

Records Managers

Why is Business Continuity Important to YOU?



Ralph Petti, MBCI, CBCP

President, Continuity Dynamics, Inc.

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GWDC ARMA Meeting – Washington, DC

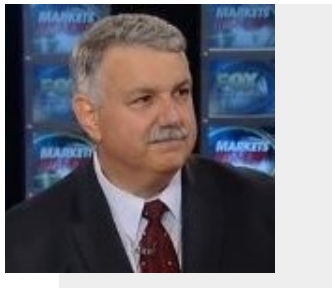


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AGENDA

- **Introduction to Business Continuity Management**
- **What are the Elements affecting your Preparation for Disasters?**
- **The Critical Importance of your Supply Chain process!**
- **What about your Partners/Vendors (and Internal Stakeholders)!**
- **The Commitment of Executive Management!**
- **Summary**

Speaker



Ralph Petti, MBCI, CBCP
President
Continuity Dynamics Inc.
Basking Ridge, NJ



About the Speaker

Ralph Petti is the Founder and President of Continuity Dynamics, Inc. – a New York City area based firm that focuses on providing the applicable tools, services and solutions that enable your enterprise to be strategically, tactically and dynamically prepared to ensure continuance of your business before, during and after the disaster.

*A graduate of Rutgers University, he is a **Certified Member** of the Business Continuity Institute (BCI) in London and a Certified Business Continuity Planner of the Disaster Recovery Institute International (DRII) in the US.*

With over 28 years of experience, Mr. Petti has in delivered solutions in the USA and internationally and has partnered with the likes of the International Medical Corps, the Center for Disease Control, the British Telecom-sponsored Agora Pandemic Planning Society and countless other public and private sector organizations. He has been a Subject Matter Expert on Fox Business News, ABC News and many other television, radio and print media. His current focus is on Supply Chain dependencies for SME companies.

Mr. Petti has been involved in the planning and recovery of over 400 clients from disaster events and is a key member of his client recovery teams. He was most recently a member of a team helping to develop Pandemic Plans for The Republic of The Philippines and The Republic of Indonesia. He also has visited Fukushima, Japan and Anchorage, Alaska to learn more about the impact of earthquakes in contributing to disasters.

Please contact him at Ralph.Petti@ContinuityDynamics.com or 888.977.7475

Continuity Dynamics, Inc. - Experience



Sample List of Reference Clients



A Business of Caring.



What the experts are saying:

IBM's view of the importance of Business Continuity Planning

Did you know that Records Management has a vital role in this process?

“According to IBM in 2011, of companies that had a MAJOR LOSS in their business:

- 43 percent will never reopen**
- 51 percent will close within two years**
- 6 percent will survive long-term**

Disaster Recovery has always been the term, but it should be Business Continuity



(Probably a few more surprises here due to these extremes!)

What does business continuity planning for records involve?

Business continuity planning for records includes at least a:

- Business risk impact assessment for records; and a
- Business continuity plan for records. **Did you Know:**
 - ❖ The business continuity planning for records must adequately address the principles contained in Government Standards.
 - ❖ All records and related systems for which an agency is responsible must be included.
 - ❖ The plan and procedures must detail how the business will ensure that proper and adequate records of its business activities will be made and kept to ensure that it is able to conduct business and fulfill functions effectively. There must also be sufficient evidence of the performance of those functions before & after major or minor disruptions.

A resilient organization includes the capability of individuals, communities, and systems to withstand and recover with minimal disruption from a natural or man-made incident and adapt to changing conditions to sustain acceptable levels of social and economic function.

