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# Business Continuity and Disaster Preparedness

As the changing global climate leads to an increase in natural disasters and global political instability and security issues lead to threats of violence, organizations struggle to ensure they will be able to continue providing products and services in the event that a major disruption strikes. Research shows that a single disaster can wipe out an organization that does not have plans in place to handle the unexpected. In this article, Procept thought leader Sola Oduko reveals how few organizations are adequately prepared for disaster and discusses some real situations that impacted operations. He also provides the steps required to prepare for disaster and how they are aligned with global standards.

**A** “Going Concern” in accounting is a business that will continue into the future. That is, businesses will continue forever and will outlive their owners. This makes one wonder how many businesses have lived for eternity, or perhaps 150 years or more. The table on the following page presents such companies in America (North America).

What do these companies have in common? The answer might be its owners’ great foresights or innovation, by continually creating new products and services to meet its customers’ diverse needs. Most likely, the companies created Business Continuity Plans (including Succession Plans) that enable them to weather all the storms or disasters (political, economic, natural and manmade, and so on) in the last 100 years and allow smooth transitions or successions over the years.

From the following five disasters described, we can only deduce those companies existing for more than 150 years had Business Continuity Plans.

## **Hurricane Harvey (2017)**

Hurricane Harvey was a Category 4 storm that hit Texas on August 25, 2017. It destroyed refineries and significantly disrupted goods-producing industries.

Hurricane Harvey hit Gaille Media, an Internet marketing agency in Southeast Texas, flooding their office and destroying everything. The building was unusable for about three months. However, the impact on Gaille Media was minimal because it stored its data in the Cloud as part of its Business Continuity/Disaster Recovery Plan.

	American Companies that have Existed 150 Years or More*	Fortune 500 Companies that have Existed 150 Years or More**
1	Caswell-Massey (1752)	Bank of New York Mellon
2	The Hartford Courant (1764)	Cigna
3	Baker's Chocolate (1765)	JP Morgan Chase & Co.
4	Ames (1774)—The tool company in Massachusetts	DuPont
5	King Arthur Flour (1790)	Colgate-Palmolive
6	Cigna (1792)—Marine insurance company in Pennsylvania	Hartford Financial Services Group
7	Dixon Ticonderoga (1795)	Citigroup
8	Jim Beam (1795)	Consolidated Edison
9	JP Morgan Chase & Co. (1799)	CSX
10	Crane and Co. (1799)	Macy's
11	DuPont (1802)	State Street
12	Colgate (1806)	McKesson
13	Pfaltzgraff (1811)	Cameron International
14	Citigroup (1812)	
15	Louisville Stoneware (1815)	
16	Remington (1816)	
17	HarperCollins (1817)	
18	Atkins & Pearce (1817)	
19	Brooks Brothers (1818)	
20	Macy's (1843)	
21	Pabst Brewing Company (1844)	

Source: (\*) *Business Daily News* (2018) by Marci Martin; (\*\*) *Fortune Magazine* (2015) by Daniel Roberts

### Computer Virus Infection of the Northern Lincolnshire and Goole NHS Foundation Trust (2016)

A computer virus infected the Northern Lincolnshire and Goole NHS Foundation Trust (a network of hospitals in the UK) when an infected email was opened. The virus passed through the hospital's firewall and crippled its network system, halting its operations. The hospital could attend to only critical cases and diverted other cases to other hospitals. More than 2,800 patient appointments and procedures were cancelled because of this breach, and its operations were blacked out for about five days. Imagine lives that could have been touched or saved, had the hospital implemented a Business Continuity/Disaster Recovery Plan.

### Storm Kate (2016)

The severe storm Kate terrorized Britain over the March bank holiday weekend in 2016 with more than 130 flights diverted and 200,000 properties left without power after winds up to 130 mph battered the UK. This power outage especially devastated businesses with no backup power.

### Saltley Recycling Site Fire (2016)

More than 100 firefighters were called to the recycling plant in Birmingham to tackle a fire that raged for several days. Eight hundred tonnes of metal and plastic were accidentally set ablaze. Because the site was underneath electricity pylons, power supplies to nearly 4,000 nearby buildings were cut. This greatly disrupted area businesses.

## Holborn Fire (2015)

A fire caused by an underground electrical fault burned for 36 hours, leaving 3,000 properties without power. Five thousand people were evacuated from central London, eight theatres were forced to cancel performances, and many restaurants had to close their doors.

