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- Chartered Accountant
- Standard Setting Background in auditing, risk, control and governance
- Corporate Audit
- Risk Management
 - Operational Risk
 - Insurance
 - Corporate and Social Responsibility
 - Business Continuity

Background to BCM – Keeping it simple and evolutionary



Bottom up – unit by unit approach

Inter-relationships / dependencies

Process view – mission critical

Top down –

Event Management

Testing / Simulations

Lever existing escalation structures

Key Principles

- Removing uncertainties to the extent possible in advance
- Clarity about intent so that people can act in ambiguous complex and confusing environments
- Manage costs, preserve revenue, exploit new opportunities

Key Strategies to ensure your plans are more robust

1. Strong Executive Commitment and Corporate Governance:

- To ensure adequate resourcing and participation to reflect a living process
- Corporate Governance – Policy & Standards
- Enterprise Focus – mission critical
 - Integrated end-to-end process testing from upstream and downstream dependencies, internal and external stakeholders
- Quarterly Reporting and Monitoring

Key Strategies to ensure your plans are more robust

- *“Regulators are no longer asking if there is a plan in place or even if it has been tested, but whether or not the plan will work. ”*
- Emphasis on simulation testing to determine an **Overall BCP Resumption Capability** to support the executive sign-off
 - **Green:** resumption probability >95%
 - **Yellow:** resumption probability 50 -95%
 - **Red:** resumption probability <50%
 - Report on Deficiencies/ Exposures within 3 months

How it can lead to more advanced opportunities

- Sound Internal controls are key to board and shareholder confidence
- Allow business to take on more risk for increased business opportunities
- Builds resilience capability

Key Strategies to ensure your plans are more robust

2. View your BCP as a response agreement between stakeholders

- Have you identified all your internal and external stakeholders?
- Are they documented
- How are they validated?
- Are staff provided training and awareness of these agreements?
- How are they tested for mutual concurrence on response expectations
- How are changes managed?

How it can lead to more advanced opportunities

- A common approach within your organizations based on structured processes streamline the response expectations between stakeholders and could lead to:
 - ✓ Increased organizational effectiveness
 - ✓ Increased staff and stakeholder confidence
 - ✓ Cost savings on resource deployment
 - ✓ Increased response capacity

Key Strategies to ensure your plans are more robust

3. An effective worse-case scenario response framework

- An effective worse case response framework becomes the overarching risk management strategy that all models fall under
- By reverse engineering this model it has the potential enabling seamless escalation from business as usual to worse-case scenario
 - What could put us out of business?
 - Does our framework enable us to effectively deal with such an event?

How it can lead to more advanced opportunities

- Business leaders need the capability to calibrate and align the relationship among growth, risk and return, despite the occurrence of adverse events.
- Striving for the ideal response framework provides potential to enhance resilience
- Reducing potential response bottlenecks improves ability to manage and meet stakeholder expectations
- Increased capacity and or cost savings can be realized through effective resource deployment

Key Strategies to ensure your plans are more robust

4. Plans organized by six key areas of risk increase resilience for the organization and enable response to almost any threat:

- i. Life Safety and Security to prevent loss of life, lost time due to illness and/or injury and the protection of staff
- ii. Loss/disruption of internal communications during the response.
- iii. Loss/disruption of mission critical products and services
- iv. Loss/disruption of technology
- v. Loss/disruption of premises, utilities, shelter; and
- vi. Loss of materials, equipment and deployment mechanisms

Key Strategies to ensure your plans are more robust

- Think about 9/11 where 320 companies FAILED to return to business, 2800 workers DIED and 135,000 workers lost their jobs.
- By contrast a number of organizations did recover and continued operations. These include:
 - ✓ Cantor Fitzgerald who lost 658 staff and resumed operations two days later;
 - ✓ Marsh & McLennan with 3,200 staff over 8 floors;
 - ✓ Morgan Stanley with 3,500 staff over 17 floors;
 - ✓ NY Port Authority with 2,000 staff over 23 floors.

How it can lead to more advanced opportunities

- Prevents the demise of the organization with the ability to rebound from a worse-case scenario
- Instils confidence in stakeholders – they see (or perceive that the organization is resilient)

Key Strategies to ensure your plans are more robust

5. Executive Participation in Event/Crisis Mgt Simulations

- Understanding what is different about managing a worse-case scenario requires regular scenario testing to synchronize expectations, jurisdictions, roles and responsibilities
- Are their staff coordinating exercises on a full-time basis?
- Include other partners and stakeholders to establish and maintain relationships and align response expectations

How it can lead to more advanced opportunities

- Anticipating worse case scenarios streamlines the response to recover in less time
- Depending upon scope and nature of an event, early recovery and resource capacity position the organization to take opportunities for strategic and/or competitive advantage