Continuity State of the Union and Industry Trends

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2016 Trends

Cybercrime

- cyber warfare, cyber espionage, cyber terrorism, fraud

Supply chain disruption

- complex and long distance supply chains, just-in-time (JIT), lean manufacturing and outsourcing.

Terrorism

- an area that is going to task emergency services, emergency planners, business continuity/resilience professionals

Climate change

- Re: Paris agreements So how is this going to pan out? Are governments going to really support it?

U.S. Presidential elections

- stagnation in policy change

European stability

- financially, and results of migration from the areas that are affected by the civil war in Syria

Asian economic stability

- issues and the fallout if the Chinese real estate and stock markets collapse

Systemic IT failures

- business and government dependency on constant availability of IT, and possible consequences

Regulation

- in the past, business continuity has slipped under regulator radars, but for how long?

Risk management consolidation

- siloes of business continuity and risk management, emergency management, security, etc. are going to come together.

Disaster Risk Reduction

Disaster risk reduction is the concept and practice of **reducing disaster risks** through systematic efforts to analyze and reduce the **causal factors** of disasters.

Examples:

- Reducing exposure to hazards,
- Lessening vulnerability of people and property,
- Wise management of land and the environment,
- Improving preparedness and early warning for adverse events.

(unisdr.org)

Resilience

The adaptive capacity to maintain purpose and integrity in the face of changed circumstances.

(unisdr.org)

Resilience	The adaptive capacity of an organization in a complex and changing environment. ASIS Editor's Note: a. Resilience is the ability of an organization to resist being affected by an event or the ability to return to an acceptable level of performance in an acceptable period of time after being affected by an event. b. Resilience is the capability of a system to maintain its functions and structure in the face of internal and external change and to degrade gracefully when it must. (ASIS) (drii.org)

Origins in Risk Management

Risk Management	Structured development and application of management culture, policy, procedures and practices to the tasks of identifying, analyzing, evaluating, controlling and responding to risk. (UAE Standard)

- Insurance buying
- Hazard risk management
- Scope expansion and development of the discipline since more than 30 years, but variable maturity stage by company
- Moved from protecting value to creating value through recognition of threats and opportunities in risk management

Risk Assessment: Protecting our investments

Location 1						
Possible Scenarios	Primary Workspace	Primary Systems & Electronic Data	Key Personnel	Key Vendors and Services	Vital Records (Paper Files & Mail)	
Power Failure						
Electric Internal	G	Y	G	G	G	
Con Ed failure	G	Y	G	G	G	
Back-up Generators failure	G	Y	G	G	G	
Gas Leaks	R	R	R	G	G	
Telecommunications Network Failure (Lan/Wan)						
Loss of Vendor Service	G	R	G	R	G	
Loss of Voice Service	G	G	G	R	G	
Loss of Cellular Service	G	G	G	Y	G	
Loss of Data Transmissions	G	R	G	R	G	
Router / Hub Failure/Firewall	G	R	G	R	G	
Overloaded: Performance failure	G	R	G	R	G	
Data Center Failure						
Software failure	G	R	G	G	Y	
Infrastructure damaged	G	R	G	R	Y	
Mainframe failure	G	R	G	R	Y	
Server failure	G	R	G	R	Y	
Router failure	G	R	G	R	Y	
Hubs Failure	G	R	G	R	Y	
Water / Plumbing / Sprinkler Malfunction						

Legend
G
Y
R

Why Risk Management Matters

- Many organizations are oblivious to the threats that can destroy their business – Risk Identification and Analysis identifies and quantify these threats
- Risk management is expected for the assurance of product quality, safety and availability and ultimately, business income.
- Risk management can be used as a defense against negligence
- In some countries the international or local standards are accepted as a regulatory framework
- Budget limitations require greater analytical rigor prior to the purchase of controls
- Organizations who do not follow risk management principles are likely making decisions that are too costly and ineffective
- Standard & Poors (S&P) will factor in an organization's risk management capabilities into ratings

How would a risk manager approach the incident?

