Integrating Disaster and Business Continuity Planning

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Abstract

Many communities have been recently exposed to extreme events – from bushfires to floods. For Local Government, a challenge has been to resource emergency management requirements while continuing to delivering core services. This paper outlines an approach developed and validated with several bushfire and flood effected Councils which integrates disaster management with business continuity. The model uses a risk approach which focuses on due diligence performance criteria. Decisions are based on the criticality and vulnerability of resources before an extreme event (to build organizational resilience) - and the criticality of and impact on resources after an extreme event (to nimbly deploy resources to meet needs). The decision making method – for deployment of resources to address both the emergency and the continuity requirements - relies on a single, high level crisis management team. The model has been validated by strong performance in real events.

Plans vs. Planning

A new – and global – Standard for disaster and business continuity management will be released in early April 2012. Called “Societal Security – Business Continuity Management Systems”, ISO 22301 outlines requirements and ISO 22313 provides guidance.

The scope of the Standard is in two parts:

1. To plan, establish, implement, operate, monitor, review, maintain and continually improve a documented management system;
2. To protect against, reduce the likelihood of occurrence, prepare for, respond to and recover from disruptive incidents when they arise.

Plans are of little importance, but planning is essential.
Winston Churchill

Plans are nothing; planning is everything.
Dwight D. Eisenhower

If the emphasis is on the documentation of yet another “plan, do, check, act” system, then the Standard will be seen as a burden rather than an enabler – a significant risk in a marketplace already crowded with standards, systems and guidelines.

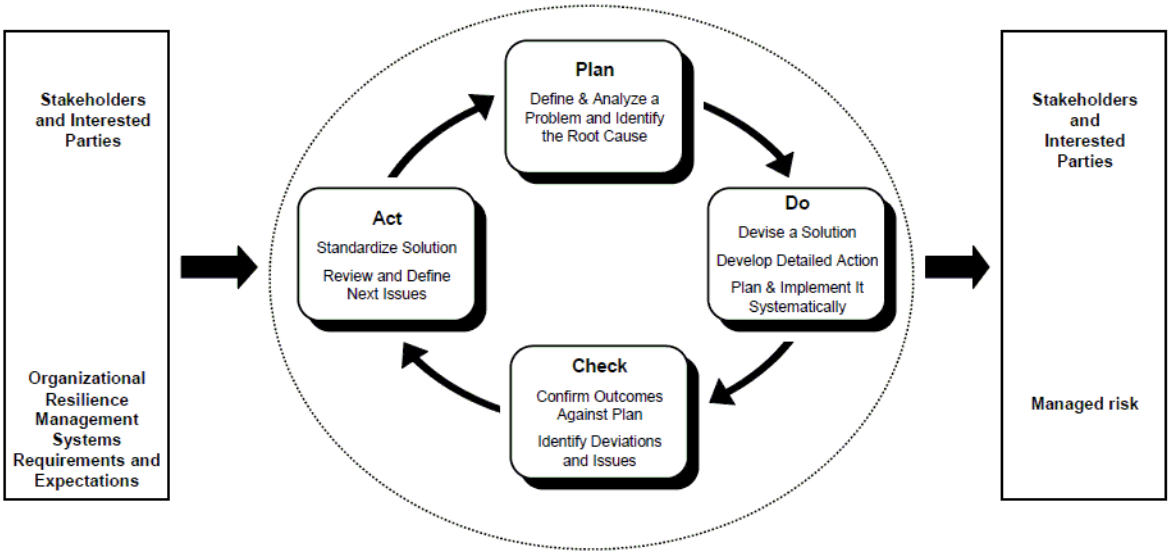


Figure: Plan-Do-Check-Act Model

If the Standard is used to support planning – active collaboration to achieve sound outcomes – with only the minimum necessary documentation – then it is more likely to attract interest and deliver traction.

If we are mindful and use a strategic approach, we should address the key due diligence issue – or “coroner’s test”: i.e. “what you ought to know and do – about risks and their management”. The set of crucial decision points that should be addressed in every disaster management and business continuity management situation, are about:

(1) what is the risk (detection),
(2) what does the risk mean (recognition and interpretation),
(3) who has an interest (communication to multiple stakeholders), and
(4) who should do what (organization of a collaborative system).