Business Continuity –

Essential Elements of a Viable Continuity Capability

- **Continuity of Essential Functions**
- **Essential Records Management**
- **Human Resources, Orders of Succession, Delegations of Authority & Devolution of Control**
- **Continuity of Logistics/Transportation/Supply Chain**
- **Continuity Facilities**
- **Continuity IT & Communications**
- **Shelter Management**
- **Food & Medical Management**
- **Test, Training, and Exercises**
- **Reconstitution**

A Katrina Story →



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Business Continuity – Key terms

- **Supply Chain Disaster Management** is the discipline of coordinating your key processes with your key suppliers and partners so that all parties are prepared
- **Emergency Management** is the discipline of dealing with and avoiding risks. It is a discipline that involves preparing for disaster before it occurs
- **Crisis Management** is the process by which an organization deals with a sudden emergency situation
- **Disaster Recovery** is the recovery of Systems, Telecom and Records Management
- **Business Continuity** is the activity performed by an organization to ensure that critical business functions will be available to customers, suppliers, regulators, and other entities that must have access to those functions

Business Continuity vs. Disaster Recovery – the BIG misconception!

- Disaster Recovery is only a part of the overall solution
- Business Continuity is CRITICAL to “continue the business”
- The key is deciding IF you will be able to continue the business
 - Your Data and Records Management program may be available
 - Your Systems may be available
 - Your Facility may be available

A Fukushima Story →



BUT, YOU STILL MAY NOT BE ABLE TO RUN YOUR BUSINESS!!

Business Continuity vs. Disaster Recovery – cooperation is key

- **Business Continuity is a science in making all parties work together**
- **All departments need to be involved so that the business (in total) can run**
- **Primary reliance should be on areas that may typically be overlooked**
 - **Human Resources**
 - **Supply Chain Partners**
 - **Governance, Risk, Compliance**
- **Executive management needs to assist in getting these groups involved**
- **Leave nothing to chance, make no assumptions and assume the worst!**

Global Consequences of BC Planning

“The Ecology & Society Study” in London stated:

- **“Recovery cannot be effective if Human Behavior is not considered and accounted for...”**
- **“Employees working at a diminished capacity costs companies over \$250 billion per year”**



Key U.S. Department of Homeland Security statistics*:

- **“93% of Americans are not prepared for a disaster”**
- **“75% of plans do not factor in Human Behavior**
- **“61% of all small businesses do not have a plan”**
- **“Businesses must prepare themselves...”**



What about Human Resources and their role in your business area?

Are they in tune with your (the Records Manager's) requirements?

According to “HR MAGAZINE” – January, 2012 issue

- “Human Resources (HR) executives’ leadership in developing and supporting distinctive and effective company cultures puts them at the very center of new risk management strategies”
- With a global circulation of 250,000, HR Magazine stands alone as the most widely read and respected HR industry publication in the world.
- Visit www.SHRM.org – Society for Human Resource Management




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Keep in mind - HR should be involved in all of these areas!

How will this affect your own department?

- Understand what HR's role is in recovery process?
 - Respond immediately and take action
 - Immediately account for all employees & report back
 - Focus initially on employees' well being
 - Be the employees' family single focal point
 - Provide counseling and trained advisor resources
 - Provide assistance of financial resources, if agreed
 - Provide ideas for returning employees back to work
 - Provide for injured employees still not able to work
 - Provide for deceased employees' families
 - Small and medium-sized business HR considerations
-
- **ARE YOU SURE THAT YOUR DEPARTMENT IS TALKING TO HR WHEN IT COMES TO DEVELOPING + EXERCISING A DISASTER RECOVERY PLAN?**



What about Succession Planning regarding your key employees?

Is there someone available to Help if you are not there?

Who are typically viewed as key employees? What about Succession Planning?

Are your key employees always available? NO!

Are their designates prepared to step in for them?

They BETTER be able to do so!

Collaboration ahead of time gains agreement of all.

You may want to be on the same page with:

- ❖ *Executive management*
- ❖ *Departmental management*
- ❖ *HR, Legal, Finance, Operations, etc.*
- ❖ *Any combination of these resources*



What about the obvious for Records Management...

Do you just assume that your Records Management Program is fine?

