



**WE'RE OPEN FOR BUSINESS:
A PRACTICAL GUIDE FOR MSME BUSINESS CONTINUITY**

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Disaster Risk Reduction Centre
**Enhancing Knowledge
and Application of
Comprehensive
Disaster Management**
(EKACDM) Initiative

Introduction



Michael Bittle, MA, CCM, BCRP

- Managing Director of the Institute for Business Continuity Training (www.IBCT.com)
- Registrar of the National Institute for Business Continuity Management (www.NIBCM.org)
- Over 40 years experience in disaster management, business continuity, information technology, records management, financial management, organizational development, international affairs
- Awarded Honorary Life Member by
 - The International Emergency Management Society (www.TIEMS.org) and the
 - Disaster Recovery Information Exchange (www.DRIE-SWO.org)
- Email: mebittle@IBCT.com

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Housekeeping

Welcome

Fire Alarm & Exits

Restrooms

Hours, Breaks and Lunch, etc.

Cell Phones/Laptops/etc.

Survey

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AGENDA – Day One

- 8:30 Welcome**
- 8:45 - 9:15 Initial Thoughts about your Business**
- 9:15 – 9:45 Group Exercise**
- 9:45 - 10:15 Do you have a BCP?**
- 10:15 - 10:45 Working Break/Group Exercise**
- 10:45 - 12:00 Developing a BCP**
- 12:00 - 1:00 Working Lunch/Group Exercise**
- 1:00 - 1:30 Developing a BCP (cont'd)**
- 1:30 - 2:00 Group Exercise**
- 2:00 - 2:30 Developing a BCP (cont'd)**
- 2:30 - 3:00 Working Break / Group Exercise**
- 3:00 - 3:45 Developing a BCP (cont'd)**
- 3:45 - 4:15 Group Exercise**
- 4:30 Wrap-up – Challenges to the Survival of MSMEs**

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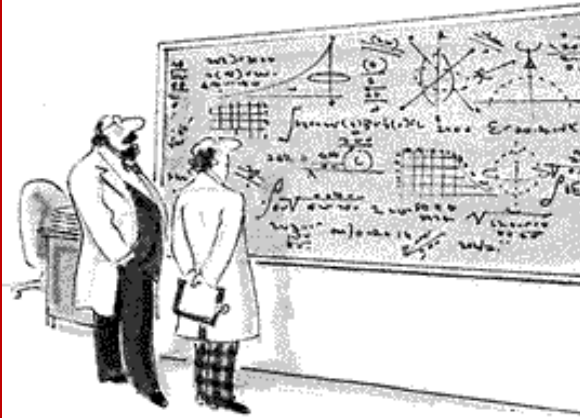
AGENDA – Day Two

- 8:30 Welcome**
- 8:45 - 10:15 Developing your BCP**
- 10:15 - 10:45 Working Break**
- 10:45 - 12:00 Developing your BCP**
- 12:00 - 1:00 Working Lunch**
- 1:00 - 2:30 Developing your BCP**
- 2:30 - 3:00 Working Break**
- 3:00 - 4:30 Developing your BCP**
- 4:30 Wrap-up**

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Initial Thoughts about your Business



Ah, if only it were so simple!

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Initial Thoughts about your Business

What is your business worth to you?

- What revenue would you lose if you were out of business for 12 weeks?
- What expenses would you still have to pay if you were out of business for 12 weeks?
- How many of your customers would patiently wait until you were back in business?

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Initial Thoughts about your Business

Employees

- Do you have employees/staff working for you?
 - Do you know how to contact them if your cellphone is not working?
 - Do they know how to contact you?
 - What would happen to them if your business was shut down for 12 weeks?
 - Is their work very general or specialized?
 - Would they be easy to replace if they went to work elsewhere?
 - Have you considered how to make their jobs or workplace more safe?

Initial Thoughts about your Business

Supply Chain

- Do you know if your key suppliers have any potential problems in keeping you supplied?
 - what would happen if they could not supply the goods and services you need to keep operating?
 - where else could you get what you need? e.g. can you quickly source supplies from another business?
 - do you need specialized equipment or a service that is essential to the business? e.g. do you need access to courier services, data storage, off-site file storage?
 - do your utility suppliers have a business continuity plan? (fuel, gas, electricity, water)

Initial Thoughts about your Business

Finances

- Do you have an alternate source of income?
 - Could you work in an alternate business if your business had to shut down for a while or if you had to stop drawing an income from the business?

Insurance

- Do you have personal health insurance?
- Do you have business interruption insurance?
 - Does it cover disruption to the supply chain?
- For a farm, do you have crop insurance?

Initial Thoughts about your Business

What is your "Plan B"?

- How flexible is your business?
 - Could you easily move it to another location?
- Do you have back-up arrangements in place for key resources?
 - (IT systems, communication systems, contractors, power supply etc.)
- Which parts of your business are needed to keep it running?
 - Which parts of your business could be "put on hold" for a while?

Working Break/Group Exercise

➤ Break into groups and discuss the following. Then choose a spokesperson to provide a summary.

- 1) How long could you shut down your business without serious consequences?
- 2) What are your key business resources (staff, tools, equipment, business files, etc) that determine the success or failure of your business?
- 3) Have you taken any steps to protect these resources?
- 4) Who are your major clients and suppliers? What would you do if they went out of business?

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Do you have a
Business
Continuity
Plan?



WHILE YOU WERE IN THE BUILDING, DID YOU COME ACROSS A BIG BINDER TITLED "BUSINESS CONTINUITY PLAN"?

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Do you Have a Business Continuity Plan?

Of course not!

- We don't have the resources – a BCP costs too much and is a luxury we cannot afford
- We're too small – we won't be affected
- Our head office is overseas - they handle all that stuff
- Our business is founded on excellence – we don't have to worry about disasters
- We don't have disasters here – those things only happen to others
- We're safe - our location/geography protects us
- We can't plan for a disaster – disasters are unpredictable so we're prepared to take the risk
- We survived a disaster before – we will just do the same thing as last time
- What is a Business Continuity Plan?

What is a Business Continuity Plan?

A Business Continuity Plan

is a set of documented and tested procedures to ensure that a business does not experience unacceptable interruptions in any of its key business activities even in the event of a critical disruptive incident (disaster)

- no matter what -

Why is Business Continuity Important?

- **Micro, Small and Medium Size Enterprises (MSMEs) account for more than 50% of all regional businesses in the Caribbean, and more than 50% of Gross Domestic Product.**
- **Definitions: a Micro-Enterprise is generally considered to have fewer than 6 people working for it. A Small-Enterprise employs between 6 to 50 people and a Medium-Enterprise between 50 to 100 persons.**
- **Consumer demand for Caribbean products and services in tourism and agriculture is good and increasing – but these are based on the use of natural resources – this makes them highly vulnerable to natural disasters.**
- **Climate change is increasing the frequency and severity of natural disasters in the Caribbean. The 2017 hurricane season provides ample evidence of this.**

Why is Business Continuity Important?

- **Notwithstanding the importance of MSMEs to the Caribbean economy, MSMEs are particularly vulnerable to natural and man-made disasters.**
- **MSMEs face greater short-term losses after natural disasters and are more vulnerable than larger businesses, and are particularly susceptible to damage to production and supply chain disruption.**
- **MSMEs traditionally have very poor access to resources – finance, insurance, technology, information.**
- **Government support agencies do not effectively address the needs of MSMEs, particularly rural agricultural micro-enterprises.**

Why is Business Continuity Important?

- Most MSME owners **live and work** in the same community: this presents a double jeopardy.
- Rural **agricultural MSMEs** are critical for community livelihoods – particularly poverty alleviation and food security.
- MSMEs are particularly important for vulnerable groups such as **women and youth** – they are particularly over-represented working in economic sectors such as **tourism and agriculture** and account for over half of the 200 million people affected annually by natural disasters.

Why is Business Continuity Important?

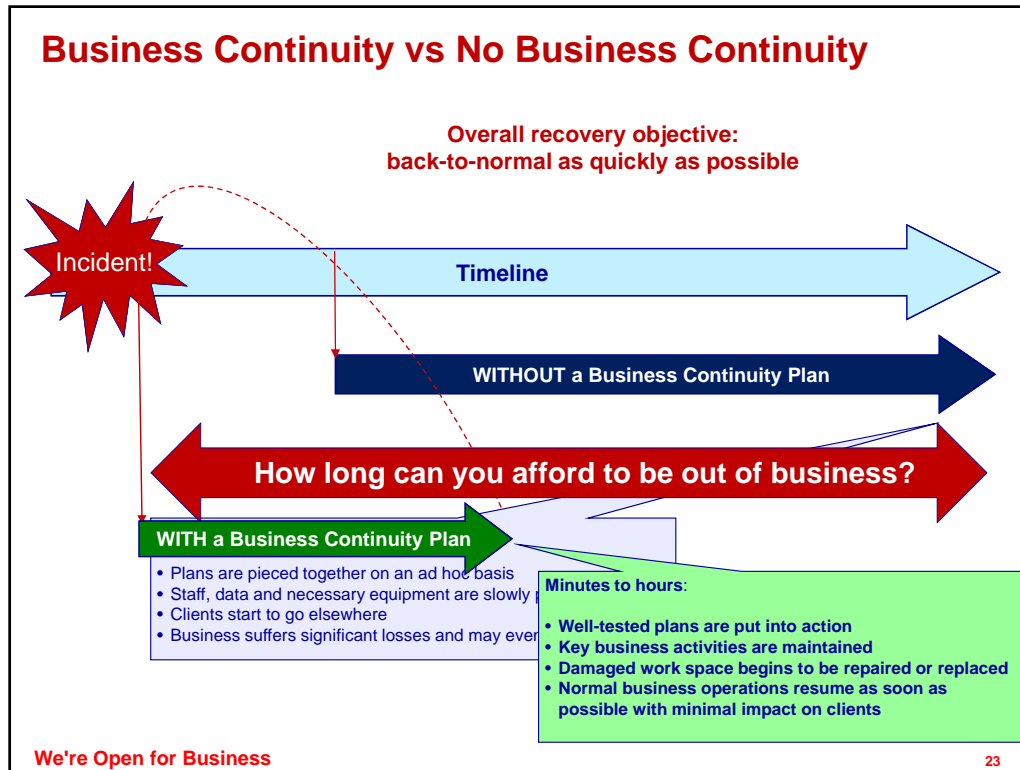
- On average, **1 out of 5 businesses** experiences a critical incident every year.
- **60% of Businesses** do not fully recover after a Business Interruption of 3 months or more.
- MSME business owners have a **higher probability** of being impacted by a disaster.
- MSME business owners have **fewer recovery resources** and a lower ability to absorb losses.

Why is Business Continuity Important?

- A Business Continuity Plan (BCP) is a preventive measure that can build business resiliency before a disaster occurs
- Most MSMEs do not have a Business Continuity Plan
 - entrepreneurial culture
 - limited resources for 'non-productive' investments
 - limited or no knowledge of business continuity
 - limited or no knowledge of IT recovery.

Why is Business Continuity Important?

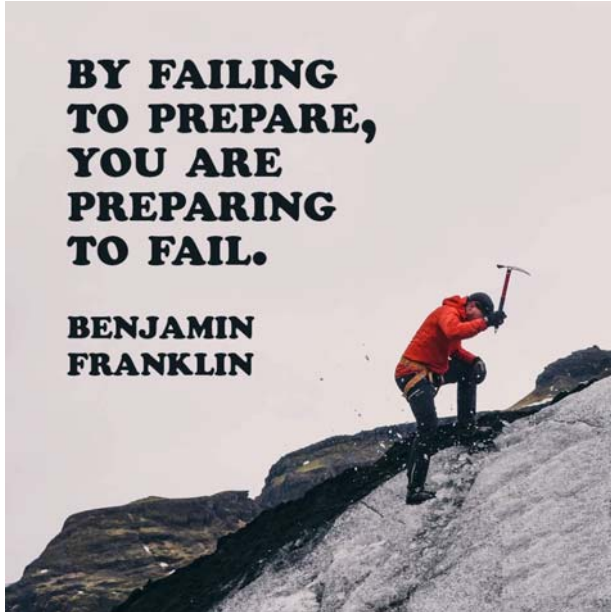
- A BCP can help ensure an MSME's survival following a disaster.
- A BCP can minimize business revenue losses and downtime and be inexpensive or cost neutral to produce.
- A BCP can improve efficiency and reduce costs – in producing a BCP, an MSME can review its facilities/systems and make them more effective.
- A BCP can boost staff morale by making jobs more secure



Why is Business Continuity Important?

**BY FAILING
TO PREPARE,
YOU ARE
PREPARING
TO FAIL.**

**BENJAMIN
FRANKLIN**



If your business is not prepared to respond to a critical incident, you are actually **preparing** for your business to fail.

A BCP is the **solution** for protecting your business during a critical incident.

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Why is Business Continuity Important?

Heightened Threats:

Since 9/11, everyone knows that now even the unimaginable is possible

SARS outbreaks in China, Hong Kong and Canada raised the spectre of widespread employee illness or quarantine; H1N1 caused international concern

Major power blackouts in the US and Canada, Italy, and elsewhere have demonstrated the fragility of critical infrastructures



The catastrophic earthquake and tsunami in Japan in 2011, and recent Hurricanes Harvey, Irma and Maria have more than amply demonstrated the power of Mother Nature

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Developing a Business Continuity Plan



What does the flashing red light mean?

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Developing a Business Continuity Plan

- In 2012, a new international standard for business continuity management, **ISO 22301 - Societal security - Business continuity Management Systems** – was released by the International Standards Organization.
- This BCM standard is intended to be applicable to all organizations, regardless of **type, size or nature** of the organization.
- It promotes a gender-neutral approach to BCM, in that its focus is on the **impact analysis of business disruptions** on key business activities, such as the loss of key staff, resources or technology, and the identification of strategies to enhance the resiliency of an organization.

