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KEEPING PEOPLE AND INFORMATION CONNECTED[®]

Business Continuity Planning 101

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BCP 101 Agenda

- What is business continuity planning
 - Goal of Planning
 - Types of Plans
- FFIEC/NCUA regulations for BCP
- Plan Development
- Plan Testing
- Plan Maintenance
- How can a tool help?
- Question & Answer

Disasters are never on our calendar

However, we can prepare for them.



The Goal of BCP

- Protect your **PEOPLE**
- Define **service alternatives** for accomplishing critical applications
- **Minimize** the extent of interruption
- Limit **financial losses** and hardships
- Establish customer **confidence**
- Satisfy federal and state **compliance regulations**

History

<http://www.ffiec.gov/>

- 1996 - FFIEC Information Systems Examination Handbook
- 2003 – FFIEC updated the Handbook
- Examiners have become much more interested in your plans
- 2008 - FFIEC updated the Handbook

What is Business Continuity Planning?

- An **on-going**, coordinated program of strategies, plans and procedures
 - Ensures **critical resources** are available in the event of a physical disruption to any part of the business
 - **Changes** along with your business
- Business continuity **bridges the gap** between disaster and recovery
- Business continuity identifies weak links in the flow of information & establishes procedures to **eliminate downtime**

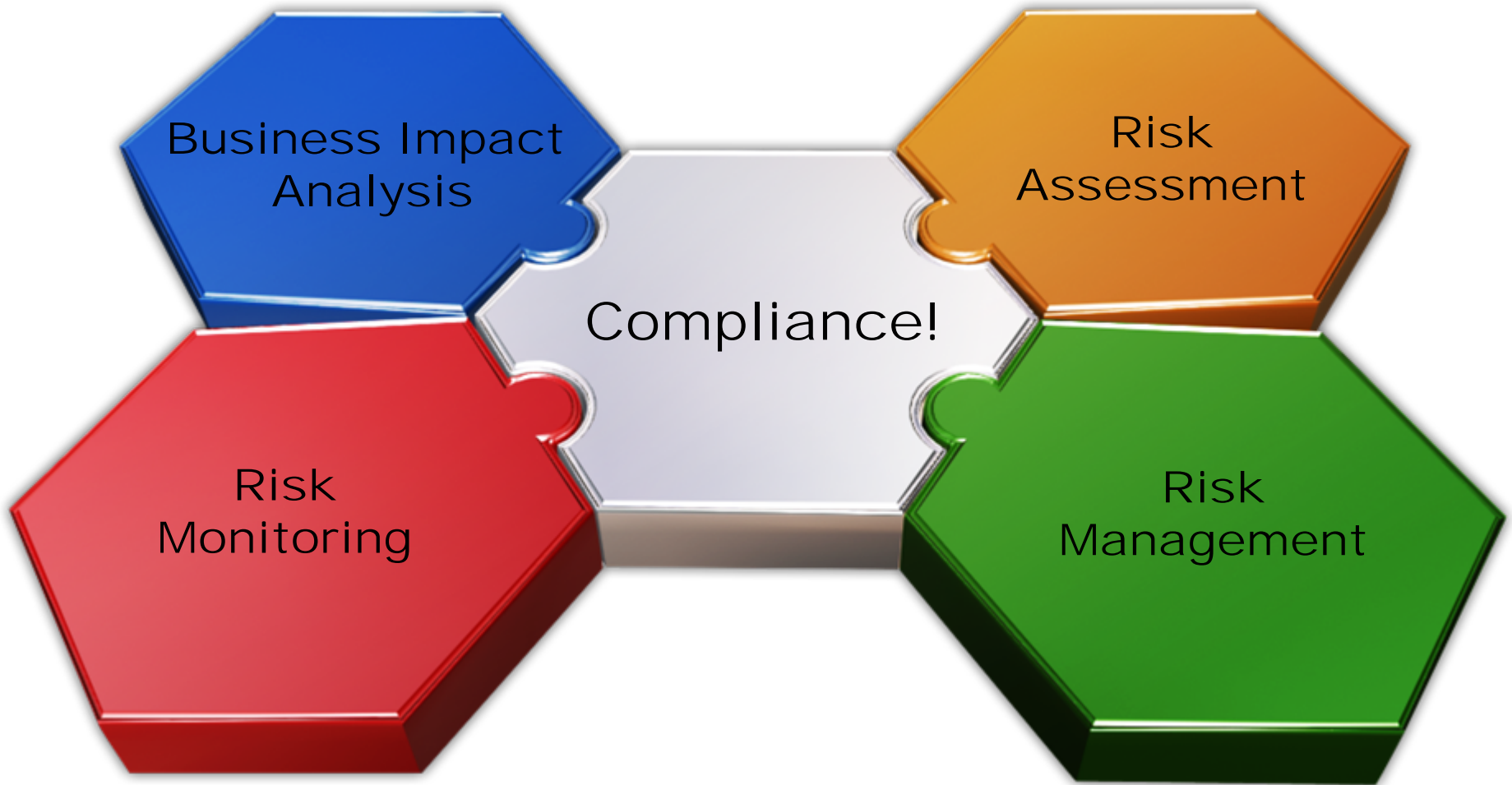
What is in a Business Continuity Plan?



