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CANADIAN MANUFACTURERS & EXPORTERS

BUSINESS CONTINUITY & DISASTER RECOVERY PLANNING GUIDE

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Ensuring that your business has a strategy in place to push on when the unexpected happens provides your organization with the best shot at success during a disruptive event or disaster. Equally as important is having a disaster recovery process that your organization can lean on to restore its operations quickly and get back to producing results.

CME has developed the following Business Continuity & Disaster Recovery Planning Guide to help your organization create a more formal strategy in the event that external factors threaten the operation of your organization. A well-designed plan will help you minimize the risk that an emergency poses to your employees, internal systems, and production, while ensuring the continuity of your business operations to service your clients and partners.

Business Continuity Planning and Disaster Recovery Planning complement one another within the risk-management discipline to protect your business when the unexpected happens.

These two plans can be defined and differentiated as follows:

BUSINESS CONTINUITY PLAN

A risk management strategy that ensures the continuity of your operations with minimal service outage or downtime. It is the process of creating systems of prevention and recovery to get the entire business back to full functionality after a crisis.

DISASTER RECOVERY PLAN

A strategic plan focusing on the restoration of IT infrastructure and operations, as well as critical processes following a disruptive event that forces an outage.

The strategies depicted within this guide and the contents therein are recommendations for informational purposes only. Developing a formalized business continuity (BC) and/or disaster recovery (DR) plan, which is tailored to your business will require planning, analysis, teamwork and a commitment from your leadership team to prioritize risk-management. We hope that this guide will give you a framework for your organization to develop its own BC and DR plan to prevent damages and unnecessary losses.

BUSINESS CONTINUITY PLAN: STRATEGIZING FOR THE UNEXPECTED

Imperative to any organizations risk management process is having a formalized and tested business continuity plan (BCP). This will allow your organization to remain resilient and maintain its most critical business functions (or quickly resume them) following a major event or disruption to your normal operations. The development of a BCP specific to your organization can mean the difference between minimal and significant loses to production. Whether it is a natural disaster, an epidemic or a cyberattack, when your business is disrupted, it can lead to lost revenue and/or production.

The BCP that you develop and put in place should appropriately outline the procedures and instructions your organization must follow in the face of such disasters; it should cover everything from business processes, asset management & human resources to communication planning, and stakeholder relations.

There are several benefits of developing a BCP specific to your business. Among them is demonstrating to your employees, shareholders and customers that you are a proactive organization. Having a BCP tailored to your business can improve overall efficiency in your company and help you to allocate the right financial and human resources to keep your organization up and running during a serious disruption.

When formulating your personalized business continuity plan as part of the risk-management process, CME suggests taking 5 simple steps. Each action item will be imperative to your organization's strategy in developing a strong and reliable business continuity plan. It should however be mentioned that strong leadership, commitment, communication, and planning are required to ensure the plan you develop will work to its maximum potential.

ESTABLISHING GOVERNANCE & RESPONSIBILITY
Build your team and assign individuals the responsibilities of reviewing and maintaining the plan.

CRITICAL FUNCTIONS, PERSONNEL & IMPACT ANALYSIS
Identifying and prioritizing the essential personnel and functions of the organization.

EXTERNAL STAKEHOLDERS
Ensuring that your key clients, and partners are prioritized to mitigate damages to your business and reputation.

ACTION PLANNING FOR BUSINESS CONTINUITY
Developing a strategy to adapt and maintain your essential functions to keep your organization operating.

QUALITY ASSURANCE & TESTING
Putting your plan to the test, making adjustments and identifying potential gaps.

ESTABLISHING GOVERNANCE & RESPONSIBILITY

Once you've committed to developing a Business Continuity Plan (BCP), your focus should be on identifying and selecting a team of individuals within the organization who will be responsible for developing, maintaining and implementing the plan if required. Next, you will want to assign a team lead who has thorough knowledge of all aspects the organization and who has the authorization to assign other team members roles and responsibilities within the plan parameters.

