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Government of South Australia
Department of Trade and Economic
Development

business continuity management information kit

www.southaustralia.biz



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INTRODUCTION

The Department of Trade and Economic Development has developed this information kit to assist South Australian businesses to develop a Business Continuity Management Plan to deal with a range of emergencies, including:

- Bushfires
- Floods
- Disruption to supply

This kit has two sections:

- **Business Continuity Management:** this section is a step by step guide to assist businesses to prepare for potential hazards.
- **Pandemic Influenza:** this section includes information that will assist businesses to prepare for the possible outbreak of pandemic influenza.

SECTION 1: BUSINESS CONTINUITY

What is Business Continuity Management?

Business Continuity Management is about being prepared to manage any disruption to your business to ensure the continuity of services to your customers.

You want your customers to know that you can provide “business as usual” even if others around you are experiencing difficulties. The disruption to your business could be caused by an emergency such as a flood, or a critical input disruption such as an extended electricity blackout.

What is a Business Continuity Management Plan?

A Business Continuity Management Plan comprises those documented arrangements that enable you to manage any disruption to your business and maintain the continuity of services to your customers.

Why should I prepare a Business Continuity Management Plan?

By preparing a Business Continuity Management Plan your business will be more likely to survive an emergency or critical input disruption. The ability to continue trading while competitors experience disruptions may enable you to gain market share and grow your business.

Your staff, key customers and insurer may also like to know you have a Business Continuity Management Plan. This will give them more confidence that your business is well organised and able to withstand business disruptions.

Business Continuity Management planning will also help you to better understand your business, and its vulnerability.

Is my business at risk?

Businesses across South Australia are at risk from many natural and societal hazards. These hazards include:

- Bushfires
- Pandemic Influenza
- Floods
- Building fire
- Criminal activity
- Staff loss
- Electrical failure
- Fuel supply disruption
- Machinery failure
- Computer failure

Through adequate preparation, the risks to your business can be minimised.

How long will it take to prepare a Business Continuity Management Plan?

The time it takes to develop a Business Continuity Management Plan will depend on the size and complexity of your business. However, for a small business this may only take a few hours.

This Guide will lead you through a series of simple steps and questions that will assist you to develop your Business Continuity Management Plan.

How much will a Business Continuity Management Plan cost?

This will depend on your business. All that may be required is some of your time to prepare the plan.

What is involved in preparing a Business Continuity Management Plan?

There are just a few steps involved in preparing a Business Continuity Management Plan.

- 1 Know your risks.
- 2 Conducting a Business Impact Analysis. This involves identifying your key products and services, deciding how long you can stop delivering them, and identifying your critical inputs.

Y MANAGEMENT

- 3 Developing continuity strategies to operate your business.
- 4 Identifying communications needs.
- 5 Being ready to go.
- 6 Reviewing your plan.

Developing your Business Continuity Management Plan

Step 1 – Know your risks

Businesses are at risk from many natural disasters, societal hazards and supply chain disruption. The range of risks includes:

- Bushfires
- Pandemic Influenza
- Floods
- Building fire
- Criminal activity
- Staff loss
- Electrical failure
- Fuel supply disruption
- Machinery failure
- Computer failure

It is important to understand these risks and how your community will manage them. For example, in a flood how do you get information about expected flood heights and road closures? Knowing this will help you with your contingency response.

Step 2 – Conducting a Business Impact Analysis

This involves identifying your key products and services, deciding how long you can stop delivering them, and identifying your critical inputs.

In this step it is important to be clear on what key products and services are produced by your business. You may wish to prioritise these based on the amount of profit they produce for your business. For each key product and service, identify how long you could stop delivering it before your business would experience difficulties.

The length of outage your business can tolerate will vary depending on the time of day, day of the week and time of year. For example, if your busiest trading week of the year makes enough profit to carry you through the quiet periods then you are less able to withstand a sustained outage at this time. Plan for the duration of outage you can withstand during this period.

