

# Emergency Preparedness and Business Continuity Conference

## Session A5 – Business Case for a Resilience and Continuity Project

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Barry Huybens, CMC, PMP, MBCP

***iStrategic Advisors Inc.***

*Involvement, Ideas and Innovation*

# Additional and Supporting Information

- Should attendees to the EPBC Conference for this presentation wish some additional and supporting information as discussed in the session, please describe specifically the type or nature of that information, and I will endeavor to forward to you as an attendee.

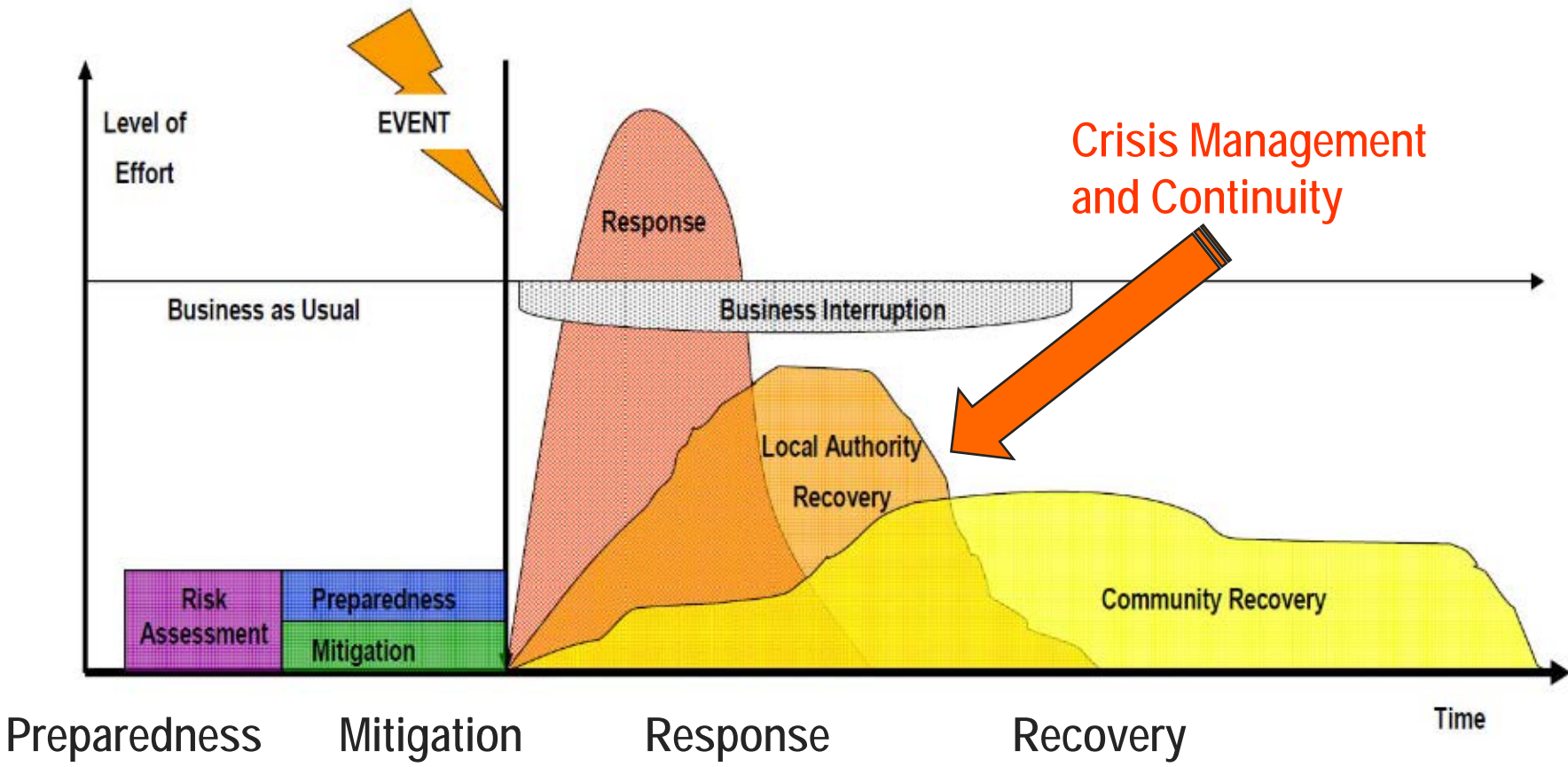


Demonstrate a  
passion for  
making the case  
for BCMS!

# Business Continuity Management System (BCMS) Defined

- Focuses on a holistic management process
- Understands the organization or community
- Provides a framework for building resilience with the capability for an effective response and recovery that safeguards the interests of its key stakeholders, reputation, brand, and value-creating activities
- Prioritizes strategies, investments and efforts
- Establishes implementation and management of the overall program

# The Four Pillars



(Source: Internet, n.d.)

