



# Business Continuity: **A Profession Adrift?**

CONTINUITY INSIGHTS STAFF

**Y**ou don't turn a battleship on a dime. Of that, the "S.S. Business Continuity" is proof positive. We know where we need to go. We've even got an idea how to get there. But rather than go full steam ahead toward a distant shore, the ship that is our profession shifted its course only slightly this year.

While some progress was made here and there, the overall lack of change is the most significant finding of the 2008 *Continuity Insights/KPMG Business Continuity Management Benchmarking Survey*. Private sector, public sector, and not-for-profit enterprises continue to evolve their organizations' business continuity management (BCM) programs without many significant enhancements in program capabilities since last year's study. And last year's study also was remarkable for how little progress was made.

Why? Opinions are as varied as they are insightful and interesting. Maybe it's because there's no one at the helm? Maybe the captain is not communicating with the crew? Or is there — if not a mutiny — at least uncertainty on the bridge? Perhaps we fear the perils of uncharted waters? Maybe we're just comfortable drifting along?

Marty Plevel, senior manager for KPMG LLP, the audit, tax and advisory firm, noted that "of the 872 study participants in the 2008 *Continuity Insights/KPMG Business Continuity Management (BCM) Program Benchmarking*

Study, approximately 40 percent of them had also responded to the 2007 study." Plevel also said that "this year's findings regarding the integration of BCM with other related enterprise programs were very similar to last year's results, with no major positive trends and a few disappointing trends when comparing current results with the results from last year."

Some examples include:

- About 67 percent of the respondents indicated that their BCM program is well integrated with their crisis management program, very similar to the 68 percent of last year's survey respondents.
- Approximately 63 percent of the respondents indicated that their BCM program is well integrated with their information security program, up from 60 percent of last year's respondents.
- Approximately 50 percent of those surveyed indicated that their BCM program is well integrated with their enterprise risk management program, down from 54 percent of last year's survey respondents.
- Approximately 36 percent of those surveyed indicated that their BCM program is well integrated with their strategic planning program, down from 38 percent of last year's survey respondents.
- 34 percent of the respondents indicated that their relationships with police, fire, and local emergency management

## A conversation with: Rebecca Levesque



### About: Recovery Assurance

#### Continuity Insights: What is recovery assurance?

**Rebecca Levesque:** Recovery assurance is the practice of increasing the probability of a successful recovery, while lowering the cost of business processes and IT through the complete restoration of all critical IT management disciplines. It helps companies verify and validate that their business can recover from any event, and provide proof to shareholders, customers, and the market. It can also dramatically reduce the cost, time, and manpower to plan, implement, and test recovery readiness.

#### CI: What people or positions are most concerned about recovery assurance?

**RL:** Executives need to prove their continuity for regulatory agencies or shareholders. Line of business managers need to maintain productivity and production. And IT managers are tasked with keeping critical applications and data availability to their internal audiences and IT management disciplines.

#### CI: What are some critical elements of a successful recovery assurance solution?

**RL:** Insight is the most important element for success. Insight needs to come from real-time monitoring and analysis of the most critical applications and data being used by the organization, as well as critical interdependencies. Second, is the ability to validate a recovery strategy through a simulated backup or recovery exercise that reduces risk and costs of failed DR tests. Finally, companies should take a holistic, platform-neutral view of recovery assurance, and be able to view recoverability metrics through a single interface with the ability to deliver information based on the perspective of the user. Different views of same data to business, IT management and IT disciplines.



www.21stcenturysoftware.com

To continue this conversation, visit Rebecca Levesque and the 21st Century Software team at booth 410 at the Continuity Insights Management Conference, May 5-7, in New Orleans (registration form, page 60).

## Business Continuity:

services are well integrated, similar to the 2007 results.

- And, some 26 percent of the respondents indicated that their BCM program is well integrated with their strategic sourcing program, down from 27 percent last year.

Says John Copenhaver, president of the Disaster Recovery Institute International (DRII): In all honesty, it really didn't have very many surprises. The results may show a little bit of progress, but no quantum leaps at all."

