

Business Continuity Planning



Assistance for
Young Enterprise

Business Continuity Planning for small to medium-sized businesses

This information will guide you through some steps that could help your business survive an incident or disruption. Crossing your fingers and hoping your business will survive is not a viable option.

Developing a Business Continuity Plan will assist you to manage your risks to ensure that, at all times, your business can continue operating to at least a pre-determined minimum level. This will enable you to continue service delivery during and beyond a crisis.

This document is in two parts. The first part provides guidance in how to fill in the Plan Template that makes up the second part of this document.

Who is this advice for?

This advice has been developed for the Young Enterprise Scheme in Norfolk but is relevant to all owners, managers and employees of small to medium sized businesses.

In meeting the day-to-day challenges of the business, staff may already be working to near capacity. It may seem excessive to prepare a plan for the unexpected, but consider what would happen if **today** you lost your raw material supplier or access to your work premises for a week.

By following the template you can develop a simple Business Continuity Plan and consider some contingencies that will be invaluable if your business suffers from an incident or disruption.

What is Business Continuity Management?

Business Continuity Management is a process that can be applied to any business, small or large, that helps to manage the risks that threaten its survival.

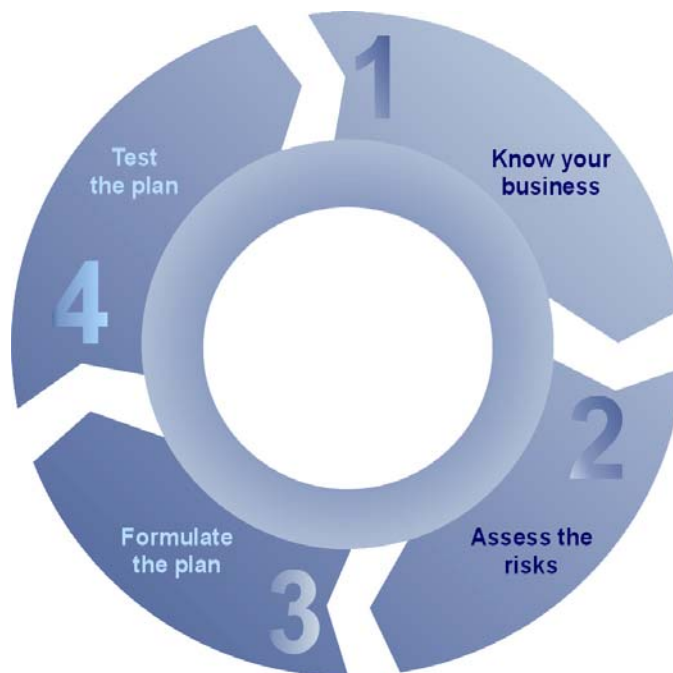
The objective is to identify hazards that may affect your business and ensure that these can be reduced or responded to in an effective way.

The process, as shown in the diagram below, is a continuing cycle of risk assessment and risk reduction. The plan is simply the written record of the process being applied to your business.

By following this Template Guide and completing the Plan Template you will be able to develop a Business Continuity Plan specific to your business.

Plan Template Guide

Follow the guidance below to help you complete the Plan Template.



1. Know your Business
2. Assess the Risks
3. Formulate the Plan
4. Test the Plan

In the Plan Template, complete the information on the front page and in the Introduction Section.

Front Cover:	Add your logo, Company Name and the date the plan was last amended.
Distribution List:	List who has a copy of the plan and where each copy is held. This will ensure that when you update the plan you know who will need a copy.
'Any suggested changes' statement:	Add in the name of the person who is responsible for updating the plan.
Aim and Objectives:	A generic Aim and Objectives have been inserted here which can be amended if appropriate.
Purpose / Scope of the business:	Give a brief outline of what you business produces / what service it provides.

The guidance below will help you fill in the rest of the Plan Template.

1. Know your Business

In order to develop a Business Continuity Plan you need to have a thorough understanding of your business. This involves knowing the critical functions of your business and the effect of those functions being disrupted over time. This process is known as a Business Impact Analysis.

To complete a Business Impact Analysis for **each** Critical Function follow the guidance below.

