



JUNE 2007

# BUSINESS CONTINUITY MANAGEMENT

## Too flawed for a diamond?

*The appearance of the first British standard for business continuity management is cause for celebration, even if some believe that it displays a few rough edges...*

The launch of a British standard for business continuity management (BCM) suitable for any organisation, large or small, deserves a cheer. Companies today have to expect the unexpected. According to a recent survey by the British Standards Institution (BSI) the majority of firms that make up the FTSE 250 have improved their disaster response capabilities. But there remains a long-standing need for an industry standard on business continuity management, suitable for all types of organisation and which addresses all types of circumstance, not only disaster.

### Best seller

In response to this need, much thought and time have been invested in developing business continuity standard BS 25999, which will be issued in complete form by the BSI later this year. Companies already have available Part 1, the Code of Practice, which the BSI released last November. It proved something of a best seller, with 3,000 copies requested by firms within the first month of publication.

According to Chris Green, chairman of the Business Continuity Institute and head of business continuity for banking group HBOS, the Code has attracted 20 times the level of response of any previous business standard.

The draft of Part 2, the Specification, will be released in a matter of weeks. Depending on the number of comments it attracts, and the resulting assessment and analysis, the final version is expected by September.


### World-class experts

Meanwhile, a number of companies have already responded enthusiastically. Among them is Scottish Power, one of the blue chip companies involved in developing the new standard over the past couple of years, which aims to be one of the first to fully implement it. As the BSI describes it, BS 25999 was developed by a broad based group of world-class experts. More than 50 representatives, from a wide spectrum of industry sectors and the government, collectively worked on an outline for the process, principles and terminology of business continuity management.



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As Green admits, this development process included bringing together existing risk management documents and guidance notes worldwide, from Australia’s highly-regarded business continuity handbook HB 221 to America’s National Preparedness Standard NFPA 1600 and also Japanese and Israeli business continuity guidelines. The new UK standard incorporates some of the best elements of these existing guidelines.

But the committee approach, coupled with the need to make BS 25999 of value to all sizes and types of organisation, also carries the risk of the end version being watered down to become acceptable to all.

“There’s always an element of compromise in devising a standard,” observes Green, who cites as an example the new standard’s reference to ‘incident’ management rather than ‘crisis’ management. “Smaller businesses don’t really care about the subtle distinctions between an incident and a crisis.”

Another drawback is that, whilst the Federation of Small Businesses was represented on the committee, the input of smaller and medium-sized businesses appears to have been fairly limited.

### Review Process

The proponents of the new standard stress that any flaws can be addressed in the review process and, in time, the new standard can be refined to make it more relevant to individual organisations. For example, the oil and gas industry could well develop guidance notes on how companies operating in the sector can best adopt and implement the business continuity management guidelines set out in BS 25999.

And the committee that devised BS 25999 will continue to meet regularly after the full version is published, adds Green. It will review topics such as business continuity developments elsewhere in the world and IT continuity in this country, as well as assessing if and how the new standard requires revising and updating.



## A wider audience

What does BS 25999 set out to do? Its declared aim is to provide a standard that enables businesses to continue operations in the event of a disruption, be it a major incident or a relatively trivial hiccup. As a published standard, it both advances on and replaces PAS 56, a guidance document for business continuity planning that was published by the BSI back in 2003.

Although the stated intention was that PAS 56 should be suitable for all organisations regardless of their size or business sector, it was devised largely to meet the needs of major companies in the financial services sector. The document found its receptive audience mostly restricted to larger blue chip organisations that already had business continuity programmes in place.

In addition, says Green, PAS 56 was aspirational in setting targets not realistically achievable by most firms. Added to which, the BSI stresses that BS 25999 will be clear in its language and terminology; a tacit admission that its predecessor was too heavy on jargon. At the moment, the jury is out on whether the new wording achieves its aim of greater clarity, says JLT partner Tim Cracknell, who feels the wording would benefit from further work in a number of areas.

### Keep it simple

"The experience accumulated from more than three years of using PAS 56 has been incorporated into BS 25999," says Steve Mellish, head of business continuity for Sainsbury's, another group closely involved in developing the new standard.

"One of our own group values is 'keep it simple' and this is reflected in the language of BS 25999 compared with PAS 56 - it is now clearer, consistent and more flexible for any company to follow, regardless of size or sector."

However, it should be added that the BSI itself notes BS 25999 is particularly suitable for organisations in "high risk environments" such as the finance, telecommunications, transport and public sectors.

Its remit is to provide the basis for an organisation to understand, develop and implement business continuity, so that a BCM system is in place for operations to be maintained during challenging and unexpected circumstances.

### Major incident

It could be a major incident such as a bird flu pandemic or the Buncefield oil depot explosion, but also a temporary inconvenience such as a power outage or a strike affecting a major supplier.

The BSI observes that past attempts at improving business response have focused on IT disaster recovery, but tended to neglect the handling of more day-to-day incidents.

So BS 25999 offers a template for the fundamentals for developing a BCM system, through a comprehensive set of controls based on BCM best practice. Once in place, it should provide the benefits of protecting the organisation's staff, a means towards a mechanism for protecting its reputation, and allowing it to continue operating and trading in adverse circumstances.

This is not something that will be accomplished overnight. Chris Green estimates that for firms developing a BCM programme from scratch it would be realistic to allocate a period of up to 18 months for developing and installing recovery strategies.

The new standard is intended to be flexible enough for use by companies of different size, and in different sectors. So much so that the BSI has ambitions for BS 25999 to also become the business continuity benchmark for other parts of Europe. It is, for example, being translated into Dutch for companies in the Netherlands.

"It will be interesting to see whether BS 25999 gains acceptance in other European countries," comments Tim Cracknell. "Only time will tell if it manages to win an audience."

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Steve Mellish also anticipates that the International Organisation for Standardisation (ISO), which published its security management information standard ISO 27001 in 2005, will develop its guidelines for BCM into a full standard within the next four to five years. He is hopeful that it will be largely based on BS 25999.

A sound and viable business continuity plan does not require significant expense or unnecessary time and effort, he suggests.

“If the programme is designed, implemented and managed effectively, then it should basically evolve into a ‘normal’ business management discipline that becomes part and parcel of running any business effectively.”

Mellish is confident that the new standard can guide companies down this path, but adds: “Ultimately, it rests with the most senior leaders in any organisation to commit to and support an activity that will protect the business and all of its stakeholders, including employees and customers.”

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The risk consulting team concentrate on helping clients improve their business interruption insurance and business continuity management programmes.

Their consulting work over many years with leading organisations both in the UK and globally has given them substantial experience in most industry sectors. This has enabled them to develop cost effective consultancy solutions to help clients manage the interruption and continuity risks that arise from an increasingly complex and competitive environment.

Our services fall into four key areas:

**Business Interruption Insurance Review** - a technical report addressing the adequacy of your business interruption insurance programme.

**Business Continuity Management** - a logical and proven process that helps you to avoid common pitfalls and reduce the time you spend developing and implementing a business continuity process.

**Business Continuity Management Audit** - helping you to benchmark your current capability against international standards, other organisations and industry sectors.

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