Specific objectives will emerge according to the nature and scope of the particular disaster or crisis.

Key Terms

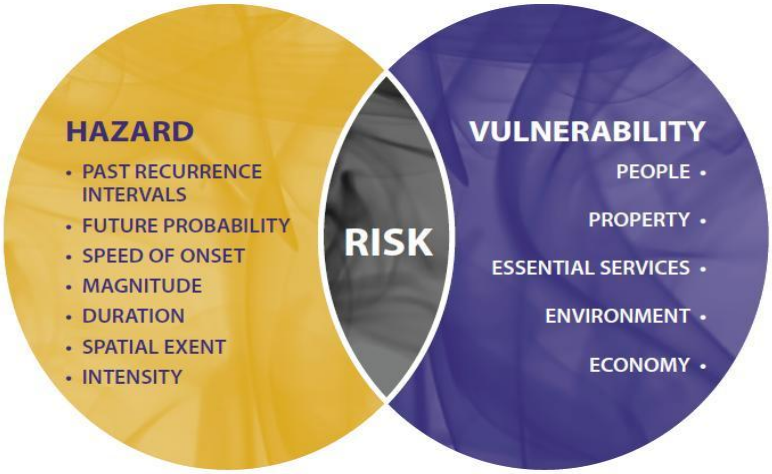
Words and their meanings – or their different meanings – are important when developing context and establishing shared understandings. This enables communication and avoids the “Tower of Babel” syndrome whereby many languages contribute to project failure.

So in checking some terms, let us start with “disaster”. First, while focused on pain thresholds and capacity to cope, the term disaster is contextual – your thresholds and capacity to cope may not be the same as mine.

Second, it is important to recognize that hazard events are not necessarily disasters. Yes, hazards contribute to risk, but an extreme event only becomes a disaster when it impacts something we attribute value to (our “care-abouts”).

Same hazard event – Different consequences

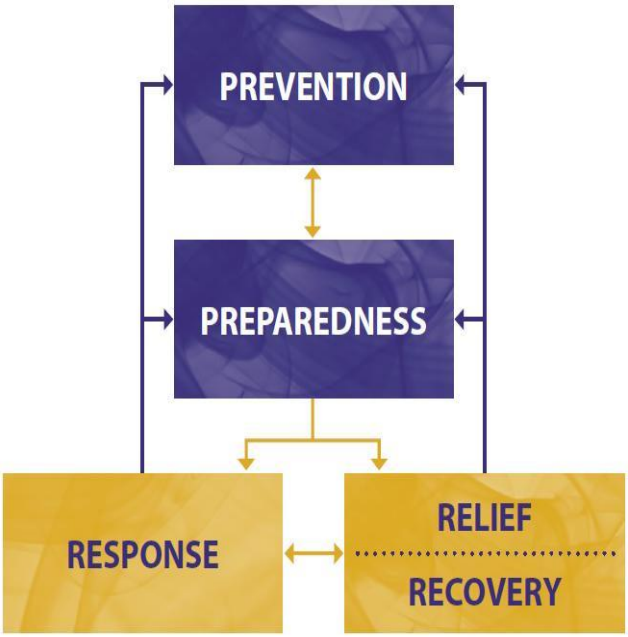
Incorporating a focus on vulnerability opens up a rich vein of considerations - about what might be the most appropriate thing(s) to do to “protect against, reduce the likelihood of occurrence, prepare for, respond to and recover from disruptive incidents when they arise” (ISO 22313).



