That's why we do rehearsals!

## A paper presented to the 2007 Business Continuity Institute Symposium.

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Introduction

I'd like share with you a quote "I never saw a wreck and never have been wrecked, nor was I ever in any predicament that threatened to end in disaster of any sort"- Captain Edward John Smith of the Titanic

Now if Captain Smith had spent more time rehearsing what to do when facing icebergs, history may have had a different ending for him and his mighty ship. Today I'd like to take you on a journey, not through the ice laden waters of the Atlantic, but through the development and testing of the now robust business continuity plans of the Australian operation of a global general insurer.

I'll give you some background to the BC development, then describe what we did to develop local ownership of the BC plans, I'll tell you about the box that didn't bounce and the recovery facility we used, talk about matching IT to our critical business processes and tell you about our contact centres with failover capacity, I'll tell you about our crisis team and building shut down rehearsals and things we learnt along the way.
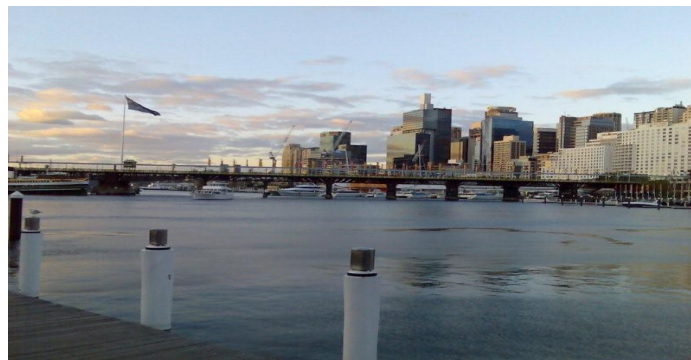
Background

Let me begin then with some background. This particular company is one of Australia's leading general insurance companies. It's been in the Australian market for about 90 years. In Australia it sells a range of general insurance products and is a major player in the area of workers compensation. It has 2 million policy holders and sells its products both through brokers and directly via its contact centre and website. It has about 3500 staff members, with a head office in Sydney and major offices in each of the other states of Australia and in New Zealand.

In August of 2004, I was asked by its group risk and compliance manager to do a review of the Business Continuity Plans. I did a thorough review and provided a 44 page report identifying the things that had already been done well and identified some gaps.

A good business impact analysis had been done, but the plans themselves were at a very high level. The plans contained much useful information on what they "could do", in the event of a crisis, but they didn't actually say what they "would" do. The plans couldn't easily be used to recover the business, at least not without additional work. No testing of the plans had been done and the details of exactly who would go where, to do what, weren't clear.

The people who had written the plans had no local ownership of them. I think they had seen the exercise of developing the plans as a compliance exercise, something they were doing for head office.

The plans listed the number of seats that each part of head office needed at the "alternate site", a total of about 500 seats. So I asked the BC manager "where is this alternate site" to which he said, '' Oh we don't have one yet''!!

Developing plan ownership

The insurance company's Australian CEO said the company should have a business continuity plan for three reasons. Firstly, he said, "our customers would expect that we have a plan. They don't care if we've had a crisis; they still want their claims paid." Secondly, "it's important that we have a plan to recover the business, because that protects the shareholder's investment," and thirdly, "we want to comply with our local regulator."

In October 2004 the company asked me if I would start implementing the changes I'd identified in the report. My background is in human resources and organizational change, and I knew for business continuity to really work we needed to change the mindset on who owned the plans. Rather than it being a compliance issue, I wanted the managers to see the BC plans as something that would help them keep their parts of the business going if something horrible went wrong.

I organized a desktop review and walkthrough rehearsal for the CEO and his direct reports. They sat around the board table with their divisional BC plans and I worked them through a scenario. As we walked through the scenario it became obvious to them that many of the details they would need to actually recover the business in a crisis were missing.

The scenario was simple enough. The head office building is on a corner of a couple of fairly busy CBD thoroughfares. The scenario involved a propane tanker colliding with a speeding car. The tanker explodes and the resulting blast knocks out or breaks the windows on two sides of the head office tower. The scenario is set at 2 am when the building is empty.