Critical Function:	<p>You need to consider what the critical functions or activities are for your business – functions without which your business would cease to operate.</p> <p>Examples of Critical Functions are:</p> <ul style="list-style-type: none">• Production• Sales and Marketing• Stock Control• Finance <p>You will need to complete a Business Impact Analysis sheet for each of your Critical Functions.</p>
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Affect on Service:	<p>You should consider the importance of the function on the survival of your business (percentage of income or work load, how critical the function is to other functions, dependencies, etc.) and how quickly each function must be re-established.</p> <p>For each of the time spans, identify what the increasing effect of the loss of the Critical Function would be.</p> <p>For example, disruption to your Stock Control / supply of raw materials could have the following affect:</p> <p>First 24 hrs:</p> <ul style="list-style-type: none">• Orders not completed on time• Storage space for part processed goods causing concern <p>24 – 48 hrs</p> <ul style="list-style-type: none">• Reduction in manufacturing hours due to lack of stock <p>Up to one week</p> <ul style="list-style-type: none">• Company reputation damaged• Financial implications of missed deadlines• Need to outsource work to maintain market share <p>Up to two weeks</p> <ul style="list-style-type: none">• Loss of customers to competitors• Temporary or permanent reduction in staff numbers.
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Resources required for recovery	This section will help you identify what resources you need and when you need them. When completing this section you need to consider the affects of loss of function / service, per time span, as detailed in the section above.
Number of staff	You will probably not need all your staff to be present immediately after an incident. For each time span, detail how many staff you would need. For example if you had a problem with a key supplier and no stock was available, you may not need your production team to be working at full capacity within the first 24 hrs. Likewise if you had problems producing your goods you may not need your sales team to be working flat out.
Relocation	Could this function be carried out by your staff anywhere else?
Resources Required	For each time span, list what resources are required e.g. <ul style="list-style-type: none"> • Computers (hardware and software) • Buildings • Telephones • Printers • Raw materials <p>You need to consider what equipment you need to produce your product or deliver your service. This could include anything from a building to produce or goods or a bag sealer and label machine to package your goods.</p>
Data Required	You also need to consider what data you will need. For example: <ul style="list-style-type: none"> • Contact details for suppliers and customers • Is there any other electronic information you need? • Details of orders

The completed Business Impact Analysis will assist you to prioritise what function or service you need to reinstate first following an incident and which services can be delayed with the least impact.

Using your Business Impact Analysis, complete the Critical Function Priority List in the Plan Template.

2. Assess the Risks

During this process you will complete the Hazard Analysis Table. Risk is a statement of the chance of something happening that will impact on your business objectives. Risk is normally considered in terms of impact and likelihood of a hazard affecting your business. By assessing your risks you will be able to prioritise your risk reduction activities.

There are many hazards that may disrupt your business, these include:

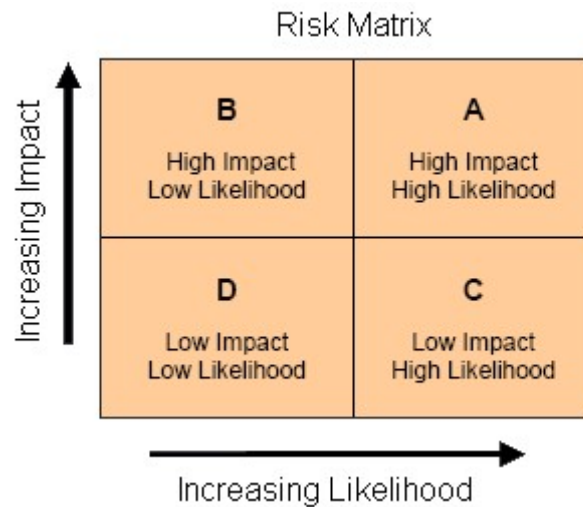
- IT failure / loss of data
- Loss of premises
- Loss of stock / supplier
- Loss of key staff
- Extreme weather
- Loss of electricity
- Flooding

These, and other hazards will affect different businesses, and the critical functions within them, to varying degrees.

The Hazard Analysis Table lists the hazards to your business, the impact of each hazard, any mitigation in place or possible and the Risk Matrix Score.

Hazard:	In this column list the hazards faced by your organisation. Some have already been added for you.
Hazard Impact:	List the physical disruption that may be caused. List the financial implications of this disruption. List people affected by the disruption (staff, clients, customers). e.g. Loss of IT <ul style="list-style-type: none"> • Loss of access to order information • Loss of supplier information • Loss of financial information • Inability to print packaging / labels / marketing • Inability to supply product
Mitigation in Place:	List what you currently do that prevents or reduces the likelihood and or the impact of the hazard on your business? e.g. Loss of IT <ul style="list-style-type: none"> • Copies of critical files saved on disk each night • All data is printed out and paper copies saved • All orders are kept on paper as well as computer
Mitigation Possible:	List what additional actions can be taken to prevent or reduce the likelihood or the impact of the hazard on your business? e.g. Loss of IT <ul style="list-style-type: none"> • Have an agreement to use an alternative computer • Keep copy of files at a different location in case of flooding / fire
Risk Matrix Score:	As described below

The Risk Matrix, shown below, helps you identify the higher priority risks for your business. When considering the score you should think about any mitigation currently in place.