- **Have you explored some of the new options and technologies now available?**
- **Are you paying what you expect to pay – or are there Hidden Fees once it leaves your organization and goes to Legal, Purchasing, Accounts Payable...**
- **If you want to change vendors, do you have Perm-Out or Opt-Out penalties?**
- **Is the IT or Records Manager monitoring this program (or is anyone?)**

I WORKED FOR (AND WITH) SEVERAL LARGE RECORDS MANAGEMENT FIRMS AND I FREQUENTLY “RUN THE NUMBERS” TO ENSURE WE ARE ON COURSE.



Records Management – some lessons learned over 25 years...

How to update and enhance your Records Management program

- **Review your current Records Management Strategy every year**
- **Align with your Financial Management to review these programs**
- **Understand, define, and enhance your Storage, Rotation and Destruction Schedules**
- **Do not assume that your long-term vendor should be an automatic renewal**
- **If you have the facilities, look for safe locations to back-up data in your own company – just don't put records in basements, near rivers, near airports, nuclear plants, etc.**

THE USE OF A “DOME FACILITY” IS AN INTERESTING CONCEPT



How has Succession Planning helped companies?

If you have a BC Plan that includes Succession Planning, you will have the confidence to know that everyone is on the same page and knows what to do at disaster time!

A NYC Blackout Story →

True Story...August 11, 1989 NYC power substation fire

- “Black Friday” power outage on Wall Street
- Who was there to declare a disaster into a recovery site?
- The fifth person on the “At Time of Disaster” list acted as planned
- She knew what to do, acted decisively & saved million\$

**** Any employee is a potential critical resource for you! Are your key people always available? If not, can others make decisions in the time of a crisis?**



And, what about your Suppliers?

How is your Supply Chain going to support you?

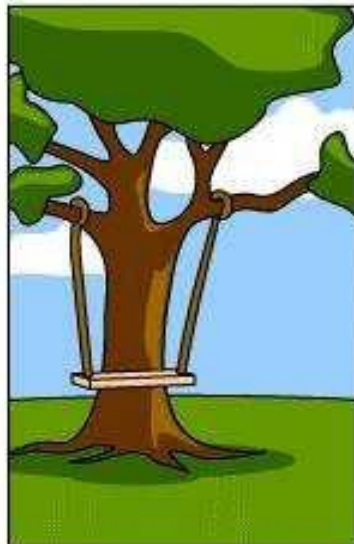


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Speaking of Suppliers...