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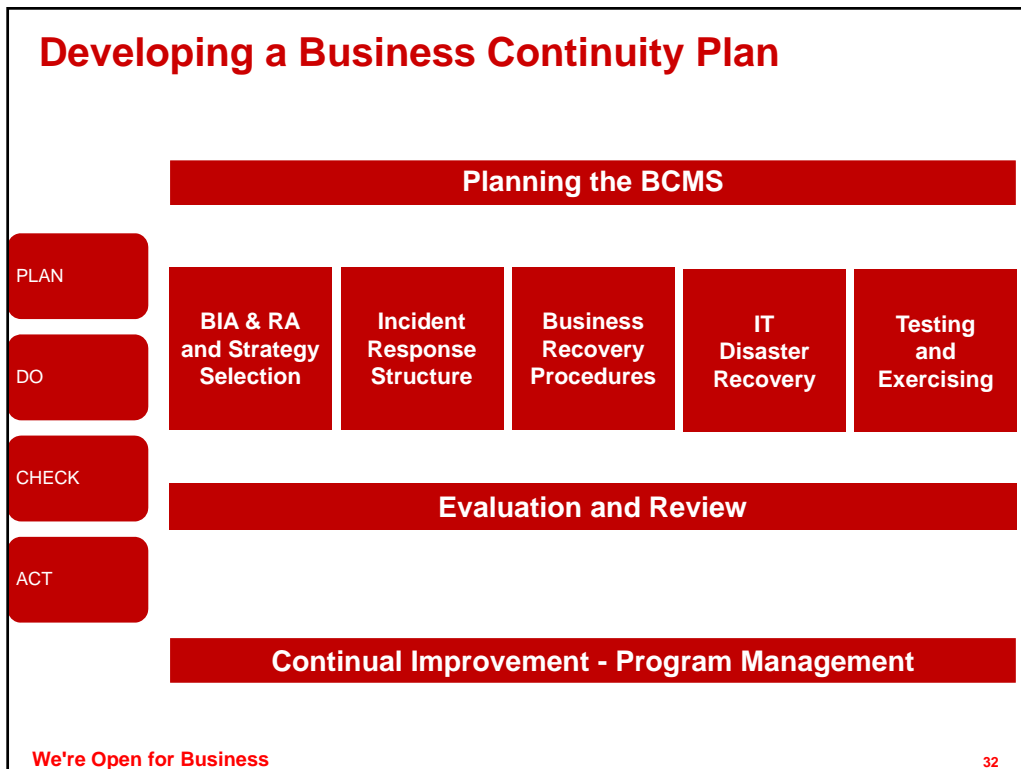
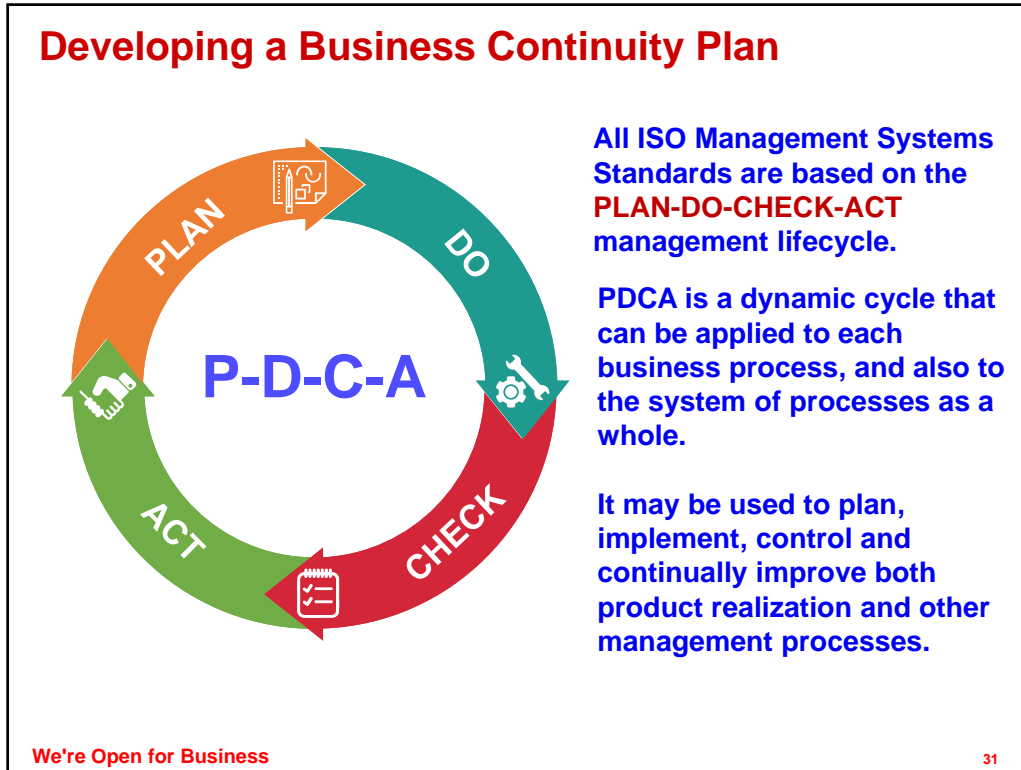
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Developing a Business Continuity Plan

- Every BCP has four main objectives:
 - protect your **PEOPLE** – your staff, your customers, and other visitors to your business premises
 - protect your **PROPERTY** – your business premises, your equipment, your assets
 - protect your **PROFITS** – your finances, your operations, your relationships with your staff, your clients and your suppliers
 - protect your **PROSPERITY** – your business reputation, your relationships with key stakeholders, such as your bank, your investors, your insurance company – your long-term business survival
- Every business needs to clearly define its own purpose in developing a BC program; this will help determine its priorities when identifying **KEY BUSINESS ACTIVITIES** and when creating strategies to protect its key products or services.

Developing a Business Continuity Plan

- A basic understanding of the tools and techniques of business continuity management **utilizing a gender-neutral approach** would enable an **MSME** to **mitigate against business risk factors** consistent with climate change and extreme weather situations, such as hurricanes or earthquakes.
- In addition, a properly developed Business Continuity Plan would assist an **MSME** in situations of **staff shortages, equipment failures, technological challenges, and supply chain issues** independent of environmental threats such as fire, flood, wind etc.
- When employees are properly trained in **business resiliency**, the spill over effect often means staff are more confident and competent dealing with issues affecting **community resiliency** in general.



Developing a Business Continuity Plan

Planning the BCMS

PLAN

DO

CHECK

ACT

Initiate an on-going BC program:

- Purpose and Scope
- Leadership: Top Management Support
- Business Risk Appetite
- Staff Competencies

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Developing a Business Continuity Plan

- **ISO 22301 identifies 4 key areas that need to be addressed at the very start of the BC program:**
 - 1) **Establish the scope of the business continuity management system – what will be covered by the BC Plan**
 - 2) **Demonstrate top management support for the BC Plan by providing leadership and adequate resources**
 - 3) **Appoint competent people to implement and maintain the BCP**
 - 4) **Identify risks to the implementation of the BCMS**

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Developing a Business Continuity Plan

1) SCOPE

- Rarely does a Business Continuity Plan protect all aspects of a business. Typically, a BCP is intended to ensure that your **KEY BUSINESS ACTIVITIES** will not suffer **UNACCEPTABLE** losses.
 - What aspects of your business are the most important – to you, to your employees, to your major clients, etc.?
 - Will your BCP cover all aspects of your business, or will it focus on certain locations, or certain products, or certain activities?
 - The scope of your BCP will play a significant role when looking at your Business Impact Analysis and Risk Assessment.
- Creating a BCP that will keep your business running under every contingency is the main purpose of a BC Plan; creating a good-looking document that will just sit on a bookshelf is not.

Developing a Business Continuity Plan

2) LEADERSHIP

- Leadership means taking initiative in developing your BCP.
 - If you are a sole proprietor, this means taking the time to work on your BCP even though you could be doing something else.
 - If you have staff working for you, it means showing them you are committed to creating a BCP that will work, and work well.
- Strong leadership by top management is always very important in any business that wants to achieve its objectives.

Developing a Business Continuity Plan

3) COMPETENCIES

- If your business is large enough that BCP is delegated to someone else, that person must have the **dedication and enthusiasm** to do the job well, and must be given the necessary authority, training, support and resources necessary for them to carry out this role.
- If a critical incident occurs at your place of business, it will affect **ALL of your staff**. A BC Plan, no matter how well thought-out or documented, will be useless without people who know how to put it into action.
- It is therefore equally important that **all your employees** are fully aware of the BCP framework and understand their involvement in this program.

Developing a Business Continuity Plan

4) BUSINESS RISK

Risk refers to potential incidents which could disrupt operations and these are evaluated based on criticality and probability

The *probability (likelihood that an incident will occur)*, *frequency (how often an incident occurs)*, and the *severity (impact of incident)* are factors that weigh heavily in Risk Management

Typically, risk assessments determine that the most probable / frequent threats are less severe and that the most severe threats have lower probabilities and occur less often.

Business Risk

Risk Management is often described as “planning for the unknown”

This is a misconception –
 most of the planning we do
 is for *predictable* events



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Business Risk

We may not know *when*,
 we may not know *how*,

but we usually know *what*
can happen and the
potential consequences



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Business Risk

- Every business has to take some risks and avoid others.
- Risk appetite can be defined as ‘the amount and type of risk that a business is willing to take in order to meet its strategic objectives’.
- A business will have different risk appetites depending on their sector, culture and objectives. A range of appetites exist for different risks and these may change over time.

Understanding and Treating Risks

A business needs to evaluate all forms of risk they might face, including:

- **Strategic risks** are those that can affect the strategic direction of the business.
- **Financial risks** are those that can affect the business in terms of its financial viability.
- **Operational risks** are those that affect the business operations.
- **Hazard risks** arise from property, liability, or personnel loss exposures and are generally the subject of insurance.

Understanding and Treating Risks

1. Strategic Risks

Every successful business has a well-thought-out business plan. But **things change**, and your best-laid plans can sometimes come to look very outdated, very quickly.

This is strategic risk. It's **the risk that your company's strategy becomes less effective** and your company struggles to reach its goals as a result.

It could be due to technological changes, a powerful new competitor entering the market, shifts in customer demand, spikes in the costs of raw materials, or any number of other large-scale changes.

Understanding and Treating Risks

2. Financial Risk

Financial risk refers specifically to the money flowing in and out of your business, and the **possibility of a sudden financial loss**.

For example, if much of your revenue comes from a single large client, you have a significant financial risk. If that customer is unable to pay, or delays payment for whatever reason, then your business is in big trouble.

Having a lot of debt also increases your financial risk. If interest rates suddenly go up, and instead of paying 2% on the loan, you're now paying 5%? That's a big extra cost for your business, and so it's counted as a financial risk.

Understanding and Treating Risks

3. Operational Risk

Operational risk refers to an **unexpected failure in your company's day-to-day operations**. It could be a computer failure, or it could be caused by your people or procedures.

In some cases, operational risk has more than one cause. For example, consider the risk that one of your employees writes the wrong amount on a cheque, paying out \$100,000 instead of \$10,000 from your account.

That's a "people" failure, but also a "procedure" failure. It could have been prevented by having a more secure payment process, for example having a second member of staff authorize every major payment, or using an electronic system that would flag unusual amounts for review.

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Understanding and Treating Risks

4. Hazard Risk

Hazard risk stems from **events outside your control**, such as a natural disaster. Anything that interrupts your company's core operations comes under the category of Hazard risk.

This includes events that have the potential to cause fatalities, injuries, property damage, infrastructure damage, agricultural loss, damage to the environment, interruption of business, or other types of harm or loss.

Hazard risk can have a big impact on your company. Not only is there the cost of fixing the problem, but operational issues can also prevent customer orders from being delivered or make it impossible to contact you, resulting in a loss of revenue and damage to your reputation.

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Understanding and Treating Risks

Risk mitigation

Risk mitigation is defined as taking steps to reduce adverse effects. There are **four types of risk mitigation strategies** that are available, and it is important to develop a strategy that closely relates to and matches your business needs.

Risk Limitation	Risk Acceptance	Risk Avoidance	Risk Transfer
Change the activity, cease it altogether to eliminate the risk	Accept that the risk is intrinsic to activity – implement level of controls based upon risk appetite	Change the activity to reduce the likelihood and/or consequence of the resulting from the risk	Transfer the risk via contract, insurance or other means

Understanding and Treating Risks

1. Risk Limitation:

Risk limitation is the most common risk management strategy used by businesses. This strategy limits a company's exposure by taking some action.

It is a strategy employing a bit of risk acceptance along with a bit of risk avoidance or an average of both. An example of risk limitation would be a company accepting that a disk drive may fail and avoiding a long period of failure by having backups.

Understanding and Treating Risks

2. Risk Acceptance:

Risk acceptance does not reduce any effects however it is still considered a strategy. This strategy is a common option when the cost of other risk management options such as avoidance or limitation may outweigh the cost of the risk itself.

A business that doesn't want to spend a lot of money on avoiding risks that do not have a high possibility of occurring will use the risk acceptance strategy.

Understanding and Treating Risks

3. Risk Avoidance:

Risk avoidance is the opposite of risk acceptance. It is the action that avoids any exposure to the risk whatsoever.

Risk avoidance is usually the most expensive of all risk mitigation options.

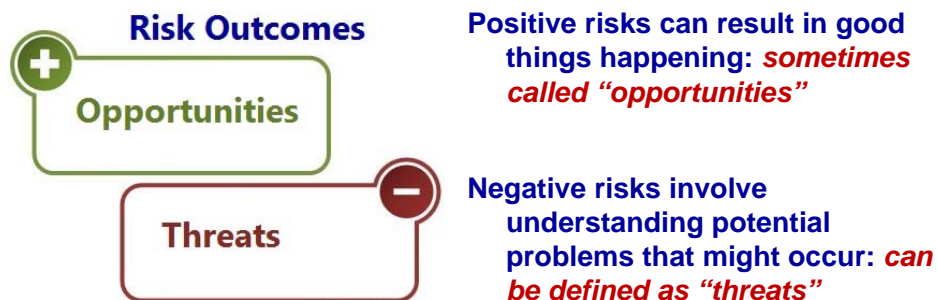
Understanding and Treating Risks

4. Risk Transfer:

Risk transfer is the involvement of handing risk off to a willing third party.

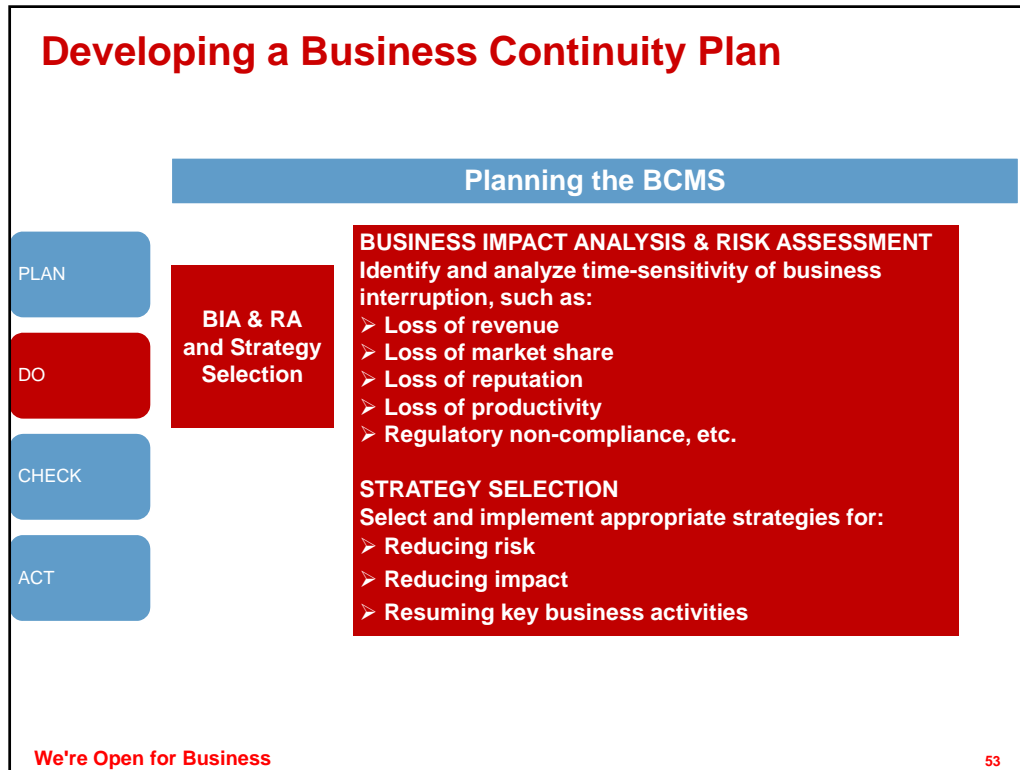
For example, numerous companies outsource certain operations such as customer service, payroll services, etc. This can be beneficial for a company if a transferred risk is not a core competency of that company. It can also be used so a company can focus more on their core competencies.

