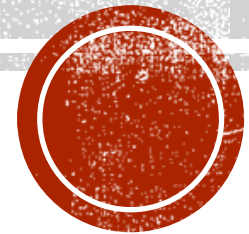


# BUSINESS CONTINUITY PLAN — UNIT III

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# BUSINESS CONTINUITY PLANNING

## What is BCP ?

Business continuity planning (BCP) is the process involved in creating a system of prevention and recovery from potential threats to a company. The plan ensures that personnel and assets are protected and are able to function quickly in the event of a disaster. The BCP is generally conceived in advance and involves input from key stakeholders and personnel.

## What it does ?

BCP involves defining any and all risks that can affect the company's operations, making it an important part of the organization's risk management strategy. Risks may include natural disasters—fire, flood, or weather-related events—and cyber-attacks.

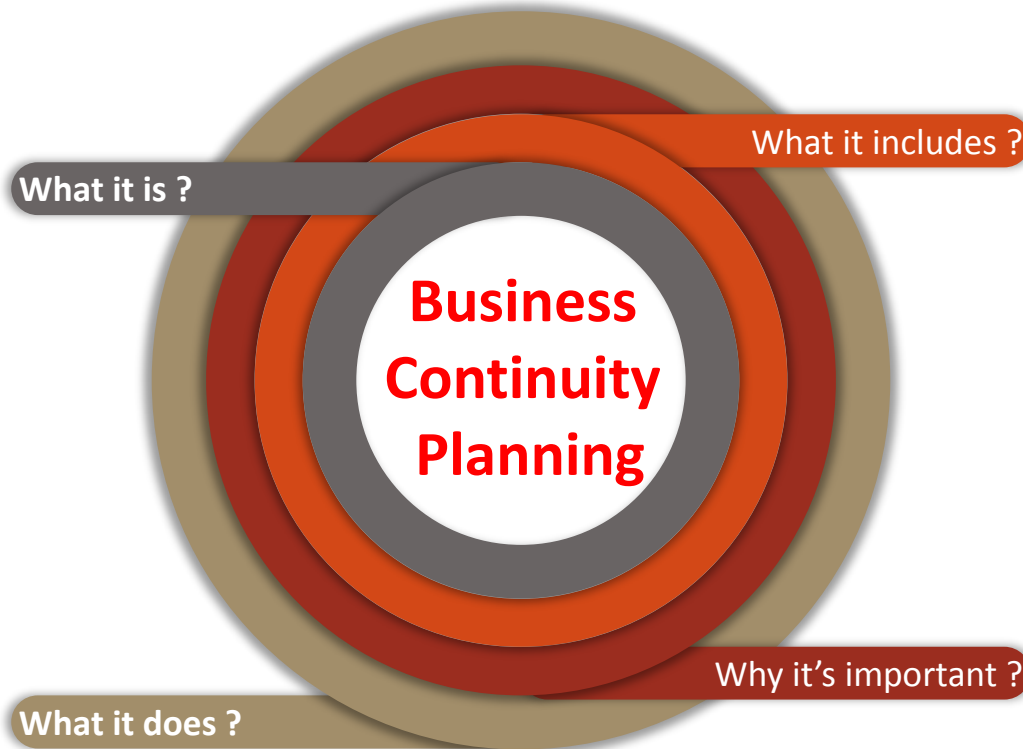
## What it includes ?

Once the risks are identified, the plan should include:

- Determining how those risks will affect operations
- Implementing safeguards and procedures to mitigate the risks
- Testing procedures to ensure they work
- Reviewing the process to make sure that it is up to date

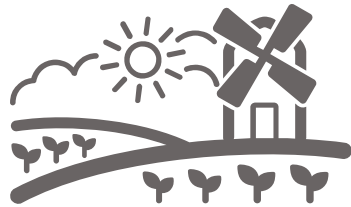
## Why it's important ?

BCPs are an important part of any business. Threats and disruptions mean a loss of revenue and higher costs, which leads to a drop in profitability. And businesses can't rely on insurance alone because it doesn't cover all the costs and the customers who move to the competition.



# KEY TAKEAWAYS

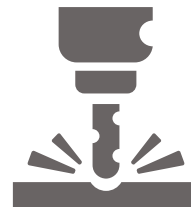
1st



Business continuity planning (BCP) is the process a company undergoes to create a prevention and recovery system from potential threats such as natural disasters or cyber-attacks.



2nd



Business continuity planning (BCP) is designed to protect personnel and assets and make sure they can function quickly when disaster strikes.



3rd



Business continuity planning (BCP) should be tested to ensure there are no weaknesses, which can be identified and corrected.