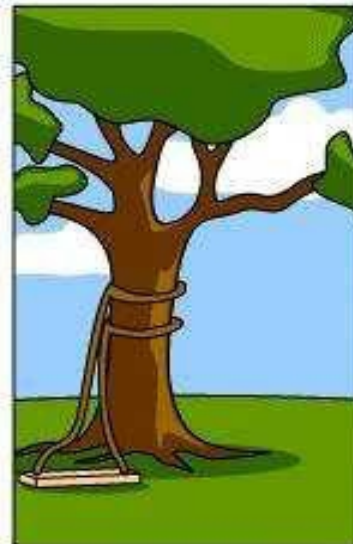
How the customer explained it



How the Project Leader understood it



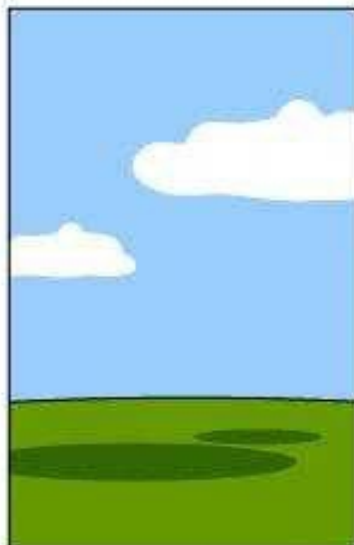
How the Analyst designed it



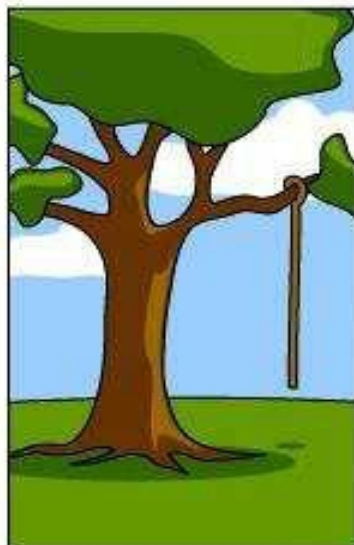
How the Programmer wrote it



How the Business Consultant described it



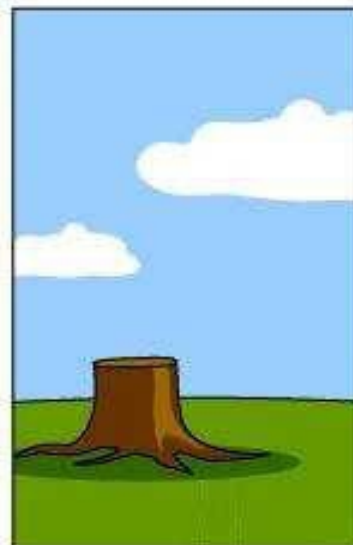
How the project was documented



What operations installed



How the customer was billed



How it was supported



What the customer really needed

Supply Chain!

Why is this so important to you as a Records Manager?

According to a Virginia Tech study in 2010, Supply Chain for a business is the series of processes involved in getting goods to customers, from order placement to delivery.

Businesses have to consider six key parts of a supply chain:

- Production (in a nutshell, what should be produced in what quantity and quality);
- Supply (how and where the goods are to be made or sourced);
- Inventory (how much to maintain);
- Location (where to site plants and warehouses);
- Transportation (ground, air, or sea);
- Information (how to obtain, organize, and manage all the information related to the business).

The results:

- Supply chain management is frequently used in disaster relief efforts, he says, noting that the International Federation of Red Cross and Red Crescent Societies won the European Supply Chain Excellence Award in 2006 for its disaster response activities –