### The Right Reason

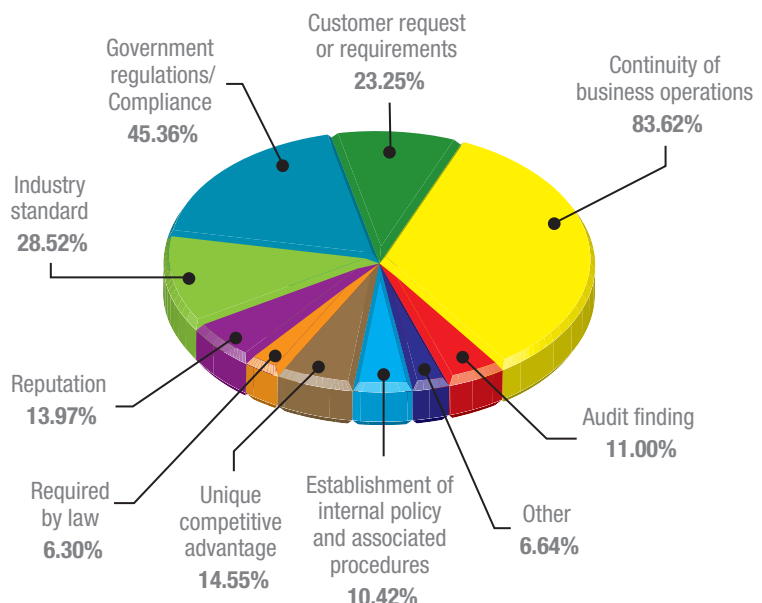
First, some good news. Let's talk about why we're planning. Survey results show that about 84 percent of respondents established a BCM program to achieve continuity of business operations. Some 45 percent cited government regulations/compliance as one of the primary BCM drivers. Other replies included audit findings (11 percent), customer

request or requirements (23 percent), industry standard (28 percent), reputation (14 percent), required by law (6 percent), unique competitive advantage (14 percent), and establishment of internal policy and associated procedures (7 percent).

"It was encouraging to see that the highest rating as the primary driver for having a BCP program had to do with the need for continuity of business operations," says Hewlett-Packard's Belinda Wilson. "Specifically as it relates to other forced purposes such as audits or government regulations. These results show that organizations perceive the strategic importance of BCP investments in terms of keeping their operations running versus doing it because they are being forced to do so."

"That 83 percent said continuity of business operations says to me that they are doing BCP to sustain business operations, and that is the right answer," says Mike Jennings of RSM McGladrey Technology Risk Management Services.

### What are the primary reasons that your enterprise has established a BCM program?



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“But that 45 percent cited regulations and compliance is unfortunately the wrong reason,” says John Jackson of Fusion Risk Management. “That says they are doing BCP because they have to do it, because somebody is telling them to do it, as opposed to doing it because they should.”

### Program Leadership

We all know about business continuity’s disaster recovery roots and historical tie to IT. But is that changing? Some of our experts saw in the data, regarding program leadership, an encouraging trend away from IT. Others, like Belfor’s John Stagl, say business continuity “still seems to be viewed as IT-centric skill.”

Survey results show that the CIO is the program coordinator for 4.13 percent of respondents, with director/manager/VP of IT coming in at 12 percent. Approximately 25 percent of respondents identified the program coordinator as a director/manager/VP of business continuity management. Almost 15 percent said the coordinator is a director/ manager/VP of risk management. And nearly 20 percent said the C-level executive ultimately responsible for continuity is the CIO.

But Navigant Consulting’s Michael Keating sees something different in the numbers. “I was struck by how the whole thing is migrating away from IT,” he says. “That’s a trend that I think is going to continue.” Keating says IT used to be the de facto home for business continuity, but that survey results show continuity programs are now “all over the map. Who is ultimately responsible for BCM? It depends. It’s really all over the place.”

“There was no emerging trend on where the business continuity function was located,” says Jim Nelson chairperson of The

International Consortium for Organizational Resilience (ICOR). “There’s been a push over the last two years that it is part of enterprise risk management. But it is really unique to each organization, and it may not necessarily go where a consultant says it should be.”

“I found it interesting and not surprising that in a large percentage of the cases, BC still reports in to information technology,” says Bill Rider president of the Business Continuity Planning Workgroup for Healthcare Organizations (BCPWHO). “I don’t think that’s the case in the healthcare organizations. Healthcare has been doing DR and BC for 100 years; they just haven’t called it that. They’ve always had to have controls in place for things like surge capacity, for the emergency department going down, for admitting patients. They’ve had those workarounds for a long, long time; they just haven’t called them continuity or contingency plans. And they were all born and raised within hospital operations, not in IT.” Rider says healthcare business continuity programs typically report to the COO or risk management.

