Using the Business Continuity Maturity Model® To Gain Executive Approval

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Agenda

- Presentation Introduction
- Executive Buy-In
- History of BCMM®
- BCMM® Capabilities
- BCMM® International Interest
- Q & A’s
Executive Buy-In

Investing in increasing revenue

Planning for something that you HOPE never happens.

Executives decide how to best utilize scarce resources:

$$ + People

Critical to their decision: ROI
Executive Approval the Traditional Way

• Budget Phase:
  • Annual Budget Cycle
  • Project Plan
  • Change Management

• Crunch Time:
  • Which pot to take it from?
  • What about competing priorities

• What ends up happening:
  • The squeaking wheel gets the oil
  • BCM is fast tracked (whatever that means)
Executive Approval the Traditional Way

• What are the typical means to secure funding?
  • Reaction to potential threats
    • Disasters
    • Audit
    • Legislation / Regulation
    • Peer Pressure
    • Supply Chain
    • Shareholders
    • Clients

• What are the typical answers?
  • Not from my budget
  • Sorry, the budget has been approved you have to find the money somewhere else
  • No problem, as long as you stay within the budget
  • That’s someone else’s problem
Alternate Approach

• Establish a repeatable and consistent process to measure and demonstrate achievements

• Pro-actively apply those measures to
  • Vendor selection/strategy/criteria
  • Process (Re-)Engineering
  • Establish competitive advantage
  • Develop and demonstrate program improvement metrics
  • Conduct Internal Audits
  • Evaluate Business Partners and Supply Chain and SC Partners
  • Assist Corporate Governance
  • Align With Regulatory Requirements
  • Obtain Executive Buy-In
  • Support Program Design
You have a vision…but you can’t do it alone.
Implement BC as a sustainable program

Everyone should have a clue of their role in case of a disruption.

Individual managers should have responsibility for recovering their department.
History of BCMM®

1997 – 1999
Initial conversation & research

2000
CPM Baseline Survey
Continued research

2001
Introduction article in CPM
Formulation of BCMM® Working Team

2002
DRII and BCI Professional Mapping Project initiated
Corporate Competencies identified
Business Continuity Program Content defined

2003
Follow-up article in Disaster Resource Guide
Pilot assessment workshop at Continuity Insights
Public Domain BCMM® finalized
Numerous self-assessment workshops conducted
BCMM® public announcement, October

2004
Proprietary toolkit available for the first time
First Assessor’s training class

2005
Active domestic and international Assessor licensing program

2006
Licensed Assessors in 10 countries
Why create a BC maturity model?

The Business Continuity Maturity Model® was developed to:

- Answer the following questions for senior mgmt:
  1. Where are we now?
  2. Where do we ultimately want to be?
  3. Where should we be next?

- Achieve *executive “buy-in”* to implement and/or sustain a Business Continuity program
Why create a BC maturity model?

The Business Continuity Maturity Model® was developed to:

- Generate consistent data from which meaningful benchmark analyses can be drawn:
  1. Establish **standard means** of scoring BC program implementations
  2. Develop **historical databank** tagged in meaningful ways, e.g., by industry, by region, by company size, etc.
  3. Generate awareness that business continuity program **effectiveness can be quantified**
Why create a BC maturity model?

The Business Continuity Maturity Model® was developed to:

- Provide a diagnostic tool for objective evaluation of BC program effectiveness
  1. Generate *consistent and repeatable* measurements of the current “state-of-preparedness”
  2. Conduct *accurate and reliable* analyses to identify gaps in BC program implementation
  3. Propose *demonstrable and justifiable* actions to maximize program effectiveness and resource utilization
What is Business Continuity?

Business Continuity (BC)

- Prevention and Preparedness
  - Identifying risks and threats,
  - Mitigating those exposures that can be eliminated, and
  - Providing contingency planning for those that cannot.

- Response, Recovery, Restoration, and Resumption
  - Providing for the continuous operation of critical business functions under predefined circumstances.
  - Ensuring that, if interrupted, critical processes (and the resources on which they depend) are restored to predetermined levels of performance within tested recovery time frames.
**What is a Business Continuity Program?**

**Business Continuity Program**

- A *proactive process* identifying and prioritizing critical business functions and the likely threats to those functions.

- From this information, plans and procedures are *developed through a regular program* of personnel training, plan testing and maintenance.

- These management disciplines, processes and techniques provide business continuity of the critical business functions under the circumstances and *within limits set by senior management*.

- These circumstances and limits include:
  - Defined scope and framework of a sustainable BC Program
  - Approved funding and staffing of the company's BC Program
What is Business Continuity?