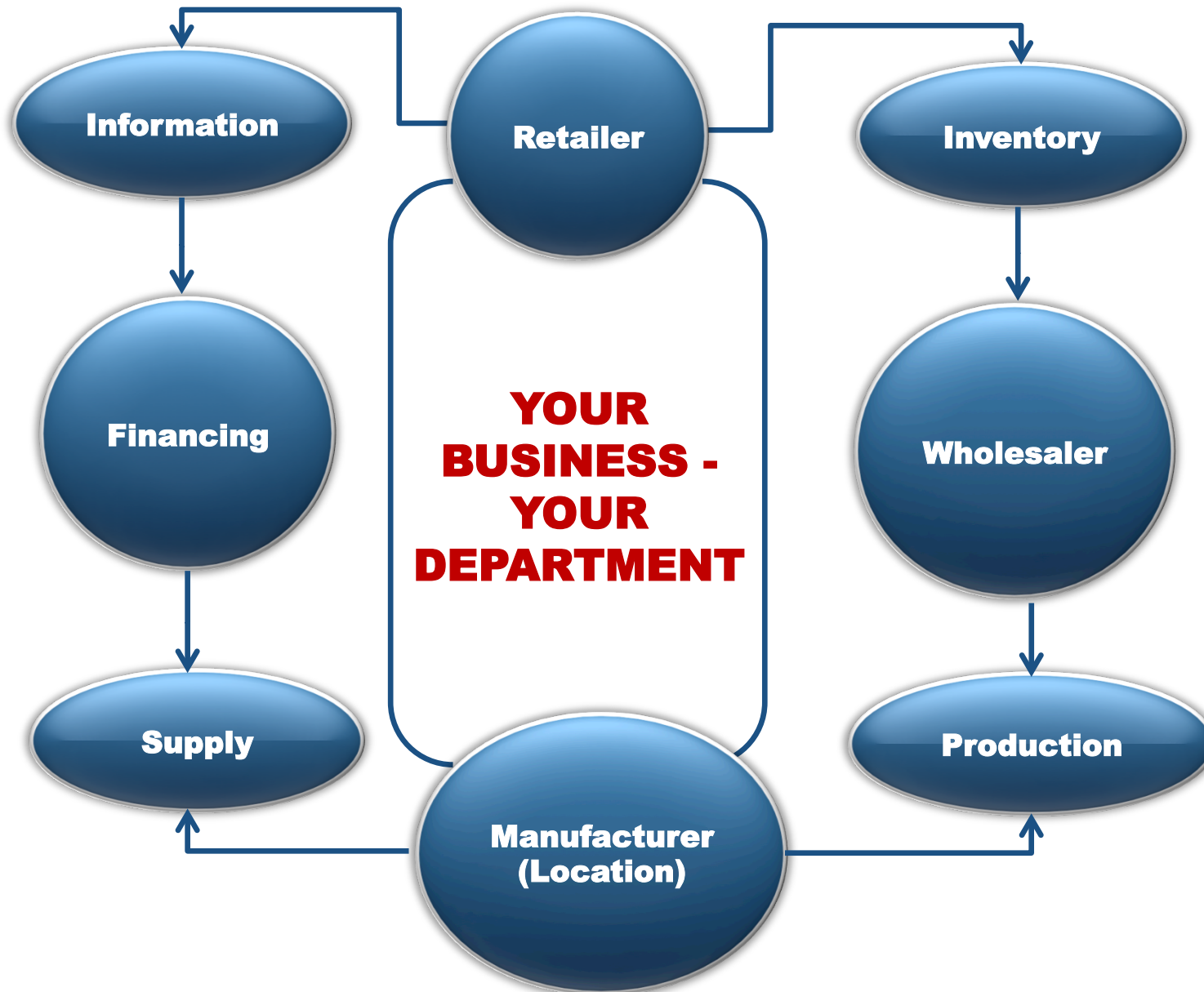
<http://www.magazine.pamplin.vt.edu/fall10/supplychain.html#sthash.Pp2BLzFv.dpuf>

Supply Chain – who is responsible?

- With 85% of the North American infrastructure in the private sector, businesses need to have a solid continuity plan in order to care for themselves
- Critical infrastructure businesses include those with direct impact to energy (oil, fuel, electricity) water and food, transportation, and communication – which are the vital resources for saving lives.
- Private companies need to remain viable at disaster time:
 - *Hardware stores provide generators*
 - *Radio stations information*
 - *Pharmacies provide medical supplies*
 - *Banks to provide cash*
 - *Supermarkets provide food/water*
 - *Insurance claims to be filed*
- Will you still be able to execute your ‘Event Management’ trigger points?
 - cash, loans, settlement, payments, receipt of money, etc.
- Will the bank ‘declare’ a bank holiday for the convenience of their clients?
- What resources would your business supply to others?
- What resources will your business need to survive?

THIS WILL SURELY AFFECT YOUR RECORDS MANAGEMENT PROCESS!

Supply Chain – potential outcomes and conflicts



Notification and Messaging



The Boston Marathon Bombing, 2013

- Business continuity, at its best, is about having the tools and ability to create calm and control and manage effective communications even in the most chaotic situations. When two bombs exploded on a busy Boston street, Emergency Response Teams got busy!
- No one knew if, when or where more bombs might explode; mobile networks were jammed; streets and public transport were being shut down; essentially creating one of the worst-case scenarios for any emergency response team.
- Without knowing how, or if they would be able to get home, or even back in to their place of work, many of the local company employees were immediately evacuated from the building leaving laptops, mobile phones and in some cases even their shoes behind.