Financial services companies also “appear to be reporting more often into risk areas,” says Charles Wallen of the Financial Services Technology Consortium (FSTC). “This is a more mature way to manage the program. Having business continuity report in to IT or some other area besides risk is probably not as productive given that it is a business issue, not a technical issue that we are dealing with here,” he says.

According to Wallen, other sectors may follow. “Rather than reinventing the wheel, they like to look at what somebody else has done,” he says. And that “someone else” has traditionally been the financial sector which had to deal early on with “increased automation, the globaliza-



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tion of the workplace, the fact that we are more dependent on information than ever before.”

### Convergence and Integration

Both Wallen and Jackson see in the shift away from IT a move towards convergence. In response to the question “Does your organization have a senior management advisory or steering committee that provides input and assistance in the preparation, implementation, evaluation, and revision of the BCM program?”, 66 percent of respondents said yes, and 34 percent said no.

“There’s a broader trend going on, and that’s convergence,” says Wallen, “the convergence of security, business continuity, and IT operations, which

are key drivers of operations risk. The perception on the part of the C-suite is that they are managing a business problem that is bigger than just business continuity.”

“I see it as a good thing,” says Jackson. “I see it helping the move toward resiliency, integration, and convergence. I noted that there seems to be a small improvement in people integrating BC with other disciplines, but it was still pretty low.”

How low? IT and crisis management were the most integrated, with 83 percent reporting that IT is extremely or very much integrated and 67 percent saying the same for crisis management. Corporate security, employee health and safety, enterprise risk management, facilities, and infor-

mation security management all had 40 to 50 percent of respondents reporting that these are somewhat or not at all integrated with business continuity. Asked how well integrated their BCM program was with compliance/audit, 34 percent answered extremely or very much. Strategic sourcing and strategic planning were the least integrated with nearly 75 percent of respondents saying they were somewhat or not at all integrated.

That’s internal integration. The numbers stay low and in some cases sink even further when we look outside the organization. Relationships with third-party service providers (utilities, telecommunications, and IT or business service providers) and public authorities (police, fire, etc.) are somewhat or not at all integrated about 70 percent of the time. Only 3 percent of respondents said BCM was integrated for all third-party service providers, and just 4 percent said their supply chain was integrated for all supply chain stakeholders.

“There is a lag in integration continuing with strategic sourcing partners and public entities, says Brian Zawada of Avalution Consulting. “Given the extreme need for the public/private cooperation, that was surprisingly low. And given the fact that the supply chain is the biggest source of a business interruption and business continuity professionals continue to not do a whole lot with strategic sourcing, that’s a huge risk.”

Integrating with elements outside of the organization isn’t commonplace because it is difficult, Zawada says. “When you get outside the organization, you get outside your control. You have to be able to identify your key suppliers, engage them, and assess their effectiveness in business continuity. That’s a lot of work, and there are a lot of moving

A conversation with:  
**Marc Ladin**



**About: Selecting a Mass Notification System**

**Continuity Insights: What emerging trends do you see in the industry today?**

**Marc Ladin:** Although not all vendors have reached this level of sophistication, ACT-SaaS™ is becoming widely regarded as the most effective and reliable way to deliver mass notification solutions. This model is far superior to older generations of systems that require users to purchase servers or ports and provides the highest level of system scalability and availability, with the ability to access it virtually anywhere in the world at any time.

**CI: What is the biggest failure point for mass notification systems?**

**ML:** Notification delays are most often caused by systems that blast all of their messages at once, causing failures and message delays by overwhelming the local infrastructure. Selecting a system that allows members to intelligently confirm receipt will eliminate this threat.

**CI: What do you think is the biggest mistake organizations make when selecting a mass notification system?**

**ML:** Selecting a system that has limited functionality or infrastructure. For example, many colleges recently purchased text notification systems and are now starting to regret those decisions because of their limited reach and capabilities.

