to the business and to prioritise which activities need immediate recovery and which can wait. There are various methods employed to undertake the BIA, however it's important that key personnel are involved.

The basic BIA structure may be as follows:

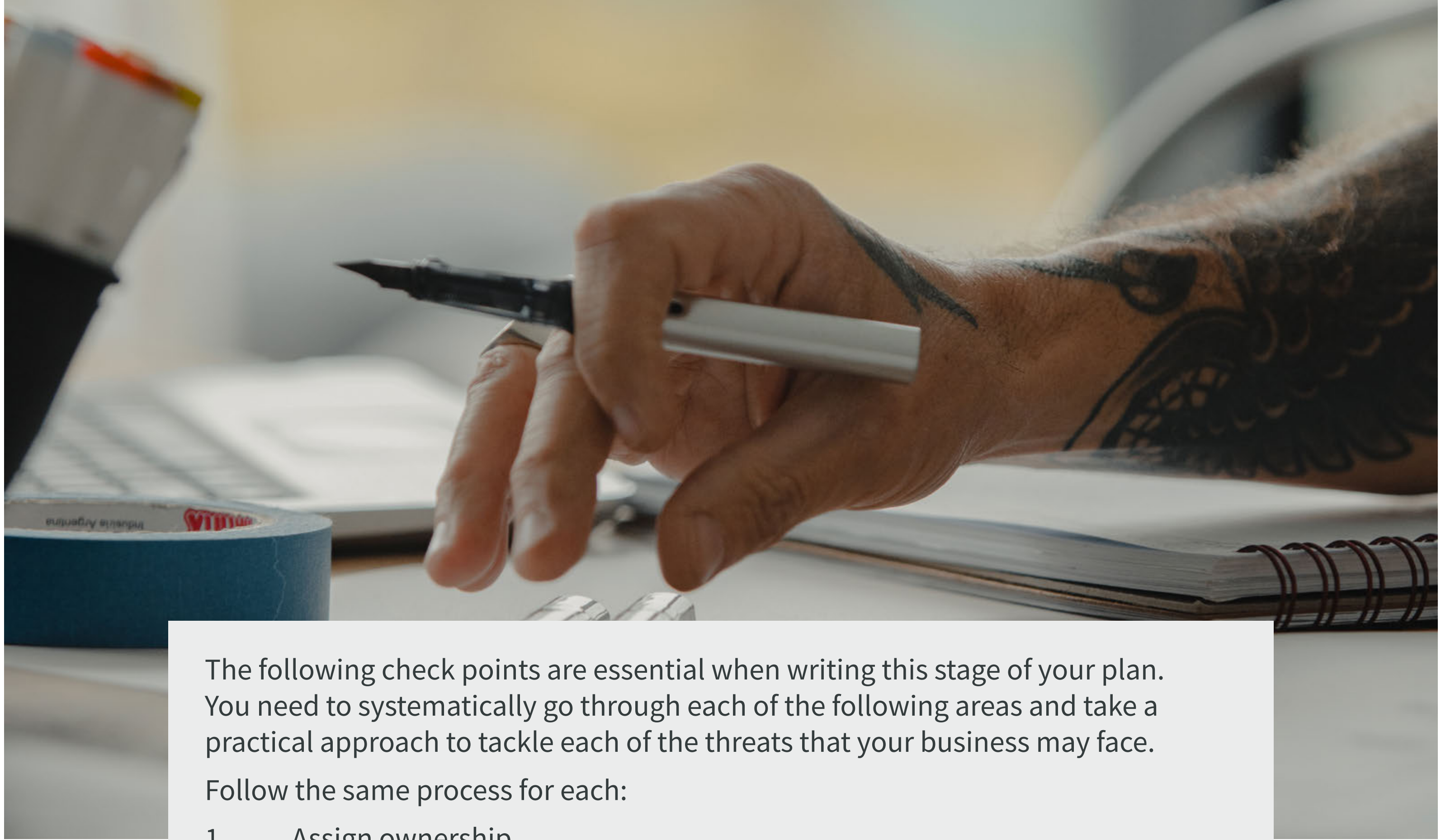
- Develop a questionnaire or undertake staff interviews with managers, team leaders, department heads.
- Arrange follow up meetings if further information is required.
- Review the information provided and critically review the findings.
- Document the results of the business impact analysis which will be used to develop the business continuity plan.





Step four: Secure your business, bit by bit

Thoroughly assessing the disasters that could threaten your firm will give you a clear idea of the business areas that are most important to secure. Usually, these will be the areas on which your business relies the most, and which are exposed to the greatest degree of risk. This is the most important part of your plan.



The following check points are essential when writing this stage of your plan. You need to systematically go through each of the following areas and take a practical approach to tackle each of the threats that your business may face.

Follow the same process for each:

1. Assign ownership
2. Identify threats and resources
3. Develop contingency plans and policies.



Premises and key equipment

Clearly, your premises are fundamental to your business.



