

BUSINESS CONTINUITY: WHAT IS IT AND WHY DO WE NEED IT NOW?



Roland Kelly
Senior Account Executive,
Fusion Risk Management, Inc.

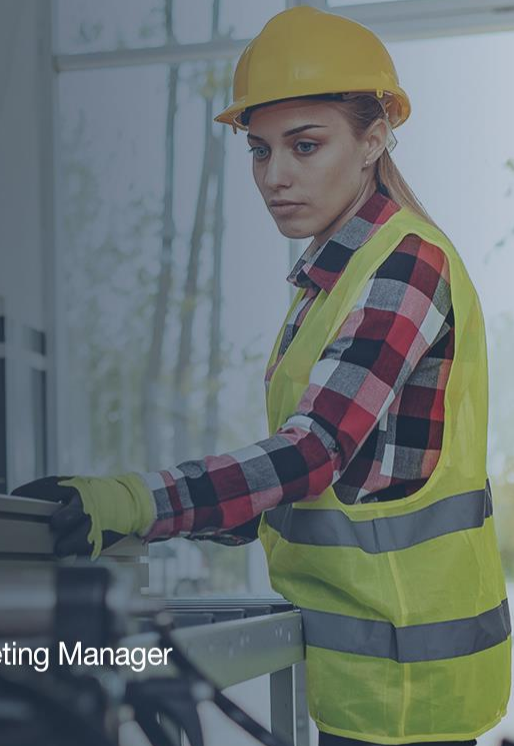


Aaron Davis
Senior Product Marketing Manager
Intelex



INTELEX

FUSION
RISK MANAGEMENT



The Great Reset

COVID-19 introduced unprecedented disruption into life around the world, and as a result accelerated the need for digital transformation across Quality and Supply Chain management programs.

What Have We Learned About Quality and Supply Chain?



Demand can change in an instant



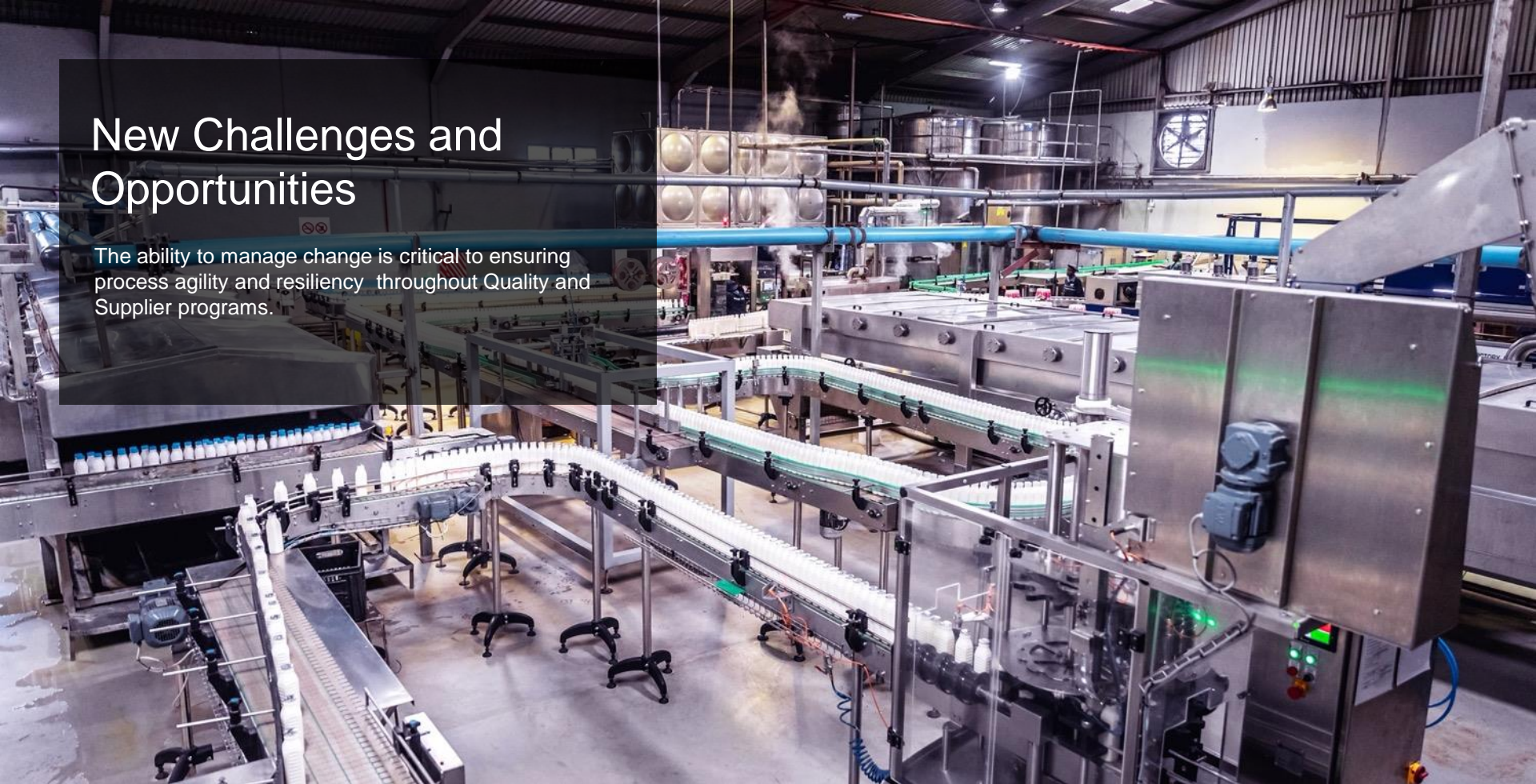
The supply chain wasn't as resilient as we believed



Changing behaviors have immediate impacts

New Challenges and Opportunities

The ability to manage change is critical to ensuring process agility and resiliency throughout Quality and Supplier programs.