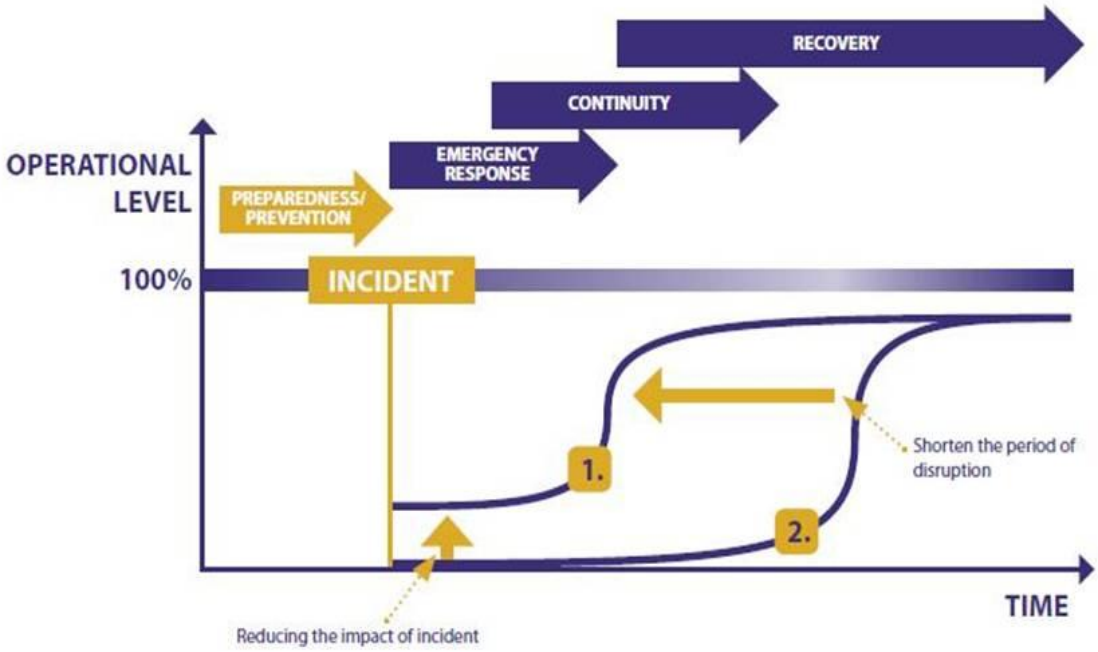
A risk based approach focuses on the likelihood of consequences – not the likelihood of hazard events.

While a risk based approach sits comfortable with an “all hazards” approach, it should be recognized that an “all hazards” approach is a civil defence construct – applying largely to response, relief and recovery arrangements which can benefit from such efficiencies. In a more comprehensive risk based approach there needs to be a recognition that “fire is not water” – and that prevention strategies for each need to be tailored.

The framework within which the risk based approach is applied is often referred to as PPRR – or Prevention, Preparedness, Response and Recovery. This P^2R^2 heuristic device was introduced in the 1980's as an instrument of American foreign policy to encourage third world nations away from reliance upon a post disaster "hand up for hand out" approach. It is not a simple linear construct – though it has constrained thinking by being used in that simple, indeed simplistic manner. A more useful display of the relationship between the four words is displayed here.



Line one in the diagram below reflects the purpose – or business case – of business continuity planning. To mitigate before and after a disruption event.



KEY
1. The impact and period of disruption as a consequence of an emergency is reduced with enhanced mitigation measures in place.
2. The impact of an emergency without adequate preparedness and prevention (mitigation) strategies.

Government needs to address several service delivery issues in a disaster. Support to the community is likely to be a function of both mandated responsibilities and politically endorsed initiatives in response to expectations – and at the same time, it will be expected that key services will be delivered. This calls for the design and development of appropriate "structure".

> Structure, introduced into operations by design, is both a means of limiting error, and of clarifying choices for action by multiple participants over time in complex environments
>
> … the challenge lies in designing structure in ways that achieve stability without restricting flexibility. (L. Comfort)

An approach which integrates business continuity and crisis management is characterized by three elements:

