

Harmony Alliance Guides:
Risk Management

Business Continuity Management: An Overview



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What Business Continuity Management is All About

Business Continuity Management (BCM) is an important risk management planning that can help not-for-profit (or for-purpose) organisations, social enterprises, and small community organisations prepare for unexpected disruptions.

These disruptions may include:

- Technology failure or outages.
- Natural disasters.
- Economic downturns.
- Accidents.
- Pandemics, like COVID-19

BCM goes beyond, it is an essential part of good governance. A solid Business Continuity Management System (BCMS) helps the organisation:

- Prepare for disruptions by building contingency plans into everyday operations.
- Respond quickly to stabilise the situation.
- Maintain or resume services with minimal downtime.

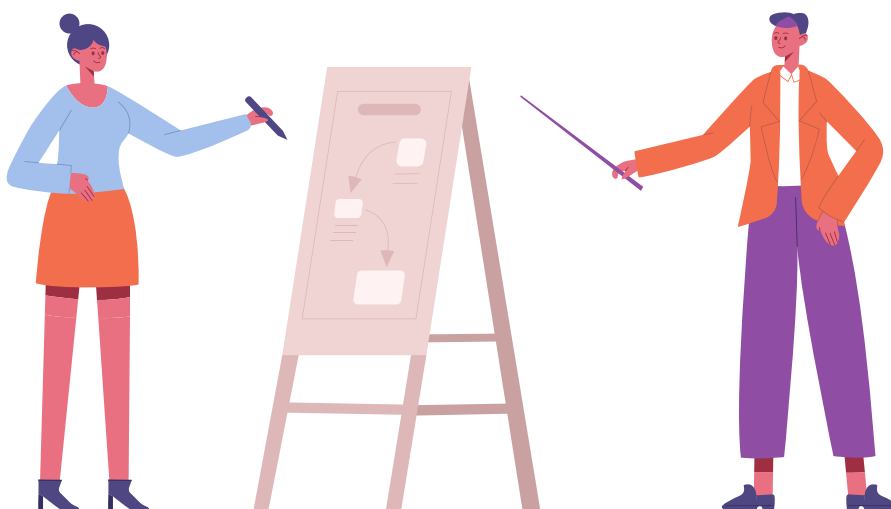
BCM isn't a one-off task. It should align with your organisation's goals and be integrated into daily management and long-term planning. This ensures continuity in delivering critical services to your community, even when challenges arise.

Why Business Continuity Management Matters

Unexpected disruptions can happen at any time, and while you can't predict when, you can prepare. A well-developed Business Continuity Plan (BCP) minimises the impact of crises and ensures your organisation can recover quickly.

A strong BCP includes:

- Risk assessments identifying potential crises.
- Clearly defined staff roles during a crisis, with responsibilities outlined.
- Regular testing to ensure the plan works.
- Frequent reviews to improve and adapt as circumstances change.



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Potential Incidents to Prepare For

Here are some examples of disruptions your organisation might face:

- **Technology failure:** Hardware breakdowns, security breaches, or loss of internet/phone networks.
- **Natural disasters:** Floods, storms, or bushfires.
- **Pandemics:** Creating social and economic challenges.
- **Workplace health and safety:** Accidents involving equipment, materials, or negligence.
- **Economic/financial crises:** Unemployment spikes, interest rate hikes, or cash flow shortages.
- **Staffing issues:** Sector-wide staff shortages, industrial disputes, or human errors.
- **Supplier interruptions:** Delays or failures in supply chains for critical products or services.
- **Regulatory changes:** New laws, quarantine mandates, or water restrictions.
- **Environmental crises:** Chemical spills or pollution.
- **Security threats:** Theft, fraud, cyberattacks, or extortion.
- **Property damage:** Vandalism, robbery, or burst pipes.
- **Utility outages:** Loss of power or water supply.

Being prepared for these scenarios ensures your organisation can continue supporting your community, even during tough times.

What Business Continuity Management System (BCMS) Includes

A BCMS is part of your organisation's risk management plan. It has four key components:

Risk Assessment	<ul style="list-style-type: none"> • Evaluates potential incidents or crises that could disrupt your services. • Considers the impact of each event compared to its likelihood of occurring.
Business Continuity Framework	<ul style="list-style-type: none"> • Aligns with your organisation's goals, policies, structure, and culture. • Defines governance roles, KPIs, and ensures necessary resources are ready during a crisis. • Outlines how the BCMS will be maintained and improved over time.
Business Continuity Plan (BCP)	<ul style="list-style-type: none"> • A practical, documented guide that details how to respond to specific disruptive events. • Helps your organisation respond, recover, and restore operations to a pre-defined level after a crisis.
Testing and Continuous Improvement	<ul style="list-style-type: none"> • Specifies how the BCMS will be tested and rehearsed regularly. • Ensures the system is continuously reviewed and improved to stay effective.

