

INTERDEPENDENCIES – A KEY ASPECT OF CONTINUITY THAT EXECUTIVES NEED TO UNDERSTAND

BY JOHN A. JACKSON

Interdependencies between an organization and other business partners and public agencies have always been an overlooked or at least under-served aspect of Disaster Recovery and Business Continuity plans. This article serves to raise the awareness of this important issue to the executive suite, so that executives can ensure it is being properly addressed.



The Changing Face of Disasters

Most organizations have long been aware of the business impact of an unplanned interruption to business operations, most probably including an outage to computer and communications based systems. The events of the past several years, including 9/11 and Hurricane Katrina have raised those concerns to a fever pitch, and have highlighted a number of previously under-considered aspects of contingency planning, including:

- The impact of a loss of personnel
- The potential to have operations disrupted due to a geographic impact which eliminates building access even though no direct impact occurred
- The potential for a loss of paper records and the need to rely solely on the inventory of an offsite storage

facility, most probably only containing electronic data backups

- The realization that the company's primary workplace could be permanently destroyed, requiring the acquisition of, and outfitting of a new base of operations before recovery can occur

In addition to the above, many organizations now realize that most disasters require that companies not only focus on their own individual recovery plans, but they must also consider how the recovery efforts of other companies in their industry, as well as customers, suppliers or supporting industries must be coordinated so that normal, or near normal operations could resume. They also now realize the impact that outages of the public infrastructure or the actions of public agencies or officials

could have on their individual or collective abilities to recover.

The Business Continuity Industry Today

The past history of the business continuity industry is one where the recovery facility vendors (those who provide facilities and equipment to facilitate recovery) focus on discrete contracts for individual companies. These contracts are not synchronized, in almost any way, with those of other firms that could be required in order for an industry segment or geography to recover. Essentially, the recovery industry vendors offer services that provide recovery facilities, network connectivity and equipment for individual companies to use, assuming no conflict with another customer that prohibits access

and use. While that strategy has served well over the years, a more comprehensive strategy might now be required due to the potential for disasters to impact more than one organization at a time.

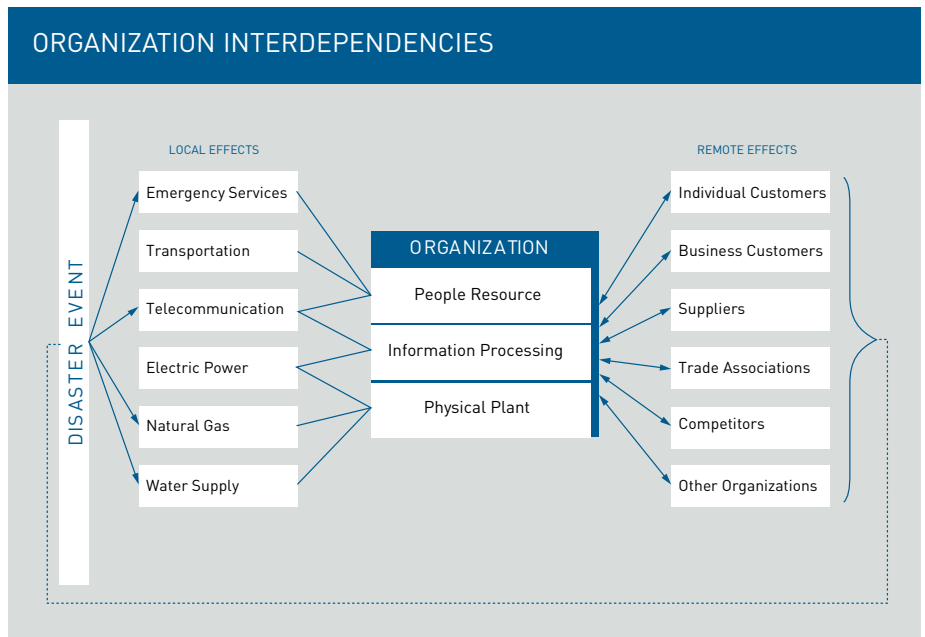
Any organization that approaches the topic of business continuity typically goes through approximately four sets of activities. While methodologies vary among vendors and companies, the following overall process is typically undertaken.

1. Business Impact and Recoverability Assessment: Determining the Risk
2. Recoverability Strategy Development: Setting the Course
3. Strategy Implementation: Putting the Solution In Place
4. Plan Maintenance and Testing: Making Sure it Works

This four-step process starts with the first step, the business impact analysis. This process, often carried out by experienced continuity consultants or internal company resources, is designed to understand the financial, contractual, regulatory and legal impacts to an organization, of an unanticipated interruption to their business (offices or computer systems) operations.