Business Risk



By treating the negative consequences of an incident, business continuity management can **create opportunities** for benefit and gain.

A business that responds positively to a disruptive event can position itself to **recover quickly** and improve its long term business performance



Developing a Business Continuity Plan

BUSINESS IMPACT ANALYSIS

- **The purpose of a BIA is to help you determine which products or services should be recovered as your first priority when a critical incident disrupts your business. These are called your “key business activities”.**
- **For a small business, this is often very obvious: what is your top selling product? Who are your most important clients?**
- **For a larger business, such as a hotel, what are your priorities should half your staff not show up for work? New reservations, Front Desk, Gift Shop, Food and Beverage, Housekeeping, Facilities Management, Security?**

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4 Steps in Developing a BIA

1. Determine the types of business impact that could occur and assign levels of severity.
2. Identify all the business activities performed by your business.
3. Identify the impacts that could result from an extended interruption in each of these activities, and the escalating severity of these impacts over time.
4. Based on the 'impact timelines,' determine the maximum length of time each activity can be suspended if necessary. From this, identify those activities considered to be Key Business Activities (KBA).

BIA Data Collection

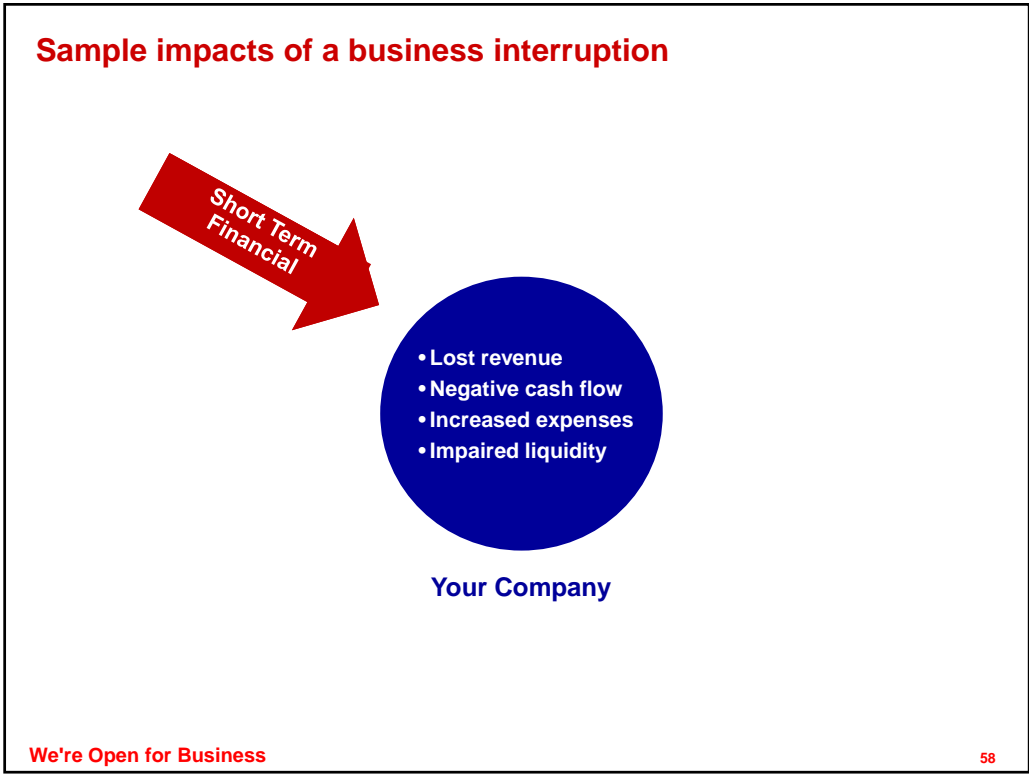
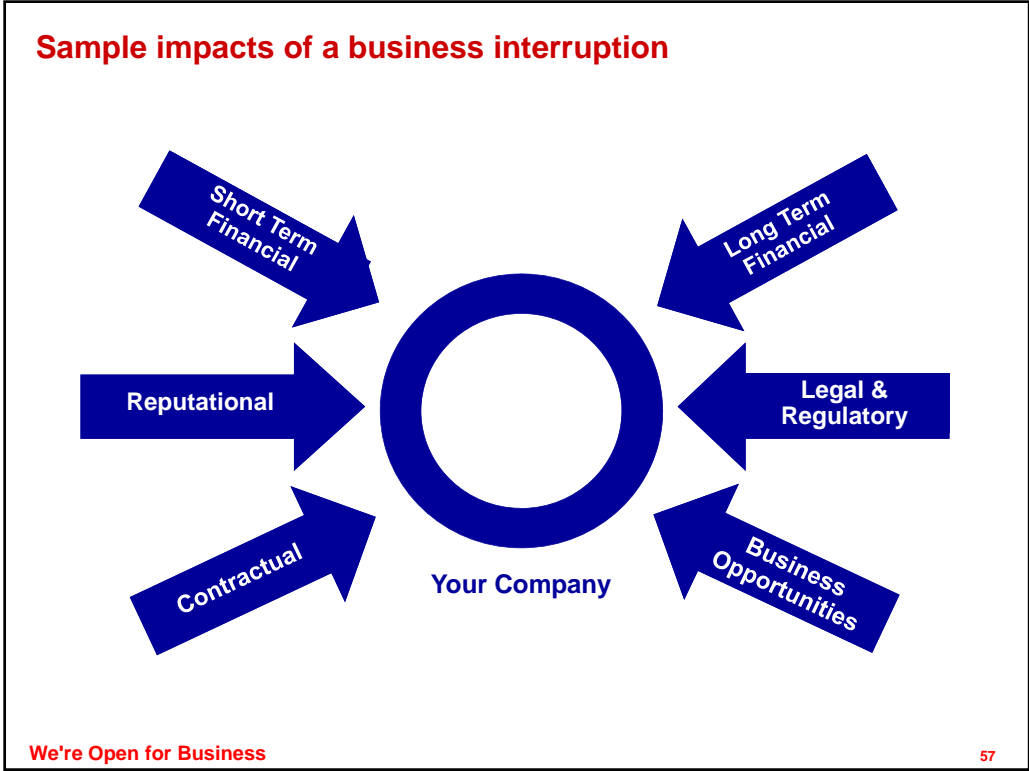
1. The first step is to define the **types of impact** that are important for your business, and to establish criteria for ranking the impacts based on their level of **severity**

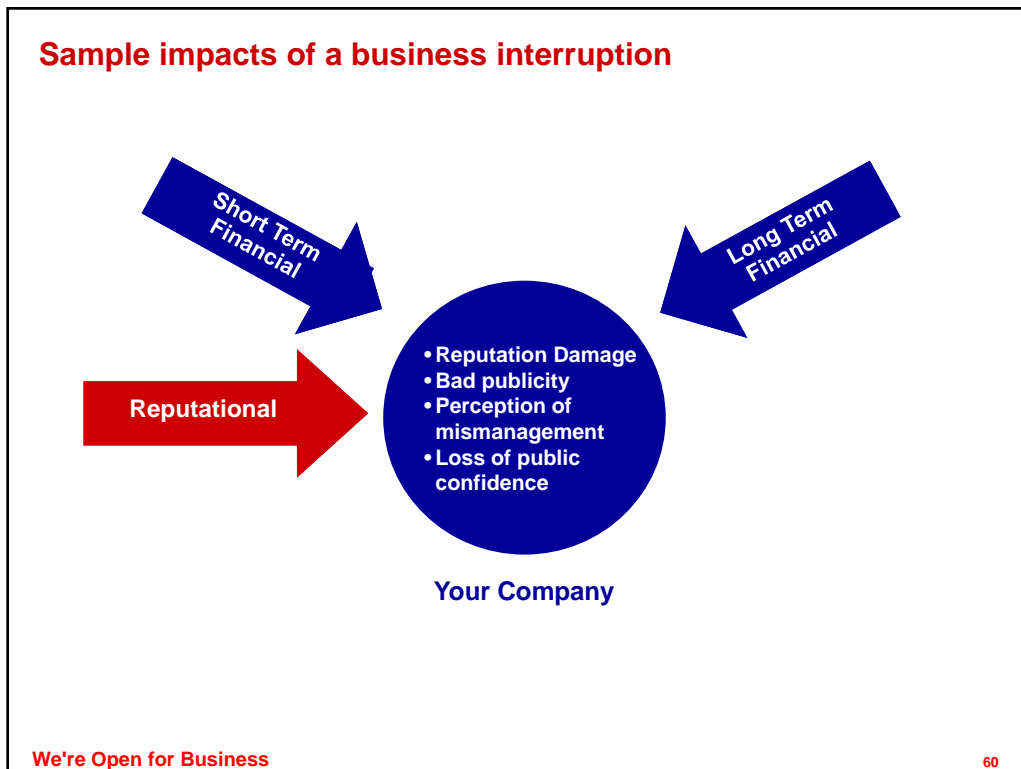
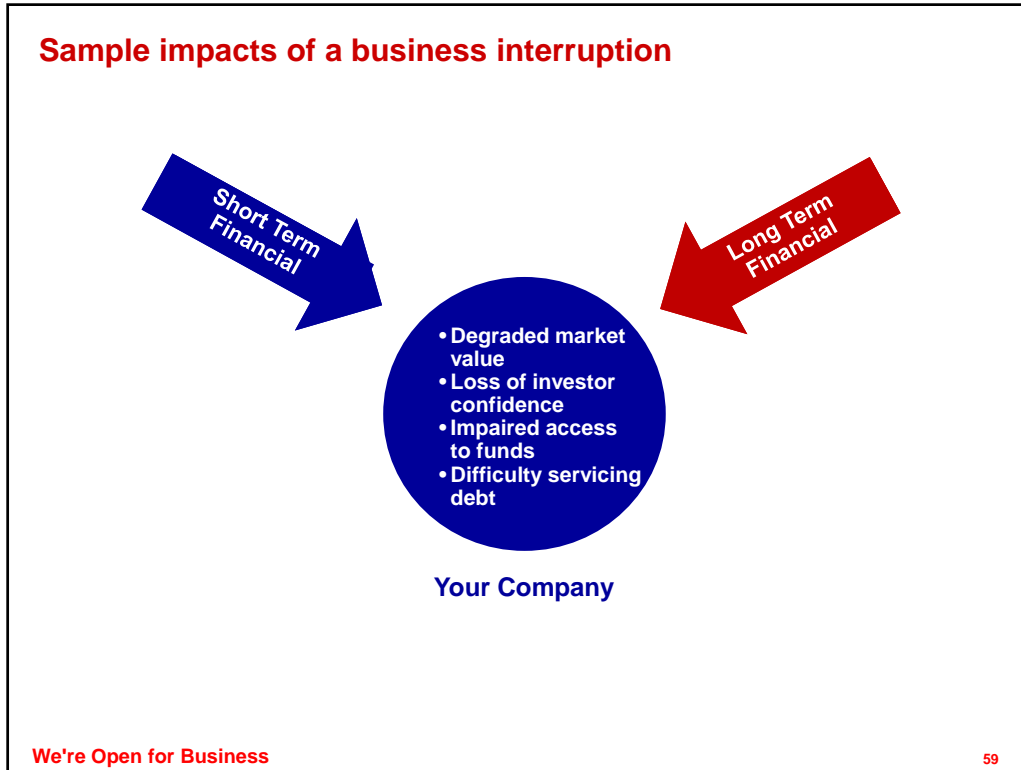
Five Impact Categories:

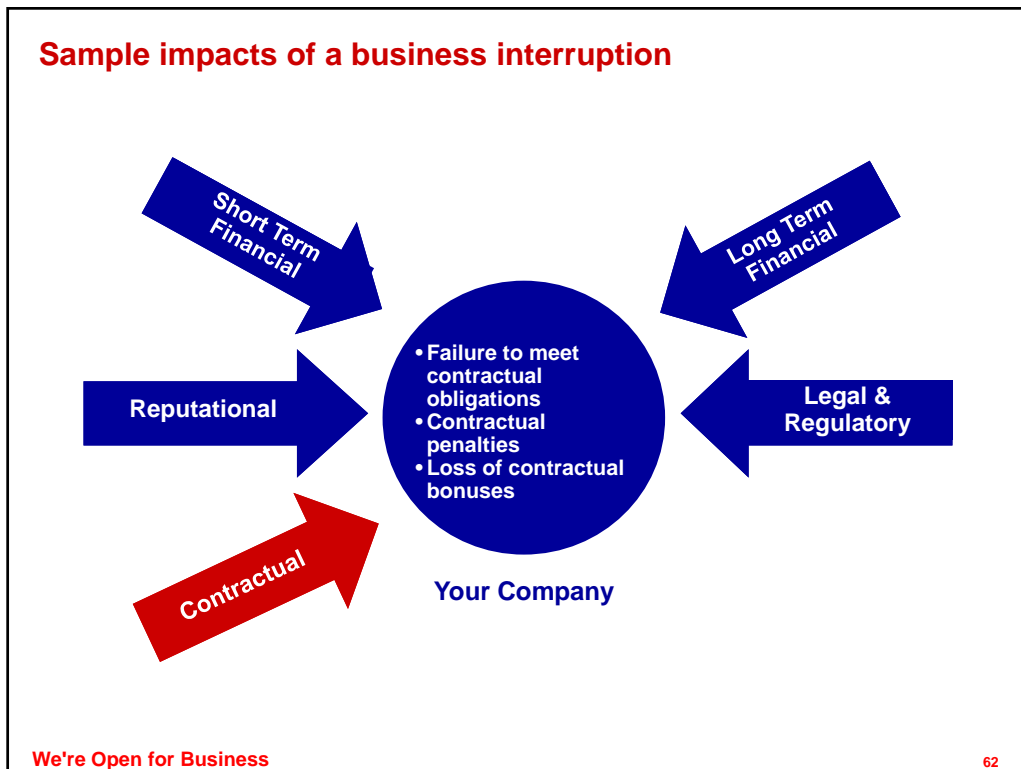
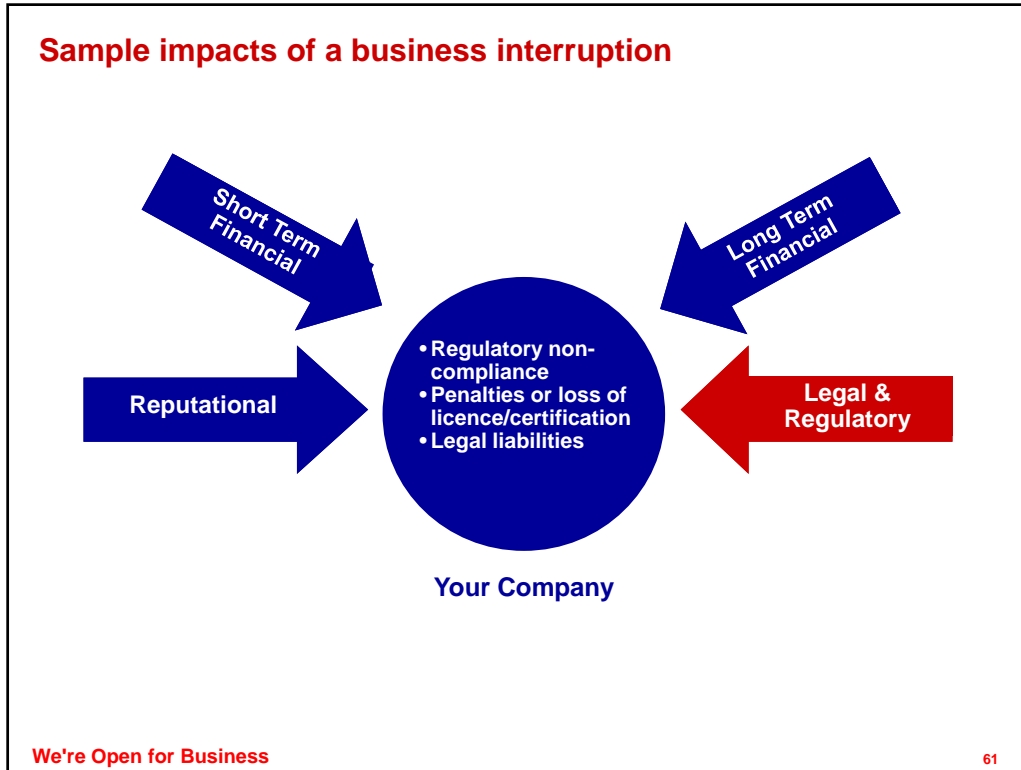
- 1. Financial
- 2. Reputational
- 3. Legal and Regulatory
- 4. Contractual
- 5. Business Objectives