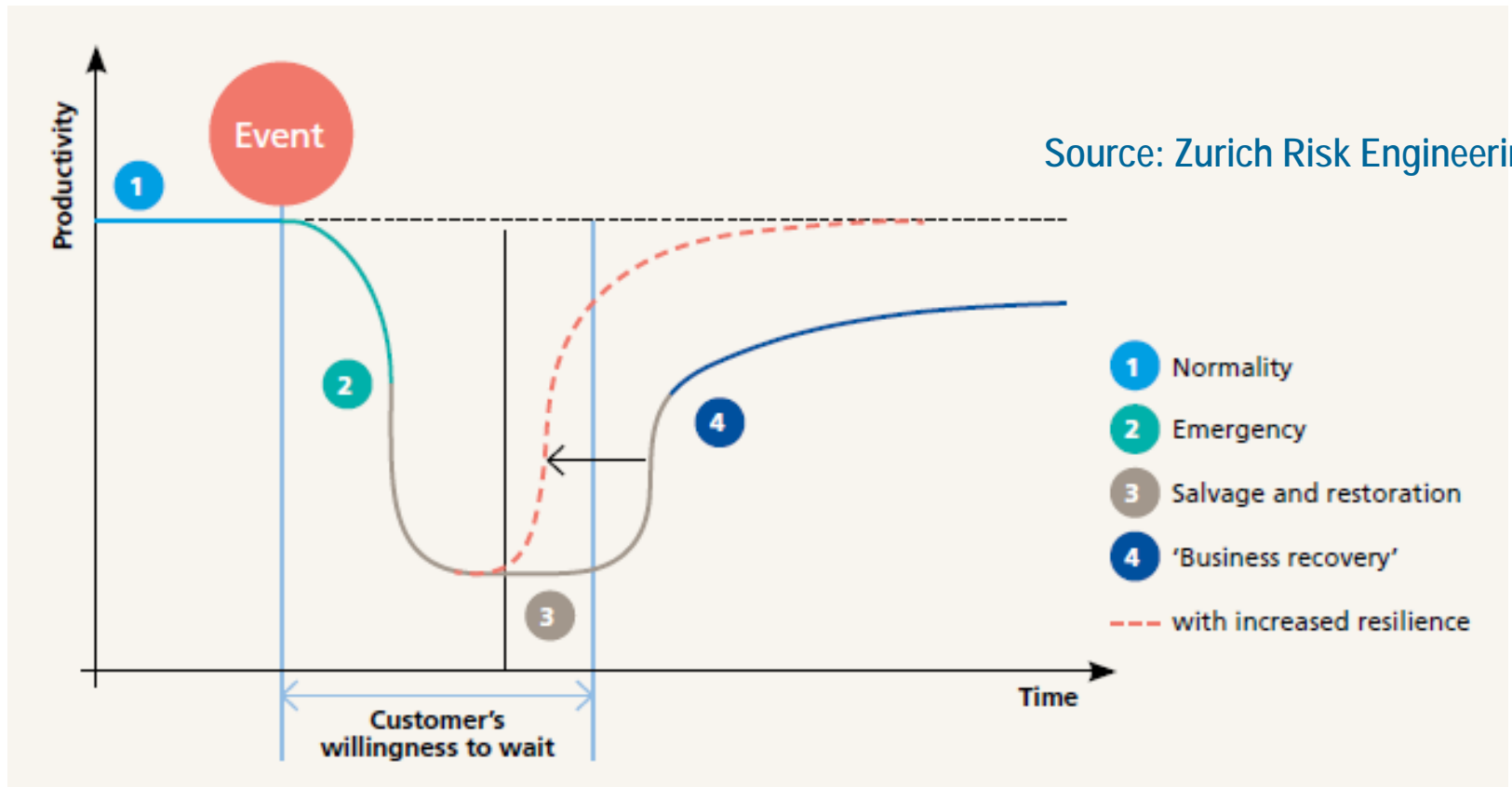
# BCMS bridges the gaps of Risk Management



(Source: Qisda BCMS)

# Assumption of BCMS

- It will enable continuity and contribute to resilience ...



