



# Business Continuity Guide

**Could your organisation survive  
an emergency?**





# Contents

	Page
What is Business Continuity? .....	3
Why should I have a Business Continuity Plan? .....	4
Frequently Asked Questions .....	5
Case Study .....	6
Mind your own business!	
What type of incidents should you plan for?.....	8
The 5 step guide to Business Continuity Planning ...	10
Top tips for Business Continuity .....	12
Example Business Continuity Plan .....	13
Further information on Business Continuity .....	15
Business Continuity with Resilient Durham.....	16

**Top tip!**

Don't rely on your insurance arrangements to take care of your business recovery. Ensure you know what you are covered for, but don't use it as an excuse not to plan for the worst. If your business is unable to operate for a length of time, insurers can't make your customers come back.



# What is Business Continuity?

Business Continuity Management (BCM) is about preparing your organisation for potential incidents that may affect your ability to operate normally, for example loss of electricity, flooding, fire or staff shortage.

It is a process of analysing your business for vulnerabilities and putting measures in place to ensure you can deal with disruption. It is far better to prepare and train in advance for an incident which may occur, rather than having to catch up while responding to the incident.

*"We didn't have a Business Continuity Plan when our file store flooded. Frankly we were in a panic not knowing what to do first."  
A small estate agents in County Durham.*

## **There are two key things to remember about Business Continuity:**

- ✓ **Business Continuity is not rocket science.**  
It's common sense and is often easier than you think. It will certainly help you safeguard your organisation and in incidents could save you time, money or even keep you in operation.
- ✓ **Business Continuity is not just for businesses.**  
The principles of Business Continuity can be applied to every organisation, not just those in the private sector. Your organisation needs to be able to deal with the effects of incidents and have the ability to recover afterwards.



# Why should I have a Business Continuity Plan?

According to the Federation of Small Businesses, 80 per cent of businesses affected by a major incident close within 18 months and 90 per cent of businesses that lose data from a disaster are forced to shut within two years. Effective Business Continuity Management arrangements improve resilience and may also highlight anomalies and duplications in your business methods. Therefore it is possible to gain **immediate financial savings** by implementing BCM.

## Further benefits of an effective BCM programme include:

- ✓ The ability to proactively identify the impacts of an operational disruption;
- ✓ Having in place an effective response to disruptions, which minimises the impact on the organisation;
- ✓ Maintaining the ability to manage uninsurable risks;
- ✓ Reducing the financial losses you may incur;
- ✓ Preventing loss of business to competitors;
- ✓ Possibly improving dealings with insurers, investors, banks and suppliers by being able to demonstrate effective business resilience arrangements;
- ✓ Enhancing reputation and building customer and staff confidence;
- ✓ Potentially gaining competitive advantage by the demonstrated ability to maintain activities and service;
- ✓ Staff who are trained how to react to an incident, respond more efficiently.

In the end, Business Continuity is about responsible management. It makes a business a safer place to work and contributes to financial stability.



"We thought we had a resilient system by backing up our paper records on computer. We hadn't considered the consequences of a business interruption that would make both unavailable, like a flood." *A local small business.*

# Frequently Asked Questions

## **What is a Business Continuity Plan?**

A Business Continuity Plan should be a set of instructions of what to do and what not to do at the time of an incident. It is about thinking ahead and planning for any scenario that could affect your business. The plan should set out clear roles and responsibilities and list a series of actions which allow key business activities to continue in the most difficult circumstances.

## **How does a Business Continuity Plan differ from a Disaster Recovery Plan?**

Disaster Recovery Plans traditionally focus on the IT recovery of the business. A Business Continuity Plan addresses all essential requirements to keep the business running. In addition, it should include processes to keep disruption to customers and employees to a minimum.

## **How long will it take to create a Business Continuity Plan?**

It shouldn't take long to create your first plan, but obviously this will depend upon the complexity of your business. The smaller the size of your business generally the less time it is likely to take. Why not start with the template in this guide?

## **What will it cost to create a Business Continuity Plan?**

The cost will be relatively little and at the end of the process you will have a plan to protect your business. The benefits of having a working Business Continuity Plan should outweigh any small expenditure. The price of not planning could be a lot higher than many organisations anticipate.

