

Mitigate and Control

# Business Continuity Management (BCM)

Many organisations that suffer a catastrophic loss make an initial recovery but then fail within 18 months. Downtime costs, damaged reputation and, critically, lost customers are just a few examples of why they fail.

Organisations that have a clearly defined recovery strategy are much more likely to overcome the initial crisis period and restore sustainable long-term operations.

## What is Business Continuity Management (BCM)?

A useful definition is provided by the Business Continuity Institute: *“BCM is the act of anticipating incidents which will affect mission critical functions and processes for the organisation and ensuring it responds to any incident in a planned and rehearsed manner”.*

Organisations generally have very clearly defined plans, processes and procedures for normal operations but in a crisis situation, these rarely apply. As a result, many otherwise well-managed organisations have failed shortly after an unexpected major event because they were unable to recover in time. Examples include:

- The Manchester Arndale Centre bomb in 1996 which forced 63% of businesses failed to restart
- The September 11th attacks in New York in 2001 destroyed or closed down circa 15,000 companies

BCM helps organisations plan for recovery following a loss and includes various elements of pre-planning, impact analysis, risk assessment, emergency response, crisis management and business recovery.

Analyse →

Identify ↘

↙ Control

← Mitigate

### Case study:

A major international airport organisation wanted to achieve ISO accreditation for business continuity to underline their commitment to world class operating resilience.

Following a robust tender process, due to the sensitive nature of the industry, Willis Towers Watson business continuity specialists were appointed.

The organisation wanted answers to:

- How can operations be recovered quickly following a major disruptive incident?
- How can operational resilience be improved?
- How best to communicate with and reassure customers during a disruptive incident?

Specialists analysed the existing position, established a ‘roadmap’ and worked closely with the operational management over 18 months to launch and embed a fully-fledged BCM system.

The successful implementation of the BCM system resulted in the group achieving ISO22301 accreditation making them one of the **top four BCM performing organisations in the region.**

**Is there another benefit we can associate to accreditation? Perhaps, lower premiums or better terms.**

## What are the benefits?

The benefits of introducing BCM include:

- Increased likelihood of post-loss survival
- Maintaining or even enhancing reputation
- Prevention of costly mistakes; either pre or post-loss
- Ensuring resources are channelled to where the greatest benefit can be derived

## What will BCM deliver?

BCM deals effectively with the immediate aftermath of an incident, helping restore normal operations as quickly as possible.

While templates can be followed, the dynamics of an organisation require specific responses, often delegation of authority and freedom from interference. Handled properly, organisations have actually enhanced reputation, re-built morale and emerged stronger and more successful than before.

For many insurers, the development of effective BCM is a pre-requisite for insurance cover. Evidence of a sound BCM strategy is a contributory factor in establishing good corporate governance through protection of stakeholders' investments and interests.

## How does BCM work?

Developing sound BCM does not happen overnight but best achieved in a set of stages which include:

### *Risk evaluation and control:*

- Map the supply chain and identify critical time periods, systems, processes and dependencies to achieving objectives
- Review current controls, contingency arrangements and 'work-arounds' to maintain function

### *Business impact analysis:*

- Identify threats to normal operations
- Evaluate the impact of the duration of the loss on, for example, systems and processes
- Model failure scenarios and assess organisational impact

### *Development of business continuity strategies:*

- Address recovery and re-establishment of operations within the required timeframe
- Identify the resources, materials and information that is required to achieve recovery

### *Emergency response plan:*

- Define actions to be taken once the incident is discovered; for example, summoning emergency services and removing plant/materials

### *Crisis management plan:*

- Address call-out cascades, media management and initial customer/supplier/media/investor contact

### *Business recovery plan:*

- Address all physical and technical issues needed to ensure the business is returned to full operability, in the shortest possible time; organisations can write their own plan but momentum can be maintained by sensible use of external advice

### *Plan testing, exercising and updating:*

- Ensure the validity and robustness of developed plans
- Regular review of plans to ensure they are current

### *Software evaluation:*

- Assess software packages which support BCM activity

## How much time will it take?

Introducing and embedding BCM could take months to achieve. By using Willis Towers Watson's experience and expertise, the overall time may be shortened considerably.

An organisation's complexity and interrelationships will be a governing factor, as will the degree of leadership and actual resources provided to support the process.

## Risk Management for a Complex World

At Willis Towers Watson we deliver risk management solutions through a connected team across the globe. We align our industry expertise and competence to your risk requirements.

Willis Towers Watson takes a fresh, logical approach to risk management; connecting our industry insight and analytical capabilities through our risk advisors, engineering specialists, and risk transfer and placement brokers.

We look holistically at your business. Our solutions are designed to not only link functions but also connect between the asset, business, people, security and other risks to provide you with the control and mitigation support you need.

Other value added services include:

- RAPID – Risk Assessment Probability and Impact Diagnostic
- Business Continuity Management (BCM)
- Audit – Willis BLUE
- Strategic Risk Management
- Risk Partner
- Training
- Health and safety Risk Management
- Fleet Risk Management
- Claims Defensibility Review
- Risk Engineering Surveys

**For further details, please contact your local**

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