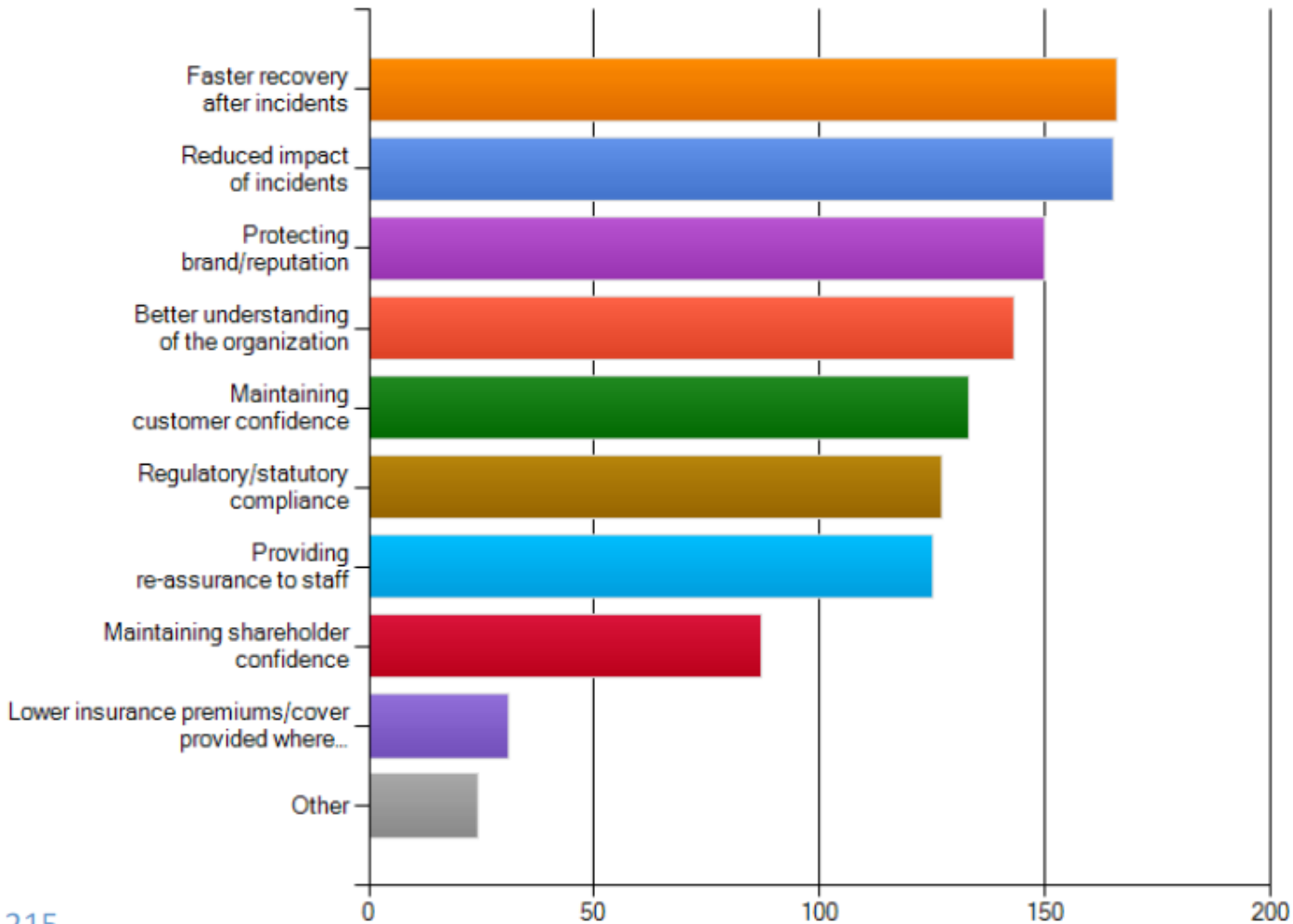
# Benefits (Source: Continuity Central, 2012)

- Asked its readers to identify the benefits of Business Continuity, the themes included:
  - Is potentially life saving
  - Maintains continuity of operations and service delivery
  - Builds customer confidence
  - Provides competitive advantage
  - Provides compliance benefits
  - Mitigates risks and financial exposure
  - Preserves brand value and reputation
  - Helps the organization be more resilient



# Benefits (Source: BCI, 2010)

How would you describe the benefits of BCM to your organization?



Sounds reasonable,  
what is the challenge?



# What is the Challenge?

- Making the business case for a BCMS project and/or program of activities that provide continuity and resilience can be a struggle
  - Why organizations and communities invested huge dollars into emergency response systems without even a bat of an eye of executives?
    - Emergency services
    - Building systems
    - Insurance
    - Other
  - Are these ensuring continuity and resilience, maybe but this is only one leg of the elephant

# Common Understanding

- Terminology:
  - Business Case ... means a justification for a proposed project or undertaking on the basis of its expected benefit
  - Continuity means ... the unbroken and consistent existence or operation
  - Resilience means ... the ability of a substance or object to spring back, a toughness
- Context:
  - This is about organizations and communities!
- Business Continuity Management = good old Emergency Management or Disaster Planning

**What is continuity?**



# What is Continuity?

- From the latin noun *continuitus* meaning lack of interruption
- Encompasses planning and preparedness
- Recovers to a prior state
- State of stability and the absence of disruption
- Relatively short period before return

What is resilience?



# What is Resilience

- From Latin verb *resilire*, meaning to rebound or recoil
- The capacity to maintain a core purpose in the face of trauma
- Resilience can be characterized by:
  - Attitude – positive, glass is half-full, survivor mentality
  - Ability – preparation, awareness, agility, problem-solving skills
  - Access – supportive relationships, willingness to ask for help







# To begin an incident happens ...



(Source: Internet, n.d.)