# WHY MAKE A BUSINESS CONTINUITY PLAN

## Possible to work in remote locations

In the event that your office can't be used because of disaster, you'll know how to keep key business functions running by thinking ahead about how employees or key personnel can continue working from remote locations. You may also have a certain place ready to be used as your temporary office if needed.

## Downtime can be lessened

When disaster strikes it can stop your business operations immediately. Without a business continuity plan, you have to figure out what to do next the moment it happens. However, if you have an existing plan in place, you can immediately start to execute what needs to be done so that you get your business up and running in no time. Time means money in every business and that's why it's important not to waste any time unnecessarily.

## Continue to provide for your customers

If your business operations stop, your customers may start trying out other products or services from other companies. They may forget about you if they don't feel your presence. Since a successful BCP will keep you up and running, you'll be able to keep hold of your loyal customers and even continue to make new ones, especially if your competitors do not have a business continuity plan and are afflicted with adverse circumstances too.



# BENEFITS OF BUSINESS CONTINUITY PLAN

## Protect Organization's Reputation



The public will almost certainly be impressed if you can respond quickly and efficiently following a disruption. This will mitigate any negative sentiments that will accompany the loss of productivity.

## Boost Employees' Morale



If the system is well managed, everyone in the organisation will be accounted for, which will prove to employees that management has considered their needs.

## Build Relationship with third parties and subsidiaries



An effective BCP demonstrates that the organisation is being run well from top to bottom, which will encourage anyone that you work with. It shows that you are a reliable partner that has taken into account its responsibilities to

## Help Meet Regulatory Requirements



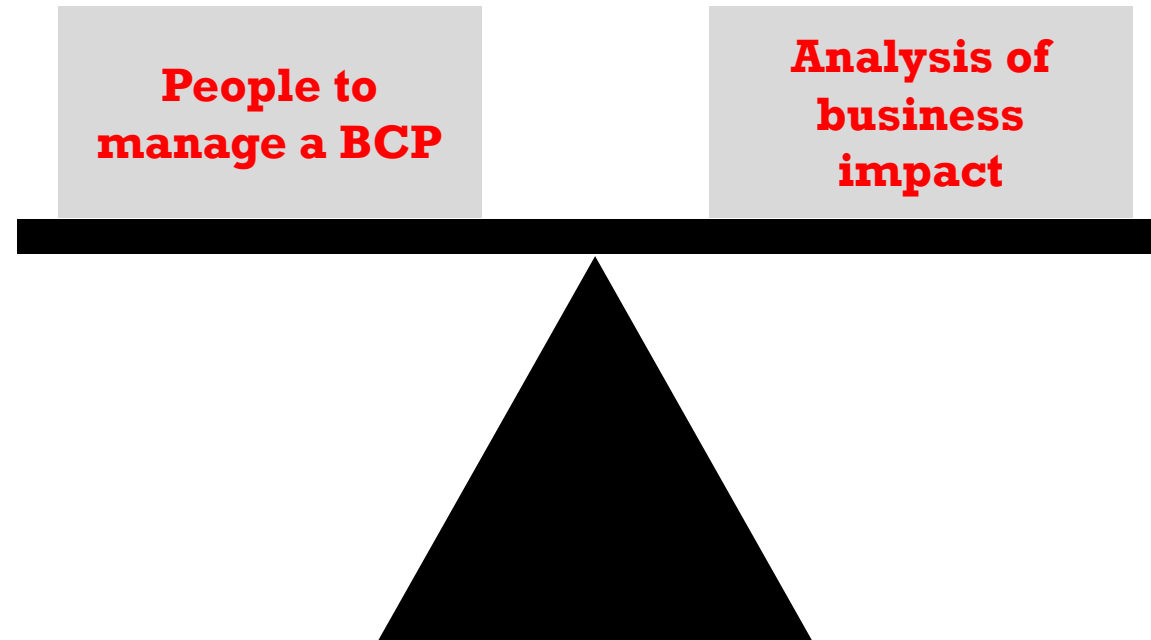
A growing body of legislation requires businesses in essential areas to implement effective business continuity arrangements. Globally, corporate governance regulations require directors to “exercise reasonable care, skill and diligence” to mitigate risks facing the organisation.



# FACTORS TO CONSIDER WHEN CREATING A BCP



As with any project or program, there should be a committee to take over the management of the business continuity process. This is unlikely to be achieved by a single person. It is best being a collaborative effort, where people have specific roles such as appointing an executive sponsor that takes care of funds and coordinators who oversee the overall process.