The Business Continuity Program Life Cycle

Incident Occurs

Normal Operations

Emergency Response

Recovery Time Objective

Restoration

Return to Normal Operations

Proactive BCM Activities
Prevention and Preparedness
Risk Avoidance / Mitigation / Acceptance

Reactive BCM Activities
Response, Recovery & Restoration

Proactive BCM Activities
Prevention and Preparedness
Risk Avoidance / Mitigation / Acceptance

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Business Continuity / Disaster Recovery Context

Business Continuity Management

6 Plans - Working Together

Emergency Response Plan
- Saves lives and protects assets
- Conduct damage assessment
- Site Emergency Operations Center (EOC)

Crisis Management Plan
- Enterprise Crisis Management Center (ECMC)
- Multiple EOC Activations
- Command, Control and Communications

Risk Mitigation Plan
- Tasks to initiate mitigation action (s)
- Avoid or minimize disruption

** Mitigation Action Plan may allow organization to avoid disruption. **

Business Recovery Plan
- Ensure that critical functions continue to be performed
- Departmental Recovery Plans
- Requires EOC communications and authorizations

Disaster Recovery Plan
- Site Operations and Physical Infrastructure
- Ensure critical technical and operational infrastructure is available
- Alternate site recovery

Restoration Plan
- A plan to return to normal operations

Incident Occurs

Normal Operations

Emergency Response
and Damage Assessment

Time

Hour “0”

Recovery Begins

Recovery “In Place”

Restoration Begins

Back to Normal
Holistic Enterprise
What is the Business Continuity Maturity Model®?

- Free assessment tool
- Provides standardized approach
- Consisting of:
  - Six Levels
  - Eight Corporate Competencies
- Global Availability
- Download at: virtual-corp.net
## Business Continuity Maturity Model

### Standard Reference Chart

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Leadership

The commitment and understanding demonstrated by executive management regarding the implementation of a scaled, enterprise-wide business continuity program. The degree to which the “business case” has been articulated and understood.
## Business Continuity Maturity Model®

### Maturity Model Levels

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### BC Awareness

The breadth and depth of business continuity conceptual awareness throughout all staff levels of the organization.
**Business Continuity Maturity Model®**

Increasing Business Continuity Competency Maturity

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**BC Program Structure**

The scale and appropriateness of the business continuity program implemented across the enterprise. The degree to which the BC Program matches the articulated business case.
**Business Continuity Maturity Model®**

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**Program Pervasiveness**

The level of business continuity coordination between departments, functions and business units. The degree to which business continuity considerations have been incorporated in other business initiatives / programs.
### Metrics

The development and regular reporting of quantifiable criteria used to monitor the BC Program performance. The establishment of a baseline and on-going tracking of established business continuity competency goals.

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**Business Continuity Maturity Model®**

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### Resource Commitment

The application of sufficient, properly trained and supported personnel, financial and other resources to ensure the sustainability of the BC Program.
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### External Coordination

Coordination of business continuity issues and requirements with external community including customers, vendors, government regulatory bodies, unions, local 1st responders. Insure that critical supply chain partners have in place adequate BC Programs of their own.
Core Competencies

Increasing Business Continuity Competency Maturity

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| Metrics               | VL | L | M | M | H | H |
| Resource Commitment   | VL | L | M | H | H | H |
| External Coordination | VL | L | L | M | H | H |
| BC Program Content    | VL | L | M | H | H | H |

BC Program Content – Business Continuity Disciplines

The degree and quality of implementation of each of the four central disciplines of BC:

1. Incident Management
2. Technology Recovery
3. Business Recovery
4. Security Management
Four Core Business Continuity Disciplines

Incident Management
Technology Recovery
Security Management
Business Recovery

Program Content
What is Business Continuity?
The Four Central Disciplines

Incident Management

- All aspects of emergency response, crisis management, and any other activities involved in command, control, and communications during a disastrous event

- The executive decision authorization and dissemination mechanism during crisis
What is Business Continuity?
The Four Central Disciplines

Security Management

- Physical security, information security, and any other activities associated with protecting targeted information, personnel, and resources
What is Business Continuity?
The Four Central Disciplines

Disaster Recovery

- Ensuring that all “critical assets” are recoverable within defined recovery time objectives

- Includes all tangible asset on which “critical process(es)” depend, e.g.:
  - IT hardware, software, networks, applications
  - Boiler, electric power generator, water tower
  - Process control equipment, refrigeration equipment, HVAC
  - Paper bags, “nuts and bolts”
  - Phones, tables, chairs, desks
  - Etc.
What is Business Continuity?
The Four Central Disciplines

Business Recovery

- Ensuring that all “critical processes” are recoverable within defined recovery time objectives