# NYU Langone Medical Centre: Inside

- Impact of Hurricane Sandy:
  - Over \$1.2 billion in damages / lost research
  - 15 million gallons of water in basement
  - 8,000 cages (close to 30,000 mice died) destroyed
    - Years of research – tissue samples, brain matter, DNA sequencing, etc.
  - Emergency Room closed down (18 months)
    - 200 people a day
    - \$1,700,000 in revenue from those visiting ER.
  - Over 300 critical care patients evacuated on sleds in the dark after the hospital lost power

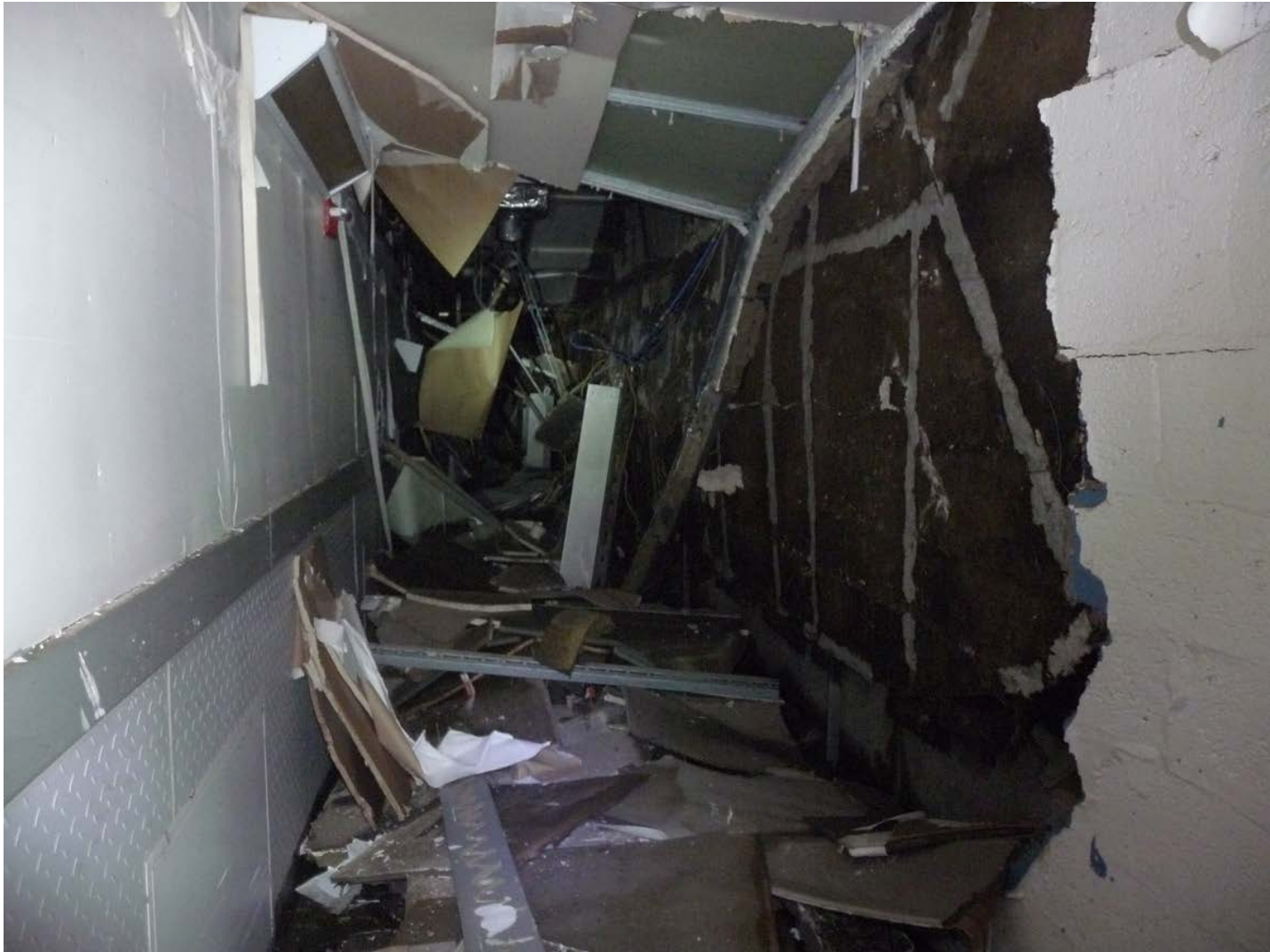
# NYU Langone Medical Centre: Outside



# NYU Langone Medical Centre: Inside



# NYU Langone Medical Centre: Inside

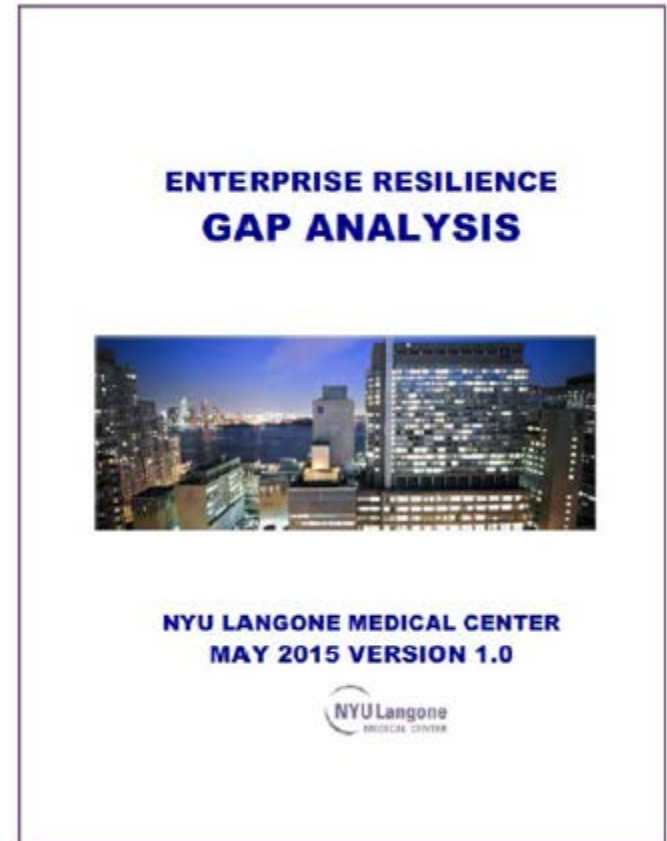


# NYU Langone Medical Centre: Response



# NYU Langone Medical Centre: Analysis

- Updated Hazard Vulnerability Analysis (HVA) is needed
- Include all mission areas in exercises
- Resilience assessments must be completed enterprise wide
