The Truth about Resilience

The journey from recovery to resilience - what resilience is and why you need it......

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Context?....
Agenda

- Introductions
- Resilience and business continuity management (BCM)
- Key components of BCM
- Recovery planning
- Supply chain
- Drivers and benefits
- Evolution of BCM into organisational resilience
- Resilience – a definition?
Introductions
Introductions – Rod Ratsma

- Leads Phoenix’s resilience advisory practice
- Over twenty years in the business continuity industry
- Expertise
  - Business and operational recovery and continuity
  - Crisis and reputational risk management
  - Supply chain
  - Information technology and IT disaster recovery
  - Enterprise risk management
  - Insurance (risk transfer)
- Led professional services practices in Safetynet, Guardian iT, SunGard, Siemens and Marsh
- Background in technology
- Multi-sector and global experience
Phoenix Computers Limited established.
Design and manufacture of computer hardware.

Phoenix IT Services established

Phoenix IT Group listing on the London Stock Exchange

Servo

ICM

Trend Network Services

NDR

Kcom

Contract base

1979
1993
1995
2009
2010
2012
Phoenix – key facts

- £250m pa turnover, publically listed (LSE:PNX)
- 2,300+ employees working from over 20 major UK office & support locations
- 5 major managed datacentres – Hamilton to Farnborough
- 18 business continuity centres
- Over 9,000 fully-equipped work area positions
- Founder member of Cloud Industry Forum, Business Continuity Institute and Recovery Site Providers Forum
Business continuity core capabilities

**BC CONSULTING**
- BC consultancy
- Managed BCMS
- IT service continuity management
- Shadow-Planner S/W
  - BCP
  - Notification
  - Mobile plans

**BUSINESS CONTINUITY**
- IT DR
  - Mobile datacentres
  - Work area recovery
    - Dedicated
    - Syndicated
    - Trading floor
  - Datacentre hosting

**DR as a SERVICE**
- Cloud Backup & Recovery
- Data Replication
- Archive & retention
- Virtual servers
- Hosted virtual desktop & telephony

Recovery → Resilience
Large UK presence
Resilience and Introduction to BCM
Resilience – what does the dictionary say?
(Oxford English Dictionary)

“The ability of a substance or object to spring back into shape”

“The capacity to recover quickly from difficulties; toughness”
Resilience – differences in focus

- **IT managers**
  - focussed on protection of hardware, connectivity, voice and data
  - measured on
    - systems uptime
    - time to recover data
    - rehearsal and tests – frequency and success
    - compliance with ISO 27001, ITIL etc

- **Business continuity managers**
  - focussed on process recovery, perhaps emergency response
  - measured on
    - frequency and currency of plans, BIAs
    - rehearsals and tests – frequency and success
    - compliance with ISO 22301, ISO 22313, BS25999, PAS200 etc

- **Directors / Cxx**
  - focussed on risk management and risk treatment, and protecting the business from reputational damage and erosion of market share, loss of faith
  - measured on:
    - revenue, cash, EBIT, share price, regulatory compliance, customer satisfaction, etc
A common view?

IT infrastructure is just part of the puzzle

- Work area recovery
- Systems and data recovery
Resilience – what does this mean for an organisation like yours?

- Organisational framework of:
  - Incident and emergency response
  - Business and operational continuity management, based on understanding of:
    • Risk / threat / hazard
    • Marketing positioning
    • Value chains and revenue derivation
    • Impacts of all kinds (revenue, environmental, reputational, regulatory, brand etc)
    • Dependencies inside and outside of the organisation (supply chain)
  - Crisis and reputational risk management
Who said this?

“ When anyone asks me how I can best describe my experience in nearly forty years at sea, I merely say, uneventful. Of course there have been winter gales, and storms and fog and the like. But in all my experience, I have never been in any accident... of any sort worth speaking about.
A test for the unbelievers

Who said this?

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I have seen but one vessel in distress in all my years at sea. I never saw a wreck and never have been wrecked nor was I ever in any predicament that threatened to end in disaster of any sort.”
Who said this?