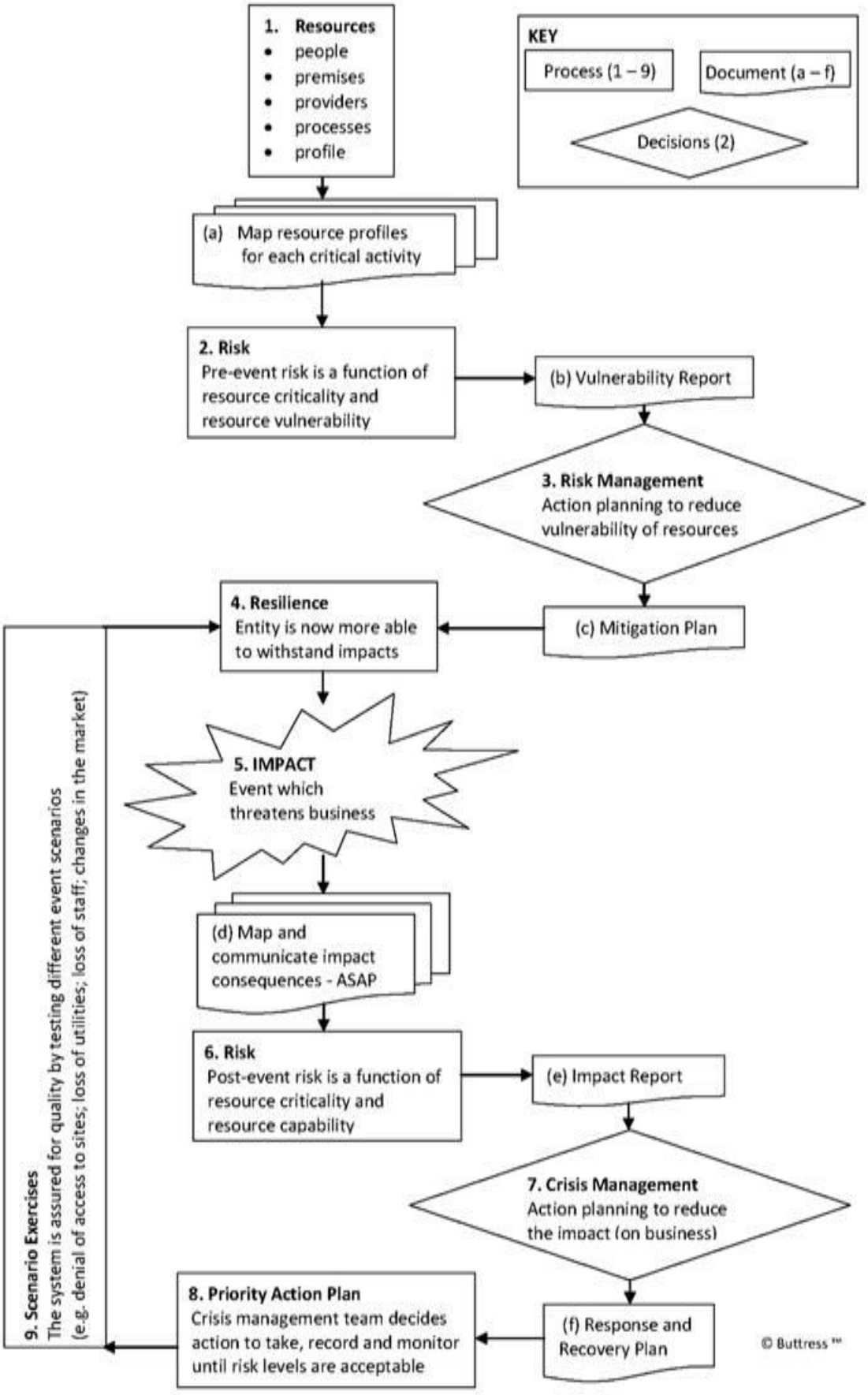
1. A focus on the things you rely on to run your business effectively – the assets, people, skills, information (electronic / non electronic), technology (including plant and equipment), premises and supplies which underpin your critical activities.
2. Adding value by the incorporation of a significant mitigation component – which empowers you to reduce your vulnerability before an incident – to build resilience into the structures and functions of your business.
3. Support of the decision making processes to manage the consequences of impact after an incident – in a nimble and informing manner.

Over the last few years we have worked with several governments challenged by the need to respond to disasters and continue service delivery. Recently, the structure developed with the Nillumbick Shire (Victoria) was recognized as a worthy finalist in the 2012 LGPro Category 1 Awards for "Innovative Management Initiative" based on validated performance during a disruption event.

