

Strategic Business Continuity Management

New Trends

30 Oct 2013



- **Global Risks 2013**
- **Strategic Leaders' Key Challenges**
- **New BCMS Standard– ISO 22301:2012**
- **Advantages of implementing the BCMS**

Global Risks

World Economic Forum Report 2013

- **Persistent Global Economic Fragility**
- **Hyperconnected Global Risks**
Economic, Geopolitical, Environmental,
Societal, Technological
- **Global Systemic Risks**
10 year perspective assessment performed
- **BCM key focus - *Building Resilience to Global Risks***

Strategic Leadership's Key Challenges

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- **Dynamism of the Hyperconnected world**
requires increasing Resilience to Global Risks
- **Restore Confidence and Growth Globally**
- **Radically changing**
the approach to the Global Risks
- **Awareness of**
the Interconnected and Interdependent
Systemic Global Risks
- **Innovative and Creative Thinking on**
Global Risks influence on the Strategic Development

Resilience is a capability

- to **adapt to changing context**
- to **withstand sudden shocks**
- to **recover to the desire equilibrium**

Resilience

applicable to unpredictable risks with little knowledge about effective measures

Systems Thinking and Business Resilience

- robustness
- redundancy
- resourcefulness
- response
- recovery

- **Effective approach for building Resilience**
- **Assuring prioritized activities**
- **Proactive Risk Management**
- **Effective Supply Chain Governance**

BCM Standards before ISO 22301:2012

- British Standards Institute: BS 25999, Parts 1 and 2
- National Fire Protection Association: NFPA 1600:2010
- ASIS International: ASIS SPC.1-2009
- Australia/New Zealand Standard AS/NZS 5050
- Singapore Standard SS540
- Canadian Standard: CSA Z1600
- Government of Japan BCP Guideline
- Japanese Corporate Code – BCP
- ISO 24762 (IT Disaster Recovery)
- National Association of Stock Dealers: NASD 3510/3520
- National Institute of Standards and Technology: NIST SP 800-34
- New York Stock Exchange: NYSE Rule 446

ISO 22301: 2012 - Societal Security- BCMS- Requirements

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- **ISO 22301:2012** (published on May 15, 2012) – **Principal Governance Model for BCM**
- **ISO 22301 framework is consistent with established BCM best practices as defined by BS 25999-1 и 2, ASIS SPC.1: 2009, and Good Practice Guidelines (GPG) of the Business Continuity Institute (BCI) from 2010**
- **International BCM Community**
unanimous decision to implement ISO 22301:2012
 - **BSI (British Standard Institute)**
replacing BS 25999 with ISO 22301
 - **ANAB(ANSI-ASQ National Accreditation Board) and FEMA(Federal Emergency Management Agency)**
announced decision in August 2012 for implementing ISO 22301 and replacing ASIS SPC.1: 2009; NFPA 1600: 2010; and BS 25999