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E. J. Smith, 1907, Captain, RMS Titanic
Some questions to think about…

- Does your organisation have a fully tested and robust framework of business continuity management in place today?
- If you arrived at your normal place of work after this meeting, or after lunch, or tomorrow, and it was inaccessible, damaged or destroyed – would you know what to do?
- If your building was evacuated tomorrow, people were hurt, and you found yourself in charge, would you know what to do?
- What would be the effect on your business and its ownership of a significant disruption to production or supply of goods or services?
- How would an inability to supply your customers for an extended period affect your brand, reputation and market share?
- How bad would it be for your business if an incident made national or international news and it was perceived to be your fault?
- Do you know which of your suppliers can affect your business the most?
- Do you know which of your customers can affect your business the most?
- Do you understand how your internal production and business units depend upon each other?
Another question -

What is your organisation’s most important asset?
Business continuity management

**What is business continuity management?**

- A process that establishes a secure and resilient business and operational environment capable of mounting an immediate and effective response to, and recovery from, a major incident

- BS 25999 and ISO 22301/22313
  - A holistic management process
  - Identifies potential threats and their impacts
  - Establishes a framework for resilience and response capability
  - Safeguards interests of key stakeholders

- Not just a paper plan, it also requires organisation, planning, assessment, training, rehearsal and more
The ability to respond to the cause(s) of an incident, and to recover from the effect(s) of an incident

(and doing what you can to stop an incident from happening in the first place)
BCM – Main Components
Business continuity management

The anatomy of an incident

Incident response
Crisis management
Business and operational recovery
Business continuity management

The anatomy of an incident

Let’s imagine an incident right now!

Incident response

Crisis management

Business and operational recovery

Time

Activity
Business continuity management

Emergency response

- Incident identification
- Initial escalation
- Initial assessment
- Initial actions
- First point of contact 24x7
- Contact with Emergency Services
- Evacuation and crowd control
- Safety of staff and other people
- Protection of assets
- Liaison and escalation to crisis management
Business continuity management

Crisis management

• Manage the organisation while it is in distress
• Protect the business, its reputation and its market share
• Make critical decisions regarding response and recovery
• Deal with stakeholders, the authorities and the media
• Internal and external communications
• Invoke and manage business recovery
Business continuity management

Business and operational recovery strategies

• Continue most critical activities
• Maintain market share
• Workarounds
• Most critical customers
• Alternative locations
• Alternative methods
• Pre-event actions
• Funding
• Access to data and systems
• Get back to normal
Business continuity management

The vision

‘A clear action plan that tells a senior manager exactly what needs to be done when he or she is standing in a car park at 6.30 in the morning looking at the spot where the building / plant / asset used to be …’
Recovery planning
Recovery planning

Methodology

Graphic source: BS25999-2
Recovery planning

Business impact analysis (BIA)

- What are the key business processes and value chains in your organisation? What and who do they depend upon? What are the impacts of failures of the value chains over time? What are the threats? What is the MTPoD / MAO of each value chain?
Recovery strategy development

• What are the key business processes and value chains in your organisation? What and who do they depend upon? What are the impacts of failures of the value chains over time? What are the threats? What is the MTPoD / MAO of each value chain?

• What strategies can be selected to recover a value chain if it fails for any reason in order to deliver MTPoD / MAO?
Recovery planning

Plan development

- What are the key business processes and value chains in your organisation? What and who do they depend upon? What are the impacts of failures of the value chains over time? What are the threats? What is the MTPoD / MAO of each value chain?

- What strategies can be selected to recover a value chain if it fails for any reason in order to deliver MTPoD / MAO?

- Develop recovery plans in accordance with these strategies
Recovery planning

Maintain, update, rehearse

- What are the key business processes and value chains in your organisation? What and who do they depend upon? What are the impacts of failures of the value chains over time? What are the threats? What is the MTPoD / MAO of each value chain?
- What strategies can be selected to recover a value chain if it fails for any reason in order to deliver MTPoD / MAO?
- Develop recovery plans in accordance with these strategies
- Rehearse and maintain the plans
Recovery planning

Programme management

- What are the key business processes and value chains in your organisation? What and who do they depend upon? What are the impacts of failures of the value chains over time? What are the threats? What is the MTPoD / MAO of each value chain?

- What strategies can be selected to recover a value chain if it fails for any reason in order to deliver MTPoD / MAO?