The conclusions of the report to their governing body highlighted that:

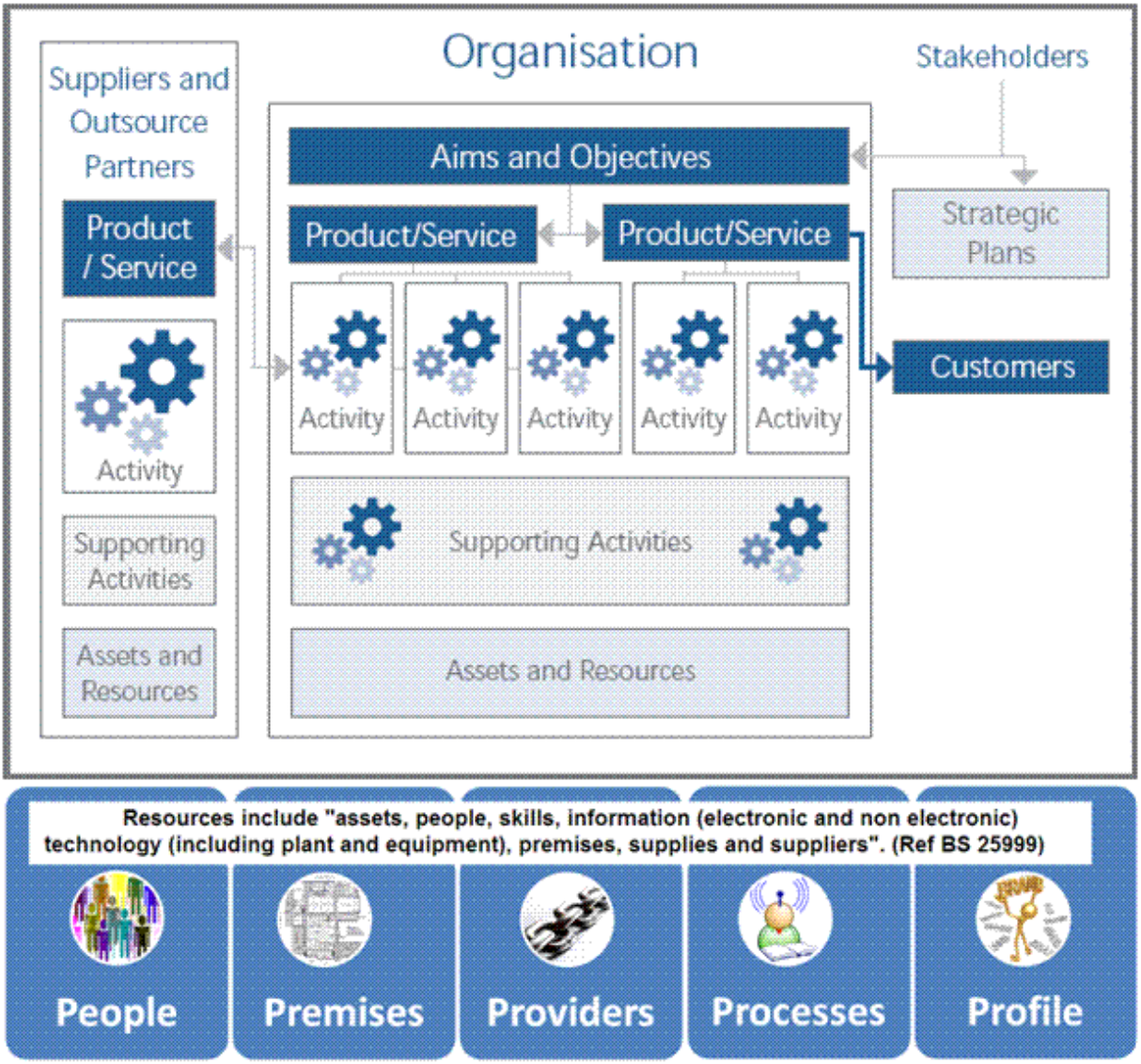
"The early initiation of the Business Continuity Plan proved effective. A well managed and strategic approach to decision-making was evident. The Crisis Management Team was engaged at an early stage and managed the situation in a structured and strategic manner. The Business Continuity Plan worked well, and adequate administrative support and equipment was available."
(Reference: Report OCM.109/11 of 20 September 2011 on 'Portable Office Building Fire 15 June 2011', Section 5.3 Page 3).