**CI: What do you think is the most important thing to consider when selecting a mass notification system?**

**ML:** Finding a vendor that serves many customers in your industry, so that they don’t have to do on-the-job training. In your final evaluation process, you should select a vendor who has the easiest-to-use application, the widest feature set, and an infrastructure that can service your needs for many years to come.



www.3nonline.com

To continue this conversation, visit Marc Ladin and the 3n team at booth 211 at the Continuity Insights Management Conference, May 5-7, in New Orleans (registration form, page 60).

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parts. And also many of those conversations are very difficult to have because people are concerned about the legal implications. But it is critically important. It's not that you have a Hurricane Katrina or a 9/11 every day, but you do have suppliers experiencing trouble all the time. And a big portion of time and effort, even though it is difficult, needs to be spent there."

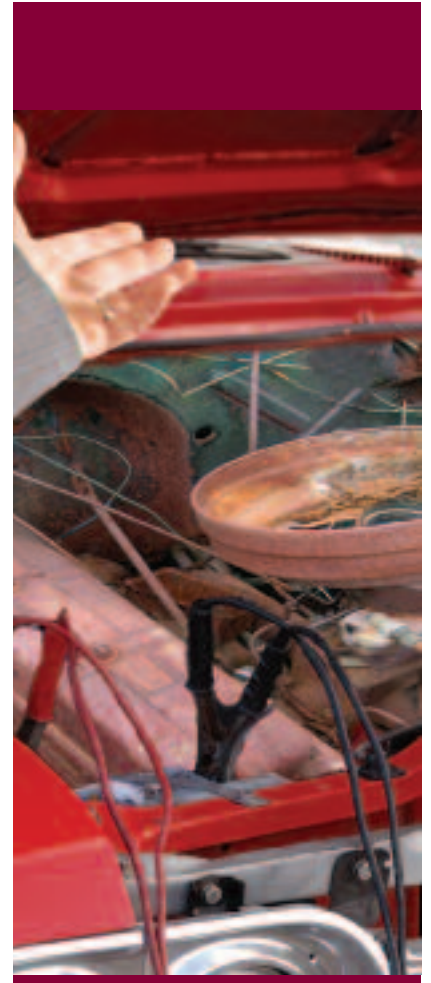
Stagl warns against ignoring the outbound supply chain in particular. "The analogy I would use to describe this is having a car stuck in the sand. The engine's running, the transmission's working, the wheels are spinning, and everything is working just the way it is designed to, but the car isn't going anywhere. If you can't get your product to the consumer, you'll be sitting there spinning your wheels. Nothing is wrong with your car, but you're not going where you want to go; you're not achieving anything. You've got to have that outbound supply chain built into your

business continuity program just as much as the inbound supply chain."

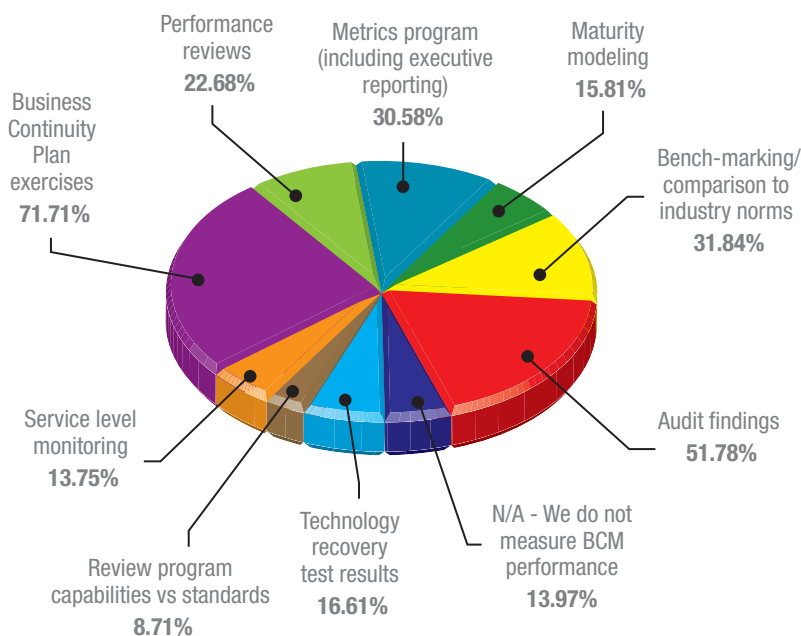
### Measuring Up?