## **Is your business too small to have a Business Continuity Plan in place?**

No, even sole traders are advised to have systems in place to be able to continue work in case of theft, fire, flooding, IT and utility failure. The size of any plan will depend on the risks facing each business - it will be as large or small as needed.



# Case Study

## The Business

A successful local company, involved in property development and the supply of short-stay apartments, had its company office in a multi-storey, multi-occupancy building. The company employed six people at the office which was also where all records were maintained on a single server as well as in paper files.

## The Incident

The floor above the company office was occupied by another business, and one night taps were left running on this floor. By the next morning the ceilings in many areas had collapsed and there was extensive water damage. The paper records were destroyed and the server and its data had been damaged beyond repair.

### Top tip!

Plan for the effects of an incident, not the cause. The eventual outcomes may well be more important than what caused the original event.

## The Consequences

Although the business was fully insured against financial loss, this was not the biggest problem. A daily back-up of the server meant that most stored data could be recovered, but the paper-based records were lost. This meant that staff had to spend large amounts of time, including evenings and weekends, attempting to recreate work-in-progress.

Due to the water damage, the business had to move to the Managing Director's home for five months, greatly impacting on his personal life. Although the insurance covered repairs to the physical environment, it did not cover the increased costs of working or loss of profits. It also contained exclusions, in particular relating to the value of lost data, which resulted in increased operating costs. More importantly, it was many months before any insurance payment was actually received.

The company had to continue trading while simultaneously dealing with repairs and recovery. Although data loss from the server was minimal, had a proper back-up routine not been in place, the loss would have been catastrophic and the company would not have survived. The company was fortunate that staff were prepared to work extraordinary hours to try to recover lost records and information.

The MD said that the amount of work involved was "like running another company."



It is impossible to plan for every eventuality and you simply cannot predict every incident that may affect your business. Over 400 businesses in Hertfordshire in December 2005 were unable to access their premises due to a massive fire at an oil storage facility, the 'Buncefield fire'. The effects of the fire meant 25,000 people were unable to reach their primary work location.

In our case study, the major risk was caused by having an information system that did not have sufficient resilience to interruption. Effective Business Continuity planning would have highlighted this, as well as identifying alternative accommodation and possibly sources of additional staff to help deal with a sudden increase in work.

The key is flexibility, to have effective arrangements that can be applied to a number of scenarios. The most common problems are not having capable back-up systems to essential activities, such as facilities, communications and information.



# Mind your own business!

Ultimately, you are the key factor in your business. It is obvious that decisions you make will determine how it operates and contribute to its growth or decline. But have you considered and planned for how it would operate should it suffer a business interruption? It makes sense to do so. Consider some of the following scenarios and think about how your organisation would cope.



## Severe weather

Primary impacts of severe weather include flooding, snow, high winds, heat wave and drought. Secondary effects of severe weather must also be considered, such as transport disruption, flooding from burst water mains or the loss of utilities through power outages.



## Theft or vandalism

The effects of criminal activity not only include the cost of replacement equipment but also the value of lost data or time. Theft of IT equipment or communications cables in particular could be very detrimental. Vandalism of machinery or vehicles could also pose health and safety issues.



## Loss of utilities

Critical business functions could be affected if you lost power or water. This could affect heating, lighting, IT, telephones or affect key machinery and equipment.



## Fire

Fire can physically destroy a business. Even if the premises survive, the effects of water and smoke damage could be catastrophic.



## Disruption to fuel supplies

Would you be able to operate company vehicles in the event of a fuel crisis? Would your staff still be able to get to work and would your suppliers be able to deliver goods to you?



## Mind your own business!



### Loss of staff

Consider how you would cope if staff were unavailable to work, from a few key individuals to widespread absences, perhaps through illness or industrial action.



### Disasters affecting customers

Would your organisation be able to survive on guarantees from your insurers or customers if a client stopped being able to pay you?



### Restricted access to premises

How would your business function if you could not access your workplace - for example, due to a gas leak? Have you identified alternative premises and what is their state of readiness to commence operation? How will delays affect your commitments?



### ICT system failure

Information computer technology is a critical business function which can be threatened by many of the other identified hazards, plus by computer viruses, hackers or system failures.



### Incidents/ delays affecting suppliers

If your suppliers suffered an interruption or ceased trading, do you have an alternative source? Are you entirely dependent on a sole provider? This is a particular concern if you are supplied with products or services of a specialised nature.