As soon as the impact of the bombing became apparent, the ERT immediately utilized a messaging solution to reach out to all 162 Boston-based employees. The sequencing function systematically contacted each individual's phone and email addresses, to secure a response and confirm the individual as safe and accounted for. This real-time information was available to the ERT on a global level.

Source: Vocal, Ltd. UK <http://www.vocal.co.uk/>

Notification and Messaging

Emergency Communication Plan Essentials

Suppose a decision is made to store emergency satellite telephones, your company's blank checks and emergency procedures in document management... How will anyone know?

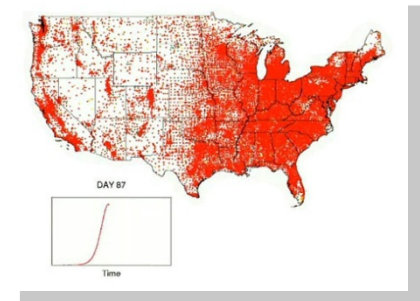
KEY - WHERE will you be when a crisis hits?

- ✓ **WHO** will you need to communicate with during and after the event?
- ✓ **WHAT** will you communicate?
- ✓ **WHEN** (and how often) will you communicate with them?
- ✓ **HOW** will you communicate with them?

IS YOUR ORGANIZATION USING NEW SOLUTIONS OR ARE YOU RELYING ON PHONE-CHAINS ?

Why not explore other ideas, like the iCard, which can replace antiquated wallet cards and cost pennies per employee?

Source: www.vocal.co.uk



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Notification and Messaging

- ✓ Today's emergency alert solutions are effective, fast, reliable and ready when needed. The message delivery, communication, security and control has been built to meet the customers primary objective - to respond to an emergency effectively.
- ✓ When a crisis or disaster hits, key decision makers need to be able to get information through to their teams immediately, wherever they are. Traditional lines of communication do not possess the resilience or reliability to effectively address the need for information and direction under extreme circumstance.
- ✓ Emergency alert solutions not only provide tools for comprehensive emergency planning, but also allows users to respond pro-actively when an incident requires innovative and spontaneous solutions that cannot be anticipated by traditional business continuity plans.



Governance, Risk Management + Compliance

Records Managers... Guess who's liable?

Does your Business Continuity Plan include provisions for your Governance, Risk Management and Compliance (GRC)?

- You have Financial Reporting needs. Do you have this area covered completely?
- As your organization's Governance, Risk Management and Compliance (GRC) activities become more critical, you need to be sure disaster recovery and business continuity professionals are included in your organization's risk management planning.
- *"Organizations that understand and apply the concept of **Principled Performance**, by integrating governance, risk and compliance (GRC), in both processes and technology, have a real competitive advantage."*



- Jason Mefford – CIA, CPA, GRCP, CICA, MBA
President, Mefford Asso., Orange County, CA
www.MeffordAssociates.com



Governance, Risk Management + Compliance

- Governance, risk management, and compliance or GRC is the broad term explaining an organization's approach across these three closely related areas.
- GRC is essential with regards to your Records Management Programming activities.
- **Governance** usually describes the overall management approach through which senior executives direct and control the entire organization - as guided by the organization's board of directors - using a combination of management information and hierarchical management control structures.
- **Risk management** is the set of processes through which management identifies, analyzes, and, where necessary, responds appropriately to risks that might adversely affect meeting an organization's business objectives.
- **Compliance** means conforming with stated requirements. This is achieved through management processes which identify the applicable requirements to assess the risks and potential costs of non-compliance against the projected expenses to achieve compliance, and hence prioritize, fund and initiate any corrective actions deemed necessary.



Governance, Risk Management + Compliance

Governance, risk management and compliance or GRC is a concept used to describe an integrated approach to managing the performance, risk management and compliance functions within an organization.

Organizations are realizing the importance of having a capability that allows them to reliably achieve their objectives, while addressing uncertainty and acting with integrity -- a concept called Principled Performance.

