



**Silos of Opportunity
Joined up Risk Management and Business Continuity
Wednesday 14 April 2010, PwC Manchester**

This joint meeting with the Manchester Business Continuity Forum (MBCF) was our long-awaited session on business continuity. The purpose of the event was to demystify both risk management and business continuity. Building on that, our aim was to explore how the two disciplines can work together more closely to find and exploit opportunities. Furthermore our intention was to promote business continuity and the MBCF to IRM members and vice versa.

The day was hosted by PricewaterhouseCoopers at their conference facility in their Manchester office. This was an excellent venue, providing plenty of room for lunch and networking, as well as the presentations themselves. We are very grateful for their hospitality. The IRM North West group is also very grateful to the MBCF for their involvement in the day, and especially Karen Atkinson and Tom Croall, the MBCF side of the organising committee.

Finally of course we should thank the speakers who, as ever are freely giving their time and ideas. The presentation slides and workshop feedback are on the website alongside this note which provides a brief summary (with the responsibility for any errors or misinterpretations being mine alone!).

First up were Andy Garlick from the IRM and Stephen Blanchard on behalf of the MBCF. They provided an overview of their respective disciplines and agreed - amazingly! - that risk management tended to focus on cause and business continuity on effect, risk management on prevention and business continuity on response/recovery, risk management on projects and programmes and business continuity on business-as-usual. They concluded by setting the challenges for the day; are business continuity and risk management two sides of the same coin? And are there opportunities for improved integration, economies of scale, or shared intelligence?

We returned to more detailed versions of these questions in a series of breakout sessions run with aplomb by Stuart Hosking-Durn of Sodexo. The feedback from these is in a separate document on the website prepared by Karen Atkinson, but for me the main highlight was a strong urge to bring the two disciplines together. A pre-requisite for this is to develop a shared language and the preferred term is business resilience (something risk management with its aspiration to cover threat as well as opportunity might have problems with). It is also important to recognise the spectrum of skills that would be required, including (but not limited to) the facilitation skills of risk management and the technical specialisms of business continuity.

Stuart finished off before lunch with a description of Sodexo's experience when they incorporated business continuity into their risk management programme.

First after lunch was Petra Morrison from Vertex, a customer management and IT outsourcing company. It's clear that such a business will inherit business continuity requirements from its customer, but not necessarily in a transparent way. Petra described how Vertex has moved over the years from providing this service at its own expense to embedding it in a clear way in



the contracted service description. The incident recovery plans are coordinated across Vertex's business and at the highest level are run by the global Major Incident Management Team. Looking to the future Petra sees the maturity of this discipline in the sector increasing, becoming more integrated with risk management, using reciprocal arrangements with clients and a generally increasing awareness with the business processing outsourcing community. During questioning Petra emphasised the central role played by BS25999 among the plethora of standards, and said that Vertex's approach to customers uninterested in business continuity was to do it anyway; firstly to protect themselves, and secondly to surprise and delight the client.

Following this Asam Malik, a business continuity guru with PwC, described his experience with a multitude of clients. He grabbed the audience's attention with a chart that contrasted the post-incident share price of companies with business continuity arrangements in place with those that didn't. He also warned us not to confuse business continuity with IT disaster recovery. His three practical tips for effective business continuity were, number one, to get buy-in, where he has a number of tricks, such as fake exercises, to get managers thinking. His second tip was "do it properly", using dedicated business continuity managers, a recognised methodology, good training, and, last but not least, not using cut-and-paste from the internet! The third and final tip was to make sure that IT disaster recovery is integrated. Don't accept any excuses!

The last presentation was by Gary Richardson from the Cumberland Building Society who described their experience of maintaining business during two serious flooding episodes. In January 2005 Carlisle suffered its worst floods in 182 years. It happened on Friday night and was followed up on Saturday morning with a power outage. Head office was kept running during the day by IT staff who walked in through the floods and had kept a generator running. A post-flood review made the following recommendations: a new generator, extra UPS, secure remote access for key staff, data backup outside the city centre with database mirroring, and the creation of a business continuity committee. In November 2009 it happened again. Movement around Cumbria became impossible, schools closed and there were once again electrical outages. A key feature of recovering was opening a new branch in Cockermouth within 72 hours. The risk management function had made a significant contribution to this performance by instilling a good culture, providing many reviews and visible risk registers, and an internal audit review of the new branch. Gary's tips were: (1) don't assume it won't happen, (2) actively embed risks and controls, (3) review business continuity plans for travel impact, and finally make sure you test them.

The meeting was summarised by Kate Boothroyd from the IRM, Tom Croall from the MBCF and Steve White from PwC. Tom, in particular, left us all with a rousing message that a new world order is coming. We will be working together, and we should think about the initiatives we could take to facilitate that.

Andy Garlick
IRM North West
26 April 2010