Types of Plans

- **Business Continuity**
 - How to resume business operations in your business units
 - Covers many aspects of your business, serves as umbrella for below mentioned plans.
- **IT Disaster Recovery**
 - Infrastructure resiliency
 - Availability of systems, data, telecom
- **Crisis Management**
 - Initial response to incident
 - Communication to employees, customers, investors and vendors
- **Emergency Response/Facility Plans**
 - Focus on safety of people and facilities
- **Pandemic Response Plans**
 - Planning for response to a pandemic – different from all other interruptions

Compliance Components



Compliance Elements of BCP

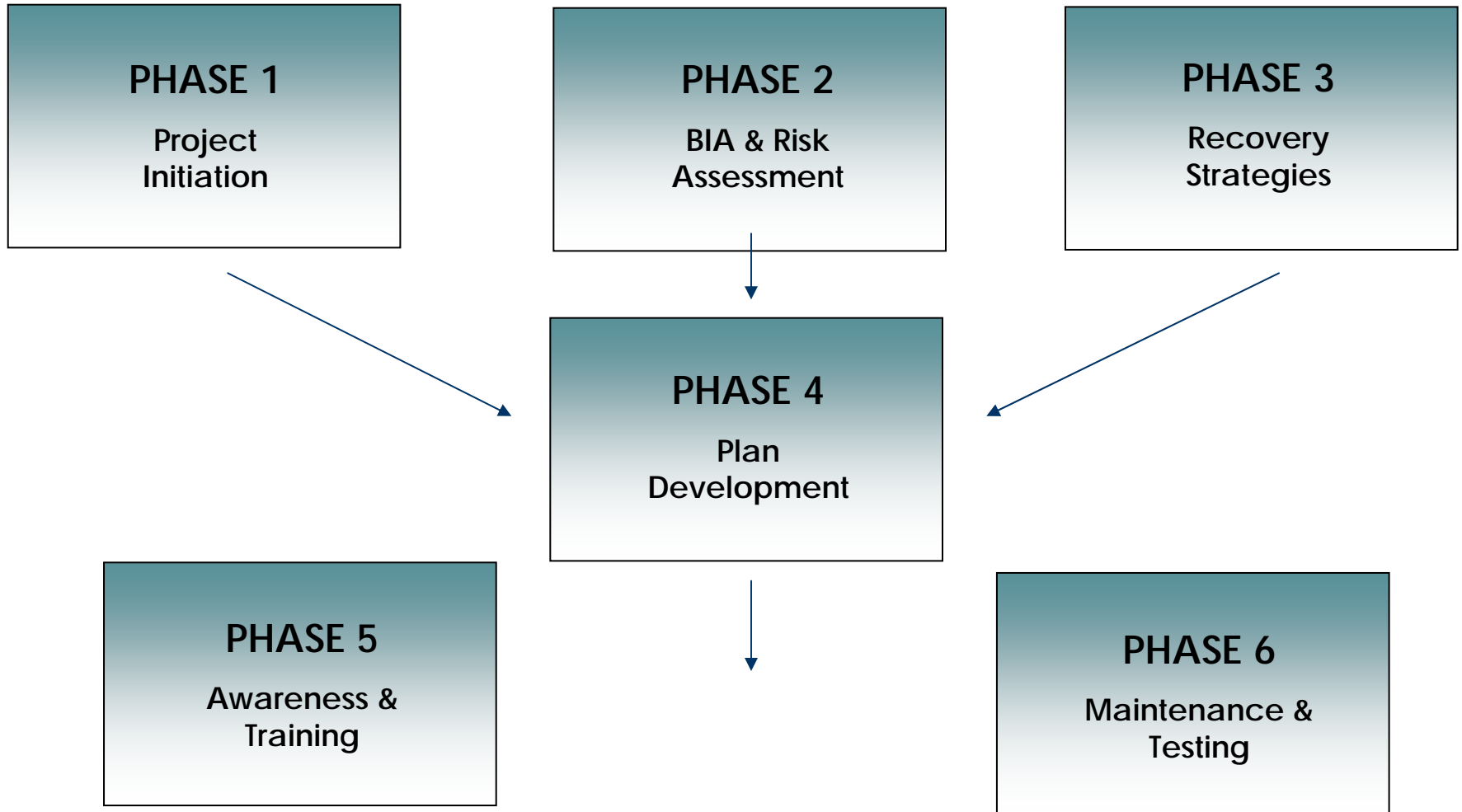
- **Keep Plan up-to-date**
 - Plan changes should reflect organizational changes
- **Assure processes reflect business needs**
 - Modify processes and procedures accordingly
- **On-going training**
 - For all new and existing employees
- **Trained Recovery Teams**
 - Members of recovery teams must be aware of responsibilities

BOD & Senior Management Involvement

Responsibilities include:

- Allocating sufficient resources and knowledgeable personnel to development of BCP
- Setting policy by determining how the institution will manage and control identified risks
- Reviewing BCP test results and approving the plan on an annual basis
- Ensuring maintenance of BCP and training all employees
- Reviewing Insurance
- Coordinating with local Emergency Response Units for BCP

A Project Approach To Planning