- Focus must expand from Hospital to enterprise wide
- New Emergency Operations Plan is needed





## Nokia vs. Ericsson -- March 17, 2000

### Pre Fire Ranking

- Nokia (32%)
- Motorola (22%)
- Ericsson (12%)

10 Minute Fire in Albuquerque Philips Microchip Plant

### Post Fire Ranking

- Nokia shipments **grew by 10.5 percent** over the previous year, to 140 million units.
- Motorola shipments dropped by 1.7 percent to 59 million units.
- Siemens shipments grew by 10.2 percent to 30 million units.
- Samsung shipments grew by 36.8 percent to 28 million units.
- Ericsson shipments **dropped by 35 percent** to 27 million units.

On July 20, 2000, Ericsson reported that the fire and **component shortages** had caused a second-quarter operating loss of \$200 million in its mobile phone division. Total loss \$400 million

# Why Nokia Gained and Ericsson Lost?



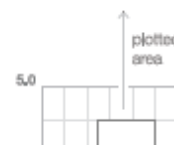
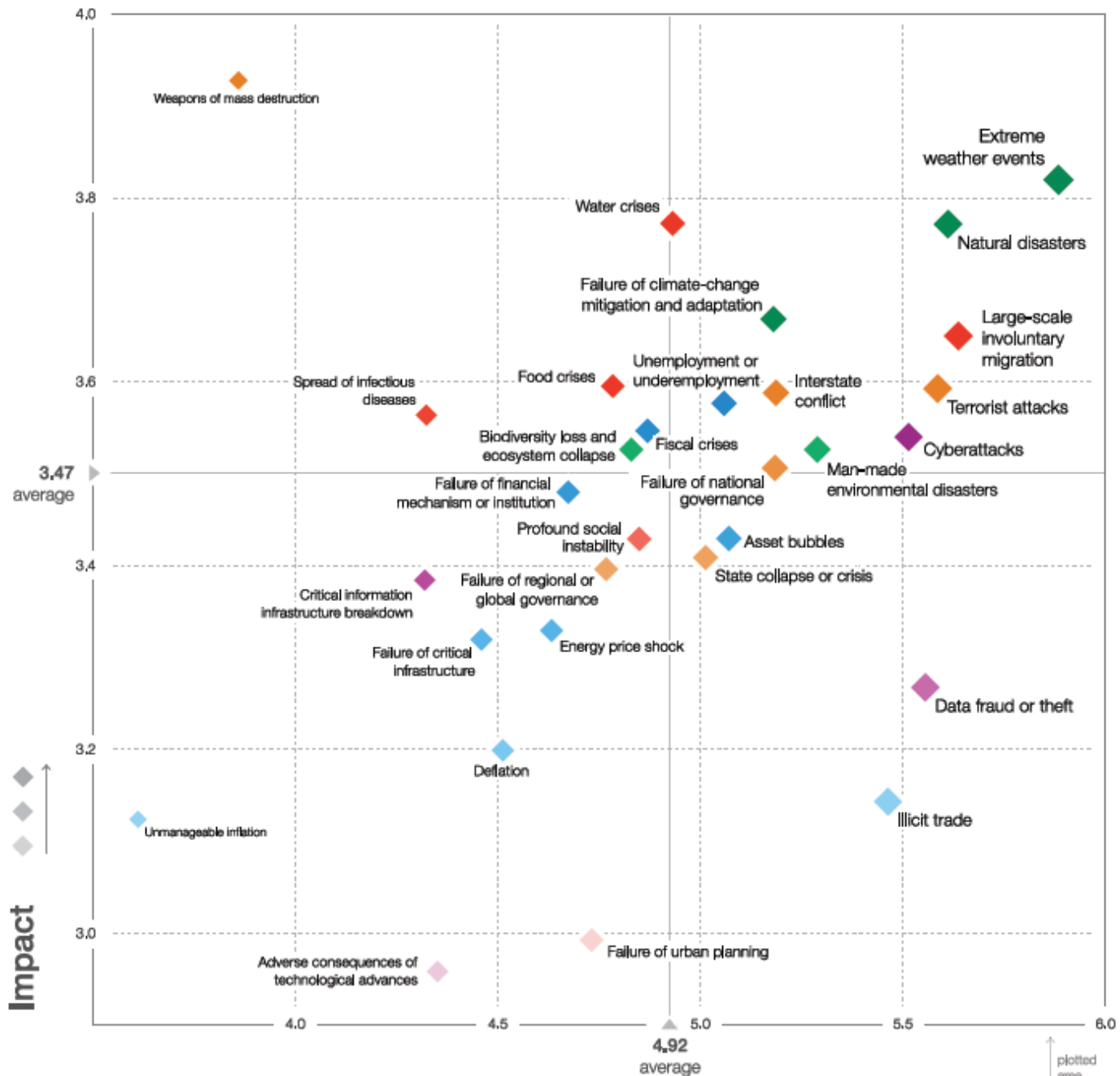
# What is the Resistance?