Another thing you've "got to do" is measure your business continuity program's effectiveness, says Chris Glebus, president of the NorthEast Disaster Recovery Information X-change (NEDRIX). "A metrics program is very important to have. It measures how people are complying with the program. We shouldn't be relying on audit findings. I feel really strongly about that. If you have a robust program, you should also have a reporting system in place to report to executives. So, it was pretty encouraging to see that 31 percent do have a metrics program."

Says Laura Mallet, director of public relations for the Association of Contingency Planners: "The vast majority measure BCM program performance based on audit findings and exercise results, but there is a good percentage of respondents



### How do you measure the performance of your BCM program?



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hood.

## A conversation with: **John DiMaria**



### About: BS-25999

#### Continuity Insights: How is BS-25999 different from other business continuity standards and guidelines?

**John DiMaria:** It is not just a business continuity, disaster recovery, or emergency recovery plan, which a lot of so-called guidelines or standards are. It's a business continuity management system and a holistic top-down approach. It is repeatable and actionable so there is consistency of process. It is proactive and built on the premise of continuous improvement using the classical plan, do, check, act cycle. It is built in line with the organization's business objectives and really provides guidance and identifies potential impacts through true incident management, not just incident response.

**CI:** How does BS-25999 help organizations meet regulatory requirements?

**JD:** The standard is not prescriptive. It is holistic in nature. Therefore, organizations can have one system in place encompassing all the regulatory requirements that apply to them, thus avoiding managing in separate silos, which can result in redundancy and unnecessary cost. Also, it is international in nature, which is an advantage to multinational organizations, because it is not owned by or specific to any one particular country's laws or regulations. It is really meant to be an umbrella standard.

**CI:** What else do I need to know about BS-25999?

**JD:** It establishes the processes and principles and terminology to address business continuity and risk. It provides a comprehensive set of controls and is also a supply chain management tool. Continuous improvement and consistency of process are the two biggest advantages of the standard. And it is certifiable, which many other standards are not.



www.bsiamerica.com

To continue this conversation, visit John DiMaria and the BSI Management team at booth 400 at the Continuity Insights Management Conference, May 5-7, in New Orleans (registration form, page 60).

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indicating that they measure based on industry standards as well as through metrics and executive level reporting. Executive level reporting metrics is an excellent way to gain leadership buy-in and program participation."

However, audit findings at 52 percent, was the second most popular answer to the question: How do you measure the performance of our BCM program? Business continuity plan exercises came in first, with nearly 72 percent. And benchmarking was third at 32 percent, followed closely by metrics programs. Performance reviews were cited by 23 percent of respondents. About 17 percent said technology recovery test results.

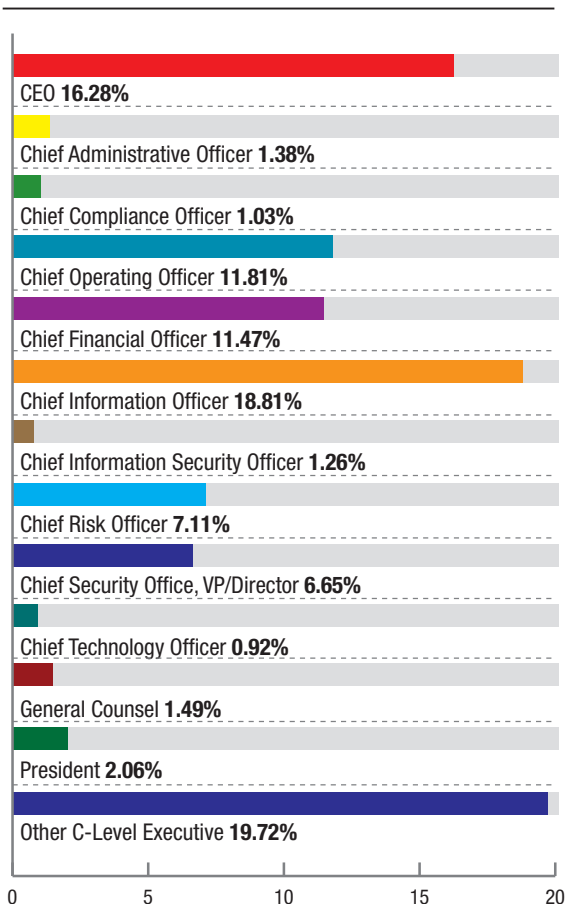
Nearly 16 percent said they used maturity modeling, and 14 percent cited service level monitoring. Just under 9 percent said they measure based on a review of program capabilities vs. standards. And 14 percent don't measure at all.