- Includes all intangible assets on which “critical processes” depend, e.g.:
  - IT application data
  - Vital records (paper files, microfiche, etc.)
  - All intellectual property
  - Skill sets and expertise
  - Etc.
## Business Continuity Maturity Model®

### Sample Corporate Competency Grid

<table>
<thead>
<tr>
<th>General Characteristics</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Level 4</th>
<th>Level 5</th>
<th>Level 6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Athlete Analogy</td>
<td>Able to Crawl</td>
<td>Able to Walk</td>
<td>Able to Run</td>
<td>“Fit” Runner</td>
<td>Competitive Runner</td>
<td>Olympic Runner</td>
</tr>
<tr>
<td>Comparative Model</td>
<td>SELF-GOVERNED</td>
<td>SUPPORTED SELF-GOVERNED</td>
<td>CENTRALLY GOVERNED</td>
<td>ENTERPRISE AWAKENING</td>
<td>PLANNED GROWTH</td>
<td>SYNERGISTIC</td>
</tr>
<tr>
<td>BC Program Structure</td>
<td>Organization</td>
<td>“At Risk”</td>
<td>“Competent”</td>
<td>“Best of Breed”</td>
<td>“Best of Breed”</td>
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</tr>
</tbody>
</table>

### Key Concepts

**Strategy / Culture / Goals**
- Definition: relevant to business goals & competitive environment
  - No definition
  - Dept/BU BCM activities in sync with relevant portions of enterprise strategy, culture and goals.
  - A business case is established for BCM
  - Mandatory BCM strategy review requirement in place and integrated into budget cycle
  - Change management procedures with BCM coordinators in place at Dept/BU level
  - Audit findings across enterprise begin to reflect more positive BCM response
  - BCM considered in development of enterprise business strategies

**Organizational Design**
- Definition: explicit methods of company
  - Self Defined
  - Identification of key internal linkages and working agreements
  - Identification of BCM critical functions and roles
  - Enterprise BCM process is compatible with overall Enterprise business strategy
  - Sustainability & survivability are principles of enterprise

**Roles & Responsibilities**
- Definition: who & what
  - Undefined
  - Dept/BU staff has responsibility for BCM. Overlapping roles may occur.
  - Participating Dept/BU have common BCM chain of command.
  - Formal BCM linkages of responsibility and relationships defined and adhered
  - Formal BCM linkages to performance goals and compensation

**Policies & Processes**
- Definition: how (i.e. rules of operation)
  - One or several Dept/BU have implemented a few self selected components of BCM
  - Active Dept/BU have formulated policies, standards & practices.
  - Dept/BU share common BCM policies, standards & practices.
  - Business Continuity Charter published for participating Dept/BU.
  - Enforceable BCM policies, standards, & practices in effect across the enterprise
  - Regular reviews of enterprise BCM policy, standards, and practices.
  - Pro-active executive participation in development of new BCM policy

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Executive Buy-In

Investing in increasing revenue

Planning for something that you HOPE never happens.

Executives decide how to best utilize scarce resources:

$$ + People

Critical to their decision ROI
Applying the BCMM®

Executive Buy-In

Self-Assessment

Program Design

Supply Chain Vulnerability

Regulatory Compliance Evaluation Framework
Supports Governance Requirements

**BCMM®** provides a means to gauge and document the effectiveness of these processes and supports compliance to these regulatory requirements.

**BCMM®** provides a means to gauge the existence of organizational safeguards in the event of unanticipated threats or hazards.

- Administrative
- Technical
- Physical

**BCMM®** provides a means to gauge and document an organization’s BCM maturity level with regard to

- Assessing the situation
- Identifying risk
- Communicating the plan
- Continually improving upon the process
Supply Chain

Suppliers and Vendors → Manufacturers → Transportation → Distributors → Database and Data Mining → Retailers → Overnight Delivery → Branch Office → Headquarters → Direct Marketing → Telephone Infrastructure → Web Infrastructure → Customers → Strategic Partners → Suppliers and Vendors
Evaluate Business and Supply Chain Partners

- Provides consistent measures across multiple enterprises
- Provides consistent, comparative data
- Can be used to improve awareness
- Functions as a valuable education tool
- Facilitates a value-added supplier environment
- Can be used as effective marketing tool
- May identify supply chain vulnerabilities
Vendor Selection

Strategy

• Single source for cost control
• Multiple source for redundancy
• Service level agreements for recovery

Vendor Selection Process

• Add clear deadlines
• Add specific goals
• Communicate the goals and deadlines to potential and existing vendors and suppliers
Testimonial Using The Business Continuity Maturity Model®

Testimonial Company Overview

A full-service business-solutions provider that serves clients through three service lines: systems integration and software engineering, infrastructure services and product fulfillment.