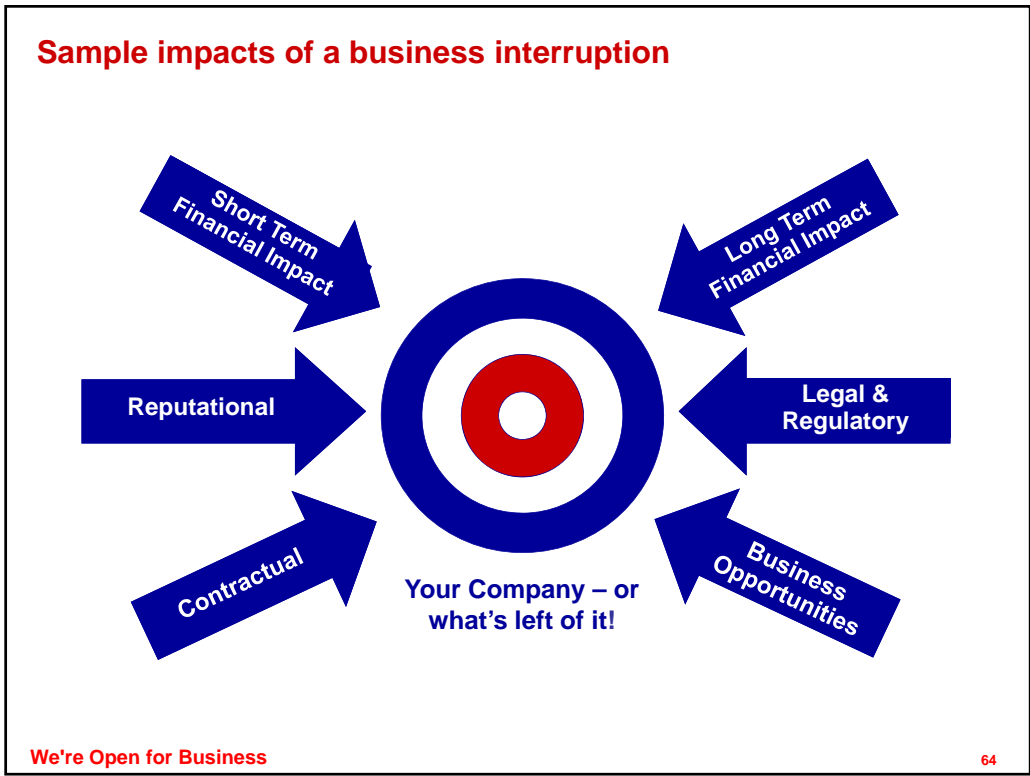
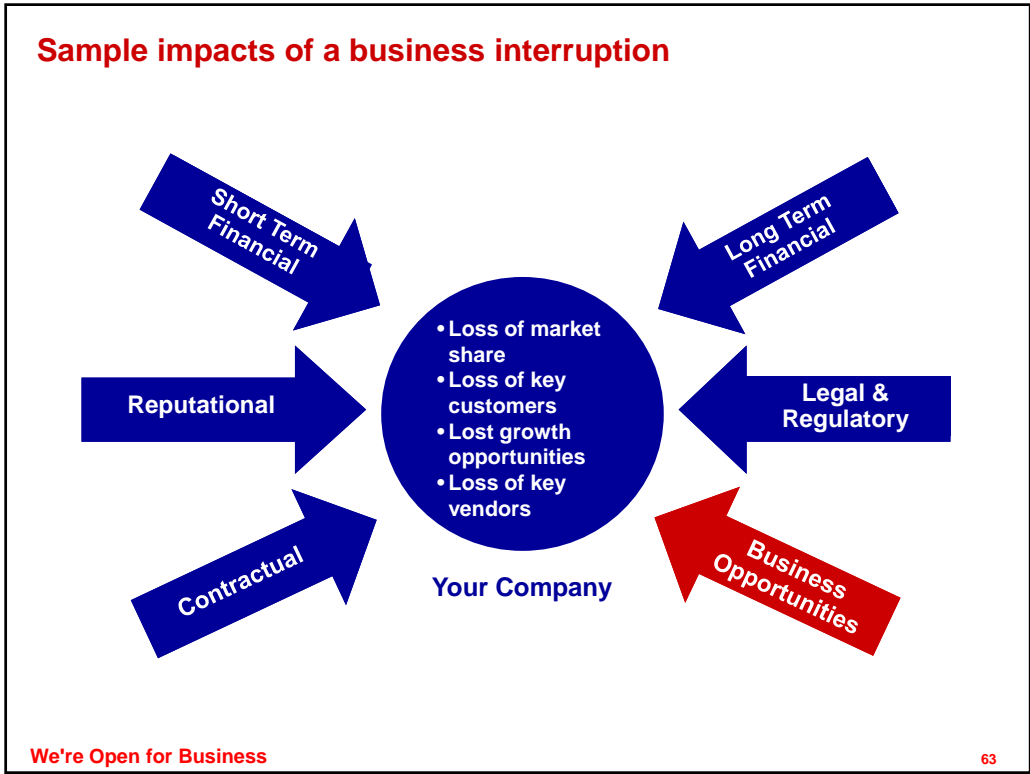
Example severity levels:

- **Low** impact: undesirable, but tolerable
- **Medium** impact: very undesirable, but unlikely to have a long term effect on the business
- **High** impact: highly undesirable, and likely to have some long term effect on the business









BIA Data Collection

2. The second step is to **identify** all the Business Activities performed by your business

Keep in mind the following considerations:

- **A Business Activity** is “a process or set of procedures undertaken by an organization that produces or supports one or more products and services” (e.g. Accounts Receivable is an activity, Invoice Reconciliation is a procedure)
- **All activities must be identified**, not just the acknowledged ‘important’ ones – in case of interdependencies
- **Any automated activities** must also be included

Sample List of Business Activities

Business Unit	Business Activity
Finance	<ul style="list-style-type: none"> . Accounts Payable . Accounts Receivable . Financial Statements . Asset Management
Procurement	<ul style="list-style-type: none"> . Asset Acquisition . Asset Disposition . Purchasing
Marketing	<ul style="list-style-type: none"> . Marketing
Human Resources	<ul style="list-style-type: none"> . Employment function . Payroll
Administration	<ul style="list-style-type: none"> . Management Support
Information Technology	<ul style="list-style-type: none"> . Maintenance of IT infrastructure . Maintenance of telecommunication infrastructure

BIA Data Collection

3. The third step is to identify the impacts that could result from a total shutdown in each of these activities, and the escalating severity of these impacts over time.
4. Based on these 'impact timelines,' the fourth step is to determine the maximum length of time each activity can be suspended if necessary. This is their **MTPD – Maximum Tolerable Period of Disruption**.

From this, we can identify those activities considered to be **Key Business Activities (KBA)**.

Identifying Key Business Activities

Time-Sensitive Activities

- When you consider the MTPD of each of your business activities, they tend to group themselves into two categories:

The image shows two large, 3D-style numbers. The number '1' is red and the number '2' is yellow. They are positioned to the left of the two categories listed.

- Key Business Activities

- Important Business Activities

Identifying Key Business Activities

Key Business Activities

- **Key business activities have the greatest impact on your company's operations and potential for recovery.**
- **Key business activities are those activities that your company cannot do without. These should not be a surprise to almost anyone working in your business.**



Identifying Prioritized Activities

Important Business Activities

- **Important business activities will not stop the business from functioning in the near-term but their effects are usually felt in the long-term, if they are missing or disabled.**
- **If they are not there, these kinds of business activities cause some disruption to the business over time.**



Identifying Key Business Activities

How can you identify a Key Business Activity?

1. It helps achieve the company's mission,
and
 - It provides a vital service to clients, or
 - It provides vital support to a key business activity, or
 - It generates a significant proportion of your revenues,
and
 2. It must be resumed within a very specific period of time following a disruption
- Example:
- **Human Resources:** During a critical incident (and other times as well), issuing paychecks is usually a key business activity

Important (not Key) Business Activities

- ... do not need to be included in the BC Plan.
 - *An important activity is not necessarily a key business activity*
- Example:
- In a hotel, Concierge Services is an important activity, but during a critical incident, it can likely be suspended temporarily.

Key Business Resources

- As part of the BIA, you will also need to identify the resource requirements needed for each key business activity, such as copies of operating procedures, key staff, records, systems, and equipment.
- Examples:
 - Key Business Activity: **HR will issue pay cheques to employees.**
 - Key Resources:
 - **blank cheques**
 - **staff** who know how to gather pay data and print cheques.

Key Business Resources

- **What are Key Business Resources?**
 - **Facilities or Work Sites**
 - **Communications Systems**
 - **Key Staff**
 - **Vital Records and Databases**
 - **Vital Technology and Equipment**
 - **Key Vendors**
- **i.e.: people, equipment, technology**

Risk Assessment



"Well he certainly does a very thorough risk analysis."

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Traditional Risk Assessment Process

- The first thing we have to recognize is that the traditional risk assessment is not really looking at risks or even threats: it is actually looking at **hazards**
- A hazard is defined as any source of potential damage, harm or adverse effects on the business
- Hazards are tangible, real and often physical and only relate to damage, loss or detrimental outcomes
- Each **business asset** (staff, facilities, equipment, etc) is then examined to identify how **vulnerable** it may be to each hazard – this is risk

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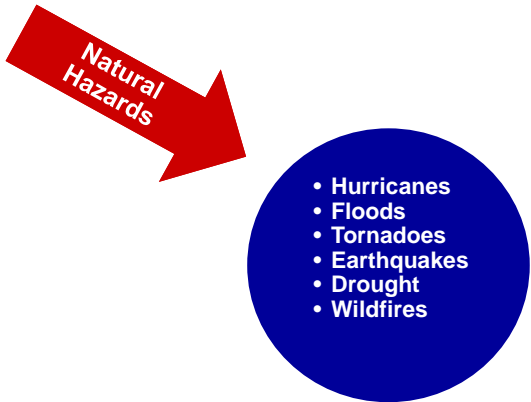
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Typical Hazards facing a Business



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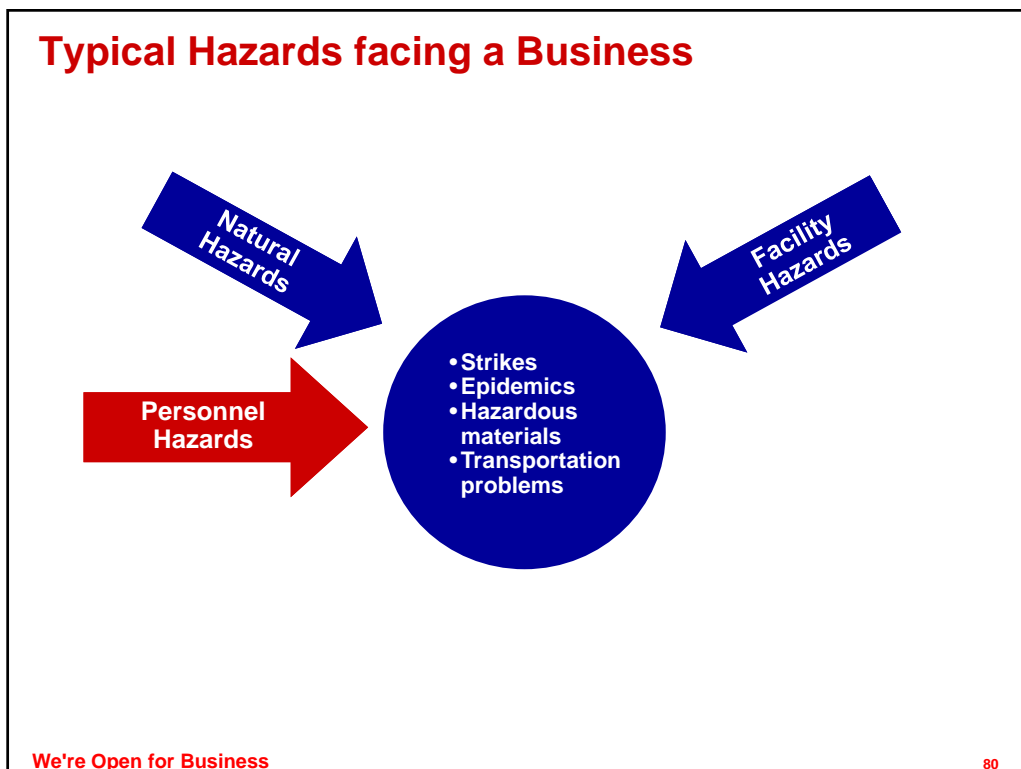
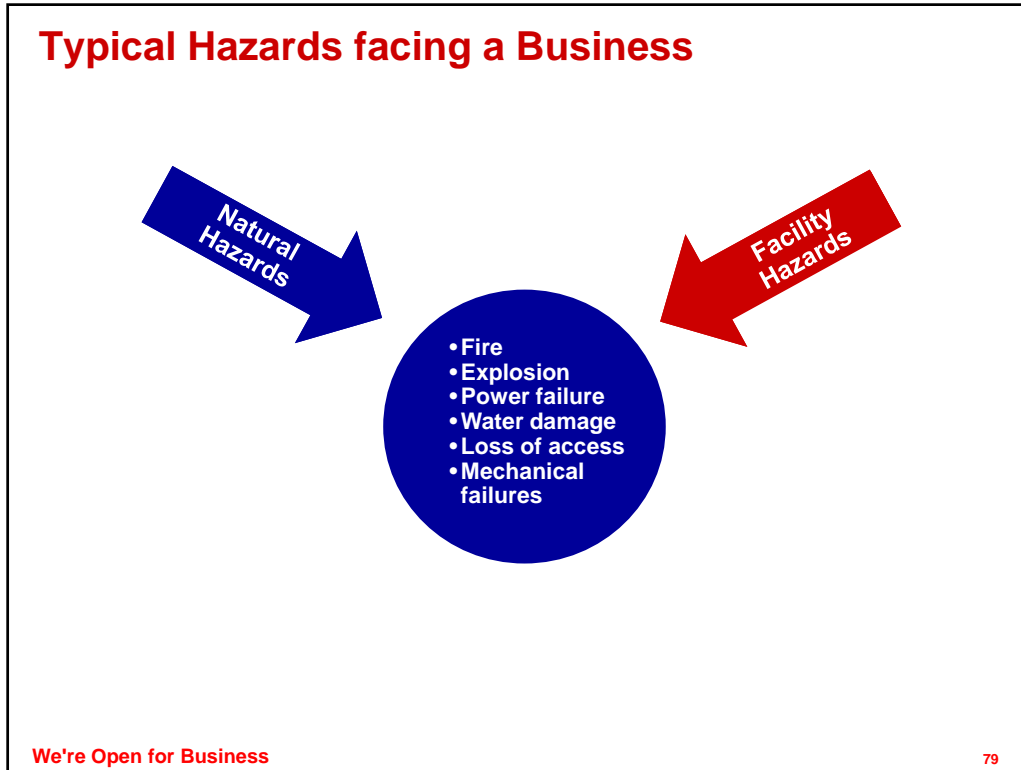
Typical Hazards facing a Business