The BIA effort, which helps to determine the organizations recovery time (time to recover) and recovery point (protection of critical information), focuses on an individual company's needs but generally disregards the impact on other organization's. Two or more organizations, in the same or reliant industries, might have totally different recovery times and points, and not know it until they both would go through the recovery process. This occurred in New York during Sept. 11, 2001, when many organizations found that their plans were either short sighted or more comprehensive than others, and their recovery efforts were delayed until the organization with the lesser plan (generally a longer planned recovery time) was ready. Essentially what occurred was that the "weakest link" scenario was played out.

The issue of interdependencies has highlighted that the current BIA process does not go far enough, either for an individual company, or now, as important, for the authorities to gauge



a complete picture of how an industry or business district would be affected. Essentially, what individual organizations need to ensure is that the BIA process focuses on geographic (building or metropolitan area) or industry recovery, not just their individual business.

Conducting an Interdependencies Exercise

Given the issue of interdependencies and the inherent shortcomings of the BIA process, some forward thinking experts are now suggesting that organizations conduct an "Interdependencies Workshop" to ensure that both private industry and public agency interdependencies are considered in the planning process.

The interdependencies workshop is intended to understand the interdependencies of business to business interactions and reliance's, as well as local physical infrastructure components and the effect of an outage on firms in a given geographic area, should a terrorist or other crippling disaster scenario occur. It is vital that private organizations consider this issue during this initial phase of recovery strategy development. Organizations that must be considered for their interdependence include other major businesses, communications, electric power, oil/gas, water, and transportation providers, as well as government services, hospitals, and any other major service suppliers.

The above graphic illustrates the interactions which must be considered during an Interdependencies Workshop exercise.

The interdependencies workshop is an important first step leading to a focus on the recoverability of companies and governmental agencies outside of an individual companies' purview, from an information protection and business infrastructure (offices, computers, phones, personnel) point of view.

The results of an interdependencies exercise would include:

- A high level understanding of critical resources which might impact an organization's ability to recover in a timely manner
- Organizational awareness of weaknesses in business recovery strategies
- Development of a matrix listing identified weaknesses, so those weaknesses can be addressed
- A clear understanding of the high level contingencies currently in place

Spreading the Word

Currently, there are a number of organizations bringing focus to this important issue. In the Chicago area, ChicagoFirst (www.ChicagoFirst.org) has been formed to bring together members of the financial industry to promote awareness of interdependencies and each organization's interface with public agencies. The ChicagoFirst model has been so

CONTINUED ON PAGE 30

successful that it has spawned similar groups in other cities. A national organization focused on this issue is the FBI-sponsored InfraGard (www.infragard.net). They have national chapters which promote meetings between private companies and public agencies, aimed at developing a better understanding of each other's needs and capabilities.

ChicagoFirst and InfraGard are but two of many organizations focused on this issue. Private and Public Businesses Inc. (www.ppbi.org) promotes focus through classes on related topics and the recently formed Lake Cook Critical Infrastructure Partnership in Northern Illinois has made great strides in pulling private industry, local fire, police and emergency management and national organizations like DHS together to focus on this topic.

Summary

The concepts outlined in this article present an approach to dealing with the fact that most, if not all recovery plans, are stand-alone islands. Most plans do not address the inter-relationship of the recovery times and the recovery points of organizations a company or agency relies upon and interfaces with. Most plans also do not take into account the regional effects on public infrastructure and how that might affect the ability to recover in a timely manner. Company executives should ask if their recovery plans and strategies address interdependencies and require that this aspect of recovery be addressed.

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DISASTER RESOURCE GUIDE

Published by Emergency Lifeline Corp.

PO Box 15243
 Santa Ana, CA 92735
 Tel: (714) 558-8940
 Fax: (714) 558-8901
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Executive Publisher: W.T. Rainey
 Publisher: Kathy Gannon Rainey
 Editor: Alison Dunn
 Directory Coordinator: Carlos Rincon
 Production Coordinator: Daniel Herrera
 Advertising Sales: Everett Troy, Clayton Bauland
 Circulation: Carmen Plascencia
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Disaster Resource GUIDE – Volume 12 Issue 3, March 2008 – is published quarterly (March, May, August and November) by Emergency Lifeline Corporation, 1510 East Edinger Ste D, Santa Ana CA 92705 and mailed/distributed to qualified individuals who have requested a copy and who have oversight or responsibility for business continuity, enterprise risk, crisis management, emergency response, and/or homeland security. Individual copies are available for \$20.00. Application to Mail at Periodicals Postage Rates is Pending at Santa Ana, CA, and Additional Entry Offices.

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