At the rehearsal, the executive team members realized that in addition to running their divisions when everything was going well, they were also expected to have a plan for running their division when things go bad.

During the rehearsal the executive identified a number of crisis management issues. For instance, most of the exec didn't have the others home phone numbers. They had each other's mobile numbers on speed dial, but not the home numbers. During the rehearsal many of them said that they either turn their mobiles off at night, or leave them in parts of the house where they wouldn't hear them. Another thing that they realized during the rehearsal was that many of the IT production servers were in the building and would affected.

By systematically working through the implications of a possible scenario, real life risks came into clear focus. Before that rehearsal, there had been vague conversations about things that might be a problem. After the rehearsal there were concrete discussions on the implications of a destructive event on the building and its impact on the business continuity.

That's why we do rehearsals

The non bouncing box

The IT architecture today has changed substantially from the time of the first rehearsal when there were production servers in head office. A part of the IT transition involved the installation of a Storage Area Network box in a computer facility outside of the CBD. The installation of this SAN is a story in itself.

Its delivery and installation was due to be completed in time for the first head office building shutdown rehearsal. A few months prior to the rehearsal the IT architecture manager rang me one afternoon and said "we may have a problem getting ready for the rehearsal." "Why's that", I asked. "The SAN was delivered today, but as it was being unloaded from the truck they dropped it! It seems they don't bounce!"

It took a month for a replacement to be shipped in from overseas. While it did put our rehearsal back a few weeks, it didn't cost us much. We hadn't signed for it, before it was dropped. If we had, then we would also have been out of pocket a few hundred thousand dollars as well!

Recovery facility

By early 2005 a contract was in place with an external business recovery facility in the suburbs of Sydney. Instead of the 500 seats previously identified, following a more detailed look at the planning, the seats needed at the recovery centre came out at 314, or about 26% of head office. In the end we contracted for 350 shared seats at the recovery facility. It was a fairly new building with a maximum seating ratio of 5:1. That is, each seat could only be sold to five different customers and their risk management approach ensured other customers weren't in our part of the city. Our contract also specifically excluded other customers being within a certain prescribed distance of our head office building.

Identify the IT we need

Also in early 2005, we tabulated the IT applications that each critical business process needed. I have to say, while that sounds simple, it took some time. What IT applications the business managers thought were needed in order to process business and what IT capability was actually needed was quite different. Further the IT DR capability wasn't what the business thought it was. The usefulness of a simple spreadsheet with all the critical business processes across the top and the IT software and hardware down the side cannot be understated.

For instance, we identified a data warehouse application that lived on a server under someone's desk in head office. It had started as a small application for a specific purpose, but had grown to be a key application for a range of areas within the company. However, not only did IT not manage it, but there was no DR for it.

A second contact centre

At the start of 2005 the company had a single telephone contact centre, housed in one of the interstate CBD buildings. An increasing amount of business was being written directly, rather than via insurance brokers, and the contact centre played a major role in selling and servicing

those clients. To improve the risk, a second site was established in a suburb outside of the CBD. The two contact centres were configured so that one could fail over to the other, should something happen at one site.

In mid 2005 I visited the centres and the contact centre manager was explaining how it all worked and how one centre could take over from the other. So I said, "That's really good, when can we turn one of them off, to test that the failover actually works?" "What do you mean by turn off?" he asked. I said, "You know, turn the power off to the centre, so the phones and the PCs all go off and the calls divert to the other centre". "Ah", he said, "can I have a few months to organize it?"

It turned out that while much had been done in moving them towards a failover capability, the actual programming on the PABX hadn't been done. Anyway, later in the year we did do the failover testing. We did the first tests in the early evening, when the late shift were still taking customer calls, but the volumes were fairly low. The testing went well, though it was realized that when the staff from the disabled call centre got to the other one, they didn't have any headsets to use! The usual operating process was for individuals to have their own headsets which they locked in their desk drawers and there wasn't an easily accessible stock of spares. That was subsequently corrected.

That's why we do rehearsals.

The story of the two contact centres is interesting. The second one, set up in the suburbs, shared the building with another company's international call centre. One of the features of that building was its enormous diesel power generator. The generator was a key feature in the discussions around putting our second contact centre there. We knew that the generator was tested regularly and it was big enough to take the load of the building, including our servers and PCs, lighting and everything.