BCMS Business Benefits

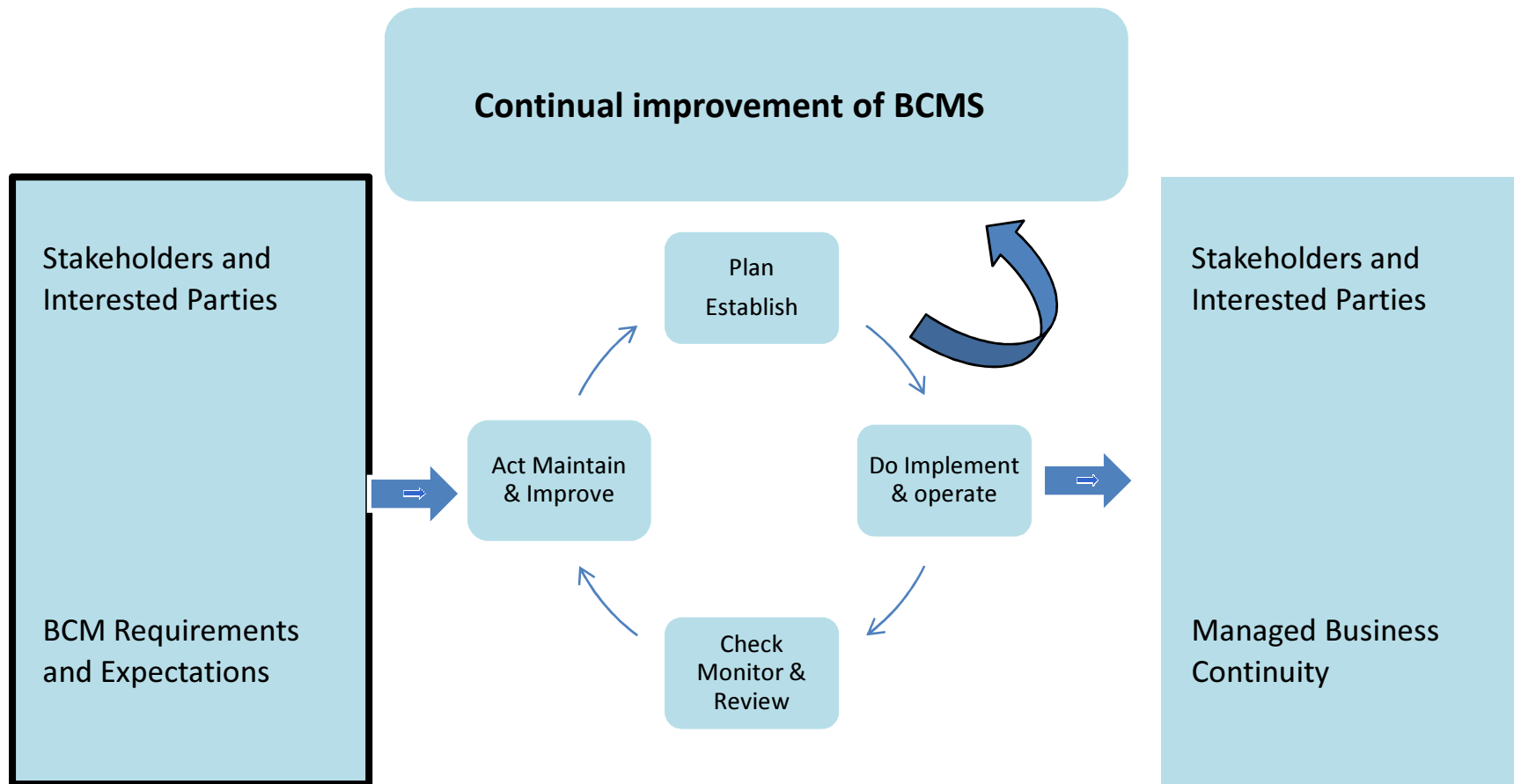
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- Framework
- Resilience
- Reputation
- Competitive advantages
- Business improvement
- Compliance
- Win more contracts
- Cost saving
- Capability for managing disruptions
- Effective supply chain governance

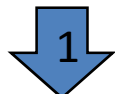






Advantages of ISO 22301 implementation

- ensure the implementation of a **systematic approach for business continuity capabilities building**
- **reduce the ongoing significant differences** in BCM approaches and plans
- ensure a **dynamic business development**
- ensure the implementation of the **higher criteria and world best practices for BCM**
- **continual improvement of the BCMS**
- contribute in achieving a **reliability in international business relations**

ISO 22301 and the PDCA approach



Mapping ISO 22301:2012

	Context of the organization	Clause 4 of ISO 22301:2012
	Leadership	Clause 5 of ISO 22301:2012
	Planning	Clause 6 of ISO 22301:2012
	Support	Clause 7 of ISO 22301:2012
	Operation	Clause 8 of ISO 22301:2012
	Performance evaluation	Clause 9 of ISO 22301:2012
	Improvement	Clause 10 of ISO 22301:2012

ISO 22301:2012 and PDCA activities

Plan	Establish business continuity policy, objectives, targets, controls, processes and procedures relevant to managing risk and improving business continuity to deliver results in accordance with an organization's overall policies and objectives.
Do	Implement and operate the business continuity policy, controls, processes and procedures.
Check	Monitor and review performance against business continuity objectives and policy, report the results to management for review, and determine and authorize actions for remediation and improvement.
Act	Maintain and improve the BCMS by taking preventive and corrective actions, based on the results of management review and re-appraising the scope of the BCMS and business continuity policy and objectives.

