



Association of Contingency Planners Garden State Chapter Newsletter

Dedicated to the evolution of Business Continuity

August 2010

President's Corner Stan Carlstadt

I hope everyone is having a great summer – and that your air conditioners are in good working order!

It looks like 2010 is breaking all kinds of records. I just read that the first 6 months of this year have been the warmest on record. This is not something to look forward to since hot summers can often lead to problems in the power grid such as brown-outs, etc. Fortunately, I think all of our DR Plans cover that type of scenario. But who would have thought of a volcano disrupting and literally shutting down all air traffic on an entire continent? I don't think it caused any DR Plans to be invoked other than by the airlines. But it does give all of us BC/DR practitioners something new to think about!

I asked Cheyene Haase of BC Management to write an article on "Benchmarking" for this newsletter. I was doing research for a potential Benchmarking project for a client and talked with BC Management as well as a couple of other providers of this data.

Continued on Page 4

INSIDE THIS ISSUE

Crisis Management	
Planning	2
Chapter Snapshot	3
Chapter Sponsors	4

Why is Benchmarking so Important for your BCM Program?

By Cheyene Haase
President
BC Management, Inc

It's human nature to be curious to know what someone else is doing. Same can be said for the need to utilize market trend analysis or research data to answer your business continuity program management questions. Why not? Research data is not a new concept. Companies can target research data for just about any other discipline in answering any question under the sun. So why should the business continuity profession be different? Just imagine the ability to tap into unbiased, completely customizable data concerning other similar organizations to your own. How would you use information tailored to your organization, targeting companies that are of similar industry, similar size and similar program scope? So let's take a look at the key questions. What is research data? Why are executives concerned about benchmarking? How can you use it? Where can you obtain customized data? When should research data be used?

Utilizing research data or the process of benchmarking is defined on Wikipedia as "a process used in management and particularly strategic management, in which organizations evaluate various aspects of their processes in relation to best practice companies' processes, usually within a peer group defined for the purposes of comparison. This then allows organizations to develop plans on how

to make improvements or adapt specific best practices, usually with the aim of increasing some aspect of performance. Benchmarking may be a one-off event, but is often treated as a continuous process in which organizations continually seek to improve their practices." The key behind a beneficial business continuity program management benchmarking assessment is to utilize data that is unbiased, vetted for accuracy and customized to your organization and/or scope of program.

Why should you or your executives be interested in research data? Have you ever heard the infamous question, "What are other organizations doing with their program?" Most professionals would prefer to be prepared to answer that question at the next executive board meeting. Besides simply answering the question, business continuity professionals need all the ammunition they can get their hands on in supporting their continuity program management decisions. Currently you can tap into customer requirements, you understand the importance in meeting regulations and passing an audit with flying colors and you can investigate your organization's tolerance for risk. But, what about utilizing market trend analysis? Obtaining research data is a crucial step in the process of gathering all pertinent information to deliver a

Continued on Page 3

Crisis Management Planning

By Al Rennick, CBCP

Many of us remember the Tylenol incident in 1982 and the Pepsi incident in 1993. These companies' survived those incidents because of proper Crisis Management Planning. They took immediate action when the crisis was detected. They removed their products from the supermarket shelves, faced the media and public to answer questions and reimbursed the cost of the product to consumers who had purchased the recalled items. They effectively executed their crisis management plan.

More recently we have the BP Gulf Oil Crisis. In contrast to the Tylenol and Pepsi incidents, BP's approach to handling this crisis and their communication with the media and public has been a series of defensive plays. Public pressure caused BP to reassess their position. Because of the magnitude of the disaster the ecosystem will take years and possibly a decade to recover.

Before describing Crisis Management Planning, it's important to understand the definition of a crisis. For the purpose of this article a crisis is defined as a critical event, which, if not handled in an appropriate manner, may dramatically impact an organization's profitability, reputation, or ability to operate. Crisis Management Planning documents the actions and procedures to effectively respond and execute to a crisis in an effective and timely manner. The goal is to avoid or minimize damage to people, the business functions, and

assets of an organization. There are 3 stages to crisis management planning (*see figure below*).