Organizations that practice Principled Performance have an integrated GRC capability that integrates and orchestrates the governance, management and assurance functions



A Conglomerate's Story →



Governance, Risk Management + Compliance

What can you do to update and enhance your GRC programming?

- Understand your Records Management Program objectives
- Integrate with your company's GRC strategic plan
- Align risk and compliance in context of the organization
- Understand, define, and enhance organizational culture as it to GRC
- Implement effective, efficient and agile GRC processes using the GRC Capability Model
- Understand technology's role in GRC
- Develop ongoing monitoring and continuous improvement of GRC activities through metrics/measurement



Executive Management - Commitment

If you do not have Executive Management commitment, your BCP will fail

- ❖ Executives MUST take a leadership position**
- ❖ Executives MUST understand their roles during a disaster**
- ❖ Executives MUST allow others to do their job and not interfere**
- ❖ Executives MUST communicate openly, honestly and with the facts**
- ❖ Executives MUST use disaster events as learning opportunities**

Executive Management - Definition

Executive management or senior **management** is generally a team of individuals at the highest level of organizational management who have the day-to-day responsibilities of managing a company or corporation.

Executive powers are conferred onto them with and by authority of the board of directors and/or the shareholders.

Executive management usually reports to a higher level of responsibility, such as a board of directors and those who own the company (shareholders), but they focus on managing the senior or executive management instead of the day-to-day activities of the business.

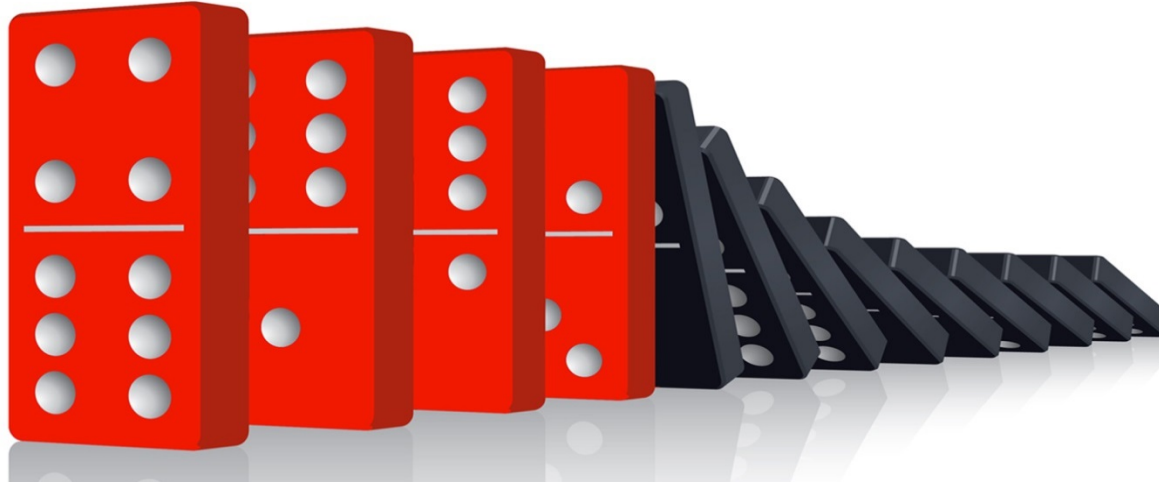
Executive management typically consists of the heads of the firm's product and/or geographic units and of functional executives such as the chief financial officer, the chief operating officer, and the chief strategy officer



SUMMARY



- ☐ **Business Continuity vs. Disaster Recovery – it's not the same thing**
- ☐ **Human Resources – they have to be at the table, and be a leader**
- ☐ **Supply Chain – can they respond to your needs at time of disaster**
- ☐ **Records Management – make sure that you are getting all that you expect**
- ☐ **Notification systems – Essential for your People, Clients and Partners?**
- ☐ **Governance, Risk and Compliance – critical especially in financial circles**
- ☐ **Executive Management – must be engaged and is accountable**



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