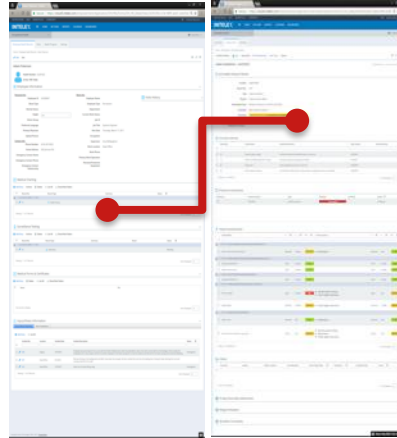
With Change Comes Opportunity

Risk Management



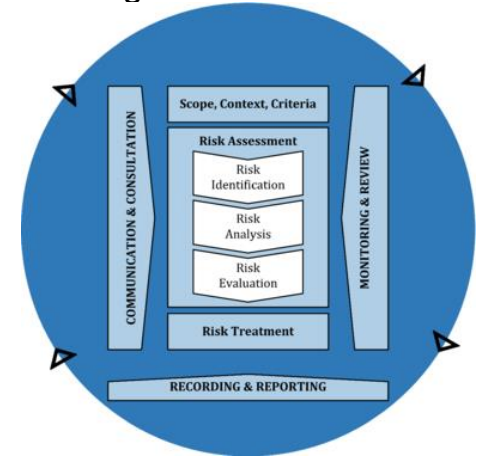
Move from a siloed to an integrated approach to managing risk across an organization

Process Excellence



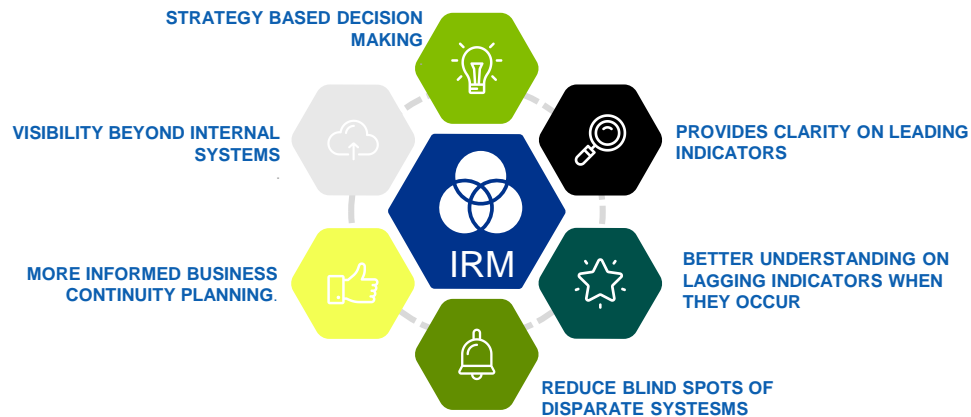
Build additional resiliency and agility at the process level to reduce risk and drive efficiency

Business Continuity Management



Revisiting the management framework to galvanize and guard against future disruption

Re-evaluating Risk Approach



Risk Beyond Internal Management Systems

01



SUPPLY CHAIN

Risk suppliers may encounter disruptions, noncompliance and other issues.

02



GEOPOLITICAL

Trade restrictions, political instability corruption.

03



ENVIRONMENTAL

Pandemic, Extreme weather, Natural disasters.

04



PUBLIC OPINION

General view of supplier or organization chain within the public realm.