- It has not happened to us; it will not happen to us
- Pressures to focus on frontline services and delivery
- Competing expectations for focus of efforts
- Requires a time commitment of people
- Every function considers itself to be critical
- Resistance to change
- Lack of resiliency vision



**Where can we find Inspiration?**

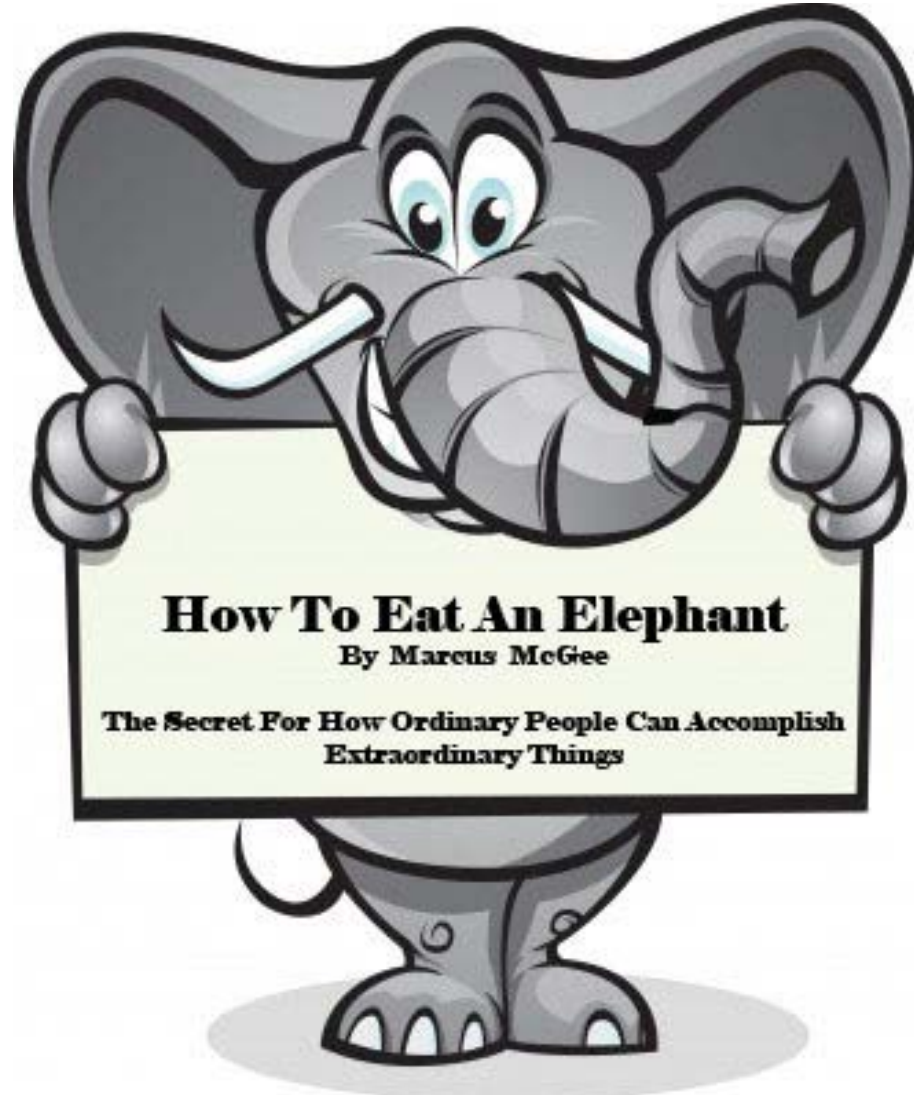
# Global Risk Report, 2017



# Business Case

- Timing:
  - This case study begs the question, should ... or typically does ... the business case come before or after an incident
- How to a ... business case for a resilience and continuity project?
  - Strategic: keep the end in mind
  - Staged: pragmatic, eat the elephant one piece at a time
  - Scoped: activities, projects within a program
  - Specific: schedule, sessions, skills

# One bite at a time



(Source: Internet, n.d.)