The Maximum Acceptable Outage may be based on lost income, public disruption or regulation compliance issues. The answers to this question will be different for every business. We will use the examples of a small owner-operated florist employing a number of casual staff and a hotel in a country town.

Examples:

| Key products and services for a florist | Maximum Acceptable Outage |
|---|---------------------------|
| Flower sales at store | 1 day |
| Home delivery flower sales | 1 day |
| Card sales at store | 3 days |
| Gift sales at store | 2 weeks |
| Staff payments | 1 week |
| Tax payments | 3 months |

| Key products and services for a hotel | Maximum Acceptable Outage |
|---------------------------------------|---------------------------|
| On site cold drink sales at bar | 1 day |
| On site bottle sales from liquor shop | 2 days |
| Fuel sales | 2 hours |
| On site accommodation | 3 days |
| On site food sales | 3 days |
| On site entertainment | 2 weeks |
| Staff payments | 1 week |
| Tax payments | 3 months |

Business continuity means that you must find a way to restore your products and services within the Maximum Acceptable Outage.



The business could be disrupted because of a total loss of assets resulting from a flood or fire. However, often the disruption is caused by lost access to a critical input that is needed to operate the business.

Identifying your critical inputs

In this step it is important to understand the critical inputs that enable you to provide each of your business's products and services. These would be essential to restart your business if there was a disruption.

Critical inputs may include specialist and generalist staff, electricity, water, fuel, vehicles, raw materials, equipment, premises, eftpos, computer records, etc.

Example – In our florist example critical inputs for each key product and service may include:

| Product or Service | Critical Inputs |
|---------------------------|--|
| Flower sales at store | Flower supplies 120 bunches delivered twice weekly Eftpos Electricity Florist (x1) and counter staff (x2) Water (200 litres per day) Shop front facing main street Cool room (8 sqm) Accounts |
| Home deliver flower sales | Vehicle and driver Fuel (40 litres per day) Accounts |
| Card sales | Card supplies (400 per month) Eftpos Electricity Shop front facing main street Counter staff Accounts |
| Gift sales | Gift supplies (300 items per month) Eftpos Electricity Shopfront facing main street Counter staff Accounts |
| Staff payments | Banking services Staff hours book |
| Tax payments | Account records Banking services |

Should your business be destroyed by a structural fire or natural disaster you now know what critical inputs you need to put in place.



Step 3 – Developing continuity strategies to operate your business

With some forethought, you can develop continuity strategies to operate your business after a disruption before the Maximum Acceptable Outage is reached.

The range of continuity strategies you might consider include:

- Cross-training staff and skill sharing
- Hiring equipment
- Borrowing equipment with another business
- Having backup equipment
- Retaining old equipment when it is replaced
- Practising manual processes to replace computer systems
- Identifying alternative suppliers
- Having records and forms stored off site
- Keeping computer backups off site
- Contracting out
- Having insurance policies, contracts and other important documents copied and kept off site
- Succession planning

For each product or service, develop a continuity strategy to restore business before the Maximum Acceptable Outage is reached.

| Product or service | Continuity strategy |
|---------------------------|--|
| Flower sales at store | Operate from home, or share space at chemist shop, or rent vacant shop. Manual processing of eftpos using machine stored at home or use eftpos in shop next door until replaced. Rent cool room trailer from hire company. Need 6 kva generator to power cool room. Obtain from local hire company. Daily accounts backup kept at home. Lease new computer. |
| Home deliver flower sales | Use an alternative driver. Use alternative driver when regular driver is on leave, etc. to build an understanding of business. Could also use local taxi. |
| Card sales | Restock with new supplies. If supplier closes, possibly use Fred Bloggs card shop in Adelaide. |
| Gift sales | Restock with new supplies. If supplier closes, possibly use Jane Doe gift shop in Adelaide. |
| Florist skills | Use Mrs Smith, a retired florist, and use counter staff (need to build their skills). |
| Counter staff | Use a number of casuals to ensure flexibility. |
| Staff payments | Through goodwill, staff will wait an extra week for pay. |
| Tax payments | Keep copy of all financial records at home and originals at work in case one set is destroyed. |



Once you have developed your continuity strategies, you need to ensure that the training, equipment, relationships, etc. are in place. If you store items that deteriorate – such as fuel – you need a process to replace them as required. If your strategies depend on staff performing tasks that they do not usually do, you will need to arrange regular practice for them.