ISO 22301:2012 consistency with other management standards

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PDCA approach ensures degree of consistency with:

- ISO 9001:2008 – Quality management systems – Requirements
- ISO 14001:2004 – Environmental management systems - Requirements with guidance for use
- ISO/IEC 27001:2005 – Information technology - Security techniques - Information security management systems – Requirements
- ISO/IEC 27005:2011 – Information technology - Security techniques - Information security risk management
- ISO/IEC 20000-1:2011 - Information technology - Service management - Part 1: Service management system requirements

ISO 22301:2012 Implementation

Defines the requirements for **establishing and management of an effective BCMS**

Highlights the importance of:

- **Knowledge of the organization's needs and the necessity of BCM policy and objectives' establishment**
- **Implementing and operating controls for building organization's capabilities for managing the business interruption**
- **Governance of the Supply Chain**
- **Continual improvement**, based on the implementation of the objective criteria for risk management

New trends in BCM world best practices

- 1. Comprehensive Context Assessment – success critical**
- 2. Effective Strategic Leadership**
- 3. Embedding at the Organizational Culture**
- 4. Proactive Risk Management**
- 5. Towards Business Resilience**
- 6. Effective Performance Evaluation**
- 7. Continual Improvement**
- 8. Effective Supply Chain Governance**
- 9. Integrated ISO Standards Model for more effective and efficient resources management**

Comprehensive Risk Assessment

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Systemic Risks Identification:

- Strategic Risks
- Integrity Risks
- Cyber Risks
- Political changes and trends on national, regional and global level
- Fragile economic development on national, regional and global level
- Corporate/commercial risk
- Financial/market risks
- Legal/contractual/regulatory risks
- Organizational management/human factors
- Environmental factors
- Technical/infrastructure risks
- Operational risks

Profound Identification: areas of impact, sources of risks (key characteristics, critical indicators, etc), causes, vulnerabilities, consequences, current controls

Analyzing: severity, occurrence, capabilities to detect/prevent

Evaluation: comparing estimated levels of risk with risk criteria

Proactive Risk Treatment

Monitoring and Control

Continual Improvement

Solutions:

- **Comprehensive integrity risk assessment :**
 - financial frauds and thefts
 - embezzling EU funds
 - conflict of interests
 - trade with influence
 - insider trading
 - corporate espionage
 - money laundering
 - “kickback”, bribery and extortion schemes
 - failure of commercial organizations to prevent bribery
 - violating the enhanced financial disclosure requirements to senior management
 - violating the requirements for senior executives' individual responsibility for the accuracy and completeness of corporate financial reports, etc.
- **Proactive Integrity Risk Management Model**