# Agile and Iterative Methods



(Source: Business Continuity Institute, 2010 and 2014)





**The person who  
says it cannot be  
done should not  
interrupt the  
person doing it.**

Chinese Proverb

# Where to Start or Advance?

- We need to see the value, sell the value, lead the value and ultimately prove the value
  - Shift from ROI to VOI
    - (Source: Regina Phelps, DRJ, 2017)
- Rather than focusing on “what ifs” or “chicken little” scenarios
- What is it that the audience will understand, even if they do not want to?

# Seeing the Value

- Know your executive management audience and identify what end results matter to them:
  - Achievement of mission, vision and values
  - Commitment to priorities – people, property, environment, economic and reputation
  - Commitment to a community and a spirit or culture
  - Commitment to clients, staff and partners
  - Commitment to shareholders

# Selling the Value ... based on

- External environment:
  - Legislative or regulatory compliance
  - Global lessons learned
  - Peers in the industry or sector
  - Professional and community good practice
  - External audit
  - Procurement and contractual compliance
  - Insurability
  - Access to markets and capital
  - Customer access and retention

# Selling the Value ... based on

- Internal environment:
  - Strategic framework ... mission and vision
  - Equity and brand protection
  - Risk assessment
  - Internal audit
  - Actual incidents
  - Operational efficiencies
  - Financial return or consequences
  - Commitment to people, property, environment
  - Deeper knowledge
  - Increased robustness

# Proving the Value

- **Be prepared to develop and mature the program in phases**
  - Commit resources and availability
    - Demonstrate a road map
  - Implement, then measure and report
    - Guide the behavior and decision-making
    - Internalize processes
    - Communicate
  - Improve, then measure and report
    - Embed in the culture
  - Invest in the program
  - Celebrate, then keep working

# Good practice and lessons ... learned

- With a clear organizational or community vision and strong change leaders and leadership entities can develop a BCMS or BCMP, fit for your environment
- **You do not need to start from scratch and you do not need to do it all, right away!**



(Source: Internet, n.d.)

# BCMS Business Cases and Plans

- Review some cases
- Review some plans



# BCMS Business Case Outline

- Document Sign-Off
- Glossary
- Executive Summary
- Purpose and Scope
- Approach and Schedule
- Options and Analysis
- Recommendations
- Appendices:
  - Cost benefit analysis
  - Risk analysis

# BCMS Touch Points



(Source: Adapted by iStrategic Advisors, 2012)

# Winning Executive Over

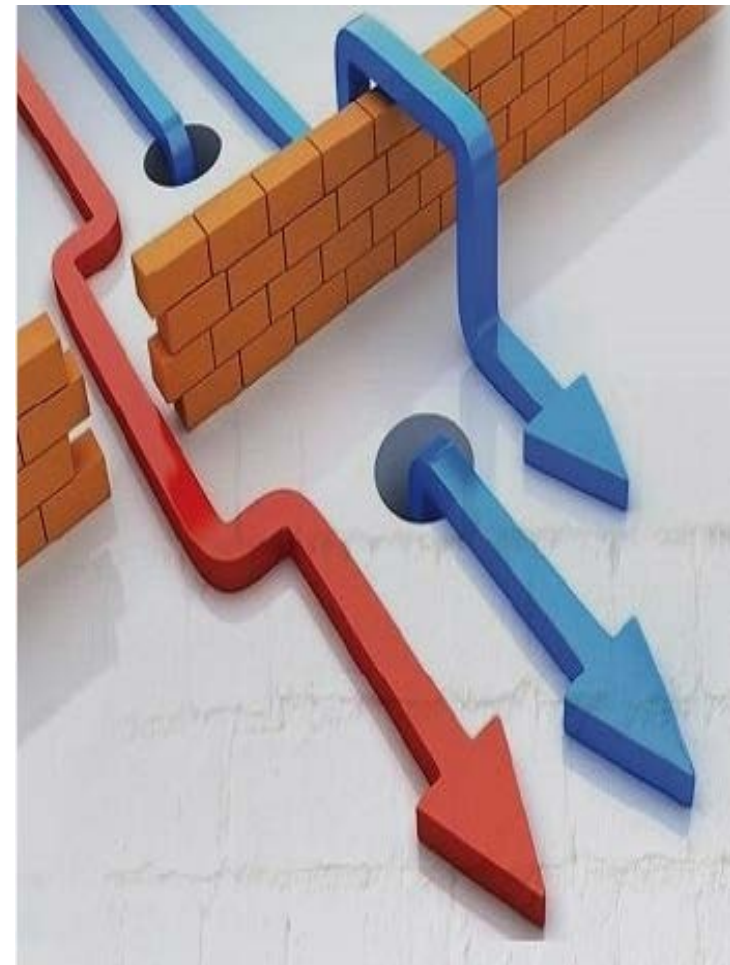
- Leverage relevant lessons observed and/or learned
- Review concise benchmarks from industry research (e.g., Gartner)
- Use specific legislative and regulatory compliance requirements
- Identify internal strategic goals and objectives
- Use facts sharply including risk and liability clauses in agreements
- Balance the arguments with investments and value