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Business Continuity Management: First Principles

When creating a Business Continuity Management System (BCMS), organisations can follow the Plan-Do-Check-Act (PDCA) model outline in **ISO 22301:2012**.¹ This framework ensures an effective and structured approach to continuity planning.

1. Plan (Establish)

- Develop a business continuity policy, objectives, and procedures.
- Define targets, controls, and processes that align with your organisation's overall goals and policies.

2. Do (Implement and Operate)

- Put the business continuity policy and procedures into action.
- Ensure processes are functioning as planned.

3. Check (Monitor and Review)

- Continuously monitor and measure performance against the business continuity objectives.
- Report results to management, identify areas for improvement, and authorise necessary actions.

4. Act (Maintain and Improve)

- Take corrective action based on findings from management reviews.
- Update and refine the BCMS scope, policy, and objectives for continuous improvement.

This cyclical process ensures your BCMS remains adaptable, effective, and aligned with organisational needs over time.

Preparing a Risk Assessment

A risk assessment, in the form of a business impact analysis, is a critical part of your business continuity management.

Understanding the potential risks to your business from a disruptive event, as well as their impacts and probability, will enable your organisation to recover more swiftly if an incident occurs. Completing a risk assessment before developing the business continuity framework will enable valuable insights from the Board or Management Committee. It helps highlight the possible impacts of various disruptions and clarifies the priority that this activity should receive within the organisation.



1. ISO 22301:2012 Introduction

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Completing the Business Continuity Framework

The Business Continuity Framework should be developed in collaboration with the Board or Management Committee. Its primary purpose is to align the organisation with the business continuity management system (BCMS) and ensures it is effectively monitored, reviewed and continuously improved by the management team.

The framework should define the following elements:

- **Organisation's policy** for addressing disruption-related risks, integrated into the overall risk management plan.
- Alignment of the BCMS with the organisation's **structure** and **culture**.
- **Roles and responsibilities** of key BCMS management, including:
 - › The Board
 - › The CEO
 - › Executive Managers
 - › Incident management team
 - › Business continuity improvement committee
 - › Other roles specific to the organisation, as required
- **Mobilisation and escalation procedures** following an event.
- Defined **limits of authority** during a disruptive incident to ensure timely allocation of resources.
- **Key stakeholder contact lists** and information.
- A **communication plan** to ensure stakeholders are kept informed.
- Clearly defined **KPIs** to measure success.
- **Monitoring regimes** to track ongoing effectiveness.

This framework ensures a structured and efficient response to any disruptive events, ultimately enhancing the organisation's ability to maintain critical operations.

The Business Continuity Management Plan

The Business Continuity Management Plan outlines the specific responses to different types of incidents. It is developed by the management team in collaboration with functional departments such as Information Technology and Human Resources.

The plan is typically presented in a series of tables that map the escalation process based on the time elapsed since the critical incident occurred. These tables often detail the escalating impact on operations and the financial impact as time progresses without service restoration.

The plan will also outline the workarounds that the incident management team should implement, aligned with the passage of time. It specifies the communication protocols and required notifications to be made at designated intervals, with external notifications often outlined in contracts or program agreements.

This plan is crucial for ensuring the organisation can quickly and effectively respond to disruptions, mitigating their impact on operations and financial performance.

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Testing and Continuous Improvement

A Business Continuity Plan needs regular testing and updates to stay relevant as the business and its external environment evolve. Continuous improvement is essential to ensure the BCMS remains aligned with the organisation's changing systems, suppliers, customers, and staff.

By routinely testing or rehearsing your plan, you can assess its effectiveness and determine how well it would perform in the event of an actual crisis. Various strategies, such as drills, training, and scenario testing, can be used to evaluate the reliability of the plan.

A continuous improvement committee should be established to oversee this process. All meetings, actions, and modifications to the BCMS should be documented and reviewed regularly by the Board or Management Committee.

Scalability of the BCMS

This guide highlights the key components of business continuity management. However, each organisation should adapt these elements according to the size and specific needs of their organisation.

Regardless of size, it is crucial for every organisation to establish a BCMS, often driven by contractual or regulatory requirements. A solid BCMS is not only a governance best practice but also a vital component of the organisation's overall risk management strategy.

Other Harmony Alliance Guides in the Risk Management Series

- Risk Management
- Identifying, Analysing & Evaluating Risk
- Risk and Culture
- Crisis Management
- Emerging Risks
- Pandemic Planning

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