

Continuity Strategy – The Global View

Mike Taylor takes a quick spin around the globe to see how other countries are treating business continuity planning

Since the initiation of the Government's Civil Contingencies Act of 2004 much has been discussed about its impact on the UK overall and the benefits to businesses in all spheres of commercial enterprise. Primary among these discussions are the questions of what constitutes an 'emergency' and the ability of the country's emergency services to react quickly so that loss of life can be minimised and a degree of normality and continuity can be returned as quickly as possible to those businesses who have been affected. Hand in glove with the Government's efforts at building a framework of continuity planning are the efforts being made to socialise this information to all areas of the business community. As we know the Civil Contingencies Secretariat are working hard to establish close ties with large organisations in order that there be a two way flow of information, the CCS acting as the Government's mouthpiece on all aspects of business continuity while the major commercial organisations are well positioned to provide Government with worthwhile feedback and response to what is being proposed.

Meanwhile, the small and medium sized businesses sectors rely on the services of local councils, websites and trade associations for the dissemination of the latest information updates, a process that, to date has shown itself to be less than robust in achieving its aim. Lack of funding and a lack lustre approach are just two of the reasons behind this less than impressive performance. A look at the speed and energy of the support provided to those sad souls located in the vastly flooded areas of Yorkshire during late June and early July being evidence enough to validate the point.

Yet while it might be easy to criticise the weaknesses in the UK Government's success in implementing the Civil Contingencies Act a quick glance around the globe reveals that if the UK is seen to be struggling down the tracks in this crucially critical service there are clearly other countries who look to the UK has having made considerable strides with implementing world-leading guidelines on Business Continuity Planning. A recent trawl of BCI representatives, globally, quickly reveals that the UK is reckoned to have reached an enviably high level of maturity over contingency profiling, while the recently modelled BS 25999 is viewed by some countries as being the document of choice for implementing their own plans and processes.

How well then, are other countries performing with BCM implementation and what support is coming from government agencies? BCI representative Ian Clark says that in New Zealand there is a strong, 'when problems occur we'll cope' mentality. He explains. "The CCA was preceded as national legislation by the New Zealand Civil Defence and Emergency Management Act of 2002. This has been enacted and fully implemented in the 14 regions of NZ since the third quarter of 2005. Underneath these regional bodies there is established the "lifeline" utilities that have to maintain a level of service during any emergency. This is strongly 'risk based' and places little or no emphasis on governance, either ethical or the impact on humans. Underneath that it's very much an, 'every man for himself' approach".

Paul Kirvan on the Eastern Seaboard of the USA reports that although BCM is not advocated directly by government agencies by name, it is implied indirectly through a number of government agency standards, regulations, presidential decision directives, and other government-issued documents. Numerous high-level papers are published, which address topics such as cyberspace, the national infrastructure, homeland security, information security, and so on. "Sadly, however, most Americans are unaware of them", says Kirvan with feeling, "and even if they were aware, they would probably never read them".

In contrast Powel Wozniak reports that, as an ex communist country whose background was at one time steeped in the art of preparation for war nowadays Poland has a very well organized and regulated Civil Defence Service (sometimes called Crisis Management Teams) who focus mainly on large scale natural disasters, such as flood, chemical or biological and even nuclear threat. "The plans and arrangements emanate from socialist times when everyone had to be prepared for war", he explains. "We were taught at school how to react in case of crisis, including natural disasters and war. This Civil Defence/Crisis Management, is organised and managed by law with activities driven from the government. Emergency services are involved and coordinated by local/regional authorities. This approach is directed toward all citizens. There is no special discrimination between citizens and businesses. In case of large disaster there are defined ways of communication by TV, radio and local newspapers, with one-way communication from administration to citizens. In this respect Poland still perpetuates the 'old style' of one-way communication with defined channels for government to contact citizens using the media to provide information, but with no opportunity for any meaningful feedback the opposite way. There were a series of plans drawn up and companies were contacted and made aware of these plans. But, they were mainly large, state-owned organisations such as utilities, health care, refineries, railways, telecommunications and so on. In contrast there is very little that government does about smaller private businesses. Only the banking sector is obliged to develop Business Continuity Planning (BCP) as a result of regulations imposed by the Banking Supervision Commission. There are also regulations regarding fire safety, handling of chemicals and so on, but not in the context of BCP. Businesses do what they are obliged to do, but they treat this like an expensive necessity. Private businesses are very much on their own and have to do continuity planning and management for themselves". Clearly, Wozniak recognises there is a severe lack of encouragement for implementing the business continuity planning ethos in Poland that we in the UK-based BCI recognise and encourage.