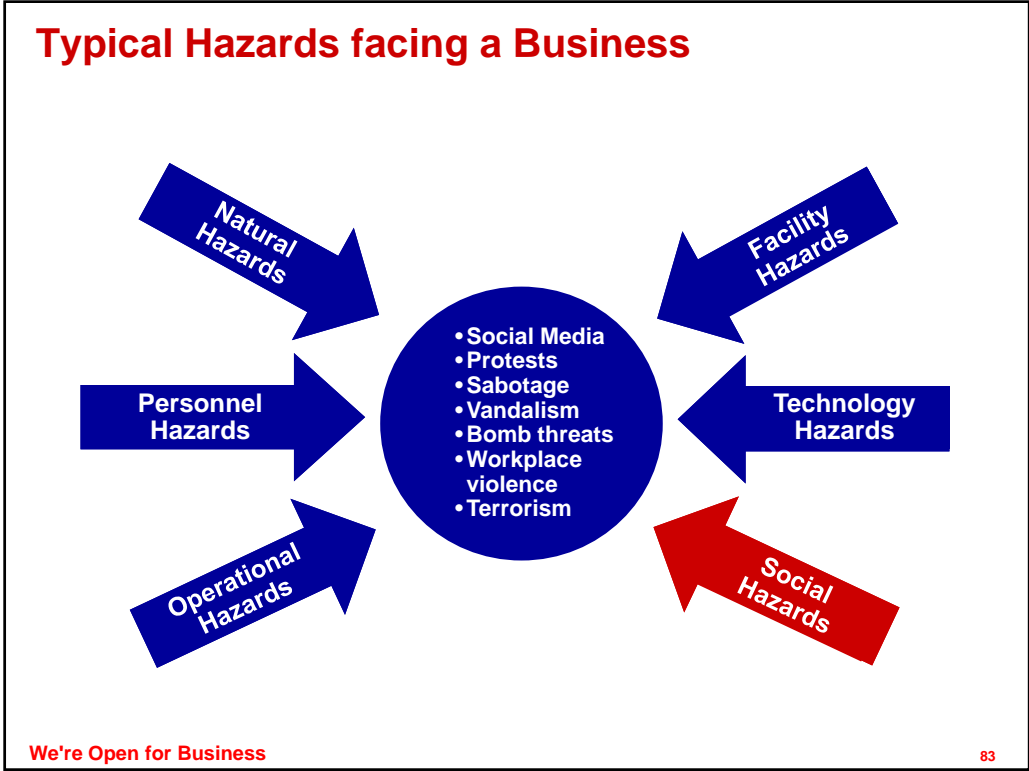
Natural Hazards

- Hurricanes
- Floods
- Tornadoes
- Earthquakes
- Drought
- Wildfires

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Traditional Risk Assessment

➤ Traditional Risk Assessments identify and analyze the “101 Things That Could Go Wrong” – hazards that could negatively affect an organization’s ability to deliver key products or services:

- 1) Fire
- 2) Flood
- 3) Storm
- 4) Hurricane
- 5) Earthquake
- 6) Tornado
- 7) Asteroid
- 8) Polar Vortex
-
- 100) Zombie Attack
- 101) Alien Invasion

Invariably, it is the “102nd” thing that causes the problem – the one that wasn’t planned or prepared for!

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Grand Forks, ND – Red River Flooding



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Grand Forks, ND – Red River Flooding



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Threats to Key Business Activities

- A business continuity event can be anything that has the potential to disrupt normal service delivery
- Essentially, all such events will be caused by either a **loss of a resource** (e.g. buildings, equipment, etc.), **loss of people**, a **loss of IT systems**, or possibly two or three simultaneously
- **The cause of the problem is usually immaterial:**
 - it doesn't matter whether a building is inaccessible because it has burned down or is completely flooded;
 - it doesn't matter whether a staff shortage is due to snow or a strike or a pandemic
 - whatever the case, the organization has to respond to a **loss of resource**

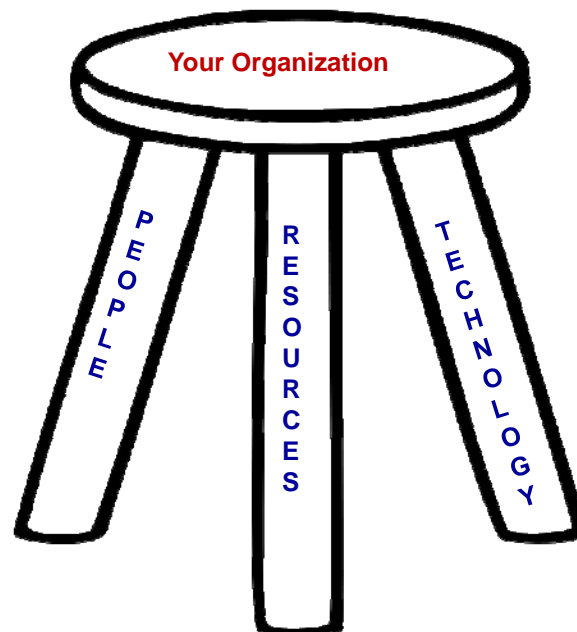
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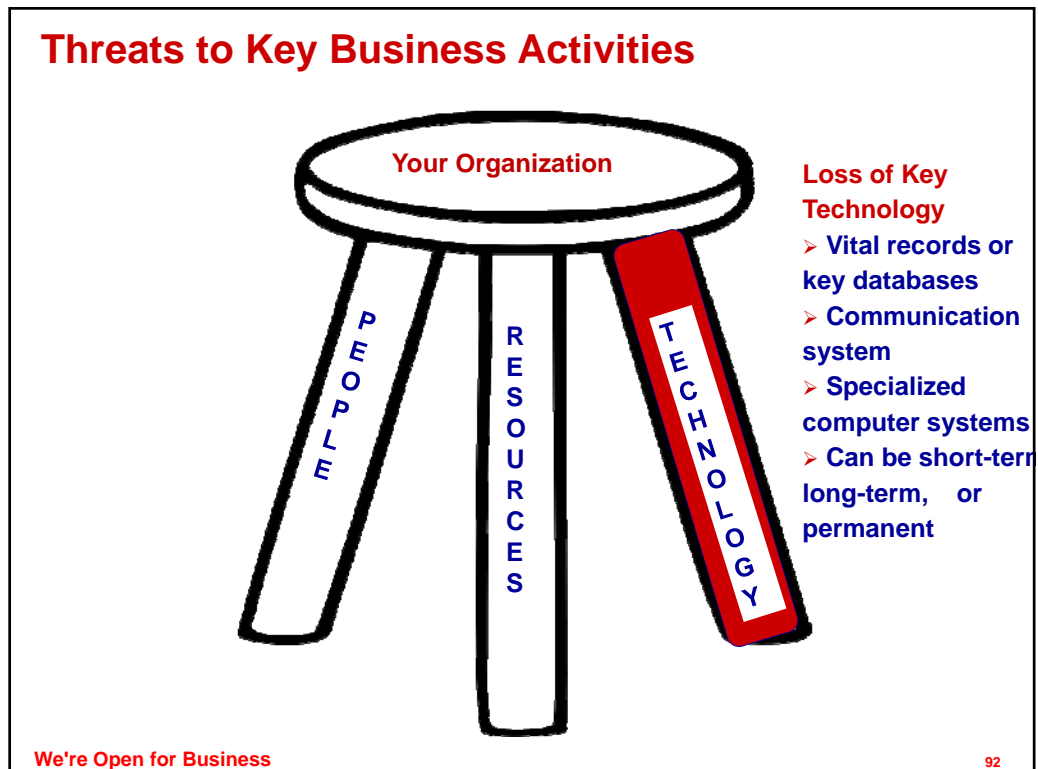
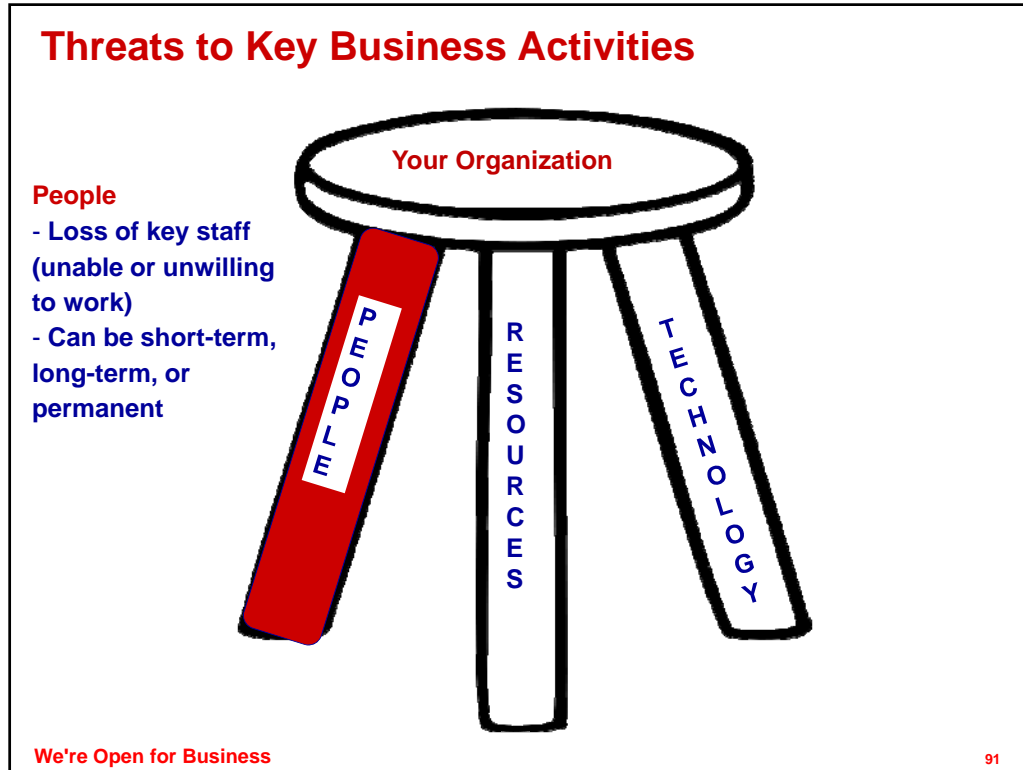
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Threats to Key Business Activities

- If we are only going to look at the negative effects of risk (**threats**), then we do not actually need to conduct a **traditional risk assessment** at all. Instead, we need to perform a more focused **vulnerability/threat assessment**.
- This means that we focus only on those potentially **disruptive incidents** that could have a negative impact on our operations, and only as they apply to that subset of business operations known as our **key business activities**.
- There is a very short list of such threats and most of them are common to all organizations.

Threats to Key Business Activities





Threats to Key Business Activities

Loss of Key Resources

- Facility
- Equipment
- Key vendor services

➤ Can be triggered by local, area, or regional event

➤ Can be short-term, long-term, or permanent

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Threats to Key Business Activities

- In the BIA, we identified the resources each key business activity is dependent upon for normal operation
- Key resources may include:

<ul style="list-style-type: none"> ➤ Trained staff ➤ Office facility ➤ Plant facility ➤ Workstations ➤ Computer systems ➤ Electronic data ➤ Hard copy data 	<ul style="list-style-type: none"> ➤ Voice communication systems ➤ External network connectivity ➤ Specialized equipment ➤ Materials and supplies ➤ Key suppliers, etc.
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- In the Risk Assessment, we need to determine the **extent** to which normal operations would be **disrupted** by the loss of any of those key resources

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Threats to Key Business Activities

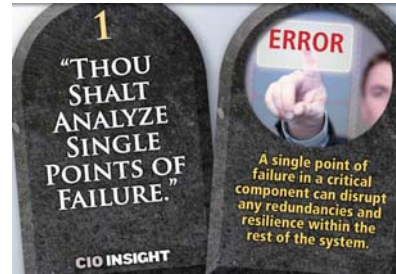
- Review measures currently in place to protect key resources from loss and assess the level of protection for each resource.
- Protective measures may include:
 - Cross-training of staff
 - Building security
 - Alternate work locations
 - Backup computer systems
 - Off-site data backups
 - Redundant communication links
 - Regular equipment maintenance
 - Backup power systems
 - Alternate suppliers, etc.

Threats to Key Business Activities

- Based on the results of the BIA/RA, identify the 'Threat Scenarios' for which business continuity strategies should be developed.
- Potential Threat Scenarios
 - A 'Potential Threat Scenario' is a situation, resulting from any internal or external event, which may cause widespread interruption in business operations for an extended period of time.
 - These are particularly important for **Key Resources** which are not well-protected (e.g. you have only one laptop computer that holds all of your data and you do not make regular backups.)
 - Such a scenario could be the "Loss of Access to Business Premise", or "Short-term Loss of key Staff", or "**Loss of Laptop Computer**".

Threats to Key Business Activities

- It is exceptionally important to identify any potential **'single points of failure'** within the resources supporting the various business activities
- Loss of a **'SPOF'** can lead to the failure of a key business activity
- **'Single points of failure'** may include:
 - Key staff with specialized knowledge
 - Equipment parts which cannot readily be replaced
 - Non-redundant communication links
 - Critical data which is not backed up
 - Telephone systems
 - Specialized equipment
 - **'Sole source'** suppliers, etc.