The pre crisis stage originates when there is a warning that a problem could occur or when a problem is uncovered and not known outside the organization. This stage also allows for pre planning activities to be completed

The crisis stage originates when the problem becomes known outside the organization. All actions are in a reactive mode.

The post-crisis stage begins when the crisis is under control. It's during this stage that the organization demonstrates to the client the concerns that the crisis has caused them and what changes may occur to minimize future events from occurring.

Responding to crisis situations in a timely and efficient manner is paramount to avoid injury to persons, damage to facilities and systems, or lengthy interruptions to business processes. The approach to accomplishing this will be dependent on the structure of the organization, leveraging the roles and responsibilities of the teams within the organization.

The responsibility of recruiting the Crisis Management Team (CMT) falls under the direction of the Executive Management Team (EMT). The CMT is responsible for responding to the crisis with the appropriate response based on the situation. The EMT among other

responsibilities will address media questions and concerns. Once the crisis is over, the EMT will then do an assessment analyzing the performance of the CMT and documenting lessons learned. The CMT disbands and goes back to business as usual.

The most effective way to deal with a crisis is to be prepared for a crisis. Conduct a risk assessment and identify the potential risks that will impact your Company. Develop multiple agendas to respond for each identified risk. A sample agenda might be:

- Are there injuries to personnel, visitors, etc?
- Have local authorities been contacted?

Continued on Page 3

ACP Garden State Chapter Executive Board

President
Stan Carlstadt

Secretary
Lori Keenan

Treasurer
Betty Byrnes

Education Director
Travis Lamberson

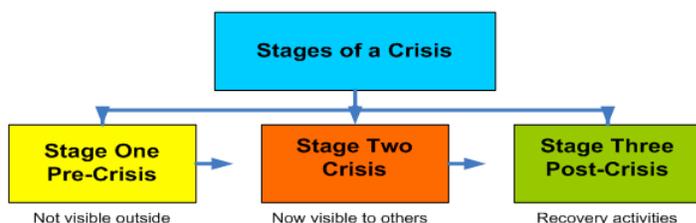
Information Director
Bernard Jones

Publications Directors
Bill Michael
Michael Isaac

Program Director
Michael Beninato Sr.

Membership Director
Debbie Nicholas

Public Relations Director
Al Rennick
Mort Mikkelsen



Why is Benchmarking so Important for your BCM Program?

Continued from Page 2

clear, succinct message to your executives on why business continuity planning management is important and what actions need to be taken. It is the key behind solidifying their commitment.

So how can your organization and program benefit from research data? Benchmarking is a powerful tool in assessing potential program gaps, enhancing awareness throughout the organization, gaining and solidifying executive support, supporting your decisions and kick starting your program initiatives. Again, it is the ability to tap into research data customized to your organization in an effort to understand what, where, how, why, when and to what extent to answer your business continuity management questions, whatever those might be. As an example, many organizations seek data to increase dedicated personnel and/or budgets, better position the program for maximum visibility, understand how engaged other executives are with the program planning process, define their business continuity programs from the ground up, get more out of your program with a limited budget, increasing organizational awareness, define regulations and/or organizational certification, understand how disasters impact organizations and assess third party service providers. Really.... There are countless scenarios.

Where can I obtain research data? Professionals within the business continuity field are fortunate to have a close network of forums and associations to tap into for peer based research data. However, if you prefer not to do your own research leg work, there are other sources you can count on. Gartner and Forrester, to name two prominent leaders in research

data, have always collected an abundance of information covering a broad scope. These two organizations are incredible resources if you are seeking very broad based research data. Several other continuity service providers/ consulting organizations have access to powerful research data too. BC Management has also been collecting data on business continuity management initiatives for over 5 years. Research data offered by BC Management focuses on the strategic side of business continuity planning management initiatives.