Best Practices for Reducing Risk – An Integrated Approach

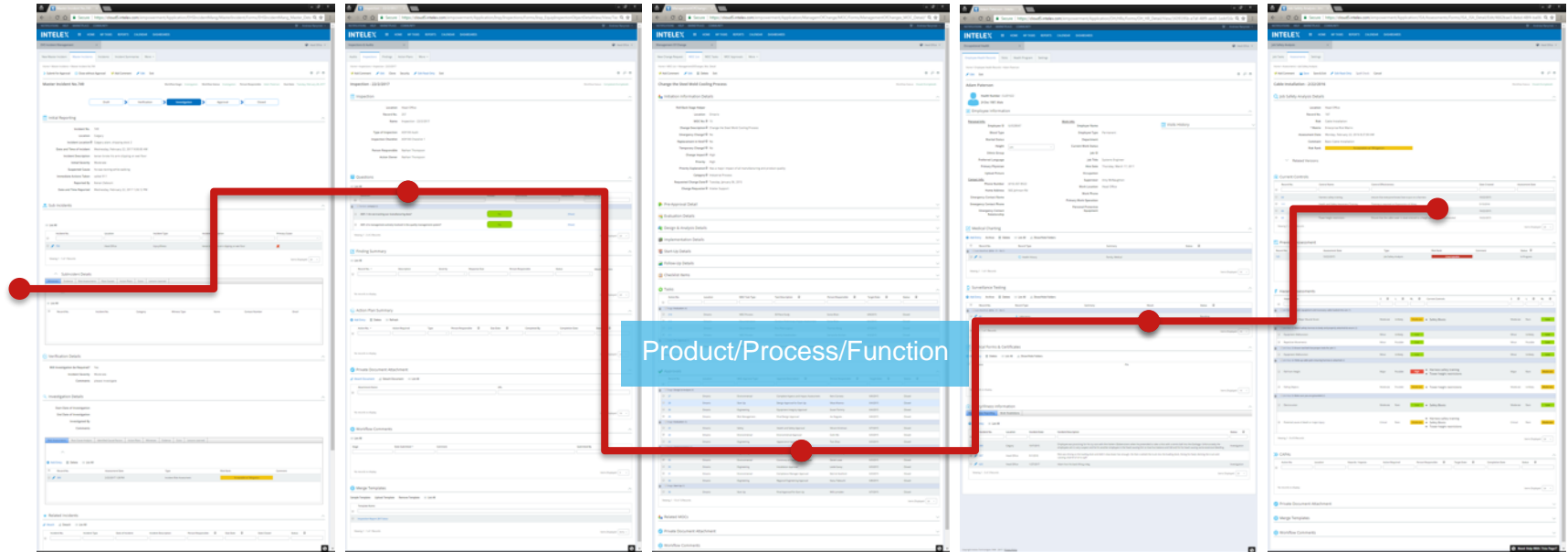
FMEA

Complaints

Audits Findings

NCRS

Supplier Metrics

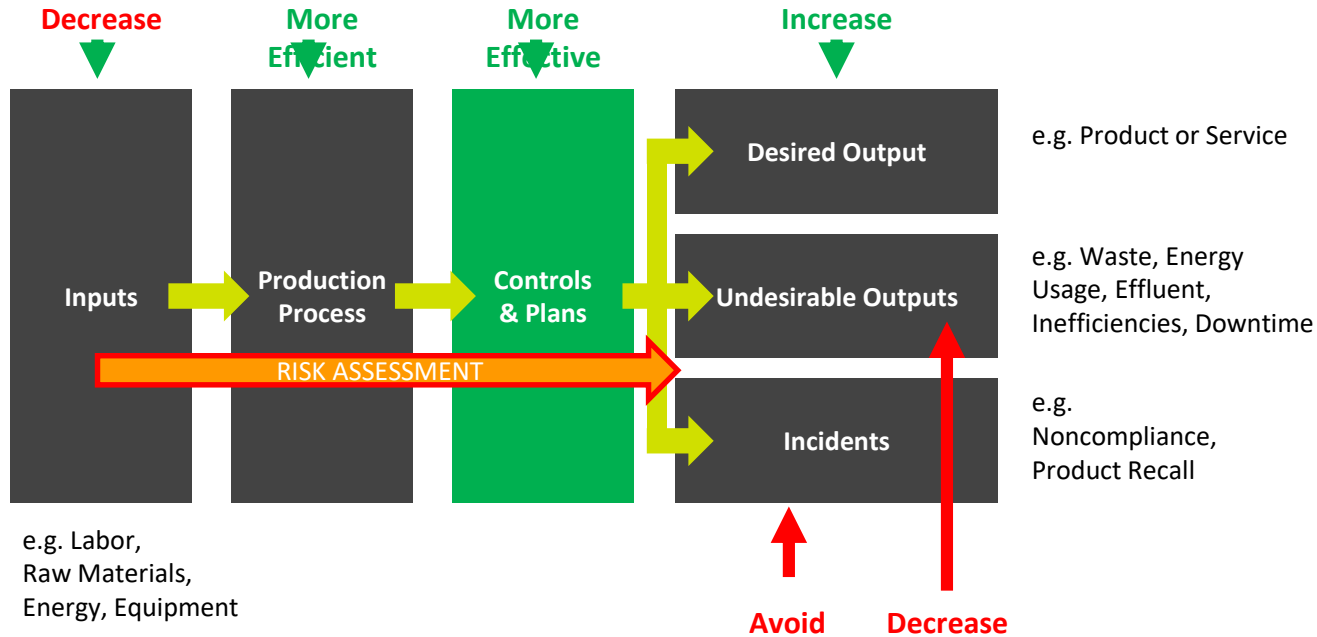
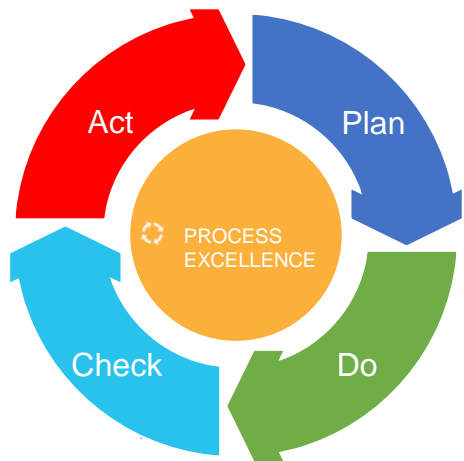


Process Excellence Is Paramount

The management and continuous improvement of your Quality and Supplier processes can contribute significantly to a more resilient approach – building in agility for an uncertain future and driving greater efficiencies when needed most.

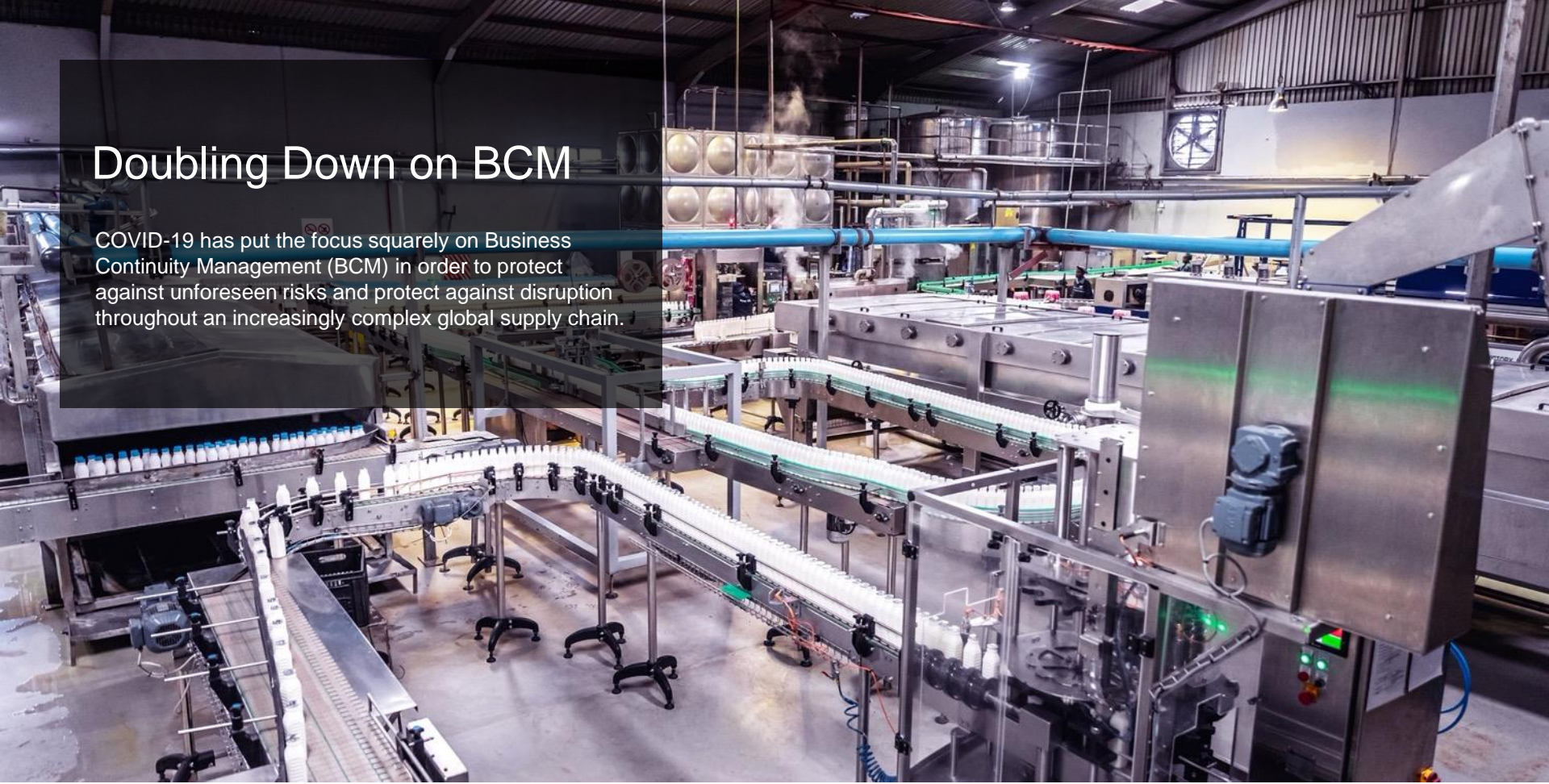


Best Practices for Increasing Process Efficiency



Doubling Down on BCM

COVID-19 has put the focus squarely on Business Continuity Management (BCM) in order to protect against unforeseen risks and protect against disruption throughout an increasingly complex global supply chain.