- Develop recovery plans in accordance with these strategies

- Rehearse and maintain the plans

- Establish a BCM oversight / policy / framework programme
Recovery planning

Culture and awareness

- What are the key business processes and value chains in your organisation? What and who do they depend upon? What are the impacts of failures of the value chains over time? What are the threats? What is the MTPoD / MAO of each value chain?
- What strategies can be selected to recover a value chain if it fails for any reason in order to deliver MTPoD / MAO?
- Develop recovery plans in accordance with these strategies
- Rehearse and maintain the plans
- Establish a BCM oversight / policy / framework programme
- Embed BCM into company management systems and culture and increase staff awareness
Supply chain
Supply chain

It’s not just about raw materials – it's about dependencies

Every organization sits on a path from the origin of all its needs to the point where its processes and value chains create revenue for the business

There are many kinds of dependency:

- raw materials
- buildings, premises, infrastructure
- plant, factories, assets
- intra-company or inter-departmental
- suppliers
- customers
- logistics and transportation – trucks, planes, airports, ports, sea
- regulation and legislation – tax, customs, trade embargo
- IT
- people and expertise
- utilities – electricity, water, gas
Supply chain – the simple view

Well / platform

Refinery / plant

Diesel
Gasolene
Kerosene

Well / platform

Refinery / plant

Diesel
Gasolene
Kerosene
Supply chain – but it gets more complex
Supply chain – but it gets more complex
Supply chain – but it gets more complex
And on and on......
Supply Chain – the bottom line

Whatever size your organisation, and whatever industry you are in, your supply chain is massively complex and has global reach.

And most importantly, it is only as strong as its weakest link.
Drivers and benefits
Drivers for resilience

Events and threats

- Pandemic illness
- Transport failure
- Supplier failure
- Customer failure
- Fire
- Civil unrest
- Industrial action
- Bad weather
- Comms failure
- Mechanical breakdown
- Infosec breach
- Natural catastrophe
- Flood
- Terrorist
- Product recall
- Systems failure
- Sabotage
- Power failure
- Systems failure
- Customer failure
- Mechanical breakdown
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- Power failure
Drivers for resilience

Impacts

- Lost revenue
- Regulatory fines
- Loss of staff
- Loss of assets
- Loss of CNI
- Loss of competitive edge
- Loss of data
- Loss of infrastructure
- Loss of market share
- Criminal prosecutions
- Loss of customer(s)
- Loss of profit
- Damage to reputation
- Share price erosion
- Loss of IP
- Loss of profit
Drivers for resilience

External and other pressures

- Compelling incidents
- Competitors
- Legislation
- Joint ventures
- Standards
- Insurers
- Shareholders
- Regulators
- Suppliers
- Board room
- Investors
- Customers
- Shareholders
Resilience

Why we all need it!

Performance vs. Time

- Resilience
- Lucky escape
- Failure!

 phoenix
Benefits of BCM

Why should you have it?

- Protecting revenue, market share, reputation and infrastructure (sometimes including national infrastructure)
- Protecting the interests of stakeholders
- Competitive advantage
  - Pre-incident - demonstrate preparedness
  - Post-incident – demonstrating an effective response
- Achieving regulatory compliance
- Achieving customer purchasing / procurement demands
- Insurance implications
- Increasing organisational understanding
- Increasing supply chain resilience (upstream and downstream)
- Sending a positive message to staff
Factors:

- Resilience is a board-level strategic issue, it is not a technical issue
- The top priority of the recovery strategy is likely to be preservation of market share
- BCM and recovery are part of a framework of risk management
- Understanding risk, threat and hazard is important
- Organisational appetite for risk
- Resilience is a risk treatment, and there are other risk treatments
- There are many different drivers for enterprise resilience
- There needs to be an acceptable level of ROI for risk management costs and effort
- Supply chain and dependency mapping in both directions, both internally and externally
- Market position, market share, brand and customer loyalty
- Value chain recovery is probably more important than process recovery
- The importance of reputational risk management
Resilience

IT infrastructure is just part of the puzzle

- Work area recovery
- Systems and data recovery
Resilience

The bigger picture?

- Brand and market share
- Operational recovery
- Work area recovery
- Systems and data recovery
- Incident response
- Crisis management
- Insurance
- Infosec, cyber
- Supply chain
- Business recovery
- Drivers, benefits, ROI
- Risk management
Recognising that incidents do occur, planning in advance to minimise the likelihood, duration and impact of such an incident, in order to stop our customers defecting to our competitors and to protect the things that we really care about.
Thank you

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