"We really need to move away from using tests to measure effectiveness to metrics, maturity models, and benchmarking," says Jackson. What's the problem with using test results to measure progress? "Most people do crummy tests. They do unrealistic tests. They engineer the test, and they make sure it goes well so they don't get yelled at by the boss. To measure the success of your business continuity program on that is the wrong thing to do."

Wallen and Copenhagen both see the lack of tools or solutions for measurement as a problem. "There are not good tools today out there to measure where your organization is and where its gaps are in an enterprise comprehensive way," says Wallen. "Folks are trying to figure out how to measure this."

"This is very strong evidence that in the absence of any true compelling industry-wide standards and tools that these companies can use to self-assess, they compare themselves with themselves rather than looking externally," says Copenhagen.

### Which best describes the C-Level executive with ultimate reporting responsibility for your BCM program?



## NFPA 1600?

Speaking of standards, when asked which best describes the impact to your enterprise of the NFPA 1600 Standard on Disaster/Emergency Management & Business Continuity Programs (2007 Edition):

- approximately 26 percent of respondents were not familiar with the standard, a slight change from 30 percent last year;
- 42 percent of respondents were familiar with it, but had not addressed it, the same percent of respondents as last year;
- 16 percent said they were familiar with NFPA 1600 and were enhancing their program to address its requirements, the same as last year;

- 10 percent said they had enhanced their program to address NFPA 1600, and;
- 6 percent believe that their program is compliant with the standard.

The NFPA standard has been endorsed by the American National Standards Institute (ANSI), the Department of Homeland Security, the National Emergency Management Association, and the International Association of Emergency Managers.

Plevel says he is "very surprised and disappointed by the year over year trends, including the findings regarding the awareness and impact of the NFPA 1600 standard on the 2008 survey respondents' BCM programs."

Says ANSI's Matt Deane: "It was surprising to me either that two-thirds of the people were not aware of or not using NFPA 1600. It is surprising to me that a quarter of the people in the industry have not heard of a standard that likely will be one of the fundamental standards that organizations can get certified against. I don't know if that's testament to poor marketing [of the standard] or if people aren't really paying attention."

For companies with mature continuity programs, NFPA 1600 "would be more of a checkup and fine-tuning exercise," Deane says. "For people with robust business continuity plans, it is not necessarily going to reinvent the wheel for them. But I think it is still a good exercise, and it is a way to publicly demonstrate either to your customers or to the people in your supply chain what you have done. For the small and medium organizations that don't even have plans, [NFPA 1600] is a great way to take them from level zero or a very basic level and bring them up to a level where they are much better prepared in the event of a disaster."

Copenhaver says he wasn't shocked at the NFPA results. "It's pretty obvious to me that the standards question is a case of that's above my pay grade. I'm going to worry about what's going on in my own company. If we get a standard, that's great; if we don't, I'll just keep worrying about what I'm doing."

Only Bill Raisch, director of the International Center for Enterprise Preparedness (InterCEP), put a positive spin on the NFPA numbers. "Nearly three quarters of professionals surveyed are aware of the National Preparedness Standard (NFPA 1600), a key standard on disaster/emergency management and business continuity. Nearly a third are applying this standard to their operations."

A conversation with:  
**Cheyene Haase**



**About: Continuity Careers**

**Continuity Insights: Talk about the changing dynamics of continuity staffing.**

**Cheyene Haase:** I'm actually getting calls from college students who are curious to know about choosing business continuity as a profession. More people are wanting to get into this field. They are not being handed it or volunteered for it. And I see corporations taking advantage of this by bringing in this untapped new talent as interns. New people coming into the continuity profession are excited about it, offer unique views, and challenge the profession.

**CI: What are your clients seeking?**

**CH:** We tend to place more experienced individuals. Our client companies are looking for individuals who have rolled out a robust enterprise program. They want people who have experience integrating an enterprise program with related disciplines in the company. They also are looking for candidates with global backgrounds. They also are

aware of how important training is. They want people who can put together a great training program. And they want someone who can get the backing of executives by being a strategic business person and passionate program champion.

