

Business Continuity Planning: Bridge Over Troubled Waters

**Nonprofit Risk Management Center
2002 Institutes
October 13, 2002**

**Peggy M. Jackson, DPA, CPCU
Fogarty, Jackson & Associates**

**Toni E. Fogarty, Ph.D., MPH
Fogarty, Jackson & Associates
and**

**College of Professional Studies
University of San Francisco**

What is Business Continuity Planning?

Business Continuity Planning (BCP) helps an organization to develop and document the policies, procedures, activities, and protocols necessary to resume essential business operations immediately following a business interruption

What are the Sources of Business Interruptions?

- *Natural*
 - Earthquake
 - Flood
- *Civil*
 - Riot
 - Police action
- *Person-made*
 - Computer virus or worm infestation
 - Workplace violence

Other Examples of Sources of Business Interruptions

- Fire
- Loss of electrical power
- Corruption of financial or donor databases
- Loss of critical funding stream
- Bomb threat
- Loss of essential members of staff or executive team

What are the Benefits of BCP?

- Having an effective plan allows the organization to:
 - Remain a viable entity, ready to serve regardless of what happens
 - Maintain the confidence and trust of donors, staff, clients, and other stakeholders

Additional Value of BCP

- In the event of a natural disaster that affects the broader community, such as earthquake or fire, BCP helps the organization to:
 - Play an effective role in disaster response and relief
 - Provide support to clients and staff who may be experiencing the impact of the disaster

Beginning to Plan: First Steps

- Visible commitment to BCP by top management
- Introduction of BCP concepts to staff and managers
- Transforming the organizational culture
- Visible involvement of top management
- Creation of a cross-functional team

Identify Possible Business Interruptions

- Consider both likely interruptions, as well as unlikely
- Evaluate interruptions in terms of severity
 - Minor
 - Moderate
 - Severe
 - Catastrophic

What About Your Organization?

- What types of business interruptions are likely in your organization?
- Which interruptions are unlikely, but still possible?
- Can you rank the interruptions in order of severity?

Determine Essential Business Functions

- What business activities and functions are essential for your organization?
- Who performs these activities and functions?
- Are there written protocols and procedures for these activities and functions?

Examples of Essential Functions

- Finance
- Donor and public relations
- Client services
- IT
- Payroll

What About Your Organization?

- What are the essential business functions?
- Are the activities and protocols for these functions documented?
- Have staff been cross-trained within operational functions?

Typical Plan Protocols

- Evacuation of staff, clients, and visitors
- Communication with stakeholders
- Public relations and media contact
- Client services
- Alternative work and service delivery sites
- Staff status, availability, and notification, including emergency contact information
- Protection of paper-only records

Additional Typical Protocols

- Financial
 - Funds, donations and revenue
 - Insurance coverage, claims procedures, loss documentation
 - Use of credit
 - Check writing and monitoring
 - Fund transfers and wiring
 - Security of confidential transaction and other codes

What About Your Organization?

- Which protocols would be important for your organization?
- Which, of any, of these protocols have been developed and documented?

Things to Consider

- Development of remote access to data files
- Identification of resource needs for business resumption and where they can be obtained quickly
- Have staff and managers developed a personal/home plan?
- Creation of partnerships for support

Keeping the Plan Alive

- “Desk-top” simulation
- Actual simulation of a business-interruption scenario
- Employee orientation
- Ongoing practice and critique
- Continuous refinement of plan

Business Continuity Project

- Funding from the David and Lucile Packard Foundation
- Demonstration Project
- 50 nonprofit organizations
 - 25 located in the Bay Area on the West Coast
 - 25 located in the mid-Atlantic area of the East Coast

Questions and Discussion

Contact Information

Fogarty, Jackson & Associates
182 Howard Street, PM 411
San Francisco, CA 94105

<http://www.fjaconsulting.com>

Dr. Toni E. Fogarty
toni@fjaconsulting.com
415-695-1868

Dr. Peggy M. Jackson
peg@fjaconsulting.com
415-609-5341