Doubling Down on Business Continuity Management



Challenges and Opportunities for Industry

The COVID-19 crisis has highlighted the need for additional resiliency and agility in Quality and Supplier management programs, with these industries at the forefront.



Food and Beverage

The COVID-19 crisis has put the focus squarely on the resiliency of the food supply chain. Quality and supplier programs continue to adapt to shifts in demand from consumers, additional operational protocols within production lines, and rapidly evolving supplier relationships.



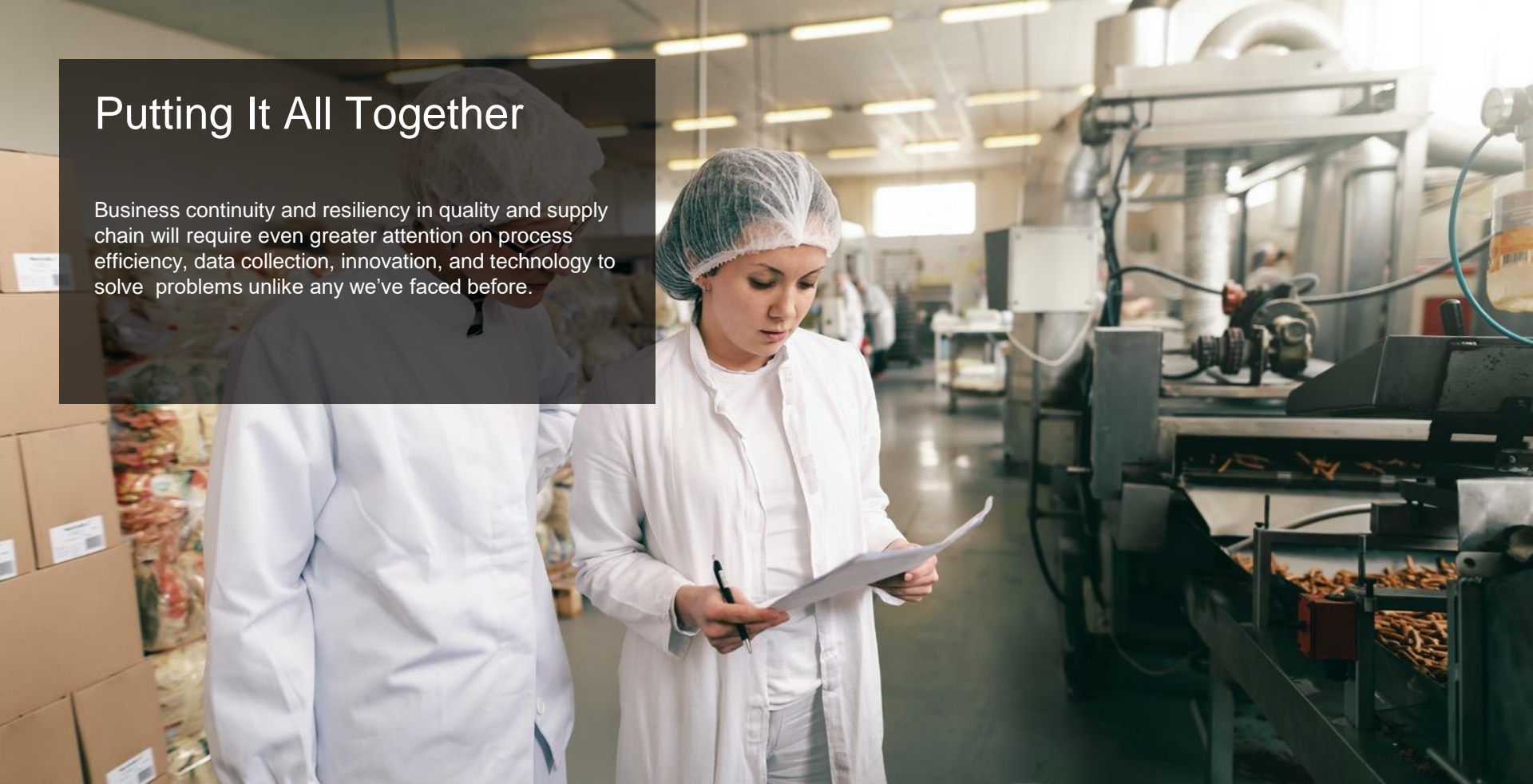
Life Sciences

The COVID-19 crisis has accelerated the need for pharmaceutical manufacturers and medical technology companies to scale up production of critical medical products to battle the pandemic in addition to accelerated therapeutic and vaccine research.



Putting It All Together

Business continuity and resiliency in quality and supply chain will require even greater attention on process efficiency, data collection, innovation, and technology to solve problems unlike any we've faced before.



Introductions and Welcome

Roland Kelly

Fusion Risk Management Inc. *Senior Account Executive*

Menlo Park, California

rkelly@fusionrm.com +1 (650) 324 9001 Office

Early career with BS5750 in Dublin, Ireland (1986), later in European automotive industry with major OEM vehicle manufacturer.

RAB, IRCA, IATCA Lead Auditor QMS Systems (3 Major Global Registrars)

QS-9000 (AIAG) *Approved Automotive Experienced Auditor* 1996

IATF 16949 (IAOB) 1999

AS9100 (IAQG) 2001

TL-9000 (QuEST) 2001

Additional work with ISO 27001 and ISO 22301 (PS-Prep, NFPA 1600 et al)

ASQ Certified Quality Engineer (CQE). BSc (Eng) MSc(Eng) MA

Agenda

1. How does Risk Management mesh with Business Continuity?
2. Key Definitions – Risk, Business Continuity, Business Resiliency
3. How to start and maintain a Business Continuity Program
4. Key Steps to Building Program (RM, BCM, CIM, Resiliency) – 4 Steps
5. How to win and retain Senior Management Buy-In?
6. Biggest Challenges to Effective Implementation
7. Common Program Pitfalls and How to Avoid to ensure Success
8. Additional Resources available from ISO to assist

Why is this important .. ?

Automotive News Europe

HOME FEATURES OPINION PHOTOS MAPS CAR CUTAWAYS EVENTS

May 09, 2018 01:00 AM

Ford, GM, FCA, Mercedes and BMW production hit by U.S. parts plant fire

From staff and wire reports

TWEET SHARE in SHARE EMAIL



NEWS

Kellogg's Honey Smacks Recalled Amid Salmonella Outbreak Investigation

June 15, 2018 · 5:08 PM ET

CAMERON JENKINS



NIKKEI ASIAN REVIEW

News by Location Business Markets Tech Politics Economy

ECONOMY

Flood exposes blind spots in Japan's disaster preparations

Company precautions centered on earthquakes and not torrential rains



Polls

Initial Polls

- Type of Organization represented at today's Meeting
- Senior Leadership engagement levels

Final Polls

- BCMS program maturity level
- Next Steps and engagement with Registrar and Advisory Services.