Once the team composition has been established, begin mapping the specific accountabilities that the team will be responsible for as part of the business continuity plan. Identifying the essential tasks will be different for every organization, but here a few examples of what you may want to consider when developing your task list:

- Planning, developing and implementation of the Business Continuity Plan
- Identifying key business partners such as suppliers and clients
- Conducting a business impact analysis
- Assessing potential financial impacts of an emergency on the business
- Ensuring adequate amount of medical supplies are available (if applicable)
- Training Managers on implementation
- Testing and making adjustments to the plan as required
- Ensuring the appropriate internal policies and procedures are in place
- Establish emergency safety policies are in place including procedures for those directly affected by the emergency
- Ensuring an appropriate communications plan is in place to educate staff about possible emergencies and ensure clarity on internal policies and procedures
- Maintaining external communications with stakeholders.

EXAMPLE: BUSINESS CONTINUITY TEAM TEMPLATE

BCP ROLE	NAME	CURRENT POSITION	EMAIL	PHONE #	RESPONSIBILITIES

Once the mapping has been completed your team lead can start delegating tasks to each member and create specific accountabilities to ensure that there is clarity on what each member's role is if the plan needs to be activated.

CRITICAL FUNCTIONS, PERSONNEL & IMPACT ANALYSIS

A critical element to consider when developing your Business Continuity Plan is how an unplanned event or a potential disaster will impact the operations of your business, and how your organization will respond in maintaining its normal service levels and functions in the event of an emergency.

A good starting point is to identify and prioritize the crucial services, functions and personnel of your organization by department or business unit and review how your organization may be required to modify these functions to cope with the impacts of an emergency. This can further be broken down to identify and prioritize roles which require specific skillsets or accreditations and analyze how much flexibility your organization has in reassigning tasks to continue to operate efficiently.

At this stage, you may want to conduct an impact analysis on the functions or services you have identified to truly understand their importance to the organization. An impact analysis will help you in determining, assessing and evaluating the potential effects of an interruption or stoppage of critical operations, functions and processes of the business due to an accident, emergency, or disaster. It is a systematic method of predicting the possible and probable consequences of these disruptions, usually with a worst-case scenario perspective.

AN IMPACT ANALYSIS CAN BE PERFORMED BY:

- Clearly defining the objectives of the Impact Analysis
- Gathering information (users, timing, financial impact, compliance)
- Analyzing and evaluating the information gathered
- Documenting the findings

Utilizing the impact analysis will allow you to further prioritize the functions and services that are essential to your business operations and allow you to build an action plan to address those priorities for business continuity.

EXAMPLE: IDENTIFICATION OF FUNCTIONS AND SERVICES BY LEVEL OF IMPORTANCE TEMPLATE

SERVICE OR FUNCTION	LEVEL OF IMPORTANCE	NUMBER OF EMPLOYEES PROVIDING SERVICES	SKILLSET OR ACCREDITATION REQUIRED?	WORKING FROM HOME (YES OR NO?)	ACTION PLAN IMPLEMENTED FOR SERVICE (YES OR NO?)

EXTERNAL STAKEHOLDERS

Pinpointing your key internal functions and resources are imperative, but identifying your key external stakeholders, partners and clients can be unequivocally as important. A good place to start is by creating a well-documented list of important contacts, clients, suppliers or partners and business providers that play an integral role in supporting your organization.

Ensure that a member of the BCP team is responsible for drafting the external communications plan and be proactive in contacting important clients to mitigate losses and damages to your organization's reputation. List customers/clients who would need and expect a personal notification from you, and who would be offended or take their business elsewhere if they were not contacted directly. List suppliers on whom you depend in or to ensure full production.

"Maintaining strong communications with your external stakeholders in these situations can help your business minimize its losses, and even strengthen the relationship between your business and your external partners."

Ensuring the appropriate parties are notified in a timely manner will demonstrate strong leadership, resilience and your commitment to maintaining good relationships with those who make your business run effectively.

EXAMPLE: LIST OF ESSENTIAL CLIENTS, PROVIDERS, PARTNERS AND STAKEHOLDERS TEMPLATE

CLIENT/PARTNER NAME	PRODUCT/SERVICE PROVIDED	KEY CONTACT	PHONE NUMBER	EMAIL	COMMUNICATION SENT? (Y/N)

ACTION PLANNING FOR BUSINESS CONTINUITY

After identifying and prioritizing the essential functions, services, personnel and external stakeholders that make your organization run effectively, you can start developing an action plan for each key priority. The defined action plan will be the strategy your organization will put into place in the event that a key staff member, function, or service is unavailable or at your disposal.

Here are a few examples of situations where a thought-out action plan can avoid serious operational implications:

EXAMPLE 1

In the event of an epidemic, you may sustain a medium or high degree of absenteeism. Identifying possible alternatives or cross-training back-ups for personnel who operate a high-priority function within your organization requiring specific accreditation can help you avoid lost production time.