You will also need to ensure staff members know the triggers for activating the Business Continuity Management Plan. The triggers must allow adequate time to implement your contingency strategies before you reach the Maximum Acceptable Outage. The plan should also set out clear accountabilities for staff so they know who is responsible for each action.

Once you have decided on the best contingency strategy option, write it in your plan.

Step 4 – Identifying communications needs

The success of your Business Continuity Management Plan may depend on ensuring the right people and organisations are contacted quickly. This will ensure you get the help and support you need to maintain your business.

Some of the key contacts you need include:

- Staff
- Key customers
- Insurance company
- Financial institution
- Suppliers
- Alternative suppliers
- Contractors
- Regulator
- Hire companies
- Equipment maintenance companies

Your staff will want to know whether they still have a job and how they can help.

Your customers will want to know if you will meet existing orders and to be reassured that you will continue to operate.

Your suppliers will want to know if you still need orders already placed and what they can do to help.

You may also need to place an advertisement in the local press informing your customers and suppliers of the status of your business.

Example – In our florist example key contacts include:

| Key contact | Contact number |
|--|----------------|
| Eftpos faults | |
| Telstra faults | |
| Electricity authority | |
| Local real estate to rent alternative premises | |
| Flower supplier | |
| Alternative flower supplier | |
| Alternative counter staff | |
| Retired local florist | |
| Alternative vehicle drivers | |
| Gift supplier | |
| Alternative gift supplier | |
| Card supplier | |
| Alternative card supplier | |
| Insurance company | |
| Florist in neighbouring town | |
| Electrician | |
| Refrigeration mechanic | |
| Local hire company | |
| Office equipment lease company | |
| Major customers | |
| Bank manager | |



Step 5 – Being ready to go

Your contingency strategies will be most successful if you practice them regularly. Staff will need to be clear on when your continuity plan is to be deployed and know the triggers to start using it. It may be helpful to conduct some business continuity exercises. An exercise can be as simple as a discussion about what people would do if a range of situations occurred.

- The electricity supply will be disrupted for two days.
- The computer system has failed and will be out of service for a number of days.
- A key supplier has closed down at short notice.
- A number of staff have been seriously injured in a car accident and will be off work for months.
- Your building has burnt down.

More practical exercises could include actually using your continuity strategies on a quiet day at work to be sure that they work.

Staff members are most likely to be able to continue working effectively with your contingency strategies if they have practised them.

Step 6 – Reviewing your plan

As your business grows and changes, you will need to revise your Business Continuity Management Plan.

This review should occur every six months. Most importantly, telephone numbers must be checked.

Remember to keep two copies of your Business Continuity Management Plan at two different sites in case one is destroyed.



WORK SECTION

Complete this section with answers for your business.

Step 1 – Know your risks

What could happen that would significantly disrupt your business? Include natural disasters, technological failures and supply chain disruptions. List the risks to your business on the right (some have already been included for you). Remember that any of these may complicate the implementation of your Business Continuity Management Plan.

| Risks |
|------------------------|
| Pandemic Influenza |
| Electricity disruption |
| Building fire |
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Step 2 – Conducting a Business Impact Analysis

This involves identifying your key products and services, deciding how long you can stop delivering them, and identifying your critical inputs.

Key Products and Services

What are the key products and services delivered by your business and how long can you stop delivering them?