Thought for the Day ! – Be Resilient

“When everything seems to be going against you, remember that the airplane takes off against the wind, not with it.” Henry Ford

Definitions

Risk

Risk is defined as the “effect of uncertainty on objectives”, which focuses on the effect of incomplete knowledge of events or circumstances on an organization's decision making. (Risk is speculative, can be positive or negative.)

Business Continuity

Business continuity is an organization's ability to ensure operations and core business functions are not severely impacted by a disaster or an unplanned incident that take critical systems offline.

Business Resiliency

Business resiliency comprises crisis management and business continuity and represents the ability of organizations to rapidly adapt and respond to all types of risks – such as pandemic, natural disasters, cyber-attacks, supply chain disruptions et al.

Definitions

Controls

There are three main types of internal controls: **detective, preventive and corrective**. Controls are typically policies and procedures or technical safeguards that are implemented to prevent problems and protect the assets of an organization.

Governance, Risk and Compliance

Governance, risk and compliance (GRC) refers to a strategy for managing an organization's overall governance, enterprise risk management and compliance with regulations. Think of GRC as a structured approach to aligning IT with business objectives, while effectively managing risk and meeting compliance requirements.

How does Risk mesh with Business Continuity

Risk

- Determine every possible disruption to your business (Impact I)
- Determine likelihood of each disruption (Likelihood L)
- Assess, apply controls and measure effectiveness to reduce risk exposure

$$\text{Risk } R = I (\text{impact}) * L (\text{likelihood}) \quad R=IL$$

Business Continuity

- Define business dependencies, impacts, incident management and recovery
- Enable the mitigating measures to reduce or accept the impact if activated.

Combining both allows us to understand, mitigate and respond to disasters.



Customer-Focused View of the Organization

Understanding how the
market is evolving



Mapping of Critical Businesses Services

Third parties as key
extension of the brand



Planning & Testing for Severe but Plausible Events

Knowing your limits, creating
a backup plan



Program Governance & Messaging

Protecting brand
and trust



Forward-thinking organizations have been doing things differently,
focusing on building long-term resilience

ISO 22301:2019 Provides the Roadmap for Your Journey

- Published by ISO (International Organization for Standardization)
- Structured approach to drive business resilience
- Voluntary program – Verified by Independent Certification
- Global interest in ISO 22301 rising fast due to Covid-19 Pandemic

<https://www.isotc292online.org/>

Assess for Resiliency

Plan for Resiliency

Test for Resiliency



Obstacles to Operational Resilience without Structure

MYRIAD SYSTEMS
to support across organization

DISCONNECTED DATA
creates silos of information

Fractured view of
RISK & READINESS

Lack of
ACTIONABLE DATA

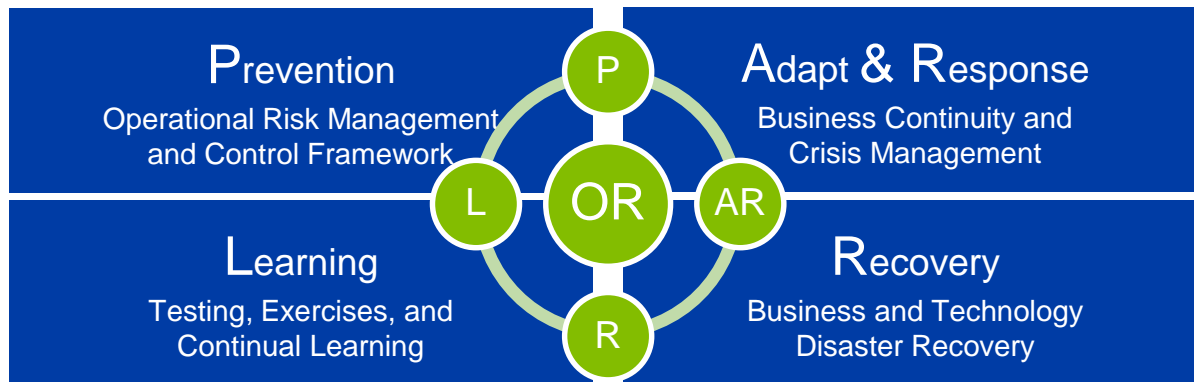
Resistance to
CHANGE



Operational Resilience – Protect Organization

Defined as the ability to Prevent, Adapt & Respond, Recover, and Learn from operational disruptions:
Easy to remember Acronym (**PARRL**)

Protect the Organization and Its Customers and Society



Operational Resilience

4 Key Steps

Process-Risk-Control Framework

- Define your organizational structure
- Create a robust process profile
- Categorize risks into a meaningful taxonomy
- Empower data aggregation, dash-boarding, and reporting

Prevention

Operational Risk Management
and Control Framework

Risk Assessments

- Perform assessments and establish inherent and residual risk
- Identify risk and control deficiencies
- Determine risk and/or control responses
- Develop issues and action plans that can be tracked to closure

Key Risk and Performance Indicators

- Create and link key indicators (KRIs, KPIs)
- Track associated indicator metrics across the enterprise
- Manage underperforming aspects of the organization proactively
- Establish trend analysis and continuously dashboard key indicators

4 Key Steps

Business Impact Analysis (BIA)

- Assess important risks and impacts
- Gather a foundation of company data
- Define risk and business impact driven priorities
- Engage the right resources for a more complete set of information

Adapt & Response

Business Continuity and
Crisis Management

Response Planning and Exercises

- Update and maintain plans
- Manage plan updates efficiently with the centralized procedure library
- Ensure plan quality, accuracy and precision
- Drive better decisions and outcomes

Exercise and Incident Orchestration

- Engage users in simulation and exercise planning
- Orchestrate tasks and activities across the business
- Document issues, actions, and tasks during an event
- Simplify post-event management and support

4 Key Steps

Recovery

Business and Technology
Disaster Recovery

Technology Impact Analysis (TIA)

- Define your organization's technology environment
- Identify critical capability gaps
- Determine dependencies and recovery priorities
- Understand business requirements for recovery and resiliency

Dependency and Business Impact Visualization

- Capture your organization's structured data
- View relationships based on processes and applications
- Recognize impacts
- Support real-time decision making