These areas offer clients a broad delivery capability to plan, design, build and operate IT solutions that span both corporate and operational systems, and to provide their infrastructure needs. Company has more than US $309 million in revenues and employs 2,300 employees.
“This complementary assessment highlighted some valid BC initiatives, but more importantly, identified some gaps and deficiencies. Gaps and deficiencies that senior management did not see clearly at first. The maturity model was helpful in showing them where BC activities were rightfully implemented while also providing a better understanding of what was missing. The maturity model report gave them a roadmap for future growth in BC.”

“In two cases, customers have taken the maturity model report that I generated as a roadmap to improving their existing BC planning activities.”
BCMM® Contents

• Description of each corporate competency

• Description of each level

• Characteristics of an organization within the level and competency.

• How to conduct a Self-Assessment
### General Characteristics

<table>
<thead>
<tr>
<th>Athlete Analogy</th>
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### Comparative Model Structure

<table>
<thead>
<tr>
<th>BC Program</th>
<th>SELF-GOVERNED</th>
<th>SUPPORTED SELF-GOVERNED</th>
<th>CENTRALLY GOVERNED</th>
<th>ENTERPRISE AWAKENING</th>
<th>PLANNED GROWTH</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Structure</td>
<td>SELF-GOVERNED</td>
<td>SUPPORTED SELF-GOVERNED</td>
<td>CENTRALLY GOVERNED</td>
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### Key Concepts

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<td>A business case is established for BCM **</td>
<td>Mandatory BCM strategy review requirement in place and integrated into budget cycle.</td>
<td>BCM considered in development of enterprise business strategies **</td>
<td>BCM and its relationship to available products and services has become a quantifiable and marketable competitive advantage.</td>
</tr>
<tr>
<td></td>
<td>Organization “At Risk”</td>
<td>“Competent” Performer</td>
<td>“Best of Breed”</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational Design</td>
<td>Self Defined</td>
<td>Identification of key internal linkages and working agreements</td>
<td>Identification of BCM critical functions and roles</td>
<td>Enterprise BCM process is compatible with overall Enterprise business strategy</td>
<td>Sustainability &amp; survivability are principles of enterprise</td>
<td>Innovative processes piloted and incorporated into enterprise BCM program</td>
</tr>
<tr>
<td>Roles &amp; Responsibilities</td>
<td>Defined</td>
<td>Dept/BU staff has responsibility for BCM. Overlapping roles may occur.</td>
<td>Participating Dept/BU have common BCM chain of command</td>
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<td>One or several Dept/BU have implemented a few self selected components of BCM</td>
<td>Active Dept/BU have formulated policies, standards &amp; practices. No enterprise policy for BCM exists.</td>
<td>Dept/BU share common BCM policies, standards &amp; practices. Business Continuity Charter published for participating Dept/BU.</td>
<td>Enforceable BCM policies, standards &amp; practices in effect across the enterprise</td>
<td>Regular reviews of enterprise BCM policy, standards, &amp; practices</td>
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** Indicates key success factor.
### BCMM® Scorecard for (Enterprise)

Scored 10/10/2004  1:12 p.m.

<table>
<thead>
<tr>
<th>Scorecard</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Competencies</td>
<td>3.8</td>
</tr>
<tr>
<td>Leadership</td>
<td>3.3</td>
</tr>
<tr>
<td>Employee Awareness</td>
<td>4.0</td>
</tr>
<tr>
<td>BC Program Structure</td>
<td>4.2</td>
</tr>
<tr>
<td>Program Pervasiveness</td>
<td>3.7</td>
</tr>
<tr>
<td>Metrics</td>
<td>4.2</td>
</tr>
<tr>
<td>Resource Commitment</td>
<td>3.8</td>
</tr>
<tr>
<td>External Coordination</td>
<td>3.6</td>
</tr>
<tr>
<td>BC Program Content</td>
<td>3.7</td>
</tr>
<tr>
<td>Incident Management</td>
<td>4.1</td>
</tr>
<tr>
<td>Technical Recovery</td>
<td>4.1</td>
</tr>
<tr>
<td>Security Management</td>
<td>3.5</td>
</tr>
<tr>
<td>Business Recovery</td>
<td>3.2</td>
</tr>
<tr>
<td><strong>Total Score</strong></td>
<td><strong>3.8</strong></td>
</tr>
</tbody>
</table>
Access to the Public Domain Model:
- Open
- Controlled

Access to the Proprietary Model (Additional Components):
- Controlled
- Managed by the BC Service Center
Over 3,000 people have viewed our BCMM® Public Domain Model from over 40 countries.
Thank You!

Margaret Langsett  
Executive Vice President

Virtual Corporation, Inc.

973- 426-1444

Or

Manfred Heinzlreiter  
Managing Partner

BR- i.com

416- 254-9694