

Planning for the unthinkable

By Graham Nisbet

What is your corporate strategy for recovering from a disaster? What are the items on your Restoration Matrix?

Disasters, sufficient to cripple your business can happen at any time. You may say, no it could never happen here. But then recall in February of 1998 the citizens of Auckland, New Zealand found that their electricity infrastructure wasn't quite what they thought. Some businesses there were without power for 5 weeks.

In July of 2001, a train carrying chemicals ignited in a Baltimore, USA tunnel and clouded the city with toxic fumes for a week.

Melbourne had a major gas refinery fire in October of 1998 and showering, amongst other day to day pleasures was brought to a halt.

So what would your business do if suddenly you couldn't use your city office building? How would you do business? More importantly, how would you communicate with your customers and staff?

When I work with company executives on these issues we list the small disasters or hiccups that have happened to the company over the last few years. They can generally recall things like a bomb scare during the Olympics; or the afternoon a backhoe took out the electricity for the whole city block; or the systems changeover that caused a failure in the main client file and took a week to recover; or the flood in the basement that caused an electrical fault and led to an evacuation of the building.

None of those disasters might have delivered a knockout blow to the business, but the question is - if they had, would the staff have known what to do?

Do you have an agreed priority for how your business should be recovered, if similar things happen and continue for weeks?

The saying goes that if you are out of business for a week, you are out of business. If, as a customer, something happens and I can't get sensible answers, I will go somewhere else at the first opportunity. And your customers are probably the same. Following the September 2001 horrific events in New York, business managers and company directors have become interested in business continuity planning.

Companies typically have IT recovery plans in place. They know how they will recover if one of the mainframe boxes dies. They may have processes in place to make sure that all customer, product and financial data are safe. The backup and restore capabilities of the IT departments may be quite polished.

But it's not the IT recovery ability alone that will save the company if the proverbial bomb goes off. Only those with integrated business continuity plans will survive. And

those plans must integrate the business and IT activities according to a strategic plan agreed by the executive and board.

But then on the other hand you could believe that in your business, nothing could ever go wrong, go wrong, go wrong, go wrong, go wrong.....

Key considerations for your strategy

Key things to consider when developing your recovery strategy

To develop your disaster recovery strategy, you need to consider:-

- The probability of a disaster occurring
- Its impact on the
 - Business inflows
 - Financial position
 - Brand
- Legal requirements
- Customer and distributor service
- Critical business processes
- Logistics of relocating staff

Tips for developing your strategy

What should be the goal of your executive discussion?

"To agree a strategy to ensure the business resumes its day to day operations as quickly as possible, with as little impact as possible on customers and staff, following a disruption to services."

What are the key questions to answer?

To develop the strategy to meet that goal, you need to address two simple questions

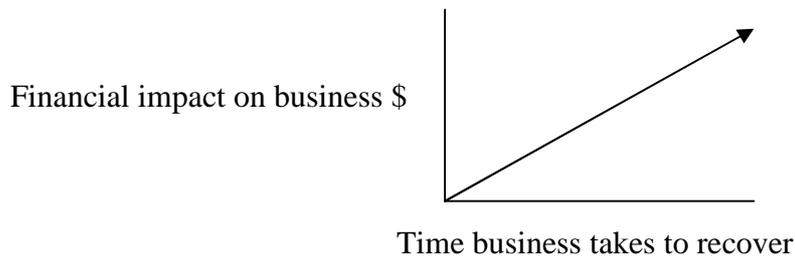
- What are the critical components of our business?
- How long can we live without each of them?

The answers to these questions will give your operational planners the framework they needed to do the detailed planning for:

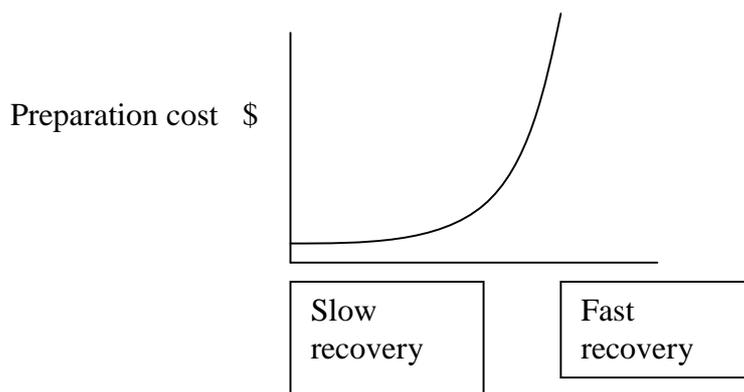
- The business continuity planning,
- IT disaster recovery planning
- The guidelines for the training of the crisis command team

Disaster recovery planning is a balancing act.

The longer the time it takes you to recover your business ability, the greater the financial impact.



To prepare for a quick recovery is expensive. The quicker the recovery needed, the higher the preparation cost.



You can run mirror systems of all of your IT at a remote location and keep 200 staff sitting in a back up facility just in case. With that level of reserves, you could continue your business uninterrupted, if your city head office was hit by a tidal wave, cyclone or nuclear explosion. But the cost would be huge.

On the other hand, you could invest nothing in back up and recovery planning, and go out of business the moment something goes wrong.

Any of these are acceptable outcomes. As long as they are what you *plan* to do. The drama comes when you have not given it any thought. **The ostrich approach to disaster management is always the wrong one.**

Restoration matrix

Restoration Matrix

Business Process	Time with no capacity or functionality at all	Time with reduced functionality – survival mode	Time until return to business as usual

Every business needs an agreed restoration matrix. The discussion that accompanies the completion of this table is critical. Typical questions to address include:-

- How long can we go without our accounts receivable system?
- How long can we get by without access to our customer database?
- Can we have our website off the air for a week?
- How do our customers access us and when will those channels be available again?

If most of your customers access you through call centers or web sites, you would want to make sure that they are up and running again within a few hours of a disaster. If the customers and staff can't get access to information, they are likely to panic.

There is a critical need for a structured approach to communications and command during a crisis. As long as everyone knows where to go to get information, and that information is consistent and up to date, you can survive for quite some time.

Once you have completed your restoration matrix, you can:

- Develop detailed plans showing which file servers will be recovered and in which order.
- Determine who are your critical people
- Decide on your critical processes
- Ensure staff members are aware of the business continuity plan and their roles in it
- Train your executive crisis command team in dealing with disasters and recovery, including dealing with the media.