Identifying your critical supplies/resources

What are the critical inputs required by your business to deliver each product and service? Detail the minimum quality and quantity required.

| Key products and services | Maximum Acceptable Outage |
|---------------------------|---------------------------|
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| Product or Service | Critical input |
|--------------------|----------------|
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Step 3 – Developing continuity strategies to operate your business

Identify a contingency strategy to restore each key product and service during a disruption to meet your Maximum Acceptable Outage. Remember to record details of equipment required, such as size of generators.

| Key products and services | Continuity strategy |
|---------------------------|---------------------|
| | |
| | |
| | |
| | |

This Business Continuity Management Plan is to be activated if any of these triggers occur:

| Key products and services | Continuity strategy |
|---------------------------|---------------------|
| 1 | |
| 2 | |
| 3 | |
| 4 | |



Further information

Further information on BCM may be found through the following links:

| | |
|--|--|
| South Australian Government | |
| Department of Trade and Economic Development | www.southaustralia.biz |
| Australian Government | |
| Australian Department of Industry, Tourism and Resources – a range of tools on Business Continuity | www.industry.gov.au/pandemicbusinesscontinuity/ |
| Australian National Security – Business Continuity Information for businesses | www.ag.gov.au/agd/www/nationalsecurity.nsf/Page/Information_For_BusinessBusiness_Continuity |
| Emergency Management Australia | www.ema.gov.au |
| Australian National Audit Office – Better practice guidelines for Business Continuity Management | www.anao.gov.au/uploads/documents/business%20continuity.pdf |
| International | |
| Continuity Central – business continuity news information and resources relating to this region | www.continuitycentral.com/ccap.htm |
| Business Continuity Institute | www.thebci.org/ |
| AXA – Business Continuity Guide for Small Businesses | www.axa4business.co.uk/resources/files/BizContinuityGuideT1404.pdf |

SECTION 2: PANDEMI

Scientists and health experts are warning us that Australia and the rest of the world could be at risk of a human influenza pandemic. In addition, there have been varied reports on Avian Influenza (bird flu) spreading across parts of the world. But what is Avian Influenza and pandemic influenza, and what do they mean for businesses?

Avian Influenza (bird flu)

Avian influenza is an infectious disease of birds caused by type-A strains of the influenza virus. The disease occurs worldwide. Although all birds are thought to be susceptible to infection with avian influenza viruses, many wild bird species carry these viruses with no apparent signs of harm.

Of all influenza viruses that circulate in birds, the H5N1 virus is of greatest current concern for human health, for two main reasons. First, the H5N1 virus has caused by far the greatest number of human cases of very severe disease and the greatest number of deaths.

It has crossed the species barrier to infect humans on at least three occasions in recent years: in Hong Kong in 1997 (18 cases with six deaths), in Hong Kong in 2003 (two cases with one death) and in the current outbreaks that began in December 2003 and were first recognized in January 2004.

A second implication for human health, of far greater concern, is the risk that the H5N1 virus – if given enough opportunities – will develop the characteristics it needs to start another influenza pandemic. The virus has met all prerequisites for the start of a pandemic save one: an ability to spread efficiently and sustainably among humans. While H5N1 is currently the virus of greatest concern, the possibility cannot be ruled out that other avian influenza viruses known to infect humans might cause a pandemic.

Source: World Health Organisation http://www.who.int/mediacentre/factsheets/avian_influenza/en/index.html

Human Influenza and Pandemic Influenza – what's the difference?

Human Influenza

Influenza viruses in humans are very common and typically cause sudden onset of fever, headaches, muscle aches, tiredness and loss of appetite, with respiratory symptoms such as dry cough and sore throat. Symptoms and fever usually persist for three to five days, and additional symptoms and complications can occur, most commonly in children or the elderly.

The influenza virus can be spread between people by respiratory secretions in three ways:

- through spread of droplets from one person to another (e.g. coughing, sneezing);
- by touching things that are contaminated by respiratory secretions and then touching your mouth, eye or nose; and
- through spread of particles in the air in crowded or enclosed spaces.

The seasonal outbreaks or 'epidemics' of flu that occur each year are caused by slightly different strains of influenza virus subtypes that are already circulating among people. This means that there is already a level of immunity in the community. Because we know or can predict which strains are circulating each year, we can also vaccinate against them.