You need to determine which products and services are the most important to your business operations. Ranking your products according to how critical their impact to your business is will help you determine which products to prioritize during the recovery phase. With this in mind, you can prevent bigger losses and maximize the efficiency of your recovery process



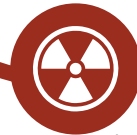
# STEPS FOR DEVELOPING A BUSINESS CONTINUITY PLAN

Here, the business will identify functions and related resources that are time-sensitive.



Step 2  
Recovery

In this portion, the business must identify and implement steps to recover critical business functions.



A continuity team must be created. This team will devise a plan to manage the disruption.

Step 3  
Organization



Step 4  
Training

The continuity team must be trained and tested. Members of the team should also complete exercises that go over the plan and strategies.





# STEPS FOR DEVELOPING A BUSINESS CONTINUITY PLAN (CONT.)

- Companies may also find it useful to come up with a checklist that includes key details such as emergency contact information, a list of resources the continuity team may need, where backup data and other required information are housed or stored, and other important personnel.
- Along with testing the continuity team, the company should also test the BCP itself. It should be tested several times to ensure it can be applied to many different risk scenarios. This will help identify any weaknesses in the plan which can then be identified and corrected.
- In order for a business continuity plan to be successful, all employees—even those who aren't on the continuity team—must be aware of the plan.





### i) What it is ?

Business impact analysis is a tool to help plan for the inevitability of consequences and their cost. It's another arrow in the quiver to battle risk. Risk is always on the horizon and the better equipped businesses are to discern and prepare for them, the more likely they'll be able to continue doing business in the future.

### iv) Assumptions in Business Impact Area Analysis

- I. Every component of the organization is dependent on the continued operations or functioning of all the other components.
- II. Some components of the organization are more crucial than others, and are likely to require larger fund allocation if and when a possible loss scenario takes place.

### ii) What it Addresses ?

Business impact Area analysis is analysing the operational and financial impacts of a disruption of business functions and processes. These include everything from lost sales and income, delayed sales or income, increased expenses, regulatory fines, contractual penalties, to a loss of customers or their dissatisfaction and a delay of new business plans..

### iii) Why it is Important ?

The reason that every business should include a business impact area analysis is that it's a part of any thorough plan to minimize risk. All businesses can be disrupted by accidents and emergencies. These can include a failure of suppliers, labour disputes, utility failures, cyber-attacks, not to mention natural or man-made disasters. The current Covid-19 Economic disruption is one such scenario

## Business Impact Area Analysis



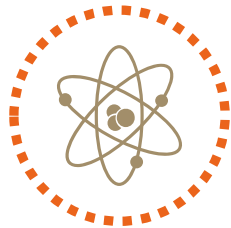
# STRATEGIC MANAGEMENT

## What it is ?



Strategic management is the management of an organization's resources to achieve its goals and objectives. Strategic management involves setting objectives, analysing the competitive environment, analysing the internal organization, evaluating strategies, and ensuring that management rolls out the strategies across the organization.

## Key Takeaways



- i) Organizations can use strategic management as a way to make goals and meet objectives.
- ii) Flexible companies may find it easier to make changes to their structure and plans, while inflexible companies may chafe at a changing environment.
- iii) A strategic manager may oversee strategic management plans and devise ways for organizations to meet their benchmark goals.

## Relevance in Indian Context



New Start-ups in India set clear goals on regarding their business plan and kind of customers they want to serve. With the plethora of market segments available in a vibrant economy, it is easy to get confused. A clear-cut strategy helps organizations stay out of the confused state.



