

# Coping with a major business disruption

Some practical advice

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## What is business continuity?

Business continuity management identifies risks to a business and sets out a framework for a business to follow during an incident or event, which protects the business from excessive disruption.

## Why is business continuity important?

Making business continuity part of the way you run your business, helps prepare you to offer 'business as usual' in the quickest possible time, rather than being delayed by the impacts of an emergency. Having a tried and tested plan in place will help protect your business against the impacts of a natural or man-made disaster, such as:

- Fire
- Adverse publicity
- Loss of key personnel
- Loss or denial of access to your premises
- Floods and severe weather
- Computer failure or loss of data
- Theft
- Bomb threat
- Technical or environmental failure
- Power failure
- Product contamination
- Failure of critical suppliers

Any of these could result in any one or more of the following:

- A complete failure of your business
- Loss of income
- Loss of reputation and or loss of customers
- Financial, legal and regulatory penalties
- Human resource issues
- An impact on insurance payments

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Your business continuity plan could involve:

- Moving to another part of the office or building
- Moving to another location
- Staff giving up their work areas
- Working from home

Therefore, it is just as important that small companies, as well as large corporations, ensure that in the event of a disruption to normal business, critical services are maintained to a minimum acceptable level and employees understand what is expected of them. This is to ensure that the business survives the disruption and that an organised and effective `return to normality` is conducted.

## What is the business continuity process?

Key concepts of the business continuity process are:

- Understand your business and key business objectives
- Identify key activities and staff working within those areas
- Identify service areas / business activities or processes where any failure (e.g. of equipment suppliers, etc) would lead to a major business interruption
- Identify the potential threats
- Assess all internal and external risks
- Calculate the impact of those risks
- Plan to reduce the likelihood or reduce the impact of identified risks/threats
- Exercise the plan and train your staff
- Audit the results and review the plan regularly

## A simple process to follow...

1. **Understanding your business**
2. **Assess the risks**
3. **Prepare your plan**
4. **Test your plan**

### 1. Understanding your business

To develop a business continuity plan, you need to have a thorough understanding of your business. This involves identifying the critical functions of your business, the effect of those functions being disrupted and the priority for recovery of those functions. This process is commonly known as a business impact analysis.

### 2. Assess the risks

Next you will need to identify a list of all known risks or hazards which may threaten your business. By determining the likelihood of the hazard occurring, then calculating the impact that hazard would have on your business, it is possible to rate the risks which will help inform what you need to do with them. This process is determining how much risk your business is willing to accept and is often referred to as your 'risk appetite'.

#### **The choices are to...**

**Accept the risk:** You may decide that you are happy to 'live with' the risk, as the cost of implementing any risk reduction strategies may outweigh the benefits.

#### **Alternatively, you may decide to...**

**Treat the risk:** You may want to treat the risk i.e. take steps to reduce the impact or reduce the likelihood ('Possible Mitigation') because the risk is too great for your business.

It is not possible to mitigate against all risks, this is why a plan is required.

## 3. Prepare your plan

Having completed the main information gathering exercises it is now time to develop a simple plan of action that may be appropriate when an emergency occurs. This plan should enable you to continue each of your priority services and it should also contain specific actions for different types of risk to your business.

## 4. Test your plan

It is important that, once your plan is written, you test the procedures you have put in place. Before a plan can be tested, staff need to be familiar with the content of the plan and their role in the response and recovery. This can be done by reading through the plan together and discussing how you would apply it to a fictional scenario.

When you are confident that your staff understand the plan and their part in it, you should test the plan by acting out a scenario; this is called an emergency exercise.

The Business Continuity Institute has developed the following life cycle...

- Understanding your business
- BCM strategies
- Developing a BCM response
- Developing a BCM culture
- Exercising, maintenance and audit



## Where can I get further information?

For further details on emergency management in Cardiff...

EVAC Cardiff: <http://www.evaccardiff.co.uk/>

### **Or Contact Us**

Address: Cardiff Emergency Management Unit  
Room 151  
City Hall  
Cardiff  
CF10 3ND

Email: [emergencymanagement@cardiff.gov.uk](mailto:emergencymanagement@cardiff.gov.uk)

Web: <http://www.cardiff.gov.uk/evaccardiff/>

Tel: 02920 871838