Pandemic Influenza

Pandemic influenza can emerge when a major change in the virus occurs, resulting in a new virus subtype. This change may occur as a result of an animal influenza virus (such as avian influenza) 'merging' with a human influenza virus. Because it is a new subtype, the community will have little or no immunity to it and the virus may spread very quickly causing a high incidence of infection and disease.

C INFLUENZA

The symptoms of pandemic influenza are likely to be much the same as seasonal influenza, including sudden onset of high temperature, muscle aches and pains, tiredness, loss of appetite, cough, sore throat and stuffy or runny nose.

Depending on the new subtype that emerges, symptoms may be more severe and complications more widespread. The pandemic virus will be spread from person to person in the same way that seasonal influenza is spread.

Because pandemic influenza is the result of a new virus subtype, the seasonal influenza vaccine will not protect against it and all age groups potentially will be at risk of infection. It is difficult to predict in advance who will be most severely affected. Death rates, and the age groups most affected, have differed widely between previous pandemics.

Production of a vaccine for pandemic influenza cannot commence until a confirmed strain emerges. More information on Australia's arrangements for production of a pandemic influenza vaccine can be found in the Australian Health Management Plan for Pandemic Influenza (AHMPPI) at www.health.gov.au

Source: Queensland Government Action Plan for Pandemic Influenza

Issues for businesses during Pandemic Influenza

Staff absenteeism

- Half of all workers could be absent at any one time – possibly five to eight working days each during a period of three to four months.
- Staff may be absent because of illness, caring for someone who is ill or to take care of children.

Resources shortages

- The greatest resources shortage will be workforce.
- Shortages of supplies may result from sick or absent staff, any travel restrictions imposed, and through flow-on effects of other disrupted businesses and services.
- Services/supplies affected could include police, fire, military, utilities, fuel supply, food production and distribution, transport, prisons, education and businesses.

Protecting employees

- Staff may be protected from infection through these methods:
 - Personal hygiene – e.g. hand washing
 - Environmental hygiene – e.g. washing of hard surfaces
 - Social distancing – e.g. one metre between people, no handshaking
 - Screening employees for illness
 - Isolation or quarantine

Loss of customers

- The private sector may suffer from loss of economic revenue and sales resulting from a reduction in customer numbers. For example, the general public may be advised to avoid crowded situations and to stay home as much as possible.

Business closures

- The private sector may be affected by mandated closures of public places and events – for example, transportation, schools, retail settings, workplaces and places of worship.
- The private sector may also be affected by forced closures resulting from lack of staff, customers, or resources.
- Public buildings may be closed and used for other purposes, such as mass vaccination clinics.

The Australian Government has developed useful posters on pandemic influenza for the workplace. Copies of these posters can be downloaded from the Federal Department of Industry, Tourism and Resources website at: www.industry.gov.au/pandemicbusinesscontinuity/



Further Information

Further information on pandemic influenza may be found through the following links:

South Australian Government

Department of Health www.health.sa.gov.au

Department of Trade and Economic Development www.southaustralia.biz

Australian Government

Department of Agriculture, Fisheries and Forestry www.daff.gov.au/content/output.cfm?ObjectID=293EBA9F-3684-4F01-B848A1EAC9B1D0D9

Department of Industry, Tourism and Resources www.industry.gov.au/pandemicbusinesscontinuity/

Department of Health www.health.gov.au

Department of the Prime Minister and Cabinet – National Action Plan for Human Influenza Pandemic www.dpmc.gov.au/publications/pandemic/index.htm

Australia

Avian Influenza www.avianinfluenza.com.au

International

Food and Agriculture Organisation of the United Nations www.fao.org/ag/againfo/subjects/en/health/diseases-cards/special_avian.html

Pandemic Influenza – United States of America www.pandemicflu.gov/

World Health Organisation www.who.int/csr/disease/influenza/en/

UK Resilience www.ukresilience.info/latest/human_pandemic.shtm

Preparing for Emergencies – United Kingdom www.preparingforemergencies.gov.uk/index.shtm

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