A year or more after we moved in however, a local loss of mains power one Tuesday afternoon revealed that we couldn't actually operate in a black out. The other company's call centre was still operating nicely on generator power, but our staff found themselves sitting in the dark. It subsequently emerged that the property and facilities people hadn't actually organized for our

floor to be wired into the generator! But as we had a BC plan, when the blackout happened, the phones automatically diverted to the CBD contact centre and the staff jumped into cabs and went to the CBD. They were physically on the phones at the other contact centre within an hour. While some call queues were very long for that period, we were pleased that the plans so painstakingly developed and tested did in fact work.

Crisis team rehearsals

During 2005 and 2006, I facilitated a scenario based table top walkthrough for the crisis management teams in each location. The local crisis teams identified the things they needed to have in their plans and the crisis command centres they would use. In most locations the company had a subsidiary marine insurer with offices in suburban locations outside of the CBDs. These marine sales offices became the designated BC Command Centres.

A few months after the first rehearsals I returned to facilitate the second desk top rehearsals. In the second desktop rehearsal, the crisis team would use the plans they had prepared. The rehearsal would test those plans, to identify gaps and things incomplete or missing. The second desktop rehearsal was conducted in the designated BC command centre and provided an opportunity to check that all of the appropriate network accesses and other equipment they may need in a crisis was working.

"Live" crisis team rehearsals

Following the two rounds of table top walkthrough rehearsals for each locations' crisis team, I facilitated a round of what we called "live" rehearsals. These were scenario based rehearsals, where the crisis team actually practiced making calls, drafting emails, contacting staff and making plans, as they would in a live situation. For each of the rehearsals for the locations outside of Sydney, the head office crisis management team participated via a phone conference facility.

"Live" rehearsals take more organization and planning, but provide fabulous practice for the crisis teams. By actually doing what they would do, they gain great confidence in the completeness of their plans and in their own individual abilities. It also irons out any issues in the communications and responsibilities lines between location based teams and the corporate crisis team in head office. Each rehearsal also inevitably flushes out additional things to include in the plans for next time. There is no such thing as a bad rehearsal. Even one that is a complete failure is a success, as it identifies things to change and improve.

Exploding Milk Bar

The office in the CBD of one of the other Australian states was a block along from a milk bar, whose owner was experiencing hard times. The milk bar owner decided at about 3 am one Monday, he would burn his milk bar down in order to collect on the insurance.

Unfortunately, he hadn't paid attention in high school chemistry. If he had done so, then he would have known that when you splash petrol around, it tends to go into the air and create a highly explosive mixture. When he lit the match the resulting blast destroyed his milk bar and killed him. The sporting goods store upstairs was likewise destroyed. They later found joggers 200 metres up the street. A milk bar stool was embedded in the second story wall of the building opposite.

Over his Weatbix that morning, our local crisis management team leader heard about the blast. He immediately contacted his crisis team and they sent someone to check to see if the blast had affected our building. It turned out that we were fine, though the street was closed and for those who usually drove to work, they had to come in via a side street.

All was well until the early morning news in Sydney carried the story. The local crisis team leader had forgotten that he also needs to notify the corporate crisis team of anything of a potentially newsworthy or catastrophic nature. While they had dealt with it well locally, when it hit the national news, the Sydney corporate crisis team wasn't happy that they hadn't received an update.

Building shutdown rehearsals

Each location eventually matured and completed its plans to a point where we could with some confidence risk shutting down the CBD buildings and take staff to the recovery locations. In Sydney, we disconnected the WAN, and shut down the PABX. In some locations, where it could also be organized with the landlord, we also turned off the mains power. For each rehearsal we wanted to ensure that none of the usual resources of the location were available to the staff as they went into recovery mode.

Building shutdown rehearsals also take weeks of organization and coordination. But again, the level of comfort they provide is significant. In October of 2005 we did the first full shutdown of the Sydney head office building. It was held on a Saturday, when no normal business was happening in the building. 60 staff, representing all of the operating divisions from head office went to the recovery location in the suburbs, sat down at the workstations there and did real work, processed claims, entered data, generated letters and cheques. As a first shutdown it was a great success. Of course, not everything went smoothly and 68 separate issues were identified. There were issues to do with Lotus Notes id files, incorrect versions of software being available on the recovered servers and telephones with the preprogrammed redirects going to the wrong number, to name a few.

