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Is a BCM Capability Enough for Developing a Resilient Organisation?

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Is a BCM capability enough for developing a resilient organisation?

BC professionals know that many benefits can be delivered as a result of implementing a BC programme including the finding of single points of failure, the identification of duplicated business processes, and even obsolete software packages that are still being supported. However, most other people in the organisation are only really interested in the BC capability when faced with a disruption. It can be a lonely task being a BC manager and a frequent question from delegates attending course at the Emergency Planning College is 'how am I doing?' When we are immersed in the process of embedding BCM into the organisation it can be difficult to measure how much progress is being made; there is always more to do!

Of course one could go down the accreditation process by engaging a UKAS registered body and achieve certification against ISO 22301:2012. Alternatively, they might get hold of the standard and complete an internal audit. There is now also the halfway house; an Independent Internal Review (IIR) offered by the Cabinet Office Emergency Planning College.

This article addresses three main areas. Firstly I will look at what makes a robust business continuity management system (BCMS) and describe some of the emerging findings after conducting IIRs since 2010. Secondly, I want to distinguish between measuring organisational resilience by aligning to a standard and developing an individual's BCM competence to do their specified role. The latter will involve a brief discussion about BC professional being certified by the Business Continuity Institute (BCI).

Finally, I want to address the question about where does BCM start and finish and what is its relationship to other disciplines such as risk management, crisis management, Health & Safety management, security management and environmental management which together make up a resilience organisation. I will argue that developing a BCM capability is a necessary, but not necessarily a sufficient requirement of a resilient organisation. But let's start by reviewing an auditing process to see if one of your resilient capabilities, your BCM system, is fit for purpose.

The Independent Internal Review (IIR)

The IIR is a review of an organisation's Business Continuity arrangements against the ISO22301:2012. This international standard defines two key capabilities that a resilient organisation is required to develop; **Incident Management** arrangements which detail how the organisation would manage a disruption and **Business Continuity Management** which is the process for identifying the business critical activities to be maintained in the event of a disruption.

Usually an IIR takes between three and five days to complete, depending on the size and complexity of the organisation's business continuity management system (BCMS). The Review follows three stages:

1. What did the organisation say it was going to do? This is set out in the BCM Policy.
2. What is the organisation doing? This is where we look for evidence of a documented BIA process and BC plans that have been tested and reviewed.
3. Finally, what does the Standard require? This is set out in ISO22301:2012.

Following a number of BC audits of government departments a number of themes were identified which confirmed the need to consider the wider context in which a particular organisation develops its BCMS.

Emerging themes:

The IIR process sets out to affirm good practice and recognise and encourage BC professionals on their BCM journey. There is always room for improvement but there is also a place to recognise when the BCM building blocks have been put in place. Listed below are some of the generic issues identified following IIRs where improvements could be made; consider whether these issues might impact on your BC capability.

1. **Reliance on BlackBerry:** while very resilient, some organisations were dependent on a particular mobile telephony to communicate with key stakeholders in a major disruption; contact details were only stored in the BlackBerry and there was no 'plan B' if the system was lost.
2. **Competency of BC staff:** a significant number of BC practitioners had no formal training for their role. Training was often ad hoc rather than as part of a planned training strategy to maintain staff competence.
3. **The narrow focus of exercises:** Training is about developing competent staff; exercising is about ensuring the plan is fit for purpose. Most exercises seem to focus on the initial incident management rather than on how the organisation would maintain its critical activities in the event of a prolonged disruption.
4. **Terminology used:** undertaking the IIR across government departments has identified a range of descriptors for managing an incident. Some use Bronze, Silver and Gold; some add Super Gold or Platinum, others have levels one to five or vice versa. While this might be appropriate for managing a disruption faced by a single organisation, such varied terminology may be confusing if an inter-agency response is required.

5. **BC competing with other organisational requirements:** there are tensions that need to be managed by top management such as the tensions between the need for resilience (some redundancy in the system) and for economy (need to cut costs); between utility (must be able to access data remotely) and security (the data must be secure). One organisation had invested in secure lap-tops to improve their resilience. However, some staff left them in the office on 'health and safety' grounds as they felt they were too heavy!

Developing and maintaining competent staff

An effective business continuity capability requires the people involved in the arrangements to develop and maintain the required competence. In order to comply with business continuity management standards it is necessary to meet the requirement 3.2.4 in BS25999:-2007 or 7.2b in ISO22301:2012 that staff with a role in your business continuity arrangements are competent to fulfil their responsibilities. Incident management structures tend to follow the hierarchy of the organisation even though senior management skills can be quite different from incident management skills. This is an area where external consultants can really add value; having to critically assess the competence of senior managers to take on the role of an incident manager is challenging (and possible career limiting!) for an exercise director from within the organisation.

