Getting the balance right

How much information to put in your BCP

SME AND CLIMATE CHANGE
Anticipatory adaptation is critical

SIT UP AND LISTEN
Getting the Board’s attention

A BRAKE ON THE BLAME CULTURE
Removing the fear of reprisal
Metrics are essential to enable you to continually measure the quality, effectiveness, efficiency, and progress of your business continuity programme (BCP). Choosing appropriate, objective metrics to evaluate your programme against will help you pinpoint operational vulnerabilities, gauge recovery capabilities, and improve your overall BCP. Documenting those results can also help demonstrate the value of the process within your organisation and elevate the perception of your role as a true business continuity manager – not simply a traditional plan generator.

In this article, we aim to provide some guidelines for evaluating and improving the use of metrics, with the goal of enhancing your BCP or taking it to an entirely new level.

What should you measure?
It is important to consider which metrics have the most value to various decision-makers. We can classify those metrics into three major categories:

- **Organisational metrics** assist in pinpointing your organisation’s operational inefficiencies, vulnerabilities, and risks. They identify the most critical business functions and the infrastructure resources that support those functions, and can transform your BCP from a subjective determination to an objective calculation of risks and impacts. To your decision-makers, facts should always prevail over opinions.

- **Business continuity programme metrics** examine the time and steps taken to complete the planning process and determine the plan’s conformity to accepted standards and best practices.

- **Resilience metrics** explore BCP effectiveness by measuring how long it takes to recover from any downtime-causing event, and how effective the resilience plans are in mitigating losses.

**Organisational metrics**
It is imperative that you think about how your decision makers view the mission of business continuity. If a disaster strikes, different people within your organisation will have different priorities. For example, your COO will probably think about people and processes first and foremost. However, your CFO will be focused on getting revenue-generating processes back online first, such as your online shopping cart and your receipt and processing of customer receivables. Your CIO will think in terms of applications and systems and loses sleep over the possibility of data loss. Your facilities manager will primarily care about physical assets being safeguarded. Your CMO, who would keep CRM data in a lockbox if that were possible, might see access to customer and prospect information as a top priority.
There are plenty of people, processes and technologies that need to be part of your BCP; yet only the most critical can be recovered as a top priority. Here are some questions that can help you make the right choices:

- What are your most critical operational activities?
- What is the impact of downtime for each of these?
- How long can the company go before it sees negative impact on sales and operations?
- What are the most important IT infrastructure components and data?
- Who (internally and externally) are the most critical personnel in terms of operations?
- What are the highest risk hazards to the organisation?

Questions that your leadership asks.

It should be reduced cash flow, legal impacts, etc.

Financial costs and qualitative impacts associated with the BCP process:

- What portion of our plan is overdue for re-evaluation?
- What is the awareness of the plan among the personnel?
- How well has the plan been conveyed to the organisation at large?
- How long does it take to write a plan?
- What is the progress in completing your planning?

Business Impact Analysis (BIA) – A good BIA can help you determine priorities by taking stock of the financial costs and qualitative impacts associated with disruptions (e.g. lost revenue, damaged reputation, reduced cash flow, legal impacts, etc.). It should revolve around business operations and answer most questions that your leadership asks.

A common, but perhaps misdirected, approach is to begin with gauging the impact of supporting infrastructure (e.g. IT, people, and vendors) without understanding how they support business operations. A better approach would be to start with an understanding of business operations, determine those that are critical, and subsequently gauge the importance of how supporting resources impact your most critical business functions.

Recovery Time Objectives (RTOs) – The RTO is probably the most prominent metric used in BCP. Good RTOs provide insight into what is most critical to your organisation, and define when business functions and resources need to be operational following a disaster. Exceeding an RTO means absorbing unacceptable impacts to your organisation. A myriad of benefits can be gained from RTO metrics – from prioritisation of recovery, to mitigation investments, to spotting underperforming processes and resources.

With such an important metric, a sound process is key to its calculation. RTOs should be based on fact, not opinion. Asking people what they subjectively think the RTO should be is not effective. Because it can be difficult to determine RTOs objectively, consider BCP software that automates the calculation of these metrics.

Business continuity programme metrics

The next set of metrics to consider is BC programme metrics. Here are some important questions for determining the status of your plan and the efficiency of your BCP process:

- What is the progress in completing your planning?
- How well does it take to write a plan?
- How well do your BCP comply or conform to standards and auditor criteria?
- How well has the plan been conveyed to the organisation?
- What is the awareness of the plan among the organisation at large?
- What portion of our plan is overdue for re-evaluation?

All of these metrics can be tracked, scored, and summarised. It is important to identify your expected results and gradually improve to complete BCP tasks in less time, or to conform more closely to industry standards.

Tips on leveraging BCP metrics

One of the most difficult aspects of being a BC professional is obtaining budget to improve a BCP. The appropriate metrics can assist in justifying returns on software tools, additional personnel, or outside assistance. Presenting in plain language and gauging returns against costs of ownership can get you what you need to excel in your BCP.

Resiliency metrics

Finally, resiliency metrics are necessary to ensure the efficacy of your programme and gauge preparedness in the face of a disaster. Some questions to answer include:

- How long does it take each of your teams to recover?
- How effective are your mitigation strategies in limiting quantitative and qualitative impacts?

It is no secret that plan exercises are essential to an effective BCP. However, many exercises that are set up as pass/fail tests do not provide a useful resiliency metric. Tracking each process or department’s time to recover evaluates not only the quality of your BC plan, but also the ability of recovery personnel to execute that plan. For example, if six hours is the RTO for a business function, but your test exercise proves it actually takes 12 hours to recover, that is a clear signal that the recovery plan needs improvement or additional mitigation measures need to be put in place. IT, personnel, and vendors can be similarly evaluated on their respective capacities to meet the RTOs of the business functions they support.

Moving forward

Like BC planning, developing BCP metrics is hard work that is never really finished. It is an ongoing process that needs periodic revision to ensure that you are monitoring and measuring the appropriate metrics in your ongoing effort to improve BCP and its real value to your organisation.

Having your BCP metrics evolve in terms of their sophistication and their reflection of changing organisational priorities can help you uncover deeper, more revealing insights into the inner workings of your organisation. That will help you keep pace with changing trends and needs and strengthen your role as a true risk manager within your organisation.

**RESILIENCEONE® BCM SOFTWARE**
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