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Supply Chain Continuity Management



"We thought you knew."

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What is a Supply Chain?

- All activities associated with the flow and transformation of goods from raw materials to end users.
- The term, supply chain, refers to the entire network of companies that work together to design, produce, deliver, and service products.
- What Flows?
 - Materials
 - Information
 - Finance/Currency



Protection Measures – 5 Key Actions

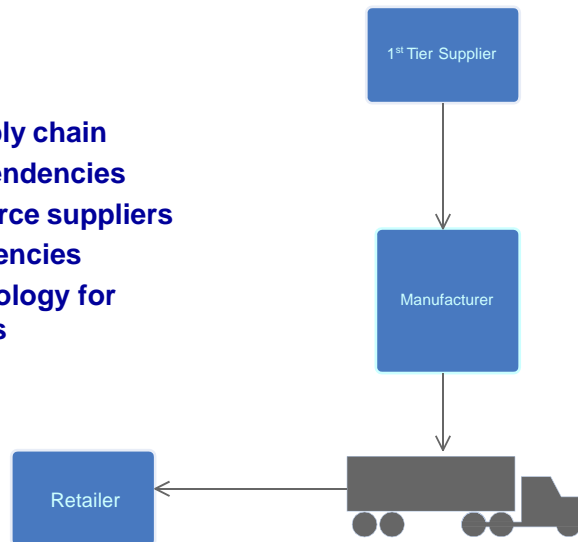
1. Map your supply chain
2. Evaluate your suppliers
3. Consider Sole Source supplier Options
4. Consider your insurance options
5. Include the Supply Chain in your Business Continuity Plan



1. Map Your Supply Chain

Assists with:

- Visualizing the supply chain
- Understanding dependencies
- Avoiding single source suppliers
- Highlighting inefficiencies
- Providing a methodology for analyzing processes



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2. Evaluate Your Suppliers

- Pre-assess prospect suppliers
- Evaluate current suppliers

Supplier Review Questions

- Do they have a continuity plan?
- When was it last **tested**?
- Have they conducted a Business Impact Analysis (BIA)?
- What do they see as the major risk to their ability to supply?
- Who are **their key suppliers** and do they have a plan?
- What plans are in place in case of disruption?

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3. Sole Source Strategy Options

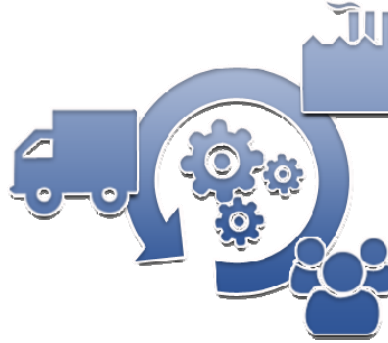
- **Do nothing**
- **Work with the supplier**
- **Contract with a single source (one company, multiple locations)**
- **Establish redundant suppliers**
- **Purchase the supplier**

4. Consider Your Insurance Options

- **Business Interruption & Extra Expense**
- **Contingent Business Income**
- **Emerging Supply Chain Products (non-damage business interruption)**
- **Contaminated Products / Product Recall Insurance**
- **Trade Disruption Insurance (TDI)**

5. Include the Supply Chain in your BCP

- **Conduct a BIA**
- **Identify internal and external Risks**
- **Identify and assess supply chain links**
- **Define strategies**



Supply Chain Continuity

Others outside your company (especially clients) are increasingly interested in your level of business continuity preparedness.

Eventually, prospective clients will ask about your business continuity program.

There is every likelihood that a competitor will use their BC capability as a marketing edge.

Working Break/Group Exercise

➤ Break into groups and discuss the following. Then choose a spokesperson to provide a summary.

- 1) What threats might impact your business operations?
- 2) Have you mapped out your supply chain? Have you considered alternate suppliers for your key goods or services?

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Identifying Strategies



Overlooking a serious risk can be dangerous

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Considering the Options: the Basics

- The BIA will undoubtedly have identified numerous exposures that can be rectified with **relatively little time or expense** (e.g. cross-train staff where only one trained staff available).
- These are your **'quick hits'**.



- Apart from the fact that these **'quick hits'** are easy to do: acting on them will demonstrate **immediate value** from your efforts

Considering the Options: the Basics

- **Minimize the Potential Impact of a Hazard**
 - Once you have identified the key risks your business faces, you need to take steps to protect your business activities should they occur
- **Premises**
 - Good electrical and gas safety could help protect premises against fire. You should also install fire and burglar alarms.
 - Think what you would do in a situation if your premises could not be used. For example, you might suggest an arrangement with another local business to share premises temporarily if an incident affected either of you.
 - You may consider using a business continuity supplier who can make alternative premises available at short notice (but this can be expensive).

Considering the Options: the Basics

- **Equipment/machinery**
 - If you use key pieces of equipment, you may want to cover them with maintenance plans guaranteeing a fast emergency call-out.

- **IT and Communications**
 - Installing anti-virus software, backing up data and ensuring the right maintenance agreements are in place can all help protect your IT systems.
 - You might also consider contracting with an IT company to regularly back up your data offsite on a secure server.
 - Printing out copies of your customer database might be a good way of ensuring you can still contact customers if your IT system fails.
 - Provide IT support systems to facilitate home working should the need arise.

Considering the Options: the Basics

- **People**
 - Try to ensure you are not dependent on a few staff for key skills by getting them to train other people.
 - Consider whether you could get temporary cover from a recruitment agency if illness left you without several key members of staff. Take health and safety seriously to reduce the risk of staff injuries.

- **Supply Chain**
 - Consider stock piling critical supplies and materials.
 - Create a list of alternative suppliers should your main supplier be unable to deliver the goods and materials you require.

Considering the Options: the Basics

Insurance

- Insurance forms a central part of an effective risk management strategy. You should ensure that you get the right insurance for your business.
- Business Life Insurance
- Key person Life Insurance
- Group Life Insurance
- Buy/sell agreements
- Buildings – for owners - includes permanently attached equipment
- Contents – owners/tenants - Furniture, equipment, supplies, inventory (Business Personal Property)
- Tenant improvements and betterments
- Signs
- 3rd Person Liability
- Theft

Considering the Options: the Basics

Insurance

- Agricultural insurance
 - Crop Insurance
 - Livestock insurance
 - Bloodstock insurance
 - Aquaculture insurance
 - Forestry insurance
 - Greenhouse insurance

Considering the Options: the Basics

Insurance

- Flood Coverage
 - Flood coverage for business interruption only from commercial carriers
 - Damage classification is critical to coverage – wind, flood, storm surge
 - Check deductibles carefully for “regular” vs. “high risk” occurrences
- Business Interruption Coverage
- Lost profits
- Continuing expenses

Considering the Options: the Basics

Insurance

- Electrical Service Interruption Coverage
 - Exclusion possible if power line damaged within certain distance
- Civil Authority Coverage
 - Business interruption losses from action of government that restricts access
- Contingent Business Interruption
 - Key suppliers or customers impacted by an incident
- Special Assets/Equipment
 - Replacing long lead-time assets, consider having spare or vendors ready to execute a purchase agreement
- Location Dependencies
 - When buying insurance, consider in your BCP how other locations can affect yours, or provide alternatives

Considering the Options: the Basics

Review your Insurance Plan at least Annually

- Make sure you have sufficient coverage to pay for the **indirect costs of the disaster**—the disruption to your business—as well as the cost of repair or rebuilding.
- Most policies do not cover **flood or earthquake** damage and you may need to buy separate insurance for these perils. Be sure you understand your policy deductibles and limits.
- New additions or improvements should also be reflected in your policy. This includes construction improvements to a property and the addition of new equipment.

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Considering the Options: the Basics

- For a business, the costs of a disaster can extend beyond the physical damage to the premises, equipment, furniture and other business property. There's the potential loss of income while the premises are unusable.
- Your BCP should include a detailed review of your insurance policies to ensure there are no gaps in coverage. Your policy should include **business interruption insurance and extra expense insurance**.
- Even if your basic policy covers expenses and loss of net business income, it may not cover income interruptions due to damage that occurs away from your premises, such as to your **key customer or supplier or to your utility company**. You can generally buy this additional coverage and add it to your existing policy.

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Considering the Options: the Basics

Basic commercial insurance to consider

- **'Building coverage'** provides coverage up to the insured value of the building if it is destroyed or damaged by wind/hail, or another covered cause of loss. This policy does not cover damage caused by a flood or storm surge nor does it cover losses due to earth movement, such as a landslide or earthquake, unless added by endorsement.
- **'Business personal property'** provides coverage for contents and business inventory damaged or destroyed by wind/hail, or another covered cause of loss.
- **'Tenants improvements and betterments'** provides coverage for fixtures, alterations, installations, or additions made as part of the building that the insured occupies but does not own, which are acquired and made at the insured's expense.

Considering the Options: the Basics

Basic commercial insurance to consider

- **'Additional property'** coverage provides for items such as fences, pools signs, or awnings at the insured location. Coverage limits vary by type of additional property.
- **'Business income'** provides coverage for lost revenue and normal operating expenses if the place of business becomes uninhabitable after a loss during the time repairs are being made.
- **'Extra expense'** provides coverage for the extra expenses incurred, such as temporary relocation or leasing of business equipment, to avoid or minimize the suspension of operations during the time that repairs are being completed to the normal place of business.
- **'Ordinance or law'** provides coverage to rebuild or repair the building in compliance with the most recent local building codes.

Considering the Options: the Future

- **Operations – do we keep doing what we are doing today or do we change our company focus?**
- **New or different products or services?**
- **New or different delivery systems?**
- **New or different organizational structure?**

- **For example do we change from manufacturing to wholesale by subcontracting the manufacturing operations? Do we stop selling shoes in stores and start selling purses over the internet? Do we franchise our locations?**

Considering the Options: the Future

- **Supply chain - what can we change to make it more cost effective?**
- **Are we “just in time” and what happens if ‘they’ are late?**

- **For example do we change, add, or consolidate our suppliers? Be careful. If you consolidate suppliers and any one of them represents more than 20% of your sales, you need to protect your exposure to loss if they burn down. How do we integrate and employ their contingency plan with our own? Will they “quick ship” for us and lengthen our payment terms?**

Considering the Options: the Future

- Who are our customers?
- What should we change in our relationships?
- Are we meeting their needs and are they meeting ours?
- Should we change payment terms or eliminate slow payers?
- **For example, have our customers prepay for services during the recovery period. Reduce or eliminate deliverable requirements.**

Considering the Options: the Future

- **Facilities – Do we want to work in the same physical space? What can we change to increase production and reduce expenses?**
 - **For example, rebuild a 3 story building instead of a single story, change the loading dock configuration. Reposition the sales department near the receptionist and put R&D next to the production area?**
 - **Be careful to pay attention to building occupancy /use and parking lot requirements not to mention any EPA issues. Are there any municipal easements or paper roads that would interfere with our rebuilding?**
 - **Can we make use of our suppliers or customers facilities and thereby reduce our own building needs?**
- **BEWARE! The insurance policy will only pay to replace what you currently have, but you can add your own money and build anything you want. The key is PLANNING!**

Considering the Options: the Future

- **Banks and financing**
 - Will the banks and other creditors allow us to delay payments and/or increase our credit line?
 - Will investors allow us to delay dividends? How much cash do we need?

- **Income Diversification**
 - Developing multiple streams of income can be one of your greatest allies in the pursuit of financial security
 - Income diversification can protect you against seasonal revenue fluctuations or unplanned business downtime
 - What are you current income sources?
 - What do you currently do that you do not earn income from?
 - What are you currently NOT doing that you could do to add new income?

Evaluating the Options

- **When identifying options, you may need to consider the use of commercial services, such as:**
 - **outsourcing of Key Business Activities**
 - **computer hot sites and cold sites**
 - **'work area' recovery facilities**
 - **off-site data storage**
 - **telecommunications services**
 - **mobile recovery**
 - **quick shipment of equipment**
 - **high availability services, etc.**

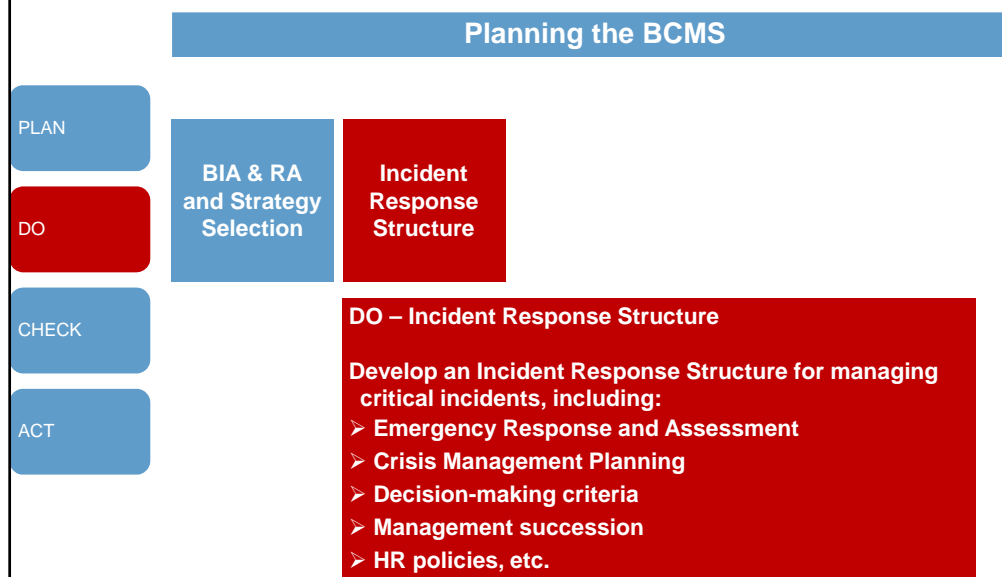
Working Break/Group Exercise

- Break into groups and discuss the following. Then choose a spokesperson to provide a summary.
- 1) What types of business insurance do you currently have?
 - 2) If you had business insurance in the past, but do not currently have it, why did you drop the coverage?
 - 3) What types of business insurance is currently offered in your country?
 - 4) What types of business insurance would you like to have offered?