By determining the likelihood of the hazard occurring (either high or low), then determining the impact that hazard has on your business, it is possible to rate the risk as A, B, C, or D.

For example:

The likelihood of a chemical spill at your business: **LOW (B or D)**

The impact a chemical spill would have on your business: **HIGH (A or B)**

The Risk Matrix Score would be: **B**

When completed, the Hazard Analysis Table shows which are the highest risks to your business. You can now make an informed decision as to whether to accept or treat the risk.

Accept – You may decide that you are happy to ‘live with’ the risk as the cost of implementing any risk reduction strategies may outweigh the benefits.

Treat - You want to treat the risk i.e. take steps to reduce the impact or reduce the likelihood (‘Possible Mitigation’) because the risk is too great for your business.

It is not possible to mitigate against all risks, this is why a plan is required.

3. Formulate the Plan – to respond to an incident

Having completed the Business Impact Analysis and Hazard Analysis Table, you now need to develop a generic checklist of actions that may be appropriate when an incident occurs. The checklist in the Plan Template is designed for you to adapt to suit your business.

The checklist can be used during an incident to ensure that no major tasks are forgotten.

<p>Start a log of actions taken:</p>	<p>It is essential to keep a log of the actions you have taken and the decisions you have made during an incident. Include a time with each entry. This information will be vital if you have to defend in court any actions you have taken.</p> <p>A blank copy of a log sheet is located at the end of the Plan Template for use during an incident.</p>
<p>Identify any Damage:</p>	<p>As soon as possible, and only if safe to do so, an assessment must be made as to the extent damage caused by the incident.</p> <p>Consider, and document, the following:</p> <ul style="list-style-type: none"> • Injury to staff, contractors, public • Damage to building • Damage to plant/equipment/vehicles • Damage to stock • Damage to reputation
<p>Identify Functions Disrupted:</p>	<p>Document which functions or areas have been disrupted and the extent of this disruption.</p>
<p>Convene your Business Recovery Team:</p>	<p>You need to pre-identify who, within your organisation, will make up the team that will manage the Response and Recovery of the incident.</p> <p>If the incident is such that you need to call the team together you need to do so as soon as possible.</p> <p>Hint – in the Contact Sheet at the back of the Plan Template identify and list the members of your Response and Recovery Team.</p>

Provide information to staff:	<p>It is essential to keep your staff informed regarding the incident and the response actions being taken.</p> <p>Staff may be concerned about:</p> <ul style="list-style-type: none"> • Colleagues who may be injured • What is expected of them today • Should they turn up for work tomorrow • Will there still be a job for them if the building has gone up in smoke, etc. <p>Remember – providing information quickly will stop rumours!</p>
Decide on course of action:	Decide what you need to do and produce an Action Plan. Use the Business Impact Analysis to assist you.
Communicate decisions to staff and business partners:	Let staff and business partners know what you have decided to do.
Provide public information to maintain reputation and business:	Appoint a member of staff to act as your Media Representative. This person should be able to answer questions about the incident and the business in general.
Arrange a Debrief:	After every incident it is important to hold a debrief. This means talking through what happened, what actions were taken and identifying any lessons that can be learnt for the future.
Review of Business Continuity Plan:	Following an incident you should review and amend your plan as necessary. You may find that you need to add additional information or change some of the information already in your plan.

The next page of the Plan Template has a Key Contact List.

The list should be adapted to be relevant for your business. Consider including details of key employees, suppliers, customers, key holder, partner organisations, members of your Response Team, etc.

In line with the Data Protection Act, you need to ensure you have permission to hold personal information such as home contact numbers of your staff.

The next page of the Plan Template is a sample Log Sheet for you to use during an incident.

You may wish to consider adding Appendices with documentation that could be useful during an emergency to assist in your response and recovery. This could include the following as appropriate to your organisation:

- Map of area
- Floor plan of building
- Evacuation procedures
- Any forms to be used during an emergency
- Organisation Chart
- Draft Holding Statement for the media

4. Test the Plan

It is important that, once your plan is written, you test the procedures you have put in place.

Before a plan can be exercised, staff need to be familiar with the content of the plan and their role in the response and recovery. This can be done by reading through the plan together and discussing how you would apply it to a fictional scenario.