**CI: What can continuity professionals do to increase their marketability?**

**CH:** They need to look at advancing their skill sets. They have to understand the related disciplines, like risk management, crisis management, IT, etc. That's especially true if they are after a director, global director, or chief continuity officer position.



www.bcmanagement.com

To continue this conversation, visit Cheyene Haase and the BC Management team at booth 210 at the Continuity Insights Management Conference, May 5-7, in New Orleans (registration form, page 60).

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“The importance of industry standards continues to grow. Nearly three quarters of all respondents were aware of NFPA 1600, a key standard for continuity. Over 31 percent have either enhanced or are enhancing their programs to meet the standard or feel their programs are already compliant.”

Many experts interviewed for this article suggested adding questions to the next year’s study about other standards, such as Title IX and BS-25999. The two schools of thought among experts interviewed were: 1) standards are becoming more important and more organizations will attempt to comply, and 2) organizations are already confused by overlapping guidelines, standards, and directives and aren’t going to go out of their way to comply with anything voluntary.

Copenhaver says he’s unsure if there’ll ever even be a true standard. “The way the word standard is used it implies a very definite clear piece of work that applies in a one-size-fits-all capacity. The problem with that is that I don’t think you can come up with a standard that fits everybody. Every organization is different.”

### Danger and Opportunity

Because no one company is exactly like any other, every business continuity program is unique. And that makes training essential.

“Year after year, we hear that there is not enough employee training,” says Zawada. In fact, 60 percent of respondents say that employees do not get sufficient training. “The minority of organizations train their employees well. People think that if you are talking about employee training, you have to give them a presentation. But really you just have to figure out how to touch every employee. Some companies are doing creative things like publishing content on their Intranets, producing short

documentation, or participating in HR orientations. At the end of the day, people feel that this is last on their list. They feel if they send some people to an industry conference and conduct an exercise, they’ve checked the box. In reality, they’re only touching one to five percent of the population.”

And training will be critical during pandemic response. Asked if they had enhanced BCM programs over the past year due to the threat of Avian flu, 8 percent of respondents said extremely; 21 percent very much; 49 percent somewhat, and 22 percent not at all.

“The pandemic question really surprised me,” says The Center for Continuity Leadership’s Phil Lambert. “It’s huge. And your response is going to be nothing like you would normally respond to fires and that type of stuff. I think planners are generally overwhelmed. They have a lot of work and few resources, and pandemic is another thing they don’t have time for, especially since they have to research it to really understand it.”

The lack of pandemic planning is “disturbing” to Glebus. “Industry experts are saying it’s not if it’s going to hit, it’s when. And it’s going to have a major impact — 35 to 50 percent of the workforce. This is going to effect every industry and every company in the world. It’s going to be a very, very tough situation for everybody.” **CI**



Look to future issues of *Continuity Insights* and the *Continuity e-Zine* for more, in-depth coverage of survey results.

For complete survey results, contact Executive Publisher Bob Nakao at [bob@continuityinsights.com](mailto:bob@continuityinsights.com).

## A conversation with: Simon Thompson



### About: Business Continuity and Homeland Security

#### Continuity Insights: What influenced the convergence of this?

**ST:** Simply put, it is the economic impact of a disaster. Demands for upfront mitigation and contingency planning have brought these sectors together. There needs to be collaboration in understanding the values of critical infrastructure that support the community.

#### CI: The community is not just the public at whole but business too?

**ST:** Yes, business supports everything including the government service provisions we all rely on. There are also cultural and communal assets that are dependent on the continuation of economic health. Getting a community up and running after a disaster is more than just restoring the base infrastructure.

#### CI: What value does GIS bring?

**ST:** GIS provides a common language, removing barriers to better understand the needs and roles of those who support the community.

#### CI: Can you share an example?

**ST:** During the recent fires in California, continuity planning was used to identify where businesses in an impacted area could find safe harbor in an unaffected neighboring community to ensure continual operations. After the fires, businesses were able to return and restore normal operations. Customers were never aware of just how badly these businesses were affected.

#### CI: How was GIS beneficial in communicating to the public?

**ST:** GIS helped keep the public informed of evacuations and where to locate essential services. It helped spread the impact across communities so there wasn’t a huge concentration of people in one location.



ESRI

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