



Jelf Business Continuity Management

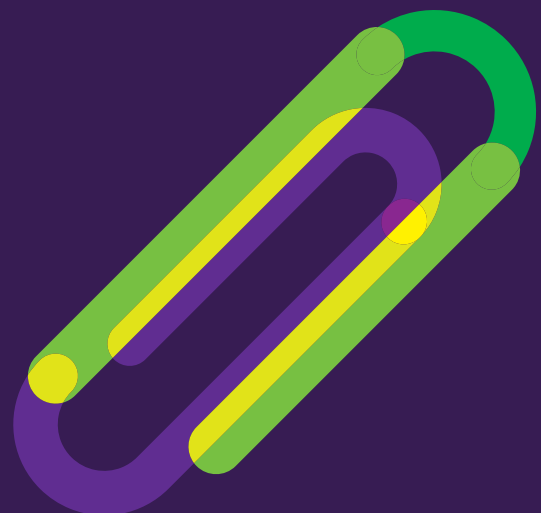
A guide to
business continuity

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We know you're always going to try your best for your business, but things do occasionally and unexpectedly go wrong. We all hear of stories in the press about businesses that have been negatively affected by flooding and other threats, this could happen to any business at any time. That's why it's important to make sure there is a continuity plan in place – just in case it happens to you.

At Jelf Small Business, we pride ourselves on doing all we can to help turn your business vision into a real success, this guide offers some tips on how to proactively reduce the impact of disruption, allowing your business to return back to normal as quickly as possible.





What is Business Continuity?

Business Continuity is defined as the capability of the organisation to continue delivery of products or services at acceptable predefined levels following a disruptive incident¹. Managing business continuity is essential, in order to effectively react to any incidents beyond your control minimising the disruption it

has. If managed well, your business can continue at acceptable levels despite of an insured event occurring, allowing you to continue delighting your customers. As well as keeping your cash flow and organisational reputation intact.



Understand the threats

There are 5 main threats to the continuity of every business, of course there will be others, but these 5 can affect any type of business at any time.

Extreme Weather

The weather is becoming more of a concern for UK businesses. Damage caused by floods has dominated much of the press in the past couple of years, with organisations losing huge amounts of profit and income due to closure of business. How you deal with this type of threat can have a lasting impact on your business – positive or negative.

Power Outages

As you will know long power outages can have detrimental effects in today's world of business that is so technologically dependent. According to CA technologies, UK businesses lose 300,000 hours a year due to IT down time – could your business continue to function without power?

Fire

Another threat beyond control that can have a huge impact on the continuity of your business is fire – whether inside or in the surrounding area. Fire can completely destroy the building and everything inside, including computers and important documents – how would you get your business back up and running quickly if this happened to you?

Fraud, Theft and Terrorism

Believe it or not, people can pose a huge threat to your business. This threat is called fraud, theft and terrorism, the issue of security is significant. This can even be from inside your company, acts of fraud made against businesses by senior management employees are more pertinent than one would imagine.

Hardware Failure

The final threat here is hardware failure, without an efficient back-up server data can be lost and contact details deleted, which can impact customer service levels. As long as there is a clear contingency plan in place, which allows your business to cope efficiently in the face of a crisis your business should not suffer reputational damage.

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Know your business

In order for your business to continue trading after an incident has impacted it, it is vital to know which elements are crucial to its success. You can then decide the steps you could take in order to keep each of these elements up and running which in turn should allow your business to continue. These crucial business elements may include:

- Main customers
- Operational infrastructure (IT systems etc.)
- Your most profitable products and services
- The operations that allow the above to be deliverable
- Central employees
- External suppliers that are vital to meeting targets

This list should be documented, along with the steps required to ensure each element continues in the face of a threat and will form a significant part of the business continuity planning document.

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Rate the risks

Now you know both the five main threats and the elements of your business critical to its success, you can rate each threat reflecting upon how they will affect the continuity of your business.

This should take into account the likelihood of the threat, the impact it would have on your business and the estimated length of time it would impact your business.

You will need to identify the worst case scenario that will close down your business completely; you will then be able to create a list ranging from high impact/high risk to low impact/low risk which will help shape your cost/benefit system. This will allow you to justify spending money on putting precautions into place to reduce the likelihood and effect of the high impact/high risk threats because you can prove how detrimental it would be if it did happen.

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Create a response strategy

This can be divided into two lists for each of the five threats highlighted in section two and rated in the previous section; immediate response and long-term response. For example, for the threat of fire your lists may include the following:

Immediate response:

- The evacuation procedure
- The qualified first aider
- Internal and external communications

Long-term response:

- Implementation plan for the move to a new location
- Access details for your back-up server
- Contingency site access



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Build your Business Continuity Plan

Using the above points you can create your business continuity plan. All of this information is useless if it is left separate and scattered around. By putting this information together, you create a reference document. A clear and concise plan which everyone can understand. This should be printed and bound, with plenty of copies – one for each of your personnel.

The key here is to keep some copies off site and in a safe location (home or a safety deposit box). After all what good is a business continuity plan if it is destroyed.



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Communicate your plan

As with any plan it is essential that it is communicated effectively to all of those that are involved or who it will impact. Engaging your employees is vital so they understand why the Business Continuity Plan is beneficial to the organisation and why they need to know the procedures to take.

Employees also need to understand their role in the face of any incident, how they should react immediately and what to do in the following days

after an incident. For example, if your business is flooded it is useless employees turning up to work as usual the next day – the procedure could be that they wait for communication from their manager or to ring a specific number for more information. Clearly, if certain employees play key roles in the response strategies then they will be part of the planning process right from stage one in this guide.



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Keep up to date with current employment legislation

It is a great idea to organise test runs for different scenarios and threats within your business. For example, to carry out the evacuation procedure should there be a fire, this not only ensures all employees are aware of the steps to take but can also identify any issues that don't work to improve your businesses responses. It also enables employees to be familiar with procedures, so

response is quick and efficient in case a real threat does impact your business.

We advise you run through each response procedure of all the scenarios you have listed, and these should be completed frequently to ensure familiarity and identify possible improvements.



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Review the plan

As with any business plan it is important that you review it either periodically or through any big business changes, i.e. office relocation will impact the plan and most threats.

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Get a Business Interruption Cover policy

Business Interruption insurance gives you and your business that extra assurance to make sure you aren't caught out if any of these threats impact your organisation. A Business Interruption cover (BI cover)

aims to maintain a business's income even if it is unable to trade for a period of time after an insured incident has happened. It also aims to help get a business back on their feet.

BI cover can fund:

- an alternative location
- provide you with the profits you have lost
- ensure all normal business expenses are paid (wages, rent etc.)

This then allows you to get on with the process of rebuilding your business, and the policy will continue to pay these until your business is back in the financial position it was before the incident had occurred – up to the limit of your indemnity period.

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Conclusion

If it comes to it, business continuity is key in the face of disruptive incidents, and a plan will increase the odds of your business striving through. In this guide we've outlined the basic steps to take to build a business continuity plan and embed it into your organisation. If you need any more information on continuity or BI insurance, our experts are on hand to

offer helpful advice on **01905 887621**. We also offer all of our Small Business policy holders' access to Jelf Risk Services, a platform which provides a wide range of crucial services to businesses in the areas of risk management strategies, employment law and legal compliance.