- Facility
- Environmental
- Climatic
- Geopolitical

- Personnel
- Business
- Technology
- Operations

Identifies Risk/Threats

Frequency/Impact

Cost of Mitigation

Recommends Mitigation

Example: Hudson Yards

Photo credit: hudsonyardsnewyork.com

Origins of business continuity

Business Continuity	An ongoing process to ensure that the necessary steps are taken to identify the impact of potential losses and maintain viable recovery strategies, recovery plans, and continuity of services. (NFPA 1600)

- Information technology and disaster recovery
- Physical security

Why Business Continuity Matters

- To safeguard human life
- To minimize confusion and enable effective decisions in a time of crisis
- To reduce dependency on specific personnel
- To minimize the loss of assets, revenue, and customers
- To ensure the survival of the organization
- To satisfy any legal or regulatory requirements
- To ensure that you are doing your due diligence
- To facilitate the timely recovery of critical business functions
- To maintain the public image and reputation of the organization

Reasons for Business Continuity

External Drivers	Impacts
Demands from customers	**Loss of customers or inability to attract new customers**
Increased regulatory and self-regulated requirements	**Regulatory sanctions**
Recent Loss and/or Business Interruption	**Audit's recommendation**
Pressure from audit committees	Loss of revenue
Pressure from financial institutions	Loss of assets and employees
Pandemic concern	Decrease in stock value
New threats & risks since 9/11	Increase of insurance premiums

Combining Disciplines

Under the umbrella of

Business Continuity Management

Business Continuity
(Relocation)

Disaster Recovery
(IT Recovery and Continuity)

Integrated Solution

Emergency Response
(Life Safety)

Crisis Management
(Business Protection)

How does business continuity differ?

Incident occurs

4 Categories of Problems:

Facilities

- Fire
- Flood
- Bomb Scare
- SARS,H1N1, H5N1
- Terrorism
- etc.

Business/ Operations

- Supply Chain
- Process Error
- Transit Strike
- SARS, H1N1, H5N1
- Labor Strike
- etc.

Technology

- Network Problem
- Application Error
- Hardware Failure
- Virus
- Power Problem
- etc.

Organization

- M & A
- Succession
- IP Issue
- Audit Issues
- Financial Problems
- etc.

How would a BC manager approach the incident?

- What are the Implications of failing to mitigate or prevent?
- Preparation
- Structure, planning, resources, testing
- Execution
- Relocation, operating under duress