When you are confident that your staff understand the plan and their part in it, you should test the plan by acting out a scenario – this is called an Emergency Exercise.

The Business Continuity Management Process is a circular process; it is vital the planning does not end once the plan is written. It should be reviewed and tested regularly to ensure it remains up to date and effective.

“Failing to Plan is Planning to Fail”.

Further Information and Guidance

The Young Enterprise Scheme in Norfolk can obtain further support to complete a Business Continuity Plan by contacting:

Sarah Alcock, Norfolk County Council Emergency Planning Unit on 01603 222016 or email normit@norfolk.gov.uk

Or

Deborah Stewart, Nice to Have on 07930 575882 or email Dpstewarts@aol.com

For more information about emergencies and Business Continuity:

Norfolk Major Incident Team
(NORMIT)

www.normit.org

Norfolk County Council

www.norfolk.gov.uk/advice/emergencyplanning

Norfolk Prepared

www.norfolkprepared.gov.uk

UK Resilience

www.ukresilience.info

Preparing For Emergencies

www.pfe.gov.uk

Useful Links

Expecting the Unexpected booklet -

http://www.ukresilience.info/upload/assets/www.ukresilience.info/london_first.pdf

Secure in the Knowledge booklet –

http://www.london-first.co.uk/publications/bb_2945.pdf

Protecting Against Terrorism booklet –

<http://www.preparingforemergencies.gov.uk/business/protecting.pdf>

Business Continuity 10 Minute checklist –

<http://www.londonprepared.gov.uk/businesscontinuity/assessingyourrisk/10minassessment.jsp>

Guidance and Templates for Business Continuity Planning

<http://www.normit.org/etool/index.html>

*Insert
Corporate
Logo*

Insert name of company

Business Continuity Plan

Date: _____

Introduction

Distribution List

Copy Number	Name	Location
001		
002		
003		
004		
005		
006		

If you have any suggested changes to this plan, please notify_____

Aim of this Plan

To prepare this business to cope with the effects of an incident or disruption.

Objectives

- To define the Critical Functions of the business;
- To look at what could go wrong and the impact on the business;
- To document how to deal with an incident.

Purpose / Scope of the business:

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Business Impact Analysis

Critical Function:	
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Affect on Service:

Time	Affect on Service:
First 24 hrs	
24 – 48 hours	
Up to 1 week	
Up to 2 weeks	

Resource Requirements for Recovery:

Time	No. of staff	Relocation options	Resources required	Data required
First 24 hours				
24-48 hours				
Up to 1 week				
Up to 2 weeks				

Business Impact Analysis

Critical Function:	
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Affect on Service:

Time	Affect on Service:
First 24 hrs	
24 – 48 hours	
Up to 1 week	
Up to 2 weeks	

Resource Requirements for Recovery:

Time	No. of staff	Relocation options	Resources required	Data required
First 24 hours				
24-48 hours				
Up to 1 week				
Up to 2 weeks				

Critical Function Priority List

Priority	Critical Function
1	
2	
3	
4	
5	
6	

This list can be used during an incident to assist your decision making when compiling an Action Plan as to the functions that need to be reinstated first.

Hazard Analysis Table

Risk Matrix Score

A = HIGH Likelihood and HIGH Impact

B = LOW Likelihood and HIGH Impact

C = HIGH Likelihood and LOW Impact

D = LOW Likelihood and LOW Impact

Hazard	Impact	Mitigation in Place	Mitigation possible	Risk Matrix Score
IT Failure				
Loss of premises				
Loss of stock / supplier				
Loss of key staff				
Extreme weather				
Loss of electricity				
Flooding				

Incident Response Checklist

For use during an incident

- Start a log of actions taken:

- Identify any damage:

- Identify Functions disrupted:

- Convene your Response / Recovery Team

- Provide information to staff:

- Decide on course of action:

- Communicate decisions to staff and business partners:

- Arrange a debrief:

- Review Business Continuity Plan:

Log Sheet

For use during an incident

Date	Time	Information / Decisions / Actions	Initials

Appendices



This guidance and template plan was developed by NORMIT, Norfolk County Council, for use by Young Enterprise Companies. NORMIT retains the intellectual copyright for this template.
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For an electronic version visit:
<http://www.normit.org/youngenterprise>



NORMIT
Emergency Planning Unit, Norfolk County Council, County Hall, Martineau Lane, Norwich, NR1 2DH
+44 (0) 1603 222016 normit@norfolk.gov.uk www.normit.org