THE NEED FOR A BUSINESS CONTINUITY PLAN

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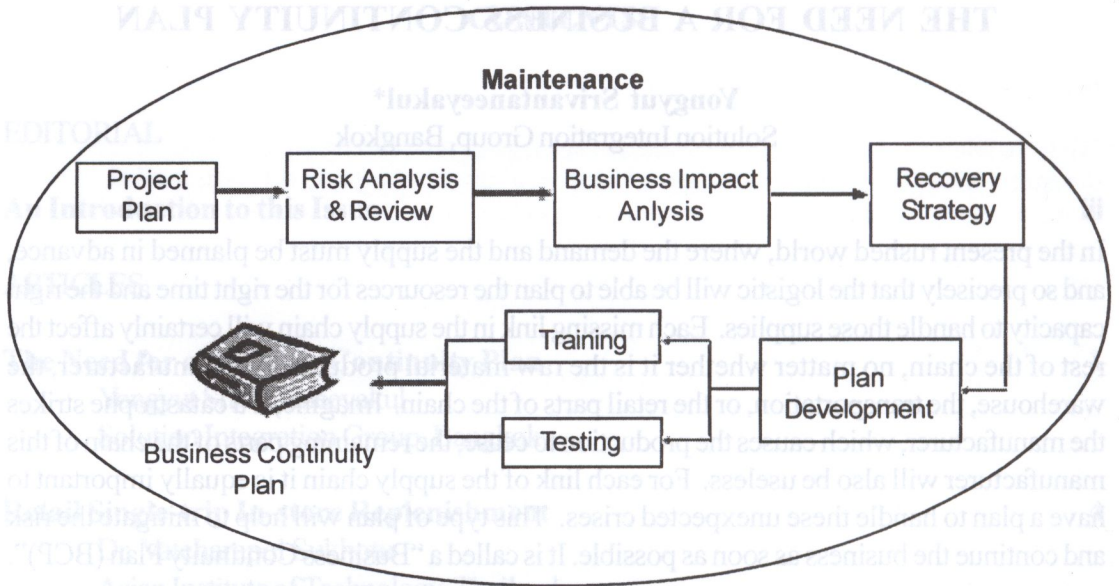Solution Integration Group, Bangkok

In the present rushed world, where the demand and the supply must be planned in advance, and so precisely that the logistic will be able to plan the resources for the right time and the right capacity to handle those supplies. Each missing link in the supply chain will certainly affect the rest of the chain, no matter whether it is the raw material producer, the manufacturer, the warehouse, the transportation, or the retail parts of the chain. Imagine, if a catastrophe strikes the manufacturer, which causes the production to cease, the remaining parts of the chain of this manufacturer will also be useless. For each link of the supply chain it is equally important to have a plan to handle these unexpected crises. This type of plan will help to mitigate the risk and continue the business as soon as possible. It is called a "Business Continuity Plan (BCP)".

In Wikipedia, the BCP definition is 'a plan which identifies the organization's exposure to internal and external threats, and synthesizes hard and soft assets, to provide effective prevention and recovery for the organization, whilst maintaining competitive advantage and value system integrity'. For easier understanding, the meaning is already in the name itself. It is a plan that a company has developed for the purpose of handling a crisis situation and being able to continue the business again as soon as possible. Normally, to develop this plan will take around 6-12 months; a larger organization might take longer.

The team to develop this plan will involve all business units of the organization and must be fully supported by the top management. Most organization will assign this responsibility to the IT Department alone, but actually BCP needs to involve all the critical function business units of the company. Another main failure of the plan is when top management perceive the plan as just a document for compliance, or a waste of budget, and not as the last survival kit of the company; when such a plan is finished, it will be unrealistic and inapplicable.

The methodology to develop BCP varies between 5 to 8 steps, depending on the organisation or institution, but all variations have more less similar objectives. For this article, 8 steps will be examined in making a BCP. The 8 steps are shown in the following diagram.

Maintenance

Project Plan → Risk Analysis & Review → Business Impact Anlysis → Recovery Strategy

Training

Testing

Plan Development

Business Continuity Plan

1. Project Plan: (Top Management must be highly involved during the kick-off)
   A. Appoint BCP project team members
   B. Project initiation and kick-off meeting
   C. Review related documents, including evacuation plans
   D. Develop BCP framework and policy document

2. Risk Analysis (RA): (make sure the type of risks in the plan are clearly presented to the Senior Management)
   A. Prepare and conduct RA and Business Impact Analysis (BIA) workshop
   B. Conduct risk analysis (RA) and collate findings
   C. Prepare and present RA report to senior management

3. Business Impact Analysis (BIA): (This is the most difficult and time-taking process)
   A. Conduct BIA reviews, interviews, and collate findings
   B. Prepare and present BIA report to senior management

4. Recovery Strategy:
   A. Prepare and conduct a recovery strategy (RS), plan a development and testing workshop
   B. Develop continuity and recovery strategies
   C. Prepare and present RS report to senior management

5. Plan Development:
   A. Develop BCP plans - corporate, and business units
   B. Evaluate corporate and business BCP Procedures and processes
   C. Prepare and present BCP plan to senior management

6. Training:
   A. Conduct BCP table-top exercise
   B. Collate BCP table-top exercise observations

7. Testing: (very important for the Recovery Time Objective)
   A. Develop test plan for table-top BCP exercises
   B. Prepare and present BCP test plan to senior management

8. Maintenance Plan:
   A. Prepare and present exercise report to senior management
   B. Revise the plan to solve the problems which occurred during the test
   C. Review process 3,4,5 for the next test

Research shows that 90% of companies that lose their data in a disaster are out of business within 2 years (http://www.webhostingtalk.com/archive/index.php/t-517697.html). Imagine that you do not have your customer names and addresses, contact persons, business transactions records, and/or other vital records; it would be very difficult to run your Demand Forecast, Warehouse Management, and Transportation Systems. Everything would have to be back to basics, using paper, pencil and calculator.

Though BCP is very important for the company to survive after a disaster, only a few companies in Thailand have developed a plan, and most are in Banking, Insurance, Finance, and Large Retail. The Manufacturing Sector still pays very little attention to the development of this type of plan. But as I have mentioned above, every link in the whole chain is equally important, so if one of the links in the supply chain fails, the whole chain will also be meaningless. It's time we start to Plan now!