### Top tip!

Consider the long term effects of major purchases. For example, an organisation in Durham sourced a new lift from a foreign company. Unfortunately the lift suffered repeated mechanical breakdowns, but engineers and parts had to come from abroad. This meant that every interruption lasted weeks and impacted on both staff and customers.



## 5 Step Guide to Business Continuity Planning

You will find that it is quick, easy and inexpensive to create a Business Continuity Plan. This is a basic five-step guide to get you started on Business Continuity Planning. If you want to develop your Business Continuity arrangements further, contact the Civil Contingencies Unit.

### Step 1 Analyse your business

Understand your business and what makes it tick. Consider:

- ✓ What is the purpose of your business?
- ✓ How is that achieved?
- ✓ What are your products/services?
- ✓ Who is involved (internal & external)?
- ✓ What deadlines do you work to?

### Step 2 Assess the risk

Assess the risks to your business and how they could affect your ability to operate. The list of some possible incidents on pages 8 and 9 of this guide may prove useful for this task.

**Top tip!**

What suited your business in the past may not be appropriate now. Review and update your plan at least annually and after every change in your business or business environment.



“We have to develop our Business Continuity Plans to continue our professional accreditation by the Law Society”

*A legal practice in County Durham.*

### Step 3 **Develop your strategy**

A strategy helps protect your business - it should identify:

- ✓ The aim of your strategy;
- ✓ How the aim will be achieved;
- ✓ Who will complete the actions to achieve the aim;
- ✓ Where the actions need to be completed, such as at head office or a different location.

### Step 4 **Develop your plan**

The plan can be as simple as you want - the simpler it is the more flexible it will be.

If there has been a fire, what do you need to do first; do you need to connect telephones first to contact customers, does this need to be done at an alternative site, do all of your staff need to relocate to this alternative location - or can some of them work from home?

Contact numbers, resources, procedures should be set out in this plan. A plan template is shown at the end of this guide.

### Step 5 **Rehearse your plan**

It is essential to update your plan on a regular basis and each time something changes, for example, ensuring supplier contact details are still correct.

Remember to inform your insurance company that things have changed. It is also essential that the plan is tested. You should involve all of your staff and familiarise them with their roles and what is expected of them in an incident.



# Top tips for Business Continuity

- ✓ Remember that prevention is better than cure!
- ✓ Test plans and rehearse your team on a regular basis.
- ✓ Back up data regularly and store copies off site in a secure place. Practice restoring the data in an IT system to ensure that it works.
- ✓ Ensure that important paper documents, such as contracts and employee information are protected. Make copies and use fire resistant and waterproof storage.
- ✓ Keep a list of contact details for your staff, customers and suppliers off site so that you can contact them if you do not have access to your usual premises and review this regularly.
- ✓ Be clear about what your insurance covers and what it doesn't. Check your cover regularly to ensure it is appropriate and keep copies of the relevant policies off site.
- ✓ Make arrangements for a temporary base - you may not be able to operate out of your existing premises for weeks or even months depending on what the incident is. Remember, any site must comply with health and safety rules.
- ✓ Make an inventory of equipment, materials, products and any other assets to give you an overview of the business. This will make it easier to work out losses and identify gaps in core resources after an incident.
- ✓ Have an emergency pack which will include your Business Continuity Plan, key telephone numbers, as well as a first aid kit, high visibility vest, a torch, spare batteries or a windup version, spare keys, cash and credit card.
- ✓ Identify business critical activities and set out the tasks needed to restore them and/or relocate.
- ✓ Make an inventory of all your equipment and identify the core resources that support your critical activities. Consider how you would replace these products in an emergency.
- ✓ Tasks in the plan should be assigned to appropriate individuals. Being organised before the event makes the recovery afterwards much easier.



# Example Business Continuity Plan

Use this template to complete a simple Business Continuity Plan. It is a good idea to complete the blue sections overleaf before an incident, and use the red sections at the time.

## Key tasks:

- ✓ Alert key members of staff;
- ✓ Agree the activities needed and implement recovery plan;
- ✓ Advise other staff of when and where to report;
- ✓ Notify key contacts (suppliers/customers);
- ✓ Establish the immediate business needs;
- ✓ Maintain a log of all decisions/events/actions taken;
- ✓ Consider working arrangements for staff;
- ✓ Notify your insurers;
- ✓ Alert IT contact (if necessary).