EXAMPLE 2

A natural disaster has threatened the closure of your organization on the eve of a delivery. Assigning a lead to utilize the essential client and stakeholder list will allow you to act swiftly and communicate the potential delay to your clients to find an alternative solution and mitigate damages to your business and harm your reputation.

> "The action and contingency plans your team put in place at this stage will allow you to minimize the effects an unplanned event has on your external output and services."

Develop an action plan for each specific issue identified, and a contingency plan for how your organization would cope in the event that you had to eliminate or re-designate these specific roles and responsibilities within the organization.

Each strategic plan should consider the following:

- Identifying potential personnel back-ups
- Communication planning
- Alternative resources, suppliers, partners
- Business impact issues
- Remote working capabilities
- Health & Safety implications

In addition, you will want to consider who from the BCP team will be responsible for implementing and communicating each action plan identified. Setting clear accountability will allow your team to act quickly and remain organized if things get frantic.

QUALITY ASSURANCE AND TESTING

Once the committee has addressed critical elements, such as developing the team, identifying the vital functions, services and personnel that your organization relies on, commit to doing a trial run to help your team identify potential gaps where further development is required. Testing your Business Continuity Plan will allow you to simulate how your organization will respond in a time of need, and what if any, processes you may want to change or adapt to ensure that the operations of your business can remain strong and ultimately minimize the impacts of a catastrophic event.

Testing will allow you to ensure that all issues have been adequately addressed and will help the team identify any areas in which additional attention is required. This may also help the team understand the potential impacts an unplanned event will have on your business, or help you identify where additional policies, procedures and/or resources are needed.

The committee should meet regularly to ensure the plan adapts to the ever-changing business conditions of the organization and is cognizant of internal and external factors that may affect the operations of the business. This will also allow the team to adapt to new challenges, or address team needs if required.

DISASTER RECOVERY PLAN

Designing and testing a Business Continuity Plan will help your organization react quickly when an unexpected event causes a disruption to your business. In addition, having a Disaster Recovery Plan (DRP) can ensure that your organization minimizes business downtime and focuses on getting technical operations back to normal in the shortest time possible. This may include IT, hardware, communications and even the personnel that make up your workforce. Documenting a DRP is the only way to ensure that your team will know what to do and where to start when a disaster happens.

Similar to the Business Continuity Plan, the DRP should have a dedicated team and leader with appropriate guidelines and clear accountabilities on how to initiate the response strategy. In addition to identifying the essential functions, services and personnel of your organization, you will want to create an asset inventory outlining the location and security of your systems and intellectual property.

EXAMPLE: ASSET INVENTORY LIST

ASSET	LOCATION	PRIORITY	POTENTIAL IMPACT	RECOVERY OBJECTIVES

Written guidelines and procedures for recovery should cover everything, from implementing DR solutions and executing recovery activities, to infrastructure monitoring and communications. Additionally, all relevant details about employees, contacts, and facilities should be documented to make every step of the process transparent and straightforward.

A critical point to consider when developing your DR plan is that your organization's physical, internal systems, HR & communication plans cannot be developed in isolation of each other. Business, HR and IT leaders must work together to determine what kind of plan is necessary and which systems and business units are most crucial to the company.

Together, they should decide which people are responsible for declaring a disruptive event and mitigating its effects.

THE DR COMMITTEE WILL ALSO WANT TO CONSIDER

- Internal and external communication procedures
- Data backup and IT system recovery strategies
- Asset management and recovery
- Wellness support for your employees
- Return to work policies
- Prioritizing post-disaster activities once systems and services are re-established

Most importantly, the plan should establish a process for locating and communicating with employees after such an event occurs (ex. phone tree). In a catastrophic event, the plan will also need to take into account that many of those employees will have more pressing concerns than getting back to work, and so planning on how your organization can support your personnel in those situations will help your staff transition back to work as quickly and smoothly as possible.

Given the dynamics of today's business environment, occasional disruptions seem inevitable no matter the company size. The significant disasters we have seen recently only enhance the sense of uncertainty and the need to have a formalized Disaster Recovery Plan in place. We hope that the guidelines and strategies that we have outlined in this document can contribute to your risk management processes, and help your organization formalize your business continuity and disaster recovery procedures.