

**Business Continuity Management**

**A guide to Business Continuity  
for local businesses**



Disclaimer: Under the provisions of the Civil Contingencies Act 2004, local authorities are required to promote Business Continuity Management. However, it is the responsibility of local residents or businesses to take the appropriate steps to safeguard their lives and businesses.

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## 1. Forward - What is Business Continuity?

Business Continuity is a planning practice used to identify what aspects of your business activities and resources are essential.

Once you have established which are essential you can then make plans on how to maintain your businesses services or functions in the event of a disruption.

Chorley Council understands the importance and benefits to an organisation in the production of Business Continuity Plans; which enable the business to manage risks to the smooth running of the organisation and delivery of its services.

This leaflet aims to raise the awareness of local businesses as to the benefits of risk assessing a business to see where it could be affected and how to ensure that there is only limited, if any disruption in the event of an emergency or large scale incident.



**Preparing for Floods**    **October 2003**  
Office of the Deputy Prime Minister  
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## 2. Business Continuity Planning - why is it important?

Small and medium sized businesses are just as vulnerable as larger organisations to the effects of a major disruption or disaster.

How would your business function without electricity for more than two days ?

Unfortunately the smaller the business the greater the likelihood of the incident having a devastating effect on the businesses service delivery and recovery.

Business Continuity Planning should be an established part of an organisations preparation and plans for the possible threats posed to the organisation, whether from internal systems failures or external emergencies.

How would you continue to trade if a large number of staff were absent due to ill health ?

Here is what Business Continuity can do for **YOUR** business!

- **Understand how your business works** – this is the process of analysing your business (*Risk Assessment*) to obtain the knowledge you need to increase your businesses operational effectiveness and efficiency.
- **Protect your business** – this will help you ensure that the impact of any disruption, emergency or disaster on your business and its functions is kept to a minimum.
- **Protect your businesses reputation** – your customers will expect you to meet their needs. Planning will help you consider how best to meet the needs of your customers to protect your reputation and prevent them going elsewhere
- **What will it cost you** – identifying, preventing and managing disruptions in advance can reduce the costs to a business, what will it cost to replace 50% of your equipment, or are you contracted to pay financial penalties if you fail to provide a service or meet your deadlines?

Do the suppliers that are vital to your business have a Business Continuity Plan?

70% of companies suffering a computer failure are out of business within 18 months

DTI Survey

### 3. Business Impact Analysis

A Business Impact Analysis is a risk assessment of the possible impacts upon your business in the event of a disruption, emergency or disaster. It allows you to consider and highlight what are the critical components to your business; these will range from the property or vehicle from which you trade, to the essential suppliers without whom you could not trade.

Key elements:

- Identify your businesses critical functions - use of IT, transport, sales
- Identify the resources required to deliver a minimum level of service for these functions - staff, vehicle, stock, storage
- Risk assess the likelihood and impact of losing the minimum required resources
- Consider appropriate risk management strategies and identify if any of your functions require a business continuity plan

Following the identification of your functions in your business impact analysis you can now use this information to prioritise functions and create your **Business critical function priority** list; which identifies the impact of a failure of these functions, which function/failure will cause the most disruption and which should be re-instated first. You must also consider your suppliers, as to whether they are a critical function of your business

**Which are you 3 most critical functions? How would these be affected if your building was evacuated for a week?**

For example: Business critical function priority template

Function:		
Location/Address		
Number of Staff		
Duration	If this function failed, what would be the impact within each timescale?	
24 hours		
3 days	Consider the effects for 3 days, 1 week, 4 weeks and 2 months (or more)	
Who is dependent upon this function? (List key customers/stakeholders)		
Who do you depend upon to deliver this function? (List partners/suppliers/stakeholders)		
Duration	What equipment do you require to deliver this function? (i.e. computers, desks, chairs, stationery, forms, telephones & lines, etc..)	
	<u>Equipment</u>	<u>Number of Units</u>
24 hours		
(as above)	Consider the effects for 3 days, 1 week, 4 weeks and 2 months (or more)	

The above should be completed for each function considered *Critical*

**“73% of UK organisations reported they outsourced key business processes but only 32% have required that their critical suppliers have Business Continuity Plans”** Chartered Institute of Management 2006

## 4. Hazard Analysis

A hazard analysis is a risk assessment of the environment of your business, it looks at the risks or threats in terms of the events or incidents that may happen.

This helps you to prioritise the risks and assess how vulnerable your business would be, taking into account any existing control measures. Which will allow you to address or prepare for the higher risks as a priority.

You should consider the following:

- Fire
- Floods and storms
- Adverse publicity
- Loss of key personnel and or premises
- Computer failure
- Technical or environmental failure
- Power failure
- Bomb threat
- Product contamination
- Failure of critical suppliers
- Theft

**Information on potential hazards in your area can be found in the Community Risk Register**

**this can be found on the Lancashire Resilience Forum website:**

**<http://www.lanmic.org.uk/>**

When deciding on the severity of a risk it is useful to use a scoring matrix such as the one below.

This will enable you to compare the possibility of different hazards occurring, and when this information is considered along with the affects they will have to your businesses critical functions, you will understand the effect this hazard may have on your business.

### Risk Matrix Score

<b>Impact</b>	<b>High</b>	<b>Medium</b>	<b>High</b>	<b>High</b>
	<b>Medium</b>	<b>Low</b>	<b>Medium</b>	<b>High</b>
	<b>Low</b>	<b>Low</b>	<b>Low</b>	<b>Medium</b>
		<b>Low</b>	<b>Medium</b>	<b>High</b>
		<b>Likelihood</b>		

## 5. Prepare a Continuity Plan

A plan will help you business respond to an incident and ensure that your critical functions are maintained. Through the process of planning you should have

- Gained a clear understanding of your businesses critical functions and the possible hazards to your business
- Allocated clear responsibilities and ensured there are sufficient deputies for key roles
- Written and distributed a checklist of actions which need to be considered during incidents
- Contact details of staff, key suppliers, insurers, suppliers etc

### **Remember:**

***Keep a copy of your plan and essential data off site in case you cannot access your building. (back up your PC data regularly and keep off site)***

*You will only know if your plan will work by testing it. Brief and train all your staff and at least once a year an exercise of the plan should be undertaken*

Examples of template Business Continuity Plans can be found at the following sites:

[www.blackburn.gov/emergencyplanning](http://www.blackburn.gov/emergencyplanning)

<http://heps.eastriding.gov.uk/index.asp?id=1002253>

and for further information:

[www.thebci.org](http://www.thebci.org)

[www.contingency-planning-recovery-guide.co.uk](http://www.contingency-planning-recovery-guide.co.uk)

<http://www.lanmic.org.uk/>

[www.preparingforemergencies.gov.uk](http://www.preparingforemergencies.gov.uk)

[www.ukresilience.co.uk](http://www.ukresilience.co.uk)

[http://www.lewes.gov.uk/Files/busi\\_businesscontinuity2.pdf](http://www.lewes.gov.uk/Files/busi_businesscontinuity2.pdf)

*Please note, the Council takes no responsibility for the information contained on these sites*