When is the best time to utilize research data? There is never a bad time to use research data. But, interestingly enough it appears that a very opportune time is in the present. Over the course of the last 2 years numerous organizations have reduced their sponsorship in business continuity planning efforts due to financial hardships. Now more than ever organizations and executives are rediscovering their obligations to the business continuity management program. Now more than ever these executives want to know how other organizations are managing their business continuity planning initiatives. Times are still tight and executives are heavily scrutinized. They need to be smart about the decisions being made. Business continuity professionals need to be armed with information to help their executives, along with themselves, in their decision making process.

Benchmarking may serve a one-time purpose for your organization, depending on your BCM program needs. Tapping into all available information, though, is powerful step in delivering a clear, succinct message to your executives and supporting your decisions.

Crisis Management Planning

Continued from Page 1

- Gather all available information on the situation.
- Is there advance warning or is immediate action required?
- Is the situation local or wide spread?

This is part of the pre crisis planning stage and will assist immensely when a crisis situation arises. Develop a checklist to assist in dealing with a crisis for both the EMT and CMT.

In summary let me say that you need to test the crisis management plan. Update the plan every quarter particularly the contact information. In the BP Oil Crisis in the Gulf, the contact information had not been updated. When it was used, the information was old and this caused a delay in getting management's response. Train the CMT at least every 6 months. Include the EMT and use a scenario that pertains to a risk identified in the risk assessment. Look at other companies in your line of business that had to respond to a crisis. See if they will share their experiences with you. What worked well and what didn't work well.

Chapter Snapshot – June 8th at Bank of America



Speaker - Mort Mikkelsen - DBSi

Host - Lori Keenan

Speaker - Al Rennick – DR Consultants

Speaker - Jonathan Tetzlaff – Merck

Chapter Meeting Sponsors

The ACP Garden State Chapter would like to take this opportunity to thank the sponsors who helped to make our chapter meetings a success!

BAE Systems



Hewlett Packard



**New Jersey State Office of
Emergency Management
OEM – ROIC**



Medco Health Solutions



Newark Airport

Newark Airport



President's Corner Continued from Page 1

I was impressed with the work BC Management has done in developing a Benchmarking tool and with their enthusiasm for the subject. I haven't seen any articles on Benchmarking in the various DR magazines so I asked Cheyene if she wouldn't mind writing a "generic" article about it. I hope you enjoy it.

Our June 8th Chapter Meeting at Bank of America/Merrill Lynch was a great success. Many thanks to our Chapter Secretary, Lori Keenan for hosting another great meeting for us (3rd time)!

It looks like our upcoming August 10th meeting at Educational Testing Services (ETS) in Princeton is going to be another interesting one. Registration is now open on our website along with the agenda and directions. The ETS campus is a really lovely 100+ acre tract of land on the edge of Princeton. Hope you can make it.

In closing, I would like to thank Bill Michael and Mike Isaac, two members of our Board of Directors, and the editors of this newsletter for producing a really professional product. When you see these guys at one of our Chapter Meetings, how about introducing yourself and thanking them for their efforts? Hope to see you at ETS on August 10th – until then – smooth sailing.

Respectfully,

Stan Carlstadt



We Need Your Help!

We need your help to make the ACP Garden State Chapter Newsletter a success. We are looking for volunteers to submit article ideas, photographs, news of industry events, notices of community events pertaining to emergency preparedness and business continuity. The more information we receive the better the newsletter will be because it will be an effort of the entire membership, not just the views of a few of us that sit on the Chapter Board of Directors. So please, get involved, we need your help!

Are you planning to attend an industry event or local industry event?

- Take your digital camera along and take some photos
- Write a few lines about the event, tell us who attended, names of speakers and topics, etc.

Send your submissions to Bill Michael at bmichael@orcc.com and Michael Isaac at misaac824@yahoo.com.

The ACP Garden State Chapter Newsletter
is published Quarterly