# HOW TO DEVELOP A BUSINESS CONTINUITY STRATEGY

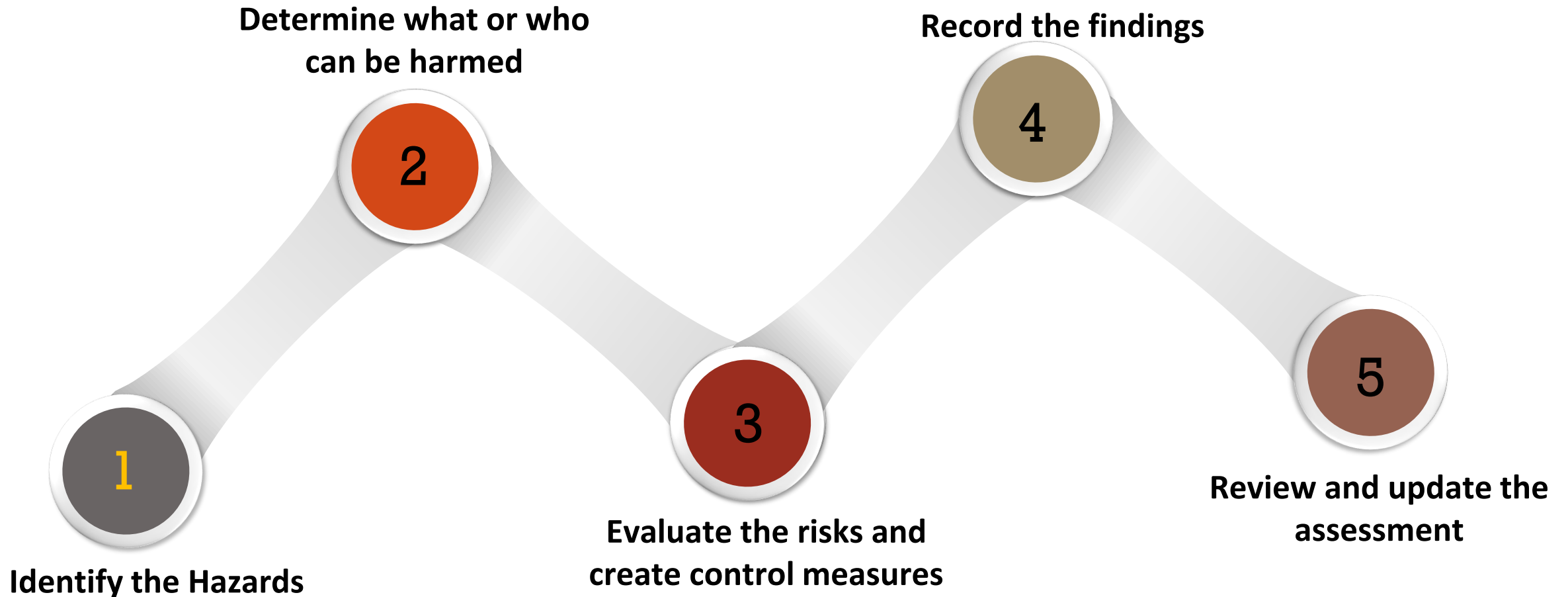


# BUSINESS CONTINUITY POLICY

- A business continuity policy is the set of standards and guidelines an organization enforces to ensure resilience and proper risk management. Business continuity policies vary by organization and industry and require periodic updates as technologies evolve and business risks change.
- The goal of a business continuity policy is to document what is needed to keep an organization running on ordinary business days as well as times of emergency. When the policy is well-defined and clearly adhered to, the company can set realistic expectations for business continuity and disaster recovery processes. This policy can also be used to determine what went wrong so the problems can be addressed. Ultimately, a business continuity policy is created and enforced at the organization's discretion, following its industry and compliance requirements.
- While business continuity policies are different for every company, they all include basic components. Key components of business continuity policy include staffing, metrics and standard requirements.



# IMPORTANT POLICY CONSIDERATIONS



# BUSINESS CONTINGENCY PLAN

- A business contingency plan is a course of action that your organization would take if an unexpected event or situation occurs. Sometimes a contingency can be positive—such as a surprise influx of money—but most often the term refers to a negative event that affects an organization's reputation, financial health or ability to stay in business. These include a fire, flood, data breach, major network failure and more.
- Contingency plans are an important part of your overall business continuity strategy because they help ensure your organization is ready for anything. Many large businesses and government organizations create multiple sets of contingency plans so that a variety of potential threats are well-researched and their appropriate responses are fully practiced before a crisis hits.
- Think of contingency planning as a proactive strategy, whereas crisis management—the other piece of the business continuity puzzle—is more of a reactive strategy. A contingency plan helps to ensure you are prepared for what may come; a crisis management plan empowers you to manage the response after the incident occurs.



# HOW TO CREATE A BUSINESS CONTINGENCY PLAN

Identify and  
prioritize resources

Identify the Key  
Risks

Draft a  
Contingency Plan

Share the Plan

Revisit the Plan

1

Research your company and list its crucial resources, such as teams, tools, facilities, etc., then prioritize that list from most important to least important.

2

Figure out where you're vulnerable by meeting with teams, executives and every other department in the organization to get a full picture of what events could compromise your resources; hire an outside consultant, if necessary.

3

Write a contingency plan for each risk that you identified in the above steps, but start with what's most critical to the life of your organization. As time permits you can create a plan for everything on your list.

4

When you've written the contingency plan and it's been approved, the next step is to make sure everyone in the organization has a copy. A contingency plan, no matter how thorough, is not effective if it hasn't been properly communicated.

5

A contingency plan isn't chiselled in stone. It must be revisited, revised and maintained to reflect changes. As new employees, technologies and resources enter the picture, the contingency plan must be updated to handle them.





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