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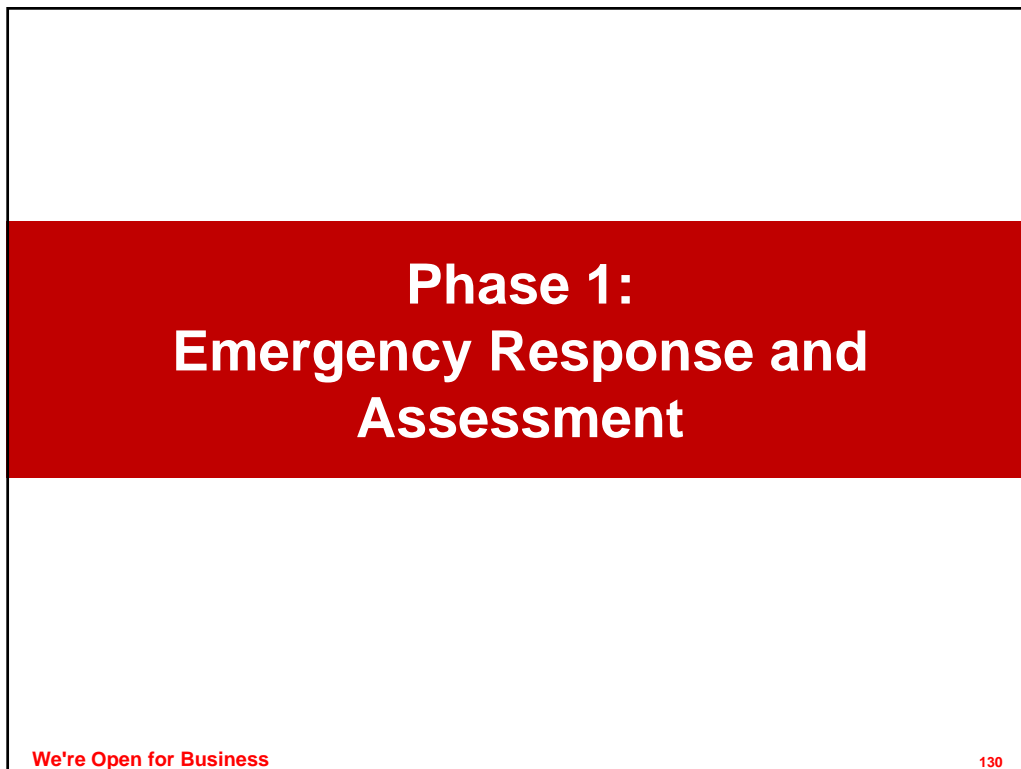
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Developing a Business Continuity Plan



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Emergency Response

The ability to respond quickly and effectively to any type of incident is essential to:

- protect your employees and visitors
- protect your property – premises and equipment
- prevent or limit disruption to key business activities
- prevent or limit 'downtime' of key business technologies
- avoid an incident escalating into a crisis

Emergency Response

A major facility-related incident may occur during off-hours or during business hours

If it occurs during business hours, it may require urgent evacuation or non-urgent evacuation

Specific procedures need to be developed for each of these situations

All employees need to be made aware of these procedures

Phase 2: Crisis Management

What Defines a Crisis?

- A crisis is an event that occurs suddenly and usually without warning
- A crisis demands a quick response and, if mismanaged, can result in loss of profits, increased litigation, job loss, decreased employee morale, reputation damage, decreased competitive strength, increased government intervention, increased consumer activism and decreased trust in management.
- With the introduction of social media, more crises now revolve around reputation management

Incident Response Structure

Key Concerns in developing an Incident Response Structure:

1. decision-making authority
2. delegation of authority
3. succession planning
4. coordination with public authorities
5. human capital issues
6. financial control issues
7. vital records issues
8. legal, contractual and regulatory issues
9. interoperable communications

Family Emergency Plan

- **A BC incident also will affect staff and their families:**
 - **There will be a period of uncertainty about what is happening, how bad the situation is, and what staff should do to protect themselves and their loved ones**
 - **They may feel unsure of their job security, especially if the BC incident situation is severe**
 - **They may also be concerned for their financial well-being, wondering if and how soon they will be paid**
 - **A comprehensive BCMS that includes a Family Emergency Plan will minimize these impacts**

Family Emergency Plan

- All employees should be encouraged to develop a Family Emergency Plan that includes:
 - Personal items and necessities.
 - Financial and legal documents.
 - An out-of-area contact.
- Objective:
 - Employees and their families are safe
 - Employees are able to come back to work
 - Encourage Employees to Put a Plan in Place at Home
 - Each Household Should Have an Emergency Kit

Family Emergency Plan

Awareness

- Encourage employees to do their own version of a Risk Assessment on their home.
- Start off by considering the location of their home, and if it might be susceptible possible threats, such as flooding.
- Also, look at the structure of the home, to see how solid it is in case of a hurricane or earthquake.

Plans

- A 'home plan' needs to consider what the employees response will be should an incident occur.
- For example, how can they safely evacuate their home, from any room? Where will they go if necessary? How will they communicate with family and friends?

Family Emergency Plan

Supplies

- There are many websites that list the different types of supplies people should have on hand in case of an emergency.
- Typically the lists will include drinking water and food for 3 days, extra cash and credit cards, a flashlight, radio, copies of prescriptions and a small supply of necessary drugs, etc.

Practice

- As they say, practice makes perfect. The time to make sure your Family Emergency Plan works as intended is when everything is calm at home. When the fire is leaping out of your windows, it is too late to discover that your evacuation route takes you directly into the path of the fire trucks.
- Encourage your employees to test out different disaster scenarios, to find out which parts of their Plan work, and what doesn't.

Family Emergency Plan

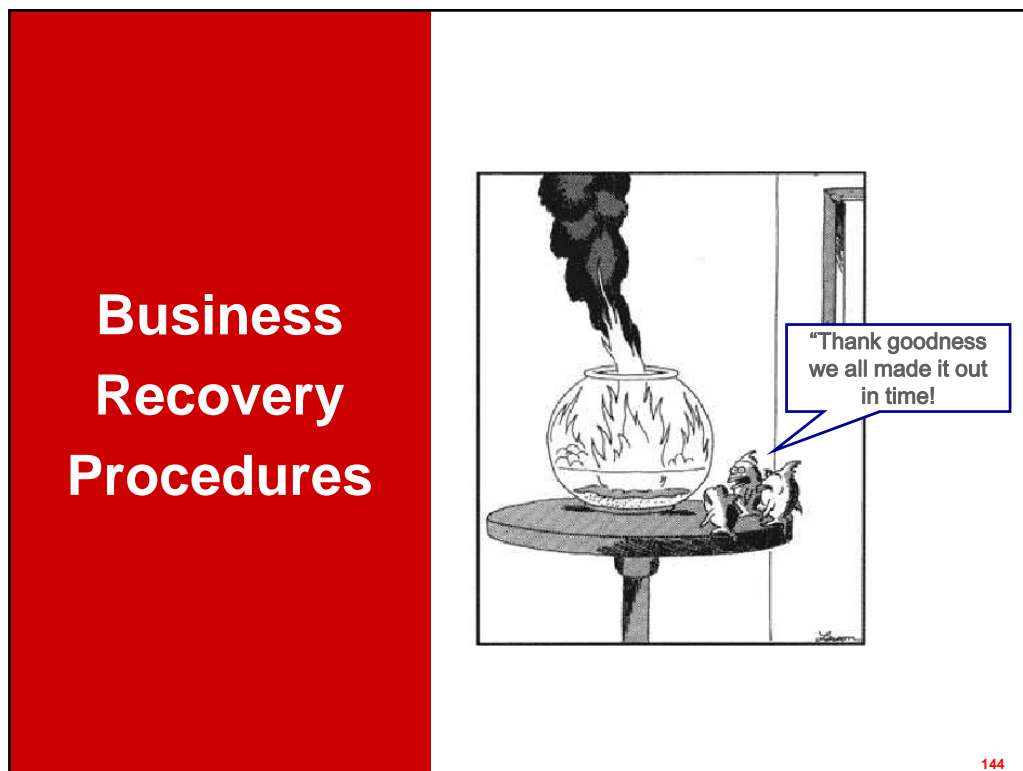
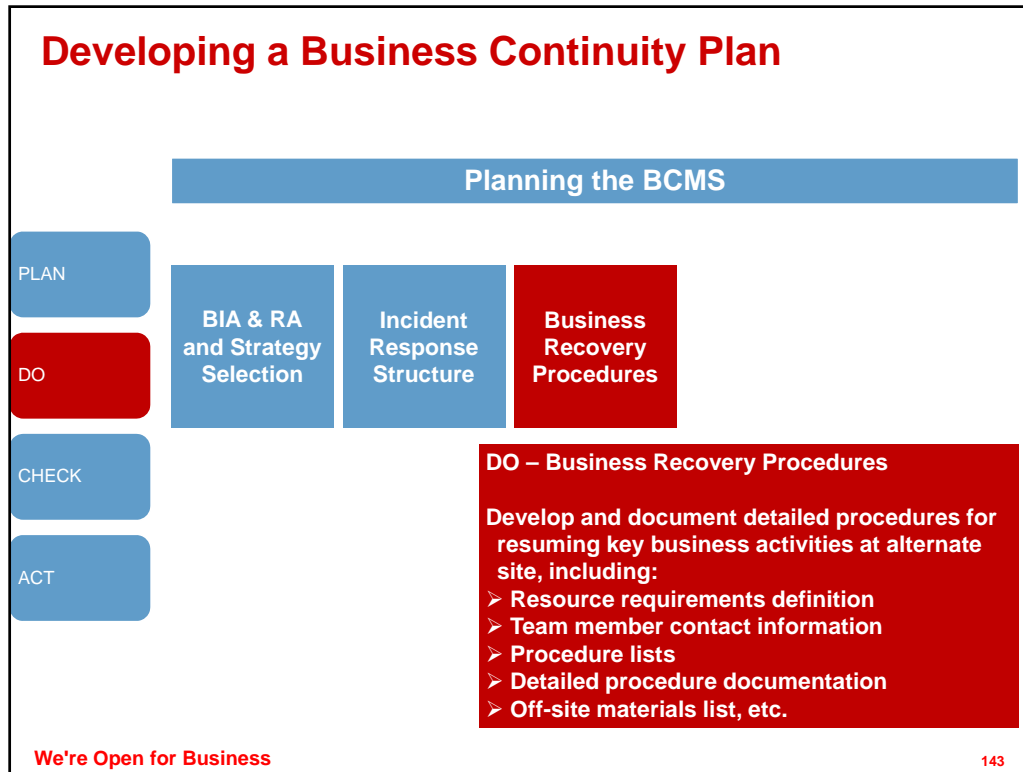
Categories	Items	Numbers of items to prepare
Food / Water	Drinking water	3 liters/person for 3 days
	Emergency food	3 day supply/person
Living supplies	Sanitation supplies (tissues, wet tissues, toilet paper, etc.)	3 days
	Utensils	Necessary numbers for people
	Portable toilets	3 days
	Plastic bags, tape	Equal to the number of people
	Blankets, sleeping bags	Equal to the number of people
	Portable gas and stoves	3 days
	Pots and kettles	3 each

Family Emergency Plan		
Categories	Items	Numbers of items to prepare
Medical supplies	First aid kits	Equal to the number of people
	Folding stretcher	3
Tools	Tools (crow bar, pliers, hammer, shovel, cloth tape, stepladder)	3 each
	Helmet and gloves	Equal to the number of people
	Plastic sheets, tarps	3 sheets (10m×10m)
Support for getting people home	Garbage cans, buckets	3 each
	Rainwear	Equal to the number of people
	Maps	Equal to the number of people
Information gathering, communication	Radios, dry batteries	3 each
	Cell phone chargers	3 units per each model
Other	Generators, generator fuel	2 units of fuel for 3 days

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Working Break/Group Exercise

- Break into groups and discuss the following. Then choose a spokesperson to provide a summary.
- 1) If a critical incident affects your business, it will also affect all your staff. How much support are you willing or able to give to your staff to help them through an incident such as this?
 - 2) Developing an effective Business Continuity Plan for your business normally involves all employees: men, women, and youth. Is there any reason why all of your staff cannot be fully involved in helping develop your BCP?



Phase 3: Business Recovery Procedures

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Business Recovery Plan

The Business Recovery Plan is the detailed part of the BCP and covers specific temporary activities to allow the business to remain viable to its clients.

- It requires a detailed, documented series of **BRP procedures/checklists** that may need to be performed by designated BCMS Teams
- It also includes **detailed instructions** how the organization will resume its key business activities within a predetermined timeframe

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Business Recovery Plan

The feasibility of these measures may depend upon:

- when the incident occurs relative to the business processing cycles
- the extent of the incident
- the expected duration of the incident



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Business Recovery Plan

- The ability to resume key business activities at an alternate location is dependent, of course, upon the provision of the necessary facilities, equipment, and systems
- However, it is equally dependent on another prioritized resource – **people**
- Ensuring the **availability of sufficient trained staff** for sustained operations at the alternate location is typically the biggest challenge in this Phase

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Business Recovery Plan

The ability to provide sufficient trained personnel can depend upon a number of factors:

- the nature of the work (*is it highly specialized, or can it be performed by personnel with limited training?*)
- the normal staffing levels (*is the Business already operating at 'bare bones' staffing levels?*)
- the amount of cross-training (*does the Business have 'depth', or is it dependent upon a few key individuals?*)
- the type of staff (*are they people that are able and willing to relocate, or are they people with overriding family obligations?*)

Business Recovery Plan

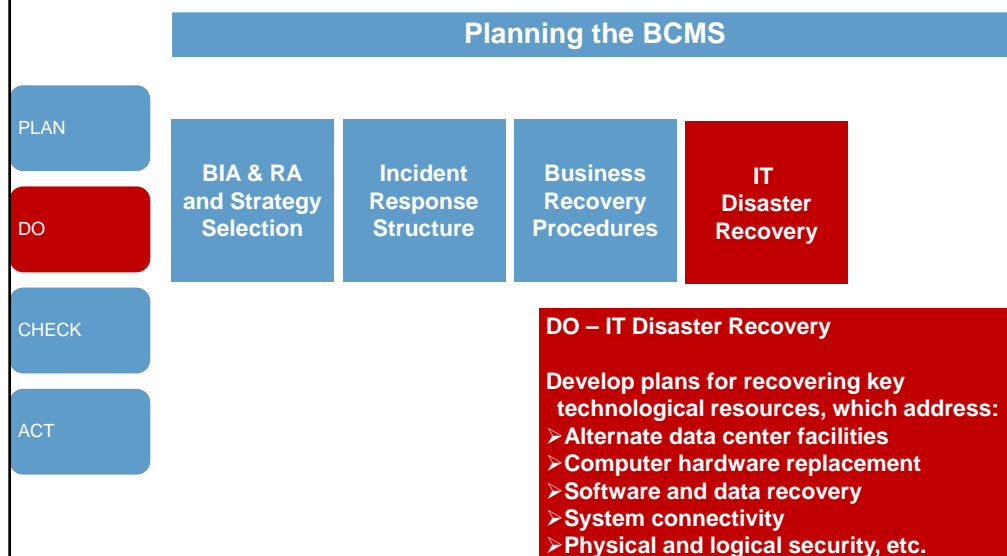
Factors (cont):

- availability of alternate staff (*can other staff help with the work?*)
- temporary help (*can outside agencies be used?*)
- union issues (*if staff are unionized, will the union cooperate?*)
- the type of incident (*have staff been injured or traumatized by the incident, or does it also affect their families?*)
- the time of the incident (*did it occur during peak processing times, or off-peak?*)
- the amount of backlog (*how many days has the business been down?*)

Business Recovery Plan

- Only your staff themselves can work out the intricacies of resuming an acceptable level of operations at an alternate location
- These intricacies should not be worked out under pressure, at the time of an incident, but calmly and rationally before an incident occurs
- Ultimately, the real benefit of having your staff participate in developing your BCP is not the plans themselves, but the actual planning process

Developing a Business Continuity Plan



IT Disaster Recovery



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Basic IT Strategies

- Nearly 70% of data loss is the result of human error; 60% of companies that lose their data shut down within 6 months of the loss
- 140,000 hard drives crash in the U.S. weekly