Perhaps not surprisingly the processes by which authorities around the world make businesses aware of continuity planning varies markedly. While the UK's CCS acts as the government's interface with the commercial arena the processes used by other countries relies on different channels. In Malaysia for example, Dr Edgar Frank, says that in his country Business Continuity is interpreted as the process in which businesses are educated in the science of continuity planning. In particular banking and financial services, medical organizations, the air industry, the oil and gas industries and infectious diseases, are all supported by the emergency response teams during crisis situations, who are obliged to follow documented BC guidelines.

The responsibility for passing on official documentation stipulating BCP management in the Republic of Korea, says BCI representative JongKi Yoo falls to either the Financial Supervisory Service, or the National Security Council (which is under the direct control of President's Office), whichever is appropriate at the time, while in Singapore, BCM representative Henry Ee explains that the Government has made a country-wide standard for BCM, entitled TR19.

"In Hong Kong the process used for disseminating business awareness and continuity management information to the business community happens through regular regulatory control", says BCI representative Jeremy Haworth. "This includes guidelines and onsite inspections for business organisations to ensure they adhere to the guidelines over BCM". Significantly, the HKMA also communicate key BCP issues via the Hong Kong Association of Banks. Indeed, Hong Kong is not the only country that place finance houses at the core of business continuity planning and process management.

"As far as I know in Brazil there is no pro-active process or programme in place over addressing BCM, either at Government level or for States and Cities", says Sidney Modenesi, the BCI representative there. "Some agencies, departments and companies at the government level may have a BCM process but it is not formatted or compliant with any set standard. In fact, as of today there is no national authority or standard for BCM. There are many laws and regulations scattered in different segments addressing different needs. That said, the good news is that BS25999 is being translated and will be used as a Brazilian standard for BCM".

In terms of how the BCM message is socialised out to the broader business communities, be it through TV, press, local authorities or trade associations the picture is an equally mixed bag. "In Poland continuity planning and management is communicated to businesses by business associations and legislation", says Wozniak. "There are no arrangements for using TV or press campaigns to raise awareness though some large, state-owned businesses are aware of and involved in implementing regional crisis management plans". In the USA the major aspects of planning and the management of message communication is done by government issued documents. Kirvan laments, "The Media is no help. They are generally not even aware of business continuity. However, this is largely the profession's own problem. We are our own worst enemies when it comes to self-promotion. Moreover, the authorities often operate quietly, only coming out with information when an emergency occurs. Most Americans are aware of their roles, but do not care unless an incident affects them directly".

"In Malaysia the media, including newspapers, TV, and local and regional authorities, are the main means of communicating messages on continuity issues", says Dr Frank. "The Government of Malaysia and its various support ministries also play a main role, too".

This also is the case in Singapore. "BCM is permeated out to the business sector through using both local authorities and business association groups", adds Henry Ee. As for Hong Kong, during the typhoon season and periods of heavy rain fall there is a well versed and rehearsed public information service which advises on actions to take over facilities such as school closures, transport cancellations, flight delays, all of which, according to BCI man Jeremy Haworth, is communicated widely and effectively through the

country's media channels.

"In Brazil, the usual channels for communicating information concerning a major disaster are through TV, radio, newspapers and the internet", reports Modenesi, adding that in his view, private companies are significantly better prepared over continuity planning and management than official agencies. In New Zealand Clark comments that during national emergencies there is, he says, a very annoying "get through" campaign on TV that advises households to be prepared and utilise their own resources for at least three days. This has been retiled as, "Get Real and Understand - it's up to you to have a life", by those few who understand the real nature of surviving a natural disaster. "Information is available through newspapers, Civil Defence agencies and the 'Get Through' service inserts in every phone book" adds Clark. "As for organisations such as business associations there's no money for such things that have such an impact on bottom line operating costs".

The UK's decision to discriminate over disseminating BCM information into the commercial community has arguably resulted in a two-tier quality of communication processing. However, we are not alone in adopting this technique. "I think there is discrimination here in Poland, also", says Wozniak. "Large, state owned businesses receive information from regional authorities. As for medium and small businesses they are not contacted by government at all and have to rely on listening to radio broadcasts".

"In the States, agencies like the Department of Homeland Security, Federal Emergency Management Agency, and others, provide plenty of awareness information on critical issues that can be considered allied to business continuity," explains Kirvan. "Also, within the government sector, business continuity is typically called continuity of operations, or COOP. However, business continuity is largely a private sector issue, and the integration and partnering between public and private sector entities is a major challenge in this country. Some progress has been made, but much more needs to be done. There is always a funding issue for BC and related activities; most initiatives face an uphill struggle for funding. BC also faces a major struggle for acceptance. It would be very nice if the U.S. academic community recognized BC as a real profession, for which academic degrees could be awarded. Until we have real acceptance by the academic community, or perhaps we experience a series of major disasters or terrorist incidents in this country, BC will always be relegated to second-tier status in both the private and public sectors."