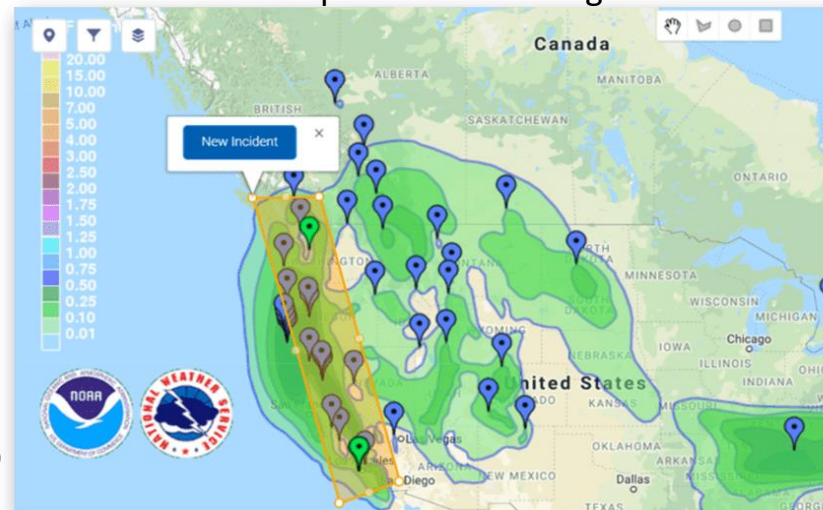
Exercise and Incident Orchestration

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- Document issues, actions, and tasks during an event
- Simplify post-event management and support

Learning

Testing, Exercises, and Continual Learning

- View status, issues, and real-time updates
- Monitor progress against milestones
- Automate incident activation
- Drive action from the interactive map with Geo-Coding



- Generate post-incident reports and share with leadership
- Queue remediation tasks and manage status
- Improve plans through information tracked during the event
- Drive success based on lessons learned

Tying all of this together ..

Gather data efficiently and understand Business Context

- Dynamically map your processes, services, sites, people, and systems
- Create a single operating view of your organization and identify dependencies

Analyze Business Impact and Assess Risk

- Analyze scenarios and assess business impact
- Assess business priorities and set scope
- Uncover and Monitor critical risks

Test, Exercise and Iterate and **Share** Results Enterprise wide

- Create playbooks to leverage in disruption
- Train resources and test your plan
- Outline a roadmap for continuous improvement



How to Win and Retain Senior Management Buy-In



Biggest Challenges to Effective Implementation

Difficult to get key activity owners to participate in BIA

- Automate the collection of this data and make it easy for users to populate this information in an easy to use system, using a relational database. Sell the benefits of the BIA to the process owner to highlight deficiencies in their resource allocation (inadequate tools, equipment, software, hardware, people et al).

Management buy in and providing the necessary resources

- Demonstrate the business value in business terms they value (days sales outstanding DSO creep, revenue loss, delay penalties, premium freight cost, reputational risk and ultimate loss of the business).

Making sure everything is covered in the risk analysis and business impact analysis BIA

- Utilize a structured methodology to compile RA and their relationship to the BIA.

Link between risk assessment and business impact analysis

- Sequence of RA and BIA is not specified. Pick the sequence best suited to your organization's culture.

Avoid complexity – no need for everyone to know everything now

- No need to dissect each clause (of ISO 22301:2019 et al) to each staff member.

Program Pitfalls and How to Ensure Success

Lack of executive commitment

- Appoint a business continuity champion and give them the access to senior leadership to evangelize
- Examine case studies of similar organizations in crisis and those that are thriving: Use evidence of non-compliance supported by corporate audits
- Align BCM to the organization's strategic direction and objectives and relate to corporate priorities
- Use drivers such as corporate governance, compliance, stakeholder and regulatory requirements
- Include senior management in high level BCM awareness events and desktop exercises to promote outside of BC & IT to wider organization

Lack of necessary skills and human resources

- Seek external support
- Network professionally, leverage peers, obtain knowledge, attend conferences and meetings
- Consider automation systems to collect, automate and report on data, ideally within a single pane of glass

Lack of financial resources

- Use staged implementation
- Prioritize corporate projects
- Integrate with other management systems
- Incorporate into existing resiliency systems

Lack of communication channels

- Hold roundtable meetings, staff meetings, bulletin boards, improvement circles, simplify the message.

Lack of awareness and perceived value across the organization

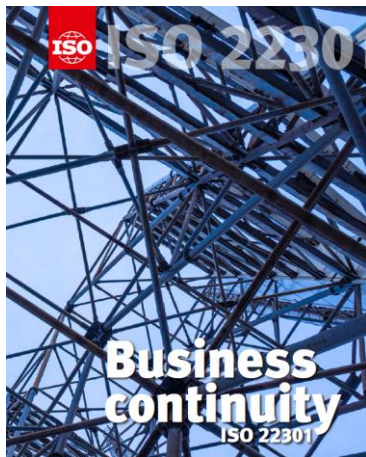
- Create a BCM awareness program -- 5W Messaging & Awareness (What, Why, Who, When Where – How)
- Emphasize BCM benefits for the workplace and the workforce
- Develop simple messaging into all staff communications, text alerts, memos, posters, videos, town hall meetings and electronic and v-mails from executive leadership.

Additional Resources Available from ISO to Assist

<https://www.iso.org/covid19>
<https://www.iso.org/covid19-members>

Link to free-view ISO 22301:2019
<https://www.iso.org/obp/ui#iso:std:iso:22301:ed-2:v1:en>

ISO Guide 72:2001
Justification & Development Standards



Who is **ISO 22301** for?

ISO 22301 is applicable to all organizations, regardless of size, industry or nature of business. It is also relevant to certification and regulatory bodies as it enables them to assess an organization's ability to meet its legal or regulatory requirements.

Based on ISO's High-Level Structure (HLS), it aligns with many other internationally recognized management system standards, such as ISO 9001 (quality management) and ISO 14001 (environmental management). As such, it is designed to be integrated into an organization's existing management processes.

ISO 22301 is useful for business continuity and risk professionals, supply chain directors, audit managers and associates, developers of corporate social responsibility reports, regulatory bodies and anyone else involved or interested in business continuity.

How do I get **started**?

If you are considering implementing ISO 22301, here are a few tips to get you started:

- Ensure you have buy-in from top management. A business continuity management system can only be effective if those in decision-making positions provide genuine support and treat it as a high priority.
- Do a readiness assessment to establish where you are in relation to the standard's requirements and what level of resources you will require to meet them.
- Undertake a business recovery exercise to consider carefully what you would currently do should there be a disruption to any area of your business. This will help you to be clear on how capable your organization is to respond and how ISO 22301 can help.

For more information, see our dedicated Web page on ISO management system standards (www.iso.org/management-system-standards) or contact your national ISO member.