## Action Plan - The tasks essential to the successful recovery of the business.

TASK DETAIL	INSTRUCTIONS	CONTACT DETAILS	COMPLETED



## Example Business Continuity Plan

### Key Business Functions (In order of priority):


### Staff Contact Numbers:

CONTACT NAME	CONTACT DETAILS	CONTACT NAME	CONTACT DETAILS

### Important business contacts, suppliers and customers:

COMPANY	CONTACT NAME	CONTACT DETAILS

### Alternative Suppliers:

COMPANY	CONTACT NAME	CONTACT DETAILS

### Other important contacts to consider:

	COMPANY	CONTACT NAME	CONTACT DETAILS
<b>Insurance</b>			
<b>Landlord</b>			

### Alternative workplace location details:

LOCATION	CONTACT NAME	CONTACT DETAILS

### Back Up Information/Equipment:

<b>Back Up Computer Records/Data Location</b>	
<b>Critical Paper Records/Info Location:</b>	
<b>Emergency Pack Location:</b>	
<b>Insurance policy number:</b>	

### Plan Distribution List:

PLAN COPY NUMBER	NAME	LOCATION

Why not cut this template out and use it as a basis for your plan?





"Now I have a tried and tested Business Continuity Plan, I feel much more confident that my business has a secure future."

*A local self-employed consultant.*



## Further information on Business Continuity

For more information on Business Continuity visit the County Durham & Darlington Civil Contingencies Unit's webpages:

[www.durham.gov.uk/businesscontinuity](http://www.durham.gov.uk/businesscontinuity)

[www.darlington.gov.uk/businesscontinuity](http://www.darlington.gov.uk/businesscontinuity)

Alternatively, contact the unit by telephone: **03000 264 654**

or email: [ccuenquiries@durhamdarlingtonccu.gov.uk](mailto:ccuenquiries@durhamdarlingtonccu.gov.uk)

The CCU can provide free general guidance on Business Continuity issues plus great value consultancy services are available. For more information see page 16 of this guide.

Remember that when it comes to Business Continuity, money spent can turn out to be money saved.

For further general information visit the following sources:

- **The British Institute of Facilities Management (BIFM).** [www.bifm.org.uk/bifm/home](http://www.bifm.org.uk/bifm/home)
- **The Business Continuity Institute.** [www.thebci.org](http://www.thebci.org)
- **Continuity Central.** [www.continuitycentral.com](http://www.continuitycentral.com)
- **Business Link Helpline.** [www.gov.uk/business-support-helpline](http://www.gov.uk/business-support-helpline)
- **Department for Business Innovation & Skills.** [www.gov.uk/government/organisations/department-for-business-innovation-skills](http://www.gov.uk/government/organisations/department-for-business-innovation-skills)



You can also try contacting your insurance company who may be able to provide additional information, support or guidance.

# Business Continuity with **RESILIENTDURHAM**

Anyone can apply Business Continuity Management to their organisation, but it may help to incorporate the help of professionals into your planning process.

The Civil Contingencies Unit (CCU) at Durham County Council develops emergency and business continuity planning arrangements on a daily basis. From analysing business processes, to writing plans; from training staff, to testing and exercising; the team has the skills required to help you improve the resilience of your organisation.

Members of the team have undertaken specialist training with the Business Continuity Institute, and are well equipped to apply this knowledge to your organisation. This can help provide an improved level of resilience, or simply provide services that you don't have the time to do 'in-house'.

There are a number of options available, from helping to develop plans, to training for staff to develop their own.

## **Why not contact the CCU or visit their webpages to find out more?**

Telephone: 03000 264 654

Email: [ccuenquiries@durhamdarlingtonccu.gov.uk](mailto:ccuenquiries@durhamdarlingtonccu.gov.uk)

Visit: [www.durham.gov.uk/businesscontinuity](http://www.durham.gov.uk/businesscontinuity)

## **New training package available!**

Why not take advantage of our new training workshops to initiate your Business Continuity Management systems?

Join us for a three part programme to undertake a complete journey through the BCM process.

Special discounts are available if all three workshops are booked at once.

**Please ask us if you would like this document summarised in another language or format.**

[ccuenquiries@durhamdarlingtonccu.gov.uk](mailto:ccuenquiries@durhamdarlingtonccu.gov.uk)

**03000 264 654**