"In Malaysia there is no discrimination between making contact with large and small business organizations", says Frank "In the Republic of Korea. BCM awareness has not matured in the same way that it has in the UK", says Yoo. "Local government authorities do not require large and small businesses to comply with BCM-related regulations and standards. Only in the banking sector is continuity planning and management strictly regulated by the FSS in line with the banking-specific Basel II Accord legislation. However, this regulatory process will be extended into the non-banking sectors in 2008. Equally, there is no such discrimination in Singapore, says Ee, adding that, like Korea, the banking industry, specifically, will be working more closely with the central bank and the main authority in this area. "In Hong Kong", says Haworth, "in the event of a crisis the regulators will naturally contact big businesses first. This I think is both practical and realistic, rather than discriminatory. Also, Business continuity planning is not well understood by small businesses in Hong Kong". In contrast there is no formal programme in

Brazil for communicating continuity planning information. "I believe there is no discrimination", suggests Modenesi, "but larger companies have far better access at senior government levels". As for New Zealand, Ian Clark maintains that, perhaps curiously, there are no processes in place for passing on information to the commercial market place.

Next, it is appropriate to consider how effective business continuity plans prove to be when called into action in times of crisis. Referring again to the most recent crisis in the UK we may well question just how many of the Yorkshire-based business that were severely affected by the rising flood waters could confidently turn to a well-documented and rehearsed continuity plan for information and guidance. Equally, then, how effective are the BCM plans that are drawn up in other parts of the world? "Here in Poland it is my opinion the continuity planning is a green field situation", says Wozniak. "We are working hard on raising awareness and educating businesses on BCM. But, Disaster Recovery Planning is seen as an IT related function and as such is popular in large businesses. But it is hard to measure effectiveness, as business continuity is not yet practised. Only banks are required to implement continuity planning and management, and this is still in the early stages of development".

"In sectors such as banking, finance and investment banking there are regulations that have to be taken seriously", reports Kirvan in the States "Otherwise, most firms only initiate continuity management processes if an audit points out a deficiency; an incident directly adversely affects the firm, a third party firm identifies a deficiency as a competitive issue or a 'situation-based' event occurs. Under most circumstances, however, business continuity is not a priority issue virtually anywhere in the U.S. Our country's culture believes in addressing adversity when it occurs, rather than planning in advance, believing that we can handle virtually any situation - and survive it".

In Malaysia it seems the banking and financial services and medical groups have definite guidelines to follow, while the FSS financial services in the Republic of Korea have been issued with an official series of BCM standards, specifically targeted at large commercial banks. These organisations are under strict instructions, which requires them to implement these standards by the end of 2007. Part of this legislation focuses on building alternative sites for business resumption in times of crisis. "The FSS has the authority over approving the Basel II Accord compliance to Korean commercial banks" explains Yoo. "BCM/BCP implementation is one of the mandatory things that these institutions must do to win it approval".

"All Brazilian banking and insurance related industries are concerned about continuity management", reports Modenesi. "These industries are very regulated and awareness is clearly increasing. In addition, with the local version of BS 25999 being prepared we're expecting a significant jump over the implementation of continuity plans. However, those companies who are interested in continuity planning tend to be primarily concerned only with recovering IT services". "In New Zealand some of the lifeline utilities are quite good at contingency planning, but poorly equipped to deal with the proactive nature of continuity planning", says Clark.

In the UK both the paramedic and fire and rescue emergency services are being targeted to increase continuity awareness by holding local seminars. These centre on handling emergencies and encouraging business people to take a more responsible attitude over fire and safety management in the

workplace. The degree to which these initiatives are being effective can only be measured when a crisis occurs. "In Poland emergency services are involved and integrated in regional crisis management plans issued by the government", explains Wozniak. "However, businesses don't have good, regular communication with the emergence services".

In the States emergency services deal with live incidents and as such these agencies plan extensively for them, exercise in anticipation of them; and ensure that resources are available to deal with them. "It would be very nice if the same level of energy was focused on business continuity" laments Kirvan.

"In Malaysia the emergency services are mostly controlled by Government agencies", says Dr Frank. "They are always in a state of preparedness in respect of planning and awareness". "In the Republic of Korea the National Emergency Management Agency (NEMA) plays a key role in providing emergency services", explains Yoo. "Also, the BCP Association, which is an assembly consisting of BCP practitioners and professors do much work with NEMA on awareness and continuity planning nationwide".

In Singapore Ee reckons the emergency services there are very involved with continuity planning and awareness, adding that the police department has drawn up specific plans on how continuity management can be applied to a building after a disaster has occurred. As for Hong Kong Haworth insists that the emergency services there do not become involved on a regular basis but for special occasions, such as the WTO Ministerial Conference in December 2005, they were excellent. "The emergency services are very heavily involved in preparedness", he adds, "But unless the individual makes a point of researching the information it is not well communicated".