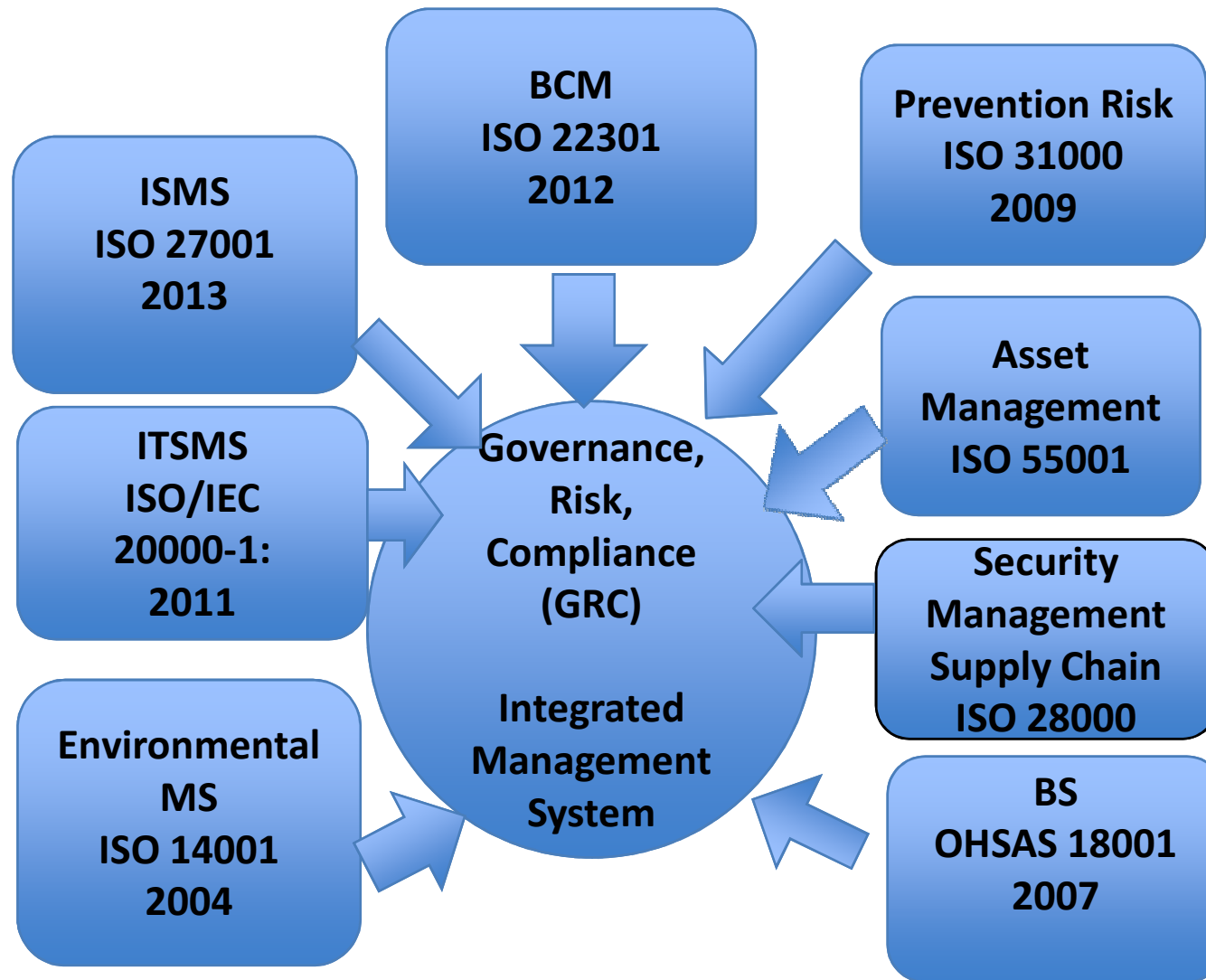
Proactive Approach - based on creative thinking and capabilities for foreseeing the trends of business development, aimed at:

- identifying specifics of potential disruptive incidents, including any precursors and warning signs**
- removing the risk source**
- reducing the threats and vulnerabilities**
- enhancing the awareness and preparedness**
- proactive steps for information sharing and coordination**
- key assets protection**

Proactive Approach for managing the systemic risks:

- **activities on prevention and protection shall be carried out on multilateral basis :**
 - **no single organization has the complete knowledge on the threats and vulnerabilities**
 - **no single organization has the “monopoly” on effectively treating the systemic risks**
- **collaboration enables to effectively prevent the risk**
- **network-centric approach** - decisions to be implemented through a network of people, organizations and institutions **consistently building systems’ resilience**

Integrated Implementation of ISO Standards for Risk Management



- Enhanced Leadership's capabilities to proactively manage the systemic risk
- Proactive Approach for reducing the vulnerabilities and proactively targeting the sources of risk
- Enhancing the Business Resilience to increasingly turbulent and unpredictable world
- Effective and Efficient Business Continuity Management
- Performance Evaluation and Measuring the BCM Effectiveness
- Focused on Providing Holistic Solutions not responses