Regular Computer Maintenance

- Computers do not like heat and vibration - keep computers in a dry, clean area with little traffic
- Attach a UPS (uninterrupted power supply) to desktop computers

Run Scandisk, Defrag and Anti-virus software

- Run Scandisk every 2 to 3 weeks
- Defrag! Data recovery success is more likely when damaged files are clustered
- Update your anti-virus program regularly - enable auto update features

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Basic IT Strategies

Backup, backup, backup

- **Complete backup**
 - Full backup of entire PC or hard drive
 - Backs up all server and PC volumes, directories and files
- **Partial backup**
 - Will either copy all files changed since last complete backup or files changed since last backup
 - Useful when it's important to have the latest version of each file

Basic IT Strategies

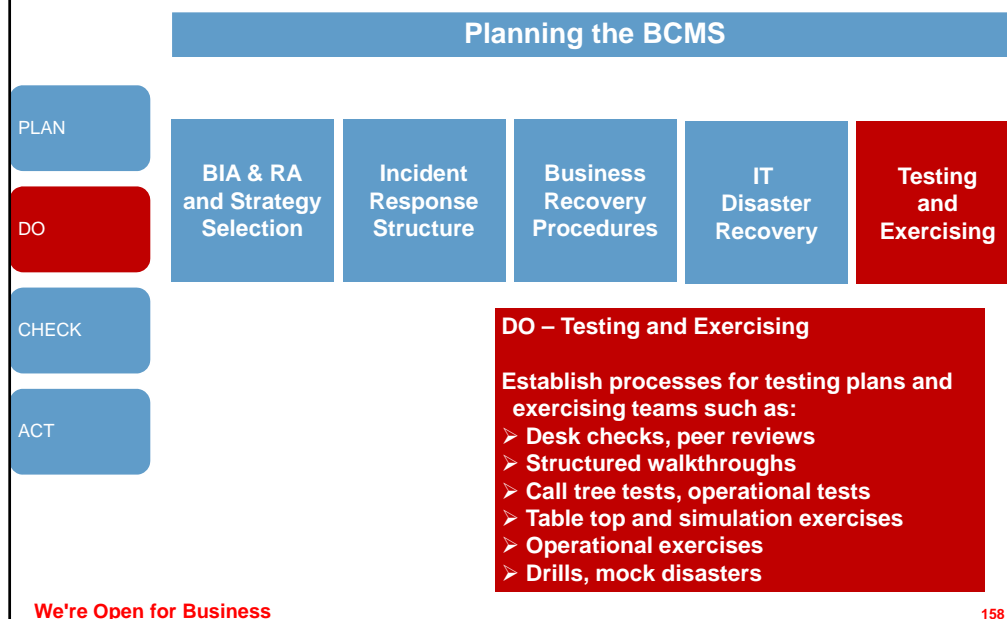
- **Complete a data restore**
 - Run a restore to return backed-up files to their original locations. Do this on a regular basis to ensure the system is actually working.
- **Maintain offsite copies of your backups**
 - In the case that your office files are destroyed by fire, lightning damage, flooding or theft, make sure you have multiple copies of your files elsewhere.
- **Keep virus protection and Firewall on and up-to-date**
 - Without the right protection, viruses can be put back onto your computer after backup and your files can be deleted through an unprotected port.

Working Break/Group Exercise

➤ Break into groups and discuss the following. Then choose a spokesperson to provide a summary.

- 1) How important is technology, and keeping up with new technology, to the success of your business?
- 2) Who is primarily responsible for your tech support?
- 3) How often do you backup your data? Where do you store it?
- 4) Do you have a web site? Why not?

Developing a Business Continuity Plan



Testing and Validating BC Plans



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Testing & Validating BC Plans

What Should You Test?

- All manual procedures
- All automated procedures
- All backup and recovery configurations
- All call trees
- All contact lists, resource lists, off-site inventory lists, etc.

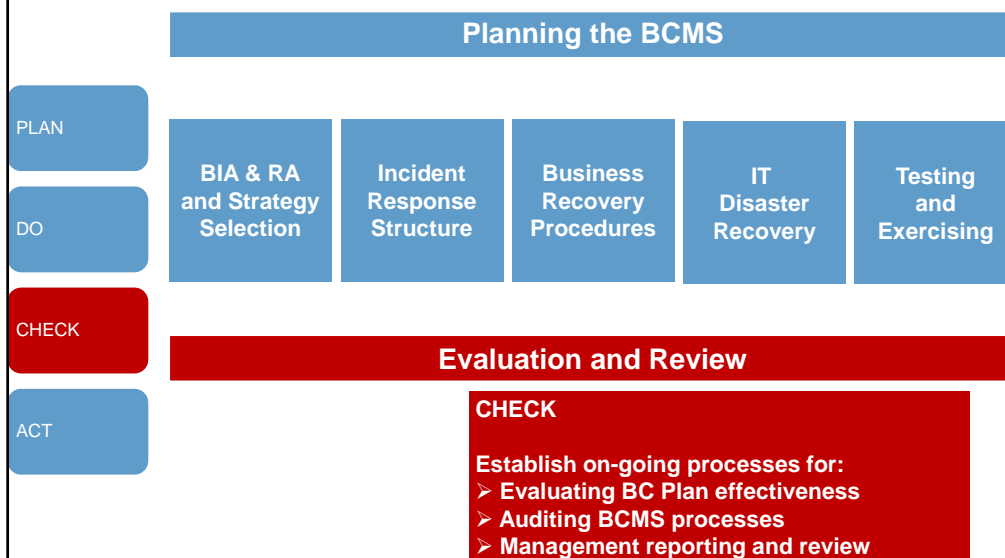
In other words, every single component of the plan!

Testing & Validating BC Plans

When Should You Test?

- Every component should be tested **at least annually**
- Critical and/or highly volatile components should be tested at least quarterly and **after any major technological change**
- Call trees should be tested at least semi-annually and **after any major organizational change**
- Components which fail a test should be **re-tested as soon as possible**

Developing a Business Continuity Plan



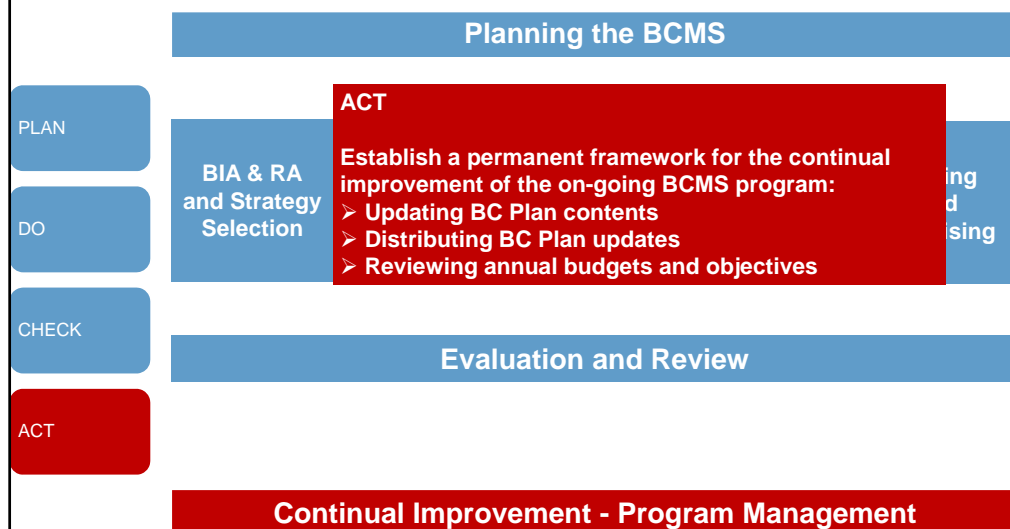
Ongoing Evaluation and Review

A Business Continuity Plan is a living document, and in order for it to remain effective, it must be reviewed and updated on a regular basis.

As a minimum, at least once a year sit down with your staff and ask the following questions:

- Are your BC activities being effectively done?
- Have there been changes to the business or to its operating environment which should be considered for the BCP?
- Are there any areas or items which were not included in the original BCP, but should be included now?
- Are there any opportunities for improvement?

Developing a Business Continuity Plan



Continual Improvement - Program Management

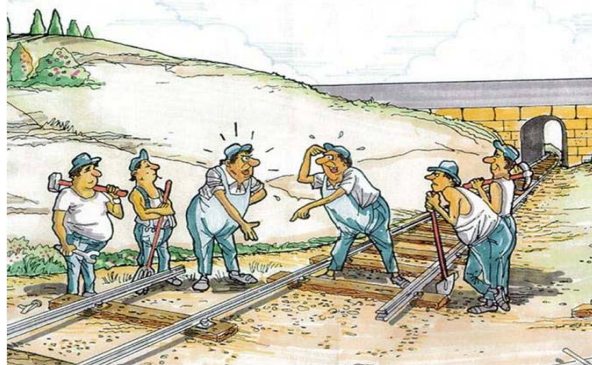


I'll put your BC Plan update into our Change Management system right away

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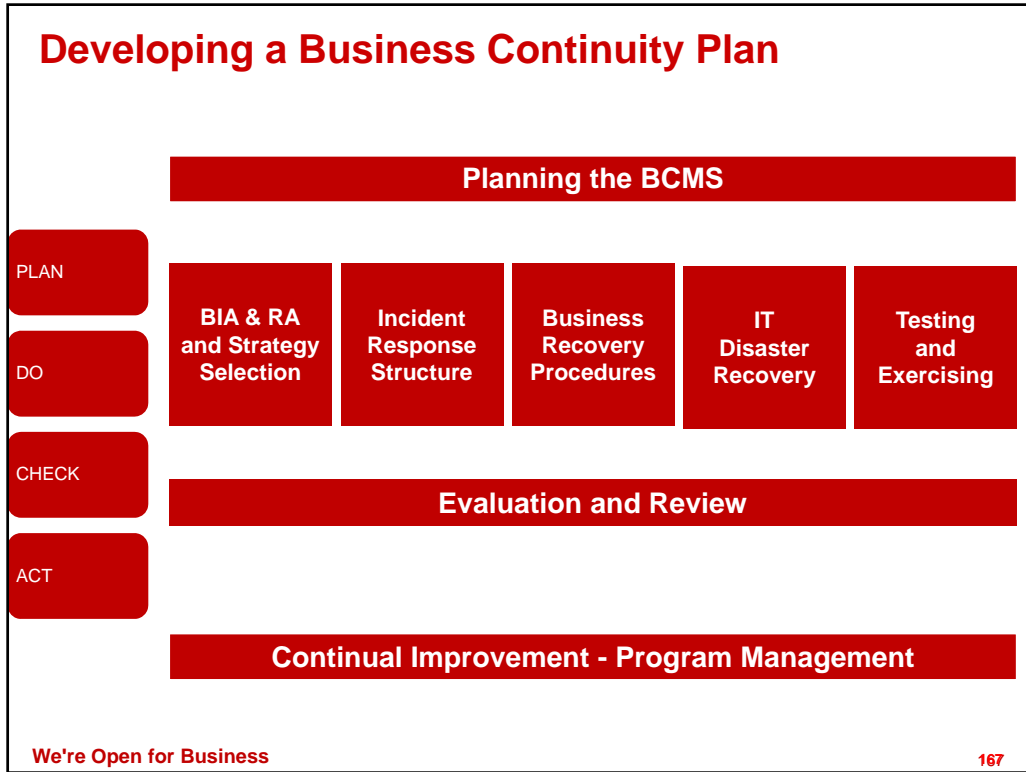
Management Review

- Based on your reviews, **corrective and preventive actions** need to be executed.
- **Corrective actions** rectify the failings/deficiencies that became evident through the audit, while **preventive actions** work towards eliminating factors that may cause errors and failings in the future.



We're Open for Business

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Issues for the Future

www.dilbert.com scottadams@aol.com

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Challenges to MSME Survival

- MSMEs are usually born out of an **entrepreneur's passion** to establish a venture for commercial exploitation, frequently characterized by a lack of adequate long-term funding.
- Even though MSMEs often lack the financial resources to recover independently, they **possess other advantages** that larger organizations may lack, such as a smaller and more simplified organizational structure which can result in more rapid communications and decision-making.
- As well, MSMEs are traditionally more **experienced in coping with uncertainty** and hence may actually be more flexible and adept at survival during a disaster.

Challenges to MSME Survival

Business Protection and Risk Management

- Start thinking about how to protect your business, and the wealth being created, and how to use it wisely for expansion and asset enhancements. Spend on yourself only after you have set aside savings for future productive investments
- Plan for your eventual or sudden exit – have a succession plan, have a business continuity plan (BCP). Evolve the plan as the company grows.
- Insure the business and the key management team (loss of a member can be damaging)

Challenges to MSME Survival

Business Protection and Risk Management

- No one formula for success - every case, every business model, every entrepreneur, every business, industry and economic context is different
- Find your niche, determine your differentiation in the market
- Once started, don't stop. Focus, focus, focus! Adapt, adapt, adapt
- Build the business, the company, and eventually the brand
- Don't stop learning

Challenges to BCP Development

BCP and Government

- Business Continuity Planning is a relatively new concept for the governments of many developing economies.
- As a result, these governments have seldom, if ever, targeted their MSMEs for BCP promotion and facilitation, despite the fact that MSMEs are at high risk from adverse events and play a pivotal role in post-disaster economic recovery.
- The effects of disasters on MSMEs cost governments dearly, with the loss of essential goods and services, higher unemployment, reduced productivity, a greater call on health services and plunging societal morale.
- As the frequency of adverse events accelerates, many governments are beginning to recognize that every dollar they spend on enhancing BCP use by MSMEs can save them many times this amount in post-disaster response and recovery outlays.

Challenges to BCP Development

- **But government agencies continue to encounter obstacles in their efforts to promote and facilitate the use of BCPs.**
- **In many cases governments:**
 - **are unaware of the value of BCP use by MSMEs;**
 - **lack clear policies for promoting/facilitating BCP use;**
 - **have limited resources to promote/facilitate BCP use;**
 - **lack the expertise to support BCP development;**
 - **lack information about the impacts of disasters on MSMEs;**
 - **are unable to overcome the 'tyranny of distance' in promoting BCP use by MSMEs in remote areas;**
 - **do not use private-sector support effectively for BCP promotion and facilitation; and**
 - **face MSME apathy when trying to promote BCP use.**

Group Exercise

- **Break into groups and discuss the following. Then choose a spokesperson to provide a summary.**
- 1) **What could the government be doing in order to better support MSMEs in your country?**
 - 2) **What opportunities are there for better public-private partnerships?**
 - 3) **What types of small business financing options are currently available in your country?**
 - 4) **What types of small business financing options would you like to have available?**

Thank You

- On behalf of our Workshop Sponsors, I wish to thank you for participating in this workshop and we trust that the information we have presented to you will be put to good use.
- Feel free to address any follow-up questions to:



Michael Bittle, MA, CCM, BCRP
Managing Director
Institute for Business Continuity Training
1623 Military Road, # 377
Niagara Falls, NY 14304-1745

Tel: 844-408-4358
Fax: 716-313-1750
Email: mebittle@ibct.com
Web: www.IBCT.com

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