But have you ever considered the long-term impact that damage to or destruction of your premises would have on your business? The same applies to business critical machinery. If a vital piece of equipment is destroyed, damaged or stolen, what impact would it have on your business? Ask yourselves the following questions:

- Would you be able to inform your employees and customers of disruption to the business?
- What would happen to customer orders due during the time that your premises were closed?
- Would you be able to make alternative arrangements for regular orders, to keep loyal customers happy?
- Are you able to sub-contract any manufacturing or services to maintain continuity?
- Can you easily source key equipment/machinery/plant, either new or pre-owned, and what would the timescale be for replacement?
- Could you easily relocate to an alternative site, in house or using third party or temporary accommodation?



People

The loss of key people and injury to employees is a risk that many businesses overlook. In the end, the success of any company is determined by the skills of its people.

Your people are your most valuable asset.

Think about how your business would cope in these situations:

- If three members of your team went to work for your major competitor, how would your business survive?
- Are there provisions in place for post incident counselling in your work place?
- When was the last time you reviewed health and safety procedures in your work place?

From product development to production, sales, marketing, finance and management, every company can identify a set of key people without whom its operations would be severely disrupted.

- Key people – Identify people that are critical to the immediate operation of the business and work hard to reward, challenge and protect them

- Skill sharing – Make sure that specialist skills are not held by just one person. Develop understudies and teams of specialists so people can step into specialist roles at least temporarily should the need arise
- Keep an eye on local competitors – If they're recruiting, make sure your people in relevant positions are happy
- Assess workplace risks – Identify employees that are exposed to particular risk of injury and ensure they are equipped with and use relevant safety equipment and procedures. Ensure that all employees are aware of workplace hazards and follow good safety practice.



IT/Telecoms

These days, most businesses rely on computers to some extent. Some companies may only use them for accounting and email, but others base their entire business on them. Telephone systems are equally important.

The chances are that most companies would soon find themselves facing a disaster if a computer or telecom failure wasn't properly planned for and managed. For example, if your computer or telephone systems were unavailable for three days, would you be ready? Ask yourself the following:

- Would your business still function?
- Would you be able to contact your customers?
- Would it hold up production?
- What alternative arrangements would you be able to make and how long would it take?
- What could you do to make certain you have access to vital data, even if your computer system were destroyed?

If your computer systems are stolen:

- Could sensitive information fall into the wrong hands?
- What would happen if your competitor got hold of sensitive information?
- Are your computer security systems robust?



The environment

The experience of recent years has clearly illustrated the impact that natural disasters can have on business. Increasing incidents of flooding across the UK has affected thousands of firms, putting many out of business.

Climate change is likely to have other impacts on business. Increased green taxes could have a significant impact on heavy manufacturers. For example water shortages and rising bills could put pressure on a wide range of firms:

- Would your business survive a serious flood?
- How would electrical circuits, computer systems, stock and machinery be affected? (Consider especially vulnerabilities where equipment s in basements)
- How long would it take to recover from a flood?
- How would you keep customers happy and pay your employees in the meantime?
- Some businesses were out of action for over twelve months following flooding in 2007. Would your creditors be patient for that long?
- Are you up to date with environmental legislation that could affect your business and increase costs over the next few years

Businesses should familiarise themselves with changing EU legislation which will affect employers now and in the future.



Step five: Writing your own Business Continuity Plan

A Business Continuity Plan will ensure you are prepared for the worst situation that would keep your business from being operational. The plan only needs to include the business processes that are most critical to keeping your company running.

Here's a checklist of items to include in any Business Continuity Plan.

- Business continuity project manager's name and contact details
- Structured management team that will make the key decisions
- Contact details to enable the team to be brought together
- Nominated control centre as a meeting point
- Identification of business critical processes
- Details of how a recovery would be phased
- Telephone divert arrangements
- Emergency contact number for employees to obtain the latest information
- Resource requirements (people, work area, IT, telecommunications)
- Details of recovery resources
- Contacts for internal and external agencies committed to supporting the recovery efforts
- Address of the recovery site
- Contents and storage location of a disaster pack
- List of key customers, suppliers, third parties and their contact details
- Comprehensive team cascade list
- Details of the vital records' store containing backup computer data and any critical paper records held off-site
- Network diagrams and other technical information
- Precautions to be taken in the event of an incident.



Step six: Test the plan

Once the plan has been agreed it should be communicated to your team/teams.

This will expose any flaws in the plan and will also ensure all the roles and responsibilities are understood.

It's worth completing a test simulation of the plan to ensure its smooth running if the time comes to use it.





Step seven: Regularly update the plan

Review the plan at least every six months. Check to see that the plan includes correct contact details for the recovery site, vital records, suppliers and the team.



Distribute the plan to all people assigned responsibility and advise them to keep copies off site. You can also use your team meetings to remind all employees of the process to follow.

The Business Continuity Plan will ensure you are prepared for the worst situation that would keep your business from being operational. Review the plan at least every six months. Check to see the plan includes all the correct contact details for employees, suppliers etc.



Start now

The essential safety net for any organisation is a Business Continuity Plan. Investing the time and energy in the short-term will benefit your business in the long run.

The message is simple – it's never too early to take steps to assess your business risks and set the internal recovery procedure. Make your plan as detailed as your business needs it to be and take the time to communicate this with your team. Regularly review the plan in tune with the changing needs of your company. A well thought out

Business Continuity Plan will adapt to any incident or crisis for your company. This guide is written to help you do exactly what your business needs, to be ready to recover at any time



Business Continuity Guide