In stark contrast the Brazilian emergency services do little to promote awareness, a story that is also true in New Zealand. "The Ambulance and Fire services are mainly volunteer units," says Clark. "Only large urban areas have permanent forces on station. The Fire Service is mainly equipped for search and rescue emergency duties to deal with earthquakes, volcanic eruptions, floods, tsunamis, and landslips". Sadly, he reports that Police activity in such circumstances is perceived by the public as being simply persecution of motorists to maintain revenue streams and swell Police Force coffers.

Finally, it is important to examine the future over continuity planning, training and management in the countries we have visited. As we know in the UK the CCS will continue to work with large companies over enhancing and refining business continuity planning and management as an embedded strategy within established organisations. However, it is at the local level, where authorities and trade associations are being asked to play their part, where the stimulus needs to be increased and BCM awareness made more visibility. In Poland, Pawel Wozniak feels that while consultants, auditors and business organisations are interested he cannot see any evidence of BCM being developed and embraced by the Polish authorities in the foreseeable future.

"If there are any future plans for BCM in the States, they are unknown to the general public, especially the private sector", concludes Paul Kirvan. "It is a very unfortunate situation in this country. Despite all the alleged preparations to the contrary, we do not have the 'edge' we established in the post 9/11 (destruction of the New York International Trade Centre) period. We have become more relaxed and complacent in our readiness, simply because it

has been quiet for the past six years. We are ripe for more terrorist attacks. We are woefully unprepared for catastrophic events such as earthquakes, severe weather, and other events. Regrettably, business continuity is very low on the food chain”.

In contrast Dr Edga Frank in Malaysia says the Central Bank will be issuing BCM Guidelines very soon and the Malaysian National BCM standards are expected to be released shortly, suggesting a positive approach overall to continuity strategy for the future. Equally, in Korea, the BS 25999 translated documentation and related ISO measurements for BCM standards will help to increase awareness and the necessity for BCM implementation. “In 2006 the Bank for International Settlement (BIS) published a paper entitled, ‘High Level Principles for Business Continuity’ ” adds JongKi Yoo, “This gave BCM considerable exposure here. I believe international regulatory organisations should place special emphasis on the importance of BCM and recommend that each country’s authorities take action on that”.

“In Singapore there is already evidence that BCM is attracting a higher profile caused through the increased threat from terrorism activities”, advises Henry Ee. In Hong Kong, however, according to Jeremy Haworth, sadly, there are no such visible signs that BCM is gaining more ground or credibility.

Across the world in Brazil it is a different story again. Sidney Modenesi reports that the threat from terrorism and avian flu have had no impact over increasing BCM activities. “However, due to other regulations in Brazil, the BS 25999 transcript and even the drive for creating a ‘commercial competitive advantage’ organisations can see clearly the benefits of BCM and it is becoming increasingly recognised”.

“New Zealand suffers from the dual limitations of a small country with limited resources and high levels of threat from natural disasters”, concludes Ian Clark.

“Acceptance of business continuity principles as understood by organisations such as the BCI is severely hampered by the inclusion of business continuity in the service portfolio of large companies, who insist that business continuity should be confined to the Information Services Divisions. Also, insurance agencies are on record over promoting Business Interruption Insurance as the answer to an organisation’s business continuity requirements and duty of care. It is an uphill battle to promote and implement international best practice business continuity standards when there are organisations who have a vested interest in maintaining their revenue streams”.

While it is acknowledged that the limited number of replies to this survey has restricted the depth of research it does serve to show the huge differences in attitude and interpretation of business continuity management by countries worldwide. Yet for all that, there are parallels to be drawn. For example many companies across the world, including those in the UK, focus on IT as being the crucial continuity component to maintaining a fully functional organisation in times of crisis. Also, some countries believe that it is the banking communities, who should be the primary targets over implementing BCM plans and guidelines.

Overwhelmingly, however, it is clear that BCM must be adopted globally as the primary business tool for the 21st Century and as such should be promoted

as being critical to good management practice; a way of saving money, time and human misery. And it must be for the leaders of the world's richest countries to take BCM seriously as being a cornerstone to the global warming message, which nowadays is gaining so much airtime. From our brief straw poll it would appear that this is indeed an area in which the UK could develop world recognition and leadership.

I would like to take this opportunity to thank all those BCI Representatives around the world who took the trouble to reply to my emails.

Mike Taylor is Client Director for BCM Consultancy, business continuity and marketing specialists. Contact details: Tel 01892 654418.
email bridgerway@yahoo.co.uk