# Keep the Executive On-Board

- BCMS Maturity (e.g., CMM)
- Annual BCMS Scorecard
- Monthly or Quarterly updates
- Regular cross functional BCMS Steering Committee

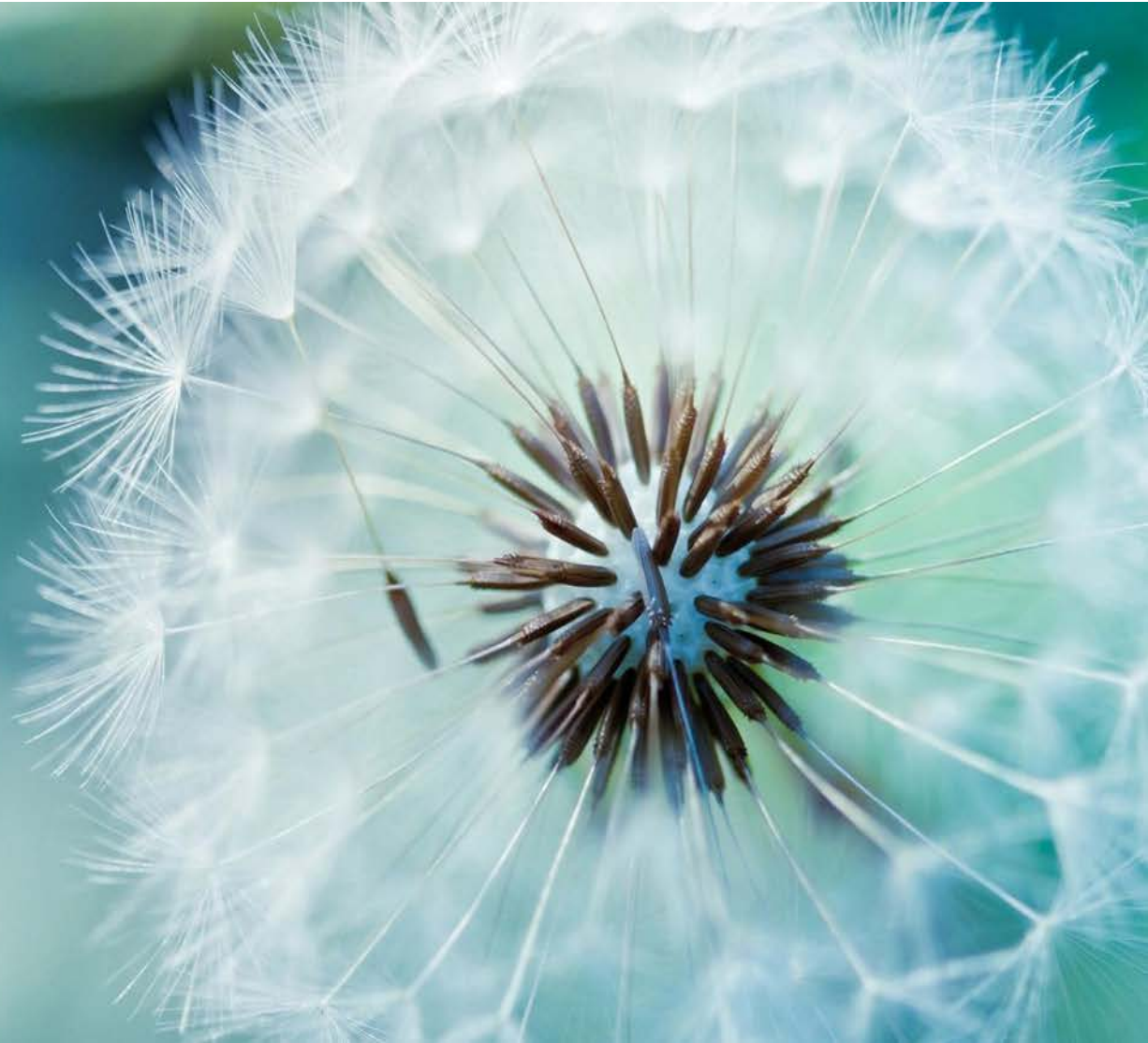
# Summary

- Establish the vision and desired outcomes
- Provide strategic change leadership
- Keep the end in mind (Covey)
- Eat the elephant a piece at a time
- Do the research and analysis
- Use existing tools and good practices
- Ensure a quality improvement mindset



(Source: Internet, n.d.)

IF YOU ARE DOING A JOB YOU'RE PASSIONATE AT  
... PEOPLE WILL NOTICE IT



# ***iStrategic Advisors Inc.***

*Involvement, Ideas and Innovation*

***Barry Huybens, CMC, PMP, MBCP***  
***Managing Director***  
***iStrategic Advisors Inc.***

***Cell Phone: (780) 903.0280***

***Email: [istrategic@shaw.ca](mailto:istrategic@shaw.ca)***

**Trusted Advisory Services for  
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Questions?