One of the more spectacular failures on the day had to do with actually getting staff to the recovery centre. Arrangements are in place with a bus company to provide buses from a central city location to pick up staff and take them to the recovery centre. On the day of the rehearsal the bus didn't arrive, leaving about 35 staff standing around waiting. They managed to find taxis, quite a fleet of them at great expense, and made it to the recovery centre in time for the rehearsal. It subsequently turned out that the booking procedure was flawed. It had relied on emails which were sitting unanswered in the bus company file of a holidaying staff member!

That's why we do rehearsals.

Exercise - the key to fitness

Involving the people who will have important roles in managing a crisis or recovering the critical business processes is vital. Exercising is indeed the key to fitness. The more the staff practice, the better they and the plans become.

During my time working on this project we conducted something like 80 separate rehearsals. By the end of 2006, we had shut down each CBD building in turn. We had rehearsed moving staff to their recovery locations and tested their ability to do real work and answer real customer calls. Each crisis team had worked its way through a number of scenarios and developed some confidence in their abilities and in the completeness of their plans. And the executive in charge of business continuity could report with confidence to the board that suitable BC plans are in place and tested.

We had used scenarios to do with physical damage to premises, courtesy of the exploding gas tanker; dealt with loss of mains power caused by fires in the main electrical distribution boards and even addressed the crisis management issues to do with a malicious IT attack scenario.

Lessons learnt

Along the way we learnt many lessons, including:-

- Make sure the operating divisions own their plans. Coordinate development centrally, but ensure the staff writing and rehearsing the plans are the ones who would have to use them in a crisis.

- When planning a rehearsal of the recovery locations, make sure each division develops a detailed test plan showing how each critical business process will be tested, how many times, by whom and ensure they sign off on the success or otherwise of the testing.

- Never assume that the generator is wired up or working until you've cut the mains power, watched it power up and run on full load for half a day, and checked the power goes where you need it.

- For every key person in your crisis and recovery teams, make sure they have an alternate who can step in to their place. And involve the alternates in the rehearsals as much as the principal members of the teams.

- The hard disk of individual PCs isn't the best place to store the lotus login id. When you get to the recovery site and address the recovered servers, its better if your login id was backed up on the server.

- Never assume that the operational managers know anything much about the magic behind their desktop computers. It's likely that they know nothing about the IT

infrastructure or applications needed for them to do their jobs, and probably know even less about the phones, air conditioning, power or other utilities in the building.

- Rehearse everyone. By attending a rehearsal, staff members learn what they would have to do in a crisis. It allows them to understand the steps involved in the recovery and to engage in the process.

Why we do rehearsals

- Rehearsals provide staff and management with real confidence in the plans and in the people who are to execute them

- They allow the company to identify accurate information on what works and what doesn't within the BCP

- They provide an opportunity to fix plans before they have to be used in earnest

- They give a chance to check that any operational changes to processes or IT haven't damaged the plans

- Rehearsals are a great opportunity to train staff and to invite additional staff to engage in the planning process

- Rehearsals provide a great chance to write stories and take pictures of staff getting ready to manage a crisis, should one occur. It's a chance to show staff and suppliers that the company is prepared

- Finally, it provides a good paper trail to show to auditors and regulators and provides proof that the plans work, as they have been tested

Business continuity is like a West End musical

When you start off with your BC planning, the managers and staff involved are a bit like the cast of a West End musical, months before opening night. They are still learning the songs and stumbling over each other in the dance routines. But they practice, they rehearse and they progressively get better.

When I start work with a new crisis management team at their first desktop scenario rehearsal I explain that they are like the cast of a musical, and opening night is still 6 weeks away. Then at their second desktop it is about 3 weeks. And when they do the live scenario, they are into dress rehearsals.

If you rehearse your BC plans, when opening night arrives, your crisis and recovery teams will get rave reviews from the critics - their customers and their shareholders.

And that's why we do rehearsals.