The nine step methodology is outlined below.



Foundational to the approach is mapping the organization – especially the resources it relies on to deliver its key “must deliver” services.

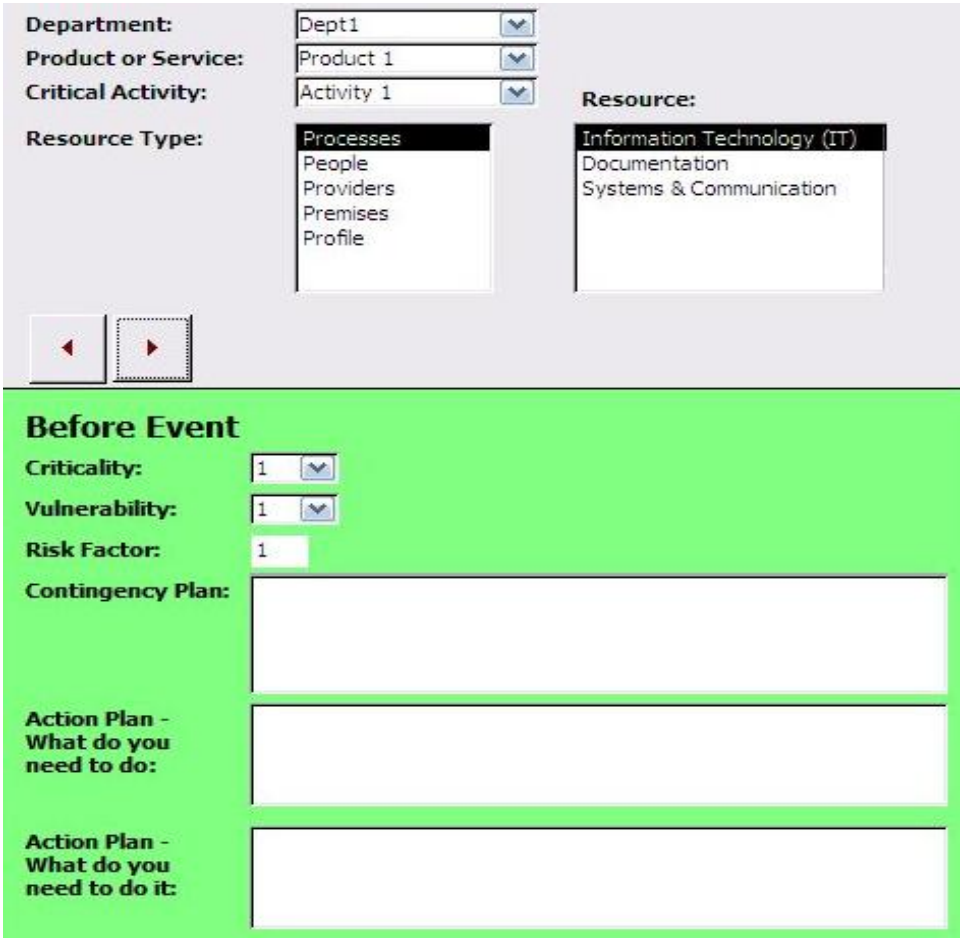
This can be done by using general tools (such as six sigma / lean SIPOC) – or by using a focused tool which concentrates on fifteen questions.



Data addressing the fifteen questions can be collected and stored in a variety of ways – in workshops or one on one interviews with managers – by paper, Excel spreadsheets, or an Access Database.

