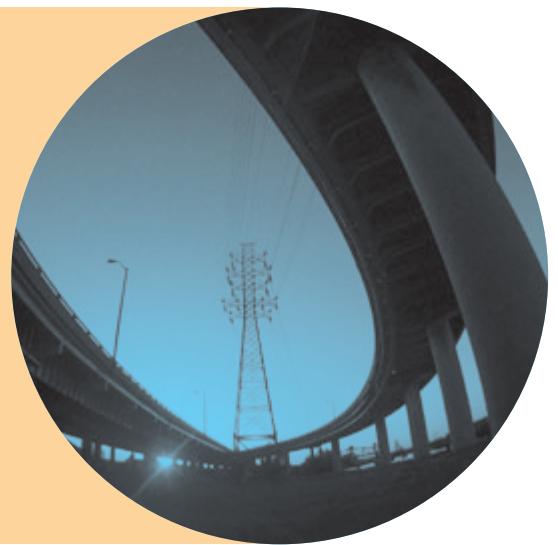


# Business Continuity Plan (BCP) Development

In an intensely competitive environment, a permanent market presence is essential in order to satisfy customers and achieve planned level of revenue and profit. An interruption event can result in property damage but it can also pose a serious threat to the continued existence of the business.



It is in the interest of management, as well as of customers, employees, owners and investors to make efforts to avoid incidents with business continuity impact, or to manage them effectively when they cannot be prevented. A properly developed Business Continuity Plan (BCP) will reduce the severity of an incident, even if the probability is unaffected.

Business Continuity Plan development – in combination with our Business Continuity Management (BCM) audit and Business Impact Analysis (BIA) – gives customers the opportunity to develop fit-for-purpose business continuity plans within a comprehensive BCM process requiring the minimum disruption to normal management activities.

## Our approach

We recognise that not all companies have the same needs regarding the development of business continuity plans. Zurich has developed a range of solutions from basic awareness training with simple plan templates through to a complete 11-stage BCP development process.

Our approach closely follows recognised international standards on BCP for example in the UK (BCI), the US (DRI, NFPA) and Australia (ANAO). It can be tailored around individual customers' internal corporate guidelines.

# The 11-stage BCP development process:

- 1 Select the BCM team
- 2 Specify customer needs
- 3 Analyse potential disruption times and define GAP interval
- 4 Integrate critical suppliers into the process
- 5 Set up an action check list
- 6 Close GAP interval
- 7 Compile a draft BCP
- 8 Test the BCP
- 9 Complete the BCP and verify the BCM capability
- 10 Summarise BCM status for external use
- 11 Regular update and maintenance

## 1. Select BCM team

The BCM team should represent various departments such as marketing, production, IT, purchasing, communication and risk management. This guarantees adequate and sufficient information. A team leader with a good knowledge of the organisation and excellent communication skills should be appointed.

## 2. Specify the customer needs

The process starts by asking how long customers would wait for supply before turning to a competitor after a major disruption. This time span is called customer loyalty time. As the customer needs have been expressed in explicit terms they show directly what issues to concentrate upon. This allows fast response and increases the necessary capability to improvise.

## 3. Analyse potential disruption times and define GAP interval

A risk assessment report provides damage scenarios. Based on this, production and IT management assess the restoration or disruption time for the various scenarios. Deducting the customer loyalty time from the disruption time gives the GAP interval. The GAP interval is the

time when competitors have the best opportunity to lure away customers. Management decides which GAP intervals are acceptable.

## 4. Integrate critical suppliers into the process

A company should not only focus on potential disruptions to its own business, but also to that of critical suppliers. To make sure that no link in the supply chain fails, the process also integrates sub-suppliers, customers and sometimes even competitors.

## 5. Set up an action check list

All members of the BCM team list their responsibilities in potential crisis and restoration work. The lists form the BCM team member's individual Business Continuity Plan (BCP). Action lists are matched against each other to verify that responsibilities are known by all.

## 6. Close GAP interval

The Zurich Risk Engineer supports the BCM team in an iterative process to identify the most economic measures to close those GAP intervals that are not acceptable.

## 7. Compile a draft BCP

The BCM team and the Zurich Risk Engineer compile a draft BCP based on all information available. Every BCP should include an emergency plan, which most companies already have in place.

## 8. Test the BCP

All BCM team members participate in tests simulating different serious loss scenario developed by the Risk Engineer.

## 9. Complete the BCP and verify the BCM capability

The recovery plan is completed by integrating the test experience into the draft BCP and distributing the final version to the BCM and management teams.

A wrap up review of the entire BCM capability is held with all involved, locally as well as on group level. This will verify consensus of the contents as well as build important internal confidence in actual own capability.

## 10. Summarise BCM status for external use

Appropriate BCM inspires confidence among customers, suppliers, employees, shareholders and other stakeholders. The company should use its BCM capability as a marketing tool to enhance confidence in the company's supply reliability.

## 11. Regular update and maintenance

As the environment and conditions change over time, it is important to periodically review and, if necessary, update the BCP to reflect actual needs in case of a major event. This also vitalises the important awareness on an adequate level.

## Scope of service

In summary, there are three main components of Zurich's BCP development offering;

- An introductory seminar on the subject to introduce managers to the key processes in business continuity planning. This is built around PAS 56, using the Business Continuity Institute's 5-step activity model.
- A training programme to guide customers through the business continuity plan development process. This may also include simple plan templates or familiarisation with third party software as appropriate and could run from one-day to one-week.
- A comprehensive 11-stage BCP development process designed to identify and document the critical components of a plan.

## Features and benefits

BCP development provides:

- A quick introduction to business continuity plan development.
- The opportunity for businesses to have more in-depth training and support in plan development.
- An efficient, focussed process to develop plans for individual plants or sites in the minimum time necessary.
- Where applicable, an introduction to third party software suppliers\* who have tried and tested products suitable for a variety of different companies' needs.

\*From our partners Strohl Systems and The Crisis Tool Group.

## Who will benefit?

All organisations, regardless of size or industry sector need to develop some sort of business continuity plan. The content and level of detail in the plan depends on the nature, scale and complexity of the organisation.

In large organisations there may be multiple functional and operational plans at sites, regions or corporate levels. In smaller organisations a single plan may suffice.

Understanding the precise customer needs enables the best tailored solution to be defined in order to protect both tangible and intangible assets (including reputation).

BCP can minimise the operational impact after a relevant incident, and from a business interruption insurance perspective it represents an organisation's unique fundamental company protection tool. BCP development helps customers to identify gaps and to improve the ways they manage the risks they retain and those they transfer.

## What's unique about Zurich's offering?

Zurich has created a set of quick and easy-to-implement solutions for customers to develop business continuity plans. In particular our full 11-stage BCP development process is unique in the way we focus on the economic measures to close the GAP interval (the disruption time less the customer loyalty time). In this way we ensure that customers develop a plan, in the minimum time necessary, to get mission critical activities back in operation.

## How much input is required?

Seminars can last a 1/2 day. Training can run over 3 days. The 11-stage approach is typically 2 to 3 weeks (80 man hours of customer management time).

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