What **improvements** were made?

ISO 22301 was revised in late 2019 to reflect ongoing changes in the business continuity world and bring more value to users. The text has also been improved to provide increased clarity and consistency.

The changes include:

- The structure of the standard has been reviewed to make it easier to read and implement, with greater clarification of what is required.
- The language and terminology have been simplified to remove duplication and better reflect today's thinking in the business continuity industry.
- The High-Level Structure (HLS) has been streamlined to remain in line with all other ISO management system standards.

What are the **benefits** for my **business**?

ISO 22301 brings together international best practice to help organizations respond to, and recover from, disruptions effectively. This means reduced costs and less impact on business performance should something go wrong. What's more, companies with multiple sites or divisions can rely on the same consistent approach throughout the entire organization.

Other benefits include:

- The ability to reassure clients, suppliers, regulators and other stakeholders that the organization has sound systems and processes in place for business continuity
- Improved business performance and organizational resilience
- A better understanding of the business through analysis of critical issues and areas of vulnerability

ISO 22301 also gives a clear and detailed view of how an organization operates, offering valuable insights that are useful for strategic planning, risk management, supply chain management, business transformation and resource management.

ISO 22301 Business Continuity **PUB100442**

IATF 16949:2016 Clause 6.1.2.3 Contingency Plans

6.1.2.3 Contingency plans

The organization shall:

- a) identify and evaluate internal and external risks to all manufacturing processes and equipment essential to maintain production output and to ensure that customer requirements are met;
- b) define contingency plans according to risk and impact to the customer;
- c) prepare contingency plans for continuity of supply in the event of any of the following: key equipment failures (also see Section 8.5.6.1.1); interruption from externally provided products, processes, and services; recurring natural disasters; fire; utility interruptions; labour shortages; or infrastructure disruptions;
- d) include, as a supplement to the contingency plans, a notification process to the customer and other interested parties for the extent and duration of any situation impacting customer operations;
- e) periodically test the contingency plans for effectiveness (e.g., simulations, as appropriate);
- f) conduct contingency plan reviews (at a minimum annually) using a multidisciplinary team including top management, and update as required;
- g) document the contingency plans and retain documented information describing any revision(s), including the person(s) who authorized the change(s).

The contingency plans shall include provisions to validate that the manufactured product continues to meet customer specifications after the re-start of production following an emergency in which production was stopped and if the regular shutdown processes were not followed.

How to Satisfy Requirements of IATF 16949:2016 Clause 6.1.2.3 with Fusion Risk Management

Discover What's Possible with Fusion

- Business Continuity Management
- IT Disaster Recovery
- Integrated Risk Management
- Crisis & Incident Management
- Incident Response, Safety, & Security



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UK: +44 (0) 20 3884 3538
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Choose Success. Choose Fusion.

a) identify and evaluate internal and external risks to all manufacturing processes and equipment essential to maintain production output and to ensure that customer requirements are met;

Conducting risk assessments is a core, out-of-the-box feature of the Fusion Framework® System™. Our hierarchical organization model allows assessments at each level of your organization. Both internal and external risks are tracked and linked directly to production.

b) define contingency plans according to risk and impact to the customer;

Fusion provides comprehensive plan management targeted towards risk and impact. Leverage metrics for more detailed analysis and automate the gathering of analytics across the enterprise.

c) prepare contingency plans for continuity of supply in the event of any of the following: key equipment failures (also see Section 8.5.6.1.1); interruption from externally provided products, processes, and services; recurring natural disasters; fire; utility interruptions; labor shortages; or infrastructure disruptions;

Fusion captures any type of data related to incidents, and tracks the recovery sequencing of sites, equipment, processes, applications, and infrastructure.

d) include, as a supplement to the contingency plans, a notification process to the customer and other interested parties for the extent and duration of any situation impacting customer operations;

The Fusion Connectors for MIR3, SendWordNow, and Everbridge enable you to launch notifications via phone call, SMS, and email, directly from within the Fusion Framework® System™.

e) periodically test the contingency plans for effectiveness (e.g., simulations, as appropriate);

Test your contingency plans' effectiveness utilizing our incident management capabilities. Activate multiple plans and track their progress in real time. Dynamically sort procedures based on any criteria and track them in reports and dashboards.

f) conduct contingency plan reviews (at a minimum annually) using a multidisciplinary team including top management, and update as required;

Easily review contingency plans using automated workflows and email notifications, reminding owners when their reviews or updates are due. Centrally manage plan information and push common updates to multiple plans at once.

g) document the contingency plans and retain documented information describing any revision(s), including the person(s) who authorized the change(s);

Fusion allows you to manage version control and plan history. The system is equipped with extensive history tracking and audit capabilities. Any value changes can be time, date, and name stamped.

Polls

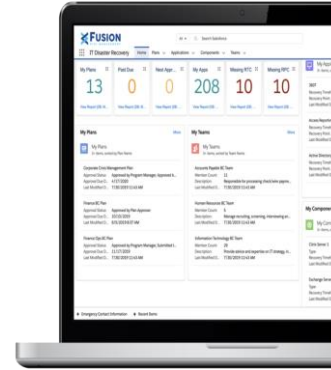
Final Poll Questions

- BCMS program maturity level
- Next Steps and engagement with Registrar and Advisory Services.

Questions and Requests

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*For access to complete overview of ISO 22301:2019, Requirements and How to effectively Implement using 16 Step Process please request via e-mail to above.
(60m Recording and Presentation Deck will be sent.)*

First broadcast nationally to Association of Continuity Professionals. April 28, 2020
<https://acp-international.com/>

Link to free-view
ISO 22301:2019 <https://www.iso.org/obp/ui#iso:std:iso:22301:ed-2:v1:en>

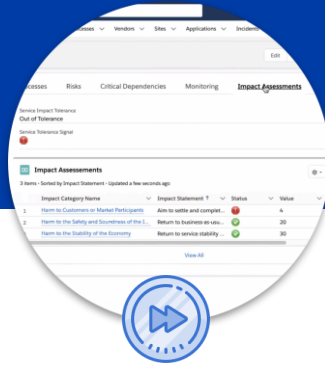
Optional Additional Slides – Fusion Centric

Fusion allows you to align your existing teams, processes, technology and data, building resilience culture



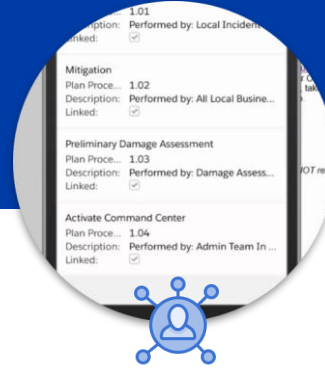
Accuracy

Leverage the data you already have in hand to gather a real-time view of critical business services.