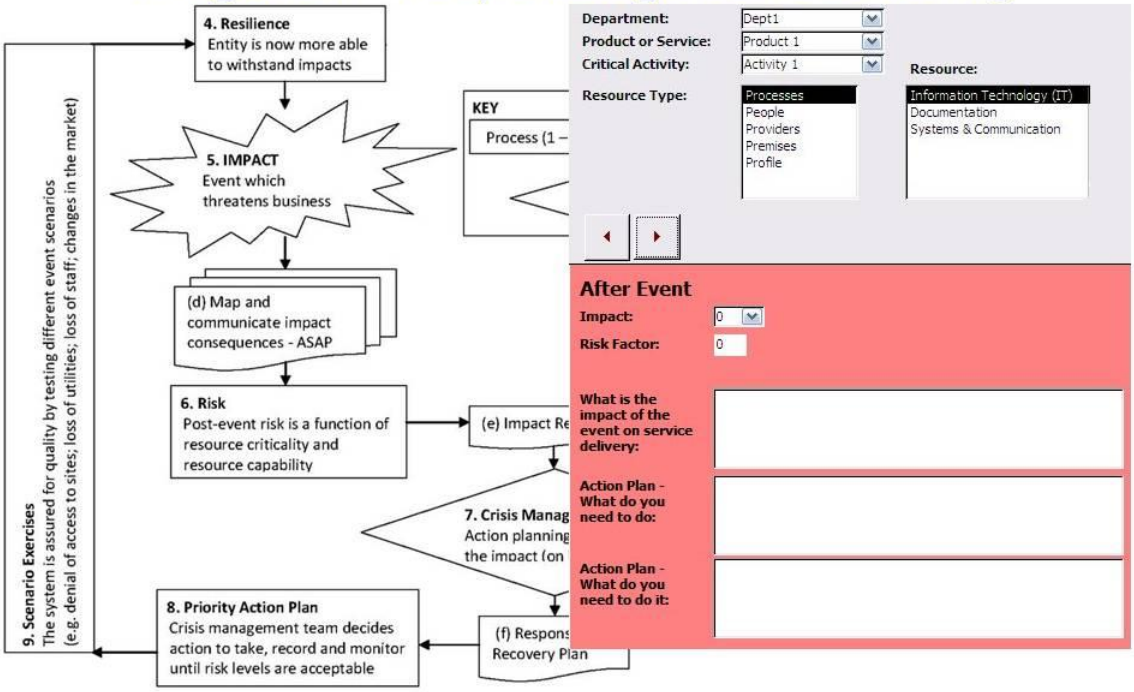
PEOPLE	**Key Staff:** What staff do you require to carry out this Key "must deliver" Product / Service?	**Skills / Expertise / Training:** What skills / level of expertise is required to undertake this Key "must deliver" Product / Service?	**Minimum Staffing Levels:** What is the minimum staffing level with which you could provide some sort of service?
PREMISES	**Buildings:** What locations does this Key "must deliver" Product / Service operate from? (Primary site, alternative premises)	**Facilities:** What facilities are essential to carry out this Key "must deliver" Product / Service? Do you need these to be located at a specific site?	**Equipment / Other Resources:** What equipment / other resources are required to carry out your Key "must deliver" Product / Service?
PROCESSES	**IT:** What IT is essential to carry out this Key "must deliver" Product / Service?	**Documentation:** What documentation / records are essential to carry out your Key "must deliver" Product / Service, and how are these stored?	**Systems & Communications** What systems and means of communication are required to carry out your Key "must deliver" Product / Service?
PROVIDERS	**Reciprocal Arrangements:** Do you have any reciprocal agreements with other organisations?	**Contractors / External Providers:** Do you tender key services out to another organisation? If so - to whom and for what?	**Suppliers:** Who are your priority suppliers and whom do you depend on to undertake your Key "must deliver" Product / Service?
PROFILE	**Customers and Reputation:** Who are your key stakeholders?	**Legal Considerations:** What are your legal, statutory and regulatory requirements?	**Vulnerable Groups:** Which vulnerable groups might be affected if your organisation fails to carry out this Key "must deliver" Product / Service?

The "Value" comes from adding a risk assessment layer – before impact – which informs capacity and resilience building opportunities.

