

# BUSINESS CONTINUITY PLANNING

2017

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### **WHAT IS BUSINESS CONTINUITY PLANNING?**

Business Continuity Planning (BCP) is the process of developing and maintaining plans to minimize the impact of loss to the organization's vital business functions due to a disaster. The BCP outlines the general procedures to be taken in the event of a serious business disruption (or the threat thereof) affecting the operation of our key functions.

A business interruption is defined as: *"An unwanted incident that threatens personnel, buildings, operational procedures or the reputation of the business which requires special measures to be taken to restore things back to normal."*

BCP is an operational document which is constantly monitored and updated to reflect the ongoing business operations.

Activation of this BCP is the responsibility of the CEO or in his absence, the Compliance Officer.

### **WHY IS BUSINESS CONTINUITY PLANNING IMPORTANT?**

Every organization is at risk from several potential disasters. Even though such catastrophic events are rare - a broken water pipe, a cable cut off or an electrical failure will all cause disruption of some sort.

BCP significantly increases an organization's chances of survival in such situations and also aids in the prompt resumption of service helping to protect market share, reputation, brand and intangible assets.

Organization needs to make an investment in frequent disaster plan tests and updates, regular real-time backup of their data, etc because of which, they were able to quickly resume business.

The consequences of NOT having effective BCP's in place could have serious implications, including:

- A complete failure of your business;
- Loss of income;
- Loss of reputation / loss of customers;
- Financial, legal and regulatory penalties;
- Human Resource issues

### **ASSUMPTIONS**

The effectiveness of this plan is based upon the following assumptions:

- Sufficient staff with adequate knowledge will be available to implement recovery.
- All vital records, data, and files required to implement recovery of critical functions are backed up on a server stored in the Cloud or another off-site location on a regular basis. These items stored off-site are considered to be the only such resources available for executing the recovery.
- The plan aims to restore the interrupted operations within the time frame to an acceptable minimum level sustainable.

### **ROLES & RESPONSIBILITIES**

In the event of a business interruption, there will be key areas of responsibility and therefore three core tasks. These tasks are:

- Managing the crisis at a high level and ensuring appropriate communications between the business, it's clients and markets, regulators, etc
- Set-up and recovery at the Disaster Recovery Site and communication with staff
- Recovery of key IT Infrastructure and data

## BUSINESS CONTINGENCY PLANNING TEAM

The following individuals are designated plan coordinators for their respective departments and are responsible for the execution of this plan in a qualified disaster.

(A copy of this plan shall be kept with all the controlling officers of the Company. Any updates or amends to the BCP shall also be communicated to these officials)

Name	Location
CEO	Mumbai
CO	Mumbai
Sr. Management	Mumbai
Finance	Mumbai
Human Resources	Mumbai
IT	Mumbai

## THE BUSINESS CONTINUITY PLANNING PROCESS

### Step 1: Analyze your business

This step, also known as Business Impact Analysis (BIA), determines which areas of the company's activities are crucial to running the business. BIA enables an organisation to focus its risk assessment on the mission critical activities of the organisation. To assess mission critical activities consider which operations are crucial to the running of your business:

- Employees?
- Products?
- Services you provide?
- Location?
- Client(s) / Supplier(s)?
- Shareholders?

Once the critical activities are identified, they must be prioritized based on minimum acceptable delivery levels and the maximum period of time the service can be down before severe damage to the organization results. You have to consider a number of scenarios and determine the impact of those scenarios on the various aspects of your business or organization.

The BIA will provide your organization with:

- The identity of its time-sensitive business operations and services
- An analysis of the organization's financial exposures and operational impacts
- The time-frames in which time-sensitive operations, processes and functions must resume
- An estimate of the resources necessary for successful resumption, recovery and restoration.

### Step 2: Assessing the risks

- Internal and external threats, liabilities and exposure, including risk concentrations that could cause the disruption to an organization's mission critical activities.
- The likelihood of an incident occurring: is there a concentration of risk in a particular area/task?
- How vulnerable an organisation is to the various types of incidents?
- A basis to establish a risk appetite and risk management control program and action plan. For the purposes of risk assessment, it is also important to look at: Worst case scenarios / What functions and people are essential and when

### Step 3: Developing Strategy and Plan

From the beginning of creating the business continuity plan, aim to embed a business continuity management culture throughout the organisation and build awareness that BCP is a company-wide specialization, not just an IT function. In the process of developing your plan, make sure you have consulted all the decision makers in the business and involved your staff.

#### **Step 4: Rehearsal and Staff Training**

Even the most thorough and well-funded plan has people at its core. People make the plan work and the success of every recovery process depends on people. Plan also has to be subjected to rigorous testing. Testing should be carried out in an environment to reproduce authentic conditions. Although it might not be practicable to change premises for a few days, it might be a good idea to test operating at other premises with the key staff for a few hours.

The plan will need a full rehearsal at least once a year and will also need to be maintained and updated regularly by appointed persons. Think of the disaster plan as the documentation for an ongoing set of processes – the journey, not the destination. While this approach is reflected as four steps, the business continuity planning process actually represents a continuous cycle that should evolve over time based on changes in potential threats, business operations and test results.

#### **TRAINING**

All employees will review disaster preparation and emergency action plan procedures with their Department Heads.

New employees will be introduced to our emergency action plans via employee orientation/handbook.

Mock disaster training will be conducted annually and will involve local police and fire authorities.

Quarterly training will approach a walk through to functional drills to an evacuation drill leading to full-scale mock disaster training.

- Walk-Through Drill: The Business Contingency Planning Team, Department Heads and Recovery Teams will perform their emergency response functions.
- Functional Drills: These drills will test specific functions such as medical response, emergency notifications, warning and communications procedures and equipment, though not necessarily at the same time. Facility shutdown procedures will be tested, reviewed and modified as needed. Personnel are asked to evaluate the systems and identify problem areas.
- Evacuation Drill: Personnel walk the evacuation route to a designated area where procedures for accounting for all personnel are tested. Participants are asked to make notes as they go along of what might become a hazard during an emergency, e.g.: stairways cluttered with debris, smoke in the hallways. Plans are to be modified accordingly.
- Full-Scale Exercise: A real-life emergency situation is simulated as closely as possible. This exercise involves company emergency response personnel, employees and management, and community response organizations.

#### **CONCLUSION**

A disaster is unlikely to occur, still precautionary measures, no matter what the "odds," are, need to be taken. When it comes to continuity planning, planning makes the difference between disruption and disaster. If one does not have long-range considerations, one will surely incur imminent afflictions.