

Case study on:

“ IMPLEMENTING EFFECTIVE BCP/BCM TESTING & MONITORING IN AN ORGANISATION”

Objective of this case study:

One of the causes of many organisational and corporate failures was that an operation had failed and business is discontinued or interrupted because of a disaster or crisis. The Sept 11 2001 was a classic example of how a disaster could disrupt operations and business. How does one ensure its business survival? Having BCP/BCM programme does not ensure an organisation’s preparedness or readiness to face and manage crisis/disaster during the moment of truth or MOT. What then will ensure this readiness for the MOT? Only when your BCP/BCM’s initiatives and business recovery site (BRS) have been tested to be functional and operational. Thus the importance of testing and monitoring of your BRS in ensuring your organisation’s readiness to face and manage crisis/disaster.

As mandated by many regulators, BCP/BCM management is also becoming today’s global best practice as well as essential management programmes that critical industries and sectors are obligated to fulfill and have in place to ensure that business operations and services are not interrupted . Not only will BCM ensure survival and enhancing shareholders’ values, it also supports the board and management’s programme for its corporate governance, plus of course business resilience.

Participating in this case study will enable a person to have better insights of how to ensure that BCP/BCM testing and monitoring is not only effective, but remain relevant and of value to provide good assurance that there will be no surprises in the form of glitches and shortcomings that can exist in untested BCP/BCM.

Areas of coverage in this Case Study:

		Topic	
1		BACKGROUND OVERVIEW FOR BCP/BCM TESTING & MONITORING	
	i	Business survival versus business-as-usual concept	
	ii	Various stakeholders that rely on your BCP/BCM.	
	iii	Purposes/objectives of BCP/BCM testing.	
	iv	Know what disaster management cover.	
2		KNOWING THE TYPES OF CRISIS	

	i	Meaning of disaster, crisis, and emergency.	
	ii	Disruptions and impacts due to crisis/disaster.	
	iii	4 basic causes of typical business crisis.	
	iv	Understanding the 4 Ps of business and non-business operations' vulnerability.	
	v	Develop the vigilant habit: 'Be Prepared' motto to manage 'surprises' and the risk of 'unknowns'.	
3		KNOW THE VARIOUS FORMS OF EMERGENCY, CRISIS, OR DISASTER THAT INFLUENCE YOUR BCP/BCM TESTING & MONITORING	
	i	Environmental disasters.	
	ii	Organised and deliberate disruption.	
	iii	Loss of utilities and services.	
	iv	Serious information security incidents.	
	v	Other emergency situations.	
	vi	GETTING READY YOUR TESTING VENUE----YOUR BRS	
	vii	Global plan versus tactical plan in a BCP/BCM.	
	viii	The importance of operational or business recovery site (BRS).	
	ix	Resources and facilities needed for BCP/BCM programme and BRS.	
	x	Cold BRS.	
	xi	Warm BRS.	
	xii	Hot BRS.	
4		CRISIS ESCALATION GUIDE FOR BCP/BCM TESTING & REPORTING OF RESULTS	
	A	Internal communication	
	i	Make it simple.	
	ii	The 2 or 3 level of hierarchy you need.	
	iii	Who calls the shot.	
	iv	How to communicate.	
	v	Infrastructure, means and enabler for escalation.	
	B	External communication	
	i	Right, factual & timely communication	
	ii	Formal communication, timely and factual.	
	iii	From highest authority/level.	

5		ROLES OF VARIOUS PARTIES IN BCP/BCM TESTING & MONITORING	
	i	Board of directors.	
	ii	Senior management.	
	iii	BCP Steering Committee.	
	iv	BCP Co-ordinator, and Custodian of BRS.	
	v	Head of Division, department, location, region, function to BCP Test	
	vi	Others in the company, like Internal Audit, Risk Management, Compliance Department, etc.	
6		THE FIVE PILLARS FOR BCP/BCM TESTING & MONITORING	
	i	Understanding the 5 pillars or domains of BCP/BCM testing	
	ii	Pillar 1: Know what to test, it is a cold, warm, or hot BRS?	
	iii	Pillar 2: Know who are the people involved and their roles	
	iv	Pillar 3: Know the critical resources required	
	v	Pillar 4: Know the dependents (outsourcers, critical suppliers)	
	vi	Pillar 5: Record the mistakes, glitches and use them as 'lessons learnt' for the next testing & monitoring	
7		8 Cs of BCP: CRITICAL ELEMENTS FOR SUCCESSFUL BCP/BCM TESTING & MONITORING	
	i	Critical, formal and serious exercise...not for the 'fun' of it	
	ii	Commitment from the top.	
	iii	Conducive environment and support/involvement of all and sundry.	
	iv	Costs and financial budget.	
	v	Conduits: Co-ordination, infrastructure, system.	
	vi	Communication: formal, official, high level and PR impactful.	
	vii	Constant updating of the testing and servicing of the BRS.	
	viii	Change: manage change well to avoid 'surprises'.	
8		BCP/BCM TESTING MATRICES	
	i	<i>PREPARING FOR A POSSIBLE EMERGENCY</i>	
	ii	Back-up and recovery strategies.	
	iii	Key BCP supplies and personnel.	
	iv	Key documents and procedures.	
	v	<i>TESTING THE BUSINESS RECOVERY PROCESS</i>	
	vi	Planning the tests.	
	vii	Conducting the tests.	
	viii	<i>TRAINING STAFF IN THE TESTING & MONITORING</i>	