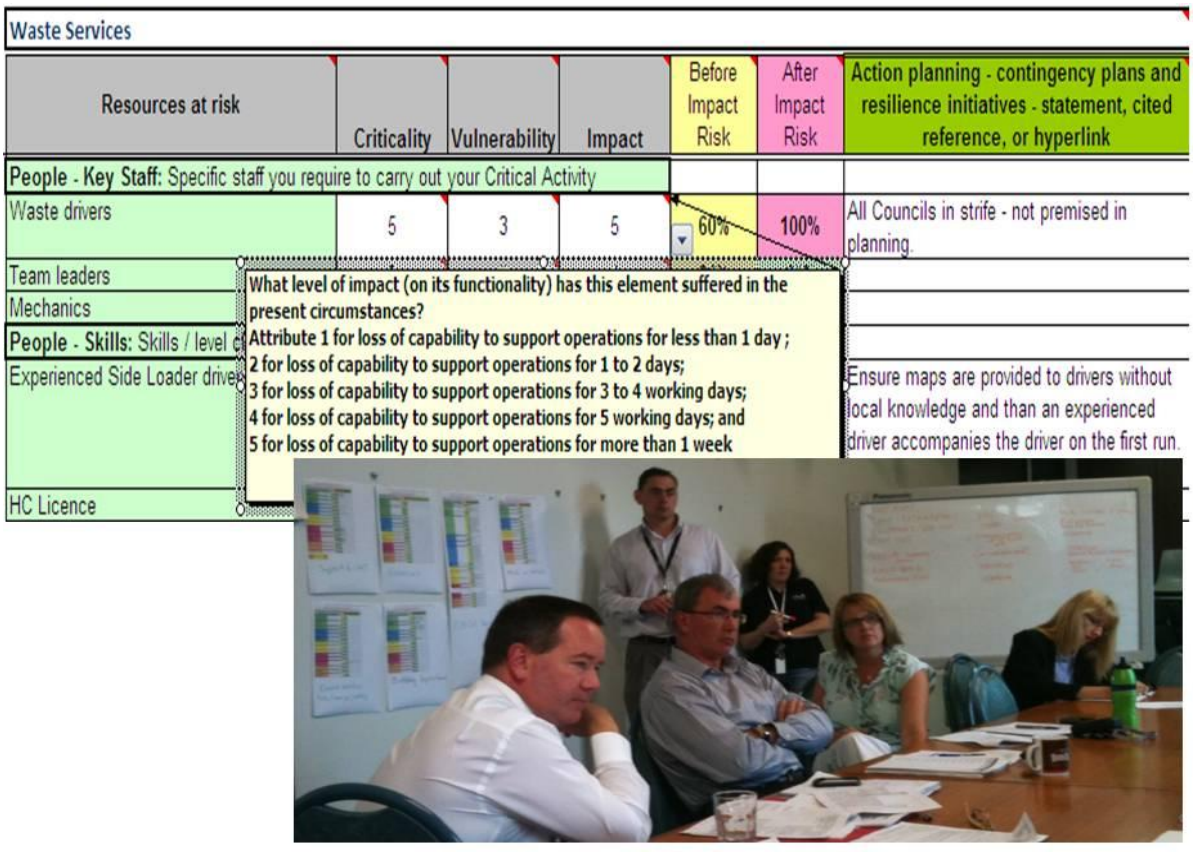


After Impact

Mitigation – responding and recovering



After impact – the value comes from only one impact attribution being required to be entered – against the effected resource (which will vary by hazard events) – and this then informs decision makers by tailored reports.



Closing reflections

1. The tent in Thomas Sheard's The Arab Blacksmith, c.1900, Bendigo Art Gallery is a timely metaphor for risk management frameworks. It's your tent. All elements are necessary to be sufficient – cloth, poles and pegs – shape it to your context – your "crowd size", wind direction and sun exposure.

2. There are no magic "silver bullet" solutions

3. Methodology: Gap assess your capability with an agreed approach (an approach based on the vulnerability of resources and focused on supporting informed decision making). Going down a "Standards referenced" path may be useful, but it is probably not necessary.

4. Tool: Any "solution" needs to perform against the methodology above – ticking all of the "quality process boxes". It is the glove that fits the hand.