Photo credit: whitney.org

Example: The Whitney Museum

WHITNEY

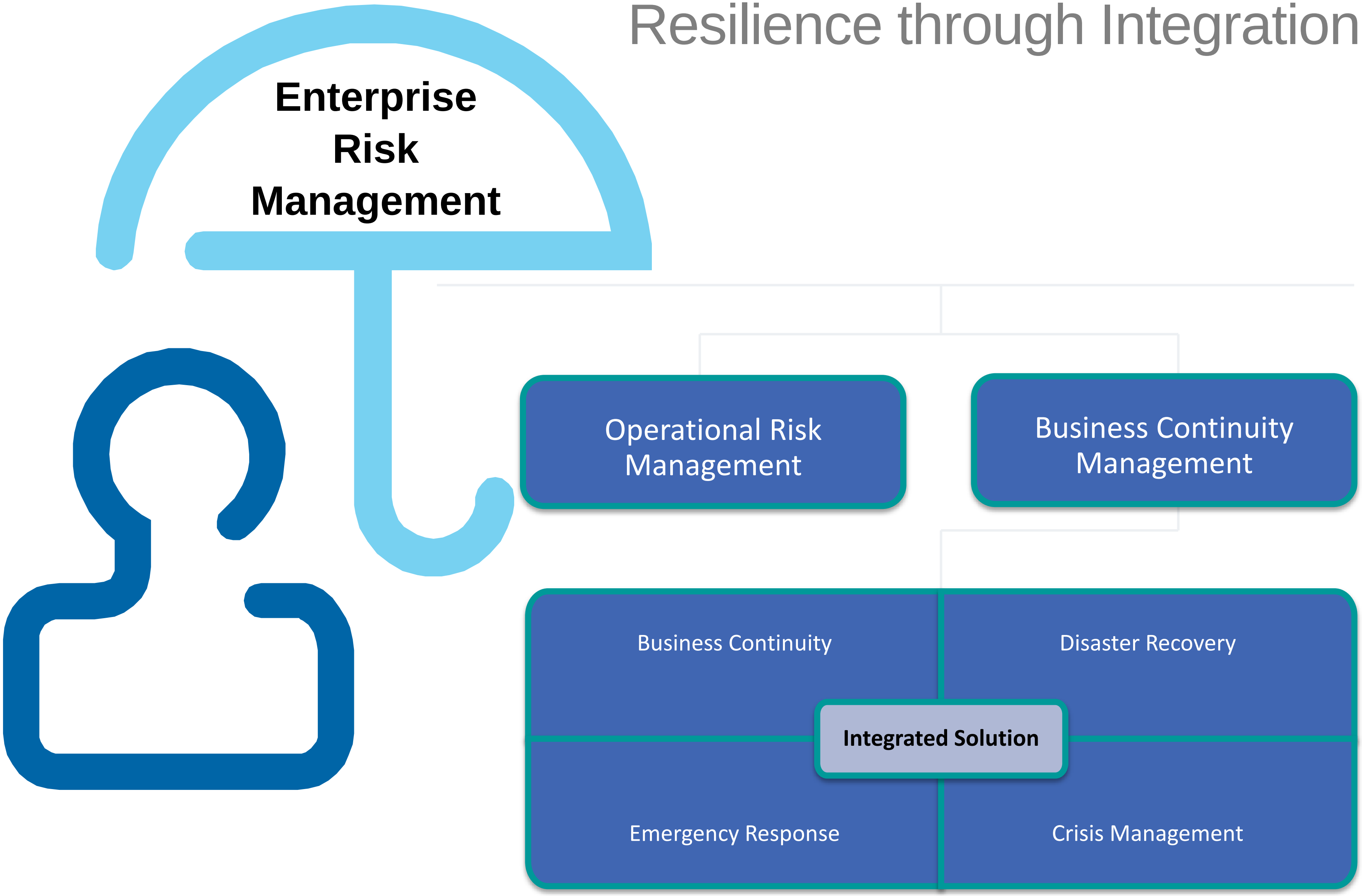
Two Approaches for the Same Result

Cause vs. Effect

RISK MANAGEMENT MITIGATES CAUSES

BUSINESS CONTINUITY ADDRESSES EFFECTS

Resilience through Integration



Cause vs. Effect

Example: Cybercrime

- Cyber warfare, cyber espionage, cyber terrorism, fraud
- Example: Protecting the U.S. power grid

How we help

- We provide education, accreditation, and thought leadership in business continuity and related fields.
- We offer in-depth courses ranging from introductory to masters level, as well as specialty certifications.
- Founded in 1988, we are the oldest and largest organization of our kind.

How we help

13,000+
Certified Professionals

Certified Professionals in
100+
Countries

Classes offered in
14
Languages

Courses held in
50
Countries

How we help

- **We not only educate those in our field, but we also disseminate the importance of preparedness to other professions and the general public.**
- We reach out and engage as many audiences as possible using broad media coverage to provide a forum for discussion.

Charitable giving and volunteerism

Vision

- Resilient communities worldwide

Mission

- To promote disaster risk reduction through partnership and education
- To aid recovery efforts through fundraising and volunteerism

Government collaboration

United Nations collaboration

- We are a member of the ARISE Initiative, a Private Sector Working Group of the United Nations Office for Disaster Risk Reduction
- We represented the private sector to the UNISDR Disaster Management Terminology Committee
- Our International Glossary for Resiliency is a source document
- Research conducted in partnership with the European Commission
- We participated in the launch of the Hyogo Framework for Action 2 at the World Conference for Disaster Risk Reduction

Bottom line:
Your voice is being heard by global policymakers

Nonprofit outreach

- We are *not* a membership organization
- We partner with professional nonprofit organizations for:
  - Disseminating and sharing information
  - Networking
  - Professional education

Corporate options

Certifying individual professionals and teams:

- Nearly **80% of all 2015 Fortune 100 companies employ DRI Certified Professionals**
- Over 40% of Fortune 100 companies have 5+ DRI-Certified employees
- Over half of all Fortune 500 companies have DRI-Certified employees

- **Resilient Enterprise Assessment Program:** Allows for the evaluation of BC programs within organizations and provides detailed recommendations for improvement with the goal of strengthening the programs and organizations as a whole.
- **Hub of Resilience:** Brings together community, industry, and public sector leaders to discuss how to best affect preparedness through information-sharing.

DRI 2016

The Professional's Conference

THANK YOU

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