## The Basics

Business Continuity Planning is planning for continued business operations after an extended disruption called a disaster. According to Public Safety Canada, Business Continuity Planning (BCP) is a proactive planning process that ensures delivery of critical services or products during a disruption.

Wikipedia says a disaster is a serious disruption, over a short time, of the functioning of a community or a society, involving widespread human, material, economic, or environmental loss and impacts, which exceeds the ability of the affected community or society to cope with its resources. Another definition on the web I like is that a disaster is a sudden event, such as an accident or a natural catastrophe, that causes great damage or loss of life.

Disaster Recovery Planning (DRP) is planning for continued operation of IT services after an extended disruption such as a disaster. An organization's Business Continuity Plan encompasses its Disaster Recovery Plan for IT services.

Why should an organization embark on a Business Continuity Planning/Disaster Recovery Planning initiative? The simple answer is that it makes common business sense and ensures business survival if a disaster occurs. Other equally important objectives are to avoid injury or loss of personnel, money (revenue, profit, and so on), critical assets, customer confidence, reputational damage, and so on; conform with legal, regulatory, and statutory requirements; recognize and address risks to the business; and use as a marketing tool for securing new contracts.

Executive management's role is important in this planning, as they need to analyze and prioritize business functions and systems that are more important and vital to running the business. Typically, the scope of such work may include the following:

- Employees—especially key employees
- Critical machinery and equipment
- Office accommodations, including all branch offices and off-site storage facilities
- Manufacturing and production facilities
- Documentation—business process and procedures, and so on;
- Information technology infrastructure, data centers
- Voice and data communication infrastructure
- Critical data and records

The most compelling case is existence for longer than its owners (or founders) and definitely for longer than 150 years. Other factors that have compelled organizations before include recommendation from an internal or external auditor, stipulation by a regulatory body; demand by the company's owners or stakeholders, and last but not least, an occurrence or a near miss.

## BCP/DRP Governance

There is no definitive institution or organization governing Business Continuity Planning worldwide. The following are some of the more popular bodies:

- Disaster Recovery Institute International (DRII), with its Professional Practices for Business Continuity Professionals, and appealing more to the North American community.
- Business Continuity Institute (BCI), with its "The BCI Good Practices Guidelines," that appeals mainly to the UK community, but is now gaining ground internationally, especially in North America.
- Business Continuity Management Institute (BCM Institute), appealing more to the Asian community.

In 2008, Procept Associates Ltd. developed its Business Continuity Planning framework, ensuring the framework aligns with the BCI and DRII methodologies. The following are the eight phases in Procept's BCP framework:

1. **Initiation:** Starting a Business Continuity Planning project; establishing objectives, scope, and policy; establishing a project team to work on the initiative.
2. **Planning:** Assess done to date and prepare a Business Continuity Project Plan, including Schedule.
3. **Requirements Gathering and Continuity Strategy:** Gather business continuity requirements by conducting a business impact analysis and risk assessment and defining business continuity strategies.
4. **Creating Continuity Plans:** Establish a Continuity Organization and create Continuity Plans, including Response Plans, Recovery Plans, and Resumption Plans.
5. **Prepare to Execute:** Exercise the plans created to confirm readiness, including testing systems and devices.
6. **Training and Awareness:** Conduct training and awareness as required throughout the project to ensure Recovery Teams can perform their roles. Awareness campaigns should be conducted at least annually to

make every employee and stakeholder recognize his or her role in the organization's Business Continuity Planning endeavor.

7. **Exercise, Maintain, and Review:** Establish a periodic system of exercising plans and testing systems or devices; maintain disaster readiness, and review all business continuity outputs at planned intervals.
8. **Invocation:** Implement if a disaster occurs.

## Why You Should Care

We want to survey organizations in Canada that have implemented Business Continuity Planning or are on the journey. To participate, send your name, your organization, your job title, and your contact detail, and we will contact you. For those yet to start their business continuity journey, we can help. Again, contact us, and let us know how we may help. If you are interested in Business Continuity Certifications, read my next article, "ISO Standards and Certifications".

Sola Oduku is Procept's IT Management Practice Lead. He holds many important qualifications including both bachelor and master's degrees in computer sciences, and a second master's degree in business administration. Find out more at [www.Procept.com/team/sola-oduku](http://www.Procept.com/team/sola-oduku)

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