	ix	Managing the training process.	
	x	Assessing the training.	
	IV	<i>KEEPING YOUR BCP/BCM TESTING & MONITORING UP TO DATE (MANAGE CHANGE)</i>	
	i	Maintaining the BCP testing on regular frequencies .	
	ii	Change controls when updating the BCP and conduct testing on those changes in operations/business needs.	
	iii	Responsibilities for maintenance of each part of the testing plan and activities and review of the changes .	
	iv	Test all changes to the master BCP/BCM.	
	v	Clear role of the person in charge of the BCP training and testing .	
9		WHAT ARE AT STAKE IF YOUR BCP/BCM TESTING & MONITORING ARE NOT EFFECTIVELY TESTED?	
	i	Go back to look at who depends on your BCP/BCM and business continuity and survival.	
	ii	Internal stakeholders	
	iii	External stakeholders	
	iv	Corporate goals, projections, targets, objectives, budgets, plans	
10		MYTHS & MISCONCEPTIONS IN BCP TESTING & MONITORING.	
	i	You are OK with your testing, but what about your key external support groups	
	ii	The need to depend on your key outsourcers, and do they have effective BCP/BCM programme	
11		AN ACTUAL EXPERIENCE: HOW I DID IT WITH MY BCP?BCM TEAM FOR MY ORGANISATION	

1. Two management books:

Two management books to be given to each participant. These books were written by Dr J. E. Ruin.

Title of the book are “*Managing Crisis in Organisations, 2nd edition*”; and “*Managing Tomorrow’s Organisations*”.

A very knowledgeable and specialised personnel in BCP/BCM especially managing crisis/disaster and disaster recovery procedure in a financial institution’s environment:

Dr J E Ruin has a written a crisis management book titled ‘**Managing Crisis in organizations, 2nd edition 2008**’.

He is the Principal and Proprietor of RiskFirst Consultancy & Training Services. Prior to that, he was the Chief Risk Officer of a large Malaysian bank’s Risk Management Division, where he supervised and managed the 4 risk management departments in that bank namely: Credit Risk Mgt Dept, Operational Risk Mgt Dept(undertaking also BCP/BCM programmes) , Market/Treasury Risk Mgt Dept, and Systems (it/is) Risk Mgt Dept. He was also a member of the BCP Steering Committee for that bank.

Dr J E Ruin’s involvement in corporate BCP/BCM initiatives/programmes:

Before he joined his last bank as its Chief Risk Officer, from 2001 to 2004 he was the General Manager and Head of Operational Risk Mgt Dept as well as the BCP/BCM Co-ordinator for another Malaysian bank.

As the General Manager and Head of Operational Risk Mgt Dept of this other bank, he led a team to formulate, design and implement from scratch the BCP/BCM programme and documentations for that bank.

He has 30 years of executive and managerial experience in 12 organisations (6 banks and 6 non-banking institutions). He retired from full-time employment in April 2007 upon reaching the working retirement age of 55 years.

Since 1996, Dr Ruin has been invited by event or conference organisers to speak and deliver his various corporate governance/audit and risk management papers at public conferences in Malaysia, as well as outside Malaysia like in Mumbai India, Sydney Australia, Beijing and Shanghai China, Hanoi and Ho Chee Min City Vietnam, Bali and Jakarta Indonesia, Seoul Korea, Bangkok and Khon Kaen Thailand, Mauritius, Nairobi Kenya, Brunei, Melbourne and Sydney Australia, Phnom Penh Cambodia, Manila Philippines, Brunei, Kursk Russia, Kuala Lumpur Malaysia, and Singapore.

He has written 19 management books that are on sale at local Malaysian bookshops; focusing mainly on audit, banking/finance, corporate governance, controls, people and customer services, and risk management.



He was elected the Regional Director of PRMIA, KL Malaysia Chapter in November 2007.

He was also the Honorary Treasurer of FAAM (Fulbright scholars Alumni Association of Malaysia) for period 2008 to 2009.

For details of these past local and overseas seminars/conferences, please refer to the website at www.riskfirstconsult.com

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