For BC professionals we now have the opportunity to be certified by the Business Continuity Institute (BCI). The current model of assessing BC knowledge is a two-hour examination consisting of 120 multiple choice questions based solely of the BCI's Good Practice Guidance (GPG) 2010. Some have suggested it is more of a memory test than evidence of your BCM Competence. However, a new GPG2013 is underdevelopment and the training course is being refreshed so it likely to remain the model for progression in BCM. After passing the exam you can apply for membership of the BCI if you also able to provide evidence of your experience as a BC professional. If you want to align to ISO22301:2012 you will need to demonstrate how you have provided appropriate levels of resources to enable your staff to develop and maintain their competence to perform their BCM roles. You also need meet the range of other requirements which is demonstrate how you 'plan, do, check, and act' each component of your BCMS.

Not long after I took up my responsibilities for Business Resilience in the Houses of Parliament I was asked by the Chair of the Audit Committee "Can you give us assurance that the place is resilient?" Having achieved the Certificate of Alignment I was able to give assurance that we have the building blocks of resilience in place. The challenge now is to ensure compliance throughout the organisation.

But is compliance enough?

One way to think about this question is to consider the last time you walked into an organisation and saw their Investors in People award (IiP) proudly on display. Did your heart skip a beat as you thought about the excellent service you would receive? On an organisational level, compliance to a standard shows that you have satisfied the criteria at a particular moment in time. It does not mean that you will not have a business disruption. But having an audit trail that demonstrates you have followed industry best practice will mean you will have at least a defensible position when it comes to the inevitable inquiry following the incident.

You can use the same logic on an individual level. I remember writing out all my post-nominals for my curriculum vitae which included an MBA, BA (Hons), numerous diplomas and certificates as well as membership of various professional bodies. I thought it looked impressive until someone said “of course, qualifications do not necessarily equal competence to do the job”. To which someone else replied “That’s right...but it may equal employment!” The point is, being able to demonstrate that you have met certain criteria is a necessary, but not sufficient requirement for today’s business environment. Standards provide the framework for this journey but your organisation’s BCM capability needs to move from compliance to the standard to a culture of resilience.

Going forward

We found that organisations with a mature BCM capability tend to focus their efforts to embed BC in three areas;

- **Staff induction:** what do they need to know on day one of joining the organisation? BC is addressed as part of the staff induction process.
- **Staff development:** a training programme is in place for training individuals with particular roles in the BC capability.
- **Exit interviews:** the organisation captures the tacit knowledge of experienced staff before they leave the organisation.

Perhaps the key challenge for the organisations that have developed a BCM capability is to look beyond their own organisation in order to build real resilience. Many organisations stop at their own geographical boundaries rather than go down their supply chain or engage with other businesses around them to see what BC arrangements they have. The draft British Standard for Organisational Resilience BS45000 appears to be addressing this need.

Organizations now have to engage in a comprehensive and systematic process of anticipation, adaptation, prevention, protection, deterrence, readiness, mitigation, response and recovery. BS45000 seeks to describe organizational resilience (OR) and how it can be approached and achieved.

“Resilience promotes a more holistic view of the risks covering many related disciplines but remaining a subset of enterprise risk management, in that it does not cover financial-related risks (e.g. credit exposure, cash flow and non-payment), project risks, business opportunity, business risk (e.g. a poor business model, incompetent directors) and so on. It does cover all natural hazards, malicious and accidental damage, terrorist attack and so on. The purpose is to ensure that management take conscious and explicit decisions about where to invest resources in addressing their resilience as all too often investment follows a bad experience (e.g. a flood or a security breach) rather than where resources might be most effectively deployed to improve the organization's resilience”. P7 BS45000

BCM and other resilience capabilities

The development of a standard for OR then is rightly broadening the scope of resilience by emphasising the need to appreciate the context in which the organisation operates. I suggest that resilience is a capability informed by a variety of disciplines including the management of risk, security, environment, incidents, crisis, and business continuity.

It has been helpful to clarify where BCM and incident management stop and crisis management takes over. For example, I was once asked on training courses about how a business continuity plan would help if, as the Local Authority BC manager one was faced with a jumbo jet landing on the Town Hall...in the middle of six foot winter snowdrifts following the outbreak of pandemic influenza! With the development of standards we are moving away from a limited view of resilience that belongs to one particular discipline. I was able to distinguish between ‘what could have reasonably been foreseen’ and develop BC arrangements to manage the impacts of such disruptions, and what is essentially ‘complex, strategic, and unprecedented’ which takes into the related but different discipline of crisis management. As PAS 200:2011 points out ‘essentially, top managers champion, endorse and support BCM, but they tend to implement, lead and direct crisis management’ (page 6). We are now much more aware of the need to work flexible to integrate the benefits offered by different disciplines which is required in today’s ever-changing and complex world.

The good news is there are a lot of good practice initiatives out there. Senior managers interviewed as part of the IIR were able to describe their BC capability mapping how it was a few years ago, how it is now, and where they see it in the future. Initiatives such as the IIR can be seen as a milestone in their BC journey. We never quite get there so it is good to take stock, celebrate achievements along the way such as by gaining the EPC Certificate of Alignment and then plan for the next phase of a maturing BC capability which is integrated with the other disciplines that make an organisation resilient.

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