

PMG510

Risk Management

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جامعة الجميع الذكية

تسعى لتكون الكيان الأول الذي يتبنى مبدأ المجتمع التعليمي
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Business continuity management Lecture 9



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Lecture 8 Conclusion

1. Importance of insurance
2. Types of insurance cover
3. Evaluation of insurance needs
4. Purchase of insurance
5. Captive insurance companies
6. Business continuity management

Business continuity management

- In simple terms, **BCP is how an organization** prepares for **future incidents** that **could jeopardize its existence**.
- The range of incidents that should be covered will include everything from **local events like fires** through to regional disruption such as **earthquakes or national security incidents** and extend to international events like terrorism and pandemics.

Business continuity management

- **British Standard BS 31100:2011 defines BCP as:**

“[An] holistic management process that identifies potential threats to an organization and the impacts to business operations that those threats, if realized, might cause, and which provides a framework for building organizational resilience with the capability for an effective response to safeguard the interests of its key stakeholders, reputation, brand and value-creating activities.”

Business continuity management

- In case of a serious incident such as loss of access to premises or the failure of a major part of an organization, it is important to have in place a well-defined, documented and tested **disaster recovery plan**.
- Such plans inevitably focus on recovery of **access to IT systems and data**, but also commonly cover the provision of **alternative premises (if needed)** and other facilities, as well as setting out plans for communications with employees and with other **stakeholders such as suppliers, customers and the media at a time of crisis**.

Business continuity management

- Business continuity plans build upon this by setting out longer-term plans for restoration of 'business as usual' in the immediate aftermath of a disaster.
- A business continuity plan is an important part of reducing the impact of a hazard incident.
- The plan should include arrangements for reducing the damage caused during the incident and containing the cost of recovery from it.

Business continuity management

- **Disaster recovery plans** are a particular component of **BCP**.
- **EX.** If a computer system fails to operate correctly or data has become corrupted, the organization will need emergency procedures to ensure that the data can be recovered and/or ensure that the organization continues in existence.
- There may also be a wider need for a specific plan to manage any crisis that may result from an operational disaster.

Business continuity management

- The main difference between the disaster recovery and crisis management plans is :
- the disaster recovery plan will be mainly concerned **with actions to restore the infrastructure of the organization** and a crisis plan will also be concerned with **external stakeholders and actions** to manage the associated stakeholder reaction and expectations.

Business continuity management

- Many organizations are now taking the view that **BCP** should be viewed as having three components.

1- The **first** response to any major event **is to activate the crisis management plan to ensure appropriate response** to the crisis and, in particular ensure that stakeholders are aware of the situation.

- This will require **effective communication with all stakeholders**, so that the **damage to reputation** resulting from **the incident is kept to a minimum**.

Business continuity management

2- **secondly**, the organization will then seek to **recover from the event by implementation of a disaster recovery plan.**

3- However, as the disaster recovery plan is being implemented, the organization will still need to consider the **ongoing management of the crisis.**

The organization should ensure that implementation of the disaster recovery plan is viewed as the second, but sometimes overlapping, stage of responding to the incident. In fact, in certain circumstances, it will only be possible to implement the disaster recovery plan once the immediate crisis has been contained.

Business continuity management

Model of Business continuity:

1- Understanding your business:

Business impact and risk assessment tools are used to identify the critical deliverables and enablers in your business, evaluating recovery priorities and assessing the risks which could lead to business interruption and/or damage to your organization's reputation

Business continuity management

Model of Business continuity:

2- BCM strategies:

Determining the selection of alternative strategies available to mitigate loss, assessing the relative merits of these against the business environment and their likely effectiveness in maintaining the organization's critical functions

Business continuity management

Model of Business continuity:

3- Developing the response:

improving the risk profile through improvements to operational procedures and practices, implementing alternative business strategies, using risk financing measures (including insurance) and building BCP

Business continuity management

Model of Business continuity:

4- Establishing the continuity culture:

introduction of the BCM process by education and awareness of all stakeholders, including employees, customers, suppliers and shareholders

5- Exercising and plan maintenance:

ongoing plan testing, audit and change management of the BCP and its processes

Business continuity management

- ISO 22301 puts a much greater emphasis on **setting objectives, monitoring performance and metrics** – aligning business continuity to executive management strategic thinking.
- The overriding principles **appropriate to successful BCP** are that the plan should be:
 1. **comprehensive;**
 2. **cost-effective;**
 3. **practical;**
 4. **effective;**
 5. **maintained;**
 6. **practiced.**

successful business continuity

- The first stage in successful BCP, and crisis management is to gain a thorough understanding of the organization and its interactions, both internal and external.
- Part of gaining this understanding will be to identify the objectives of the organization and its key dependencies.
- It is important to understand the critical functions within the organization and identify key resources.

successful business continuity

- Determining BCP strategy will require the identification of risks to the business and decisions about how likely it is that the risks will materialize.
- It is also necessary to understand the impact of risks on the business.
- These assessments should then be used to prioritize treatment of the risks and to agree the likelihood and impact of the risks materializing

Business impact analysis (BIA)

- A critical part of ensuring that adequate business continuity plans and disaster recovery plans are in place is completion of a business impact analysis (BIA).
- The BIA will identify the critical nature of each business function by assessment of the impact of interruption to that activity.
- This information will be required in order to identify appropriate continuity strategies for each function.

Business impact analysis (BIA)

- The BIA is similar to the risk assessment that is undertaken as part of the overall risk management process.
- However, the critical difference from BCP is that the emphasis of a BIA is the identification of the relative importance and criticality of each function, rather than identifying the events that could undermine that particular function.

Business impact analysis (BIA)

- Therefore, the risk assessment and the BIA are related and could well be undertaken together.
- The risk assessment will help in identifying the risks that might threaten the achievement of the business continuity objectives.
- For a television company, broadcasting continuity in excess of 99.9 per cent is likely to be the target and may even be a requirement imposed by the licensing authority. Both risk assessment and BIA require a structured and systematic approach.

Business impact analysis (BIA)

The business impact analysis has three clear purposes, as follows:

1. **Identify mission-critical activities** and the required recovery time in the event of disruption.

This identification activity will establish the timeframe within which the critical functions must be resumed after the disruptive event.

Business impact analysis (BIA)

The business impact analysis has three clear purposes, as follows:

2. **Establish the impact potential and the resource requirements** for recovery within the agreed timescale.

The business requirements for recovery of the critical function must be established.

Business impact analysis (BIA)

The business impact analysis has three clear purposes, as follows:

3. **Determine whether the likely impact is within the risk appetite** of the organization as the basis for business continuity strategy.

The technical requirements for recovery of the critical function also need to be established.

Thanks



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