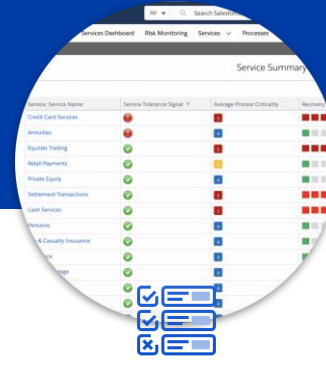
Efficiency

Spend less on cost of compliance while doing more.



Speed

Respond instantly to an always-changing risk landscape.



Focus

Elevate what is important when it is important. Understand real impact.

Community Connector

servicenow

everbridge



REST & SOAP API's

System Connectors



Data
Loader

(x) matters

MIR3



Send Word Now
EVER MESSAGE COUNTS

Governance

Business
Continuity
Management

IT Disaster
Recovery
Management

Crisis and
Incident
Management

Risk
Management

Third-Party
Management



Fusion
Framework
System

Impact Assessments
Information Foundation
Program Management
Dependency Mapping
Analytics

Dynamic Plan Development
Risk Data Visualizer
Site and Situation Mapping
Document Generation

Solutions
Library



lightning platform

Scalability
Availability
Workflow Automation
Security and Access

Reports and Dashboards
Mobile
User Interface
Integration and APIs

Shield

Initial Activities for Operational Resilience



Identify Services

Organizations need to identify and document the critical or important business services which have considerable systemic impact internally and externally



Map Resources

Service dependencies need to be mapped using processes as the center point – critical resources are systematically brought to the surface for analysis and consideration



Set Impact Tolerance(s)

Impact tolerances are set (based on specific impact categories) leveraging the most critical data/information fed from the mapped resources and continuous monitoring activities



Scenario Testing and Validation

Organizations must test their ability to remain within impact tolerance for each critical or important service – this helps to validate the confidence level on the resilience of services

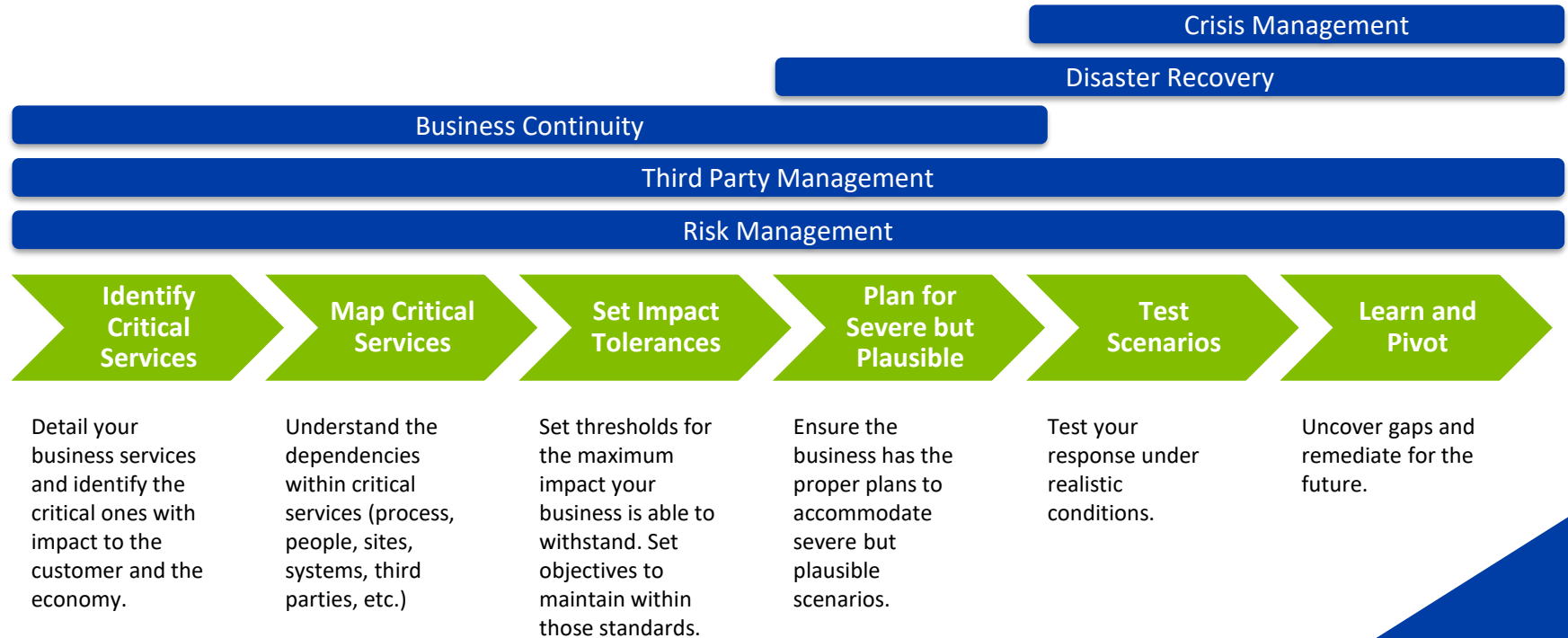


Response and Communication

Impact tolerance testing and analysis should focus on the response and recovery actions organizations would take to continue the delivery of critical or important business services



And provide clarity in chaos





Fusion unlocks a common operating picture of your firm



MEET AN EVOLVING MARKET & Regulatory Environment

Fusion helps you get ahead of changing market and regulatory requirements while reducing cost.



REDUCE YOUR RISK

Fusion detects risks and incidents before they escalate and streamlines your team's response.



OPTIMIZE PERFORMANCE

Fusion maps your third-party relationships, reduces silos, helps you establish clear priorities, and improves data quality.



MAKE FASTER, MORE INFORMED DECISIONS

Fusion's services view and insights accelerate innovation and provide a more strategic, market-aware, and customer-focused outlook.



BUILD AGILITY

Fusion's proven toolsets foster dynamic, nimble, interconnected teams that flex to the changing nature of risk.



DELIVER CUSTOMER EXPERIENCES THAT DELIGHT

Fusion assesses your weakest links, enabling your institution to be reliable, responsive, and innovative.

Contact



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For access to complete overview of ISO 22301:2019, Requirements
and How to effectively Implement using 16 Step Process

Please request via e-mail to above.

(60m Recording and Presentation Deck will be sent.)

Link to free-view **ISO 22301:2019**

<https://www.iso.org/obp/ui#iso:std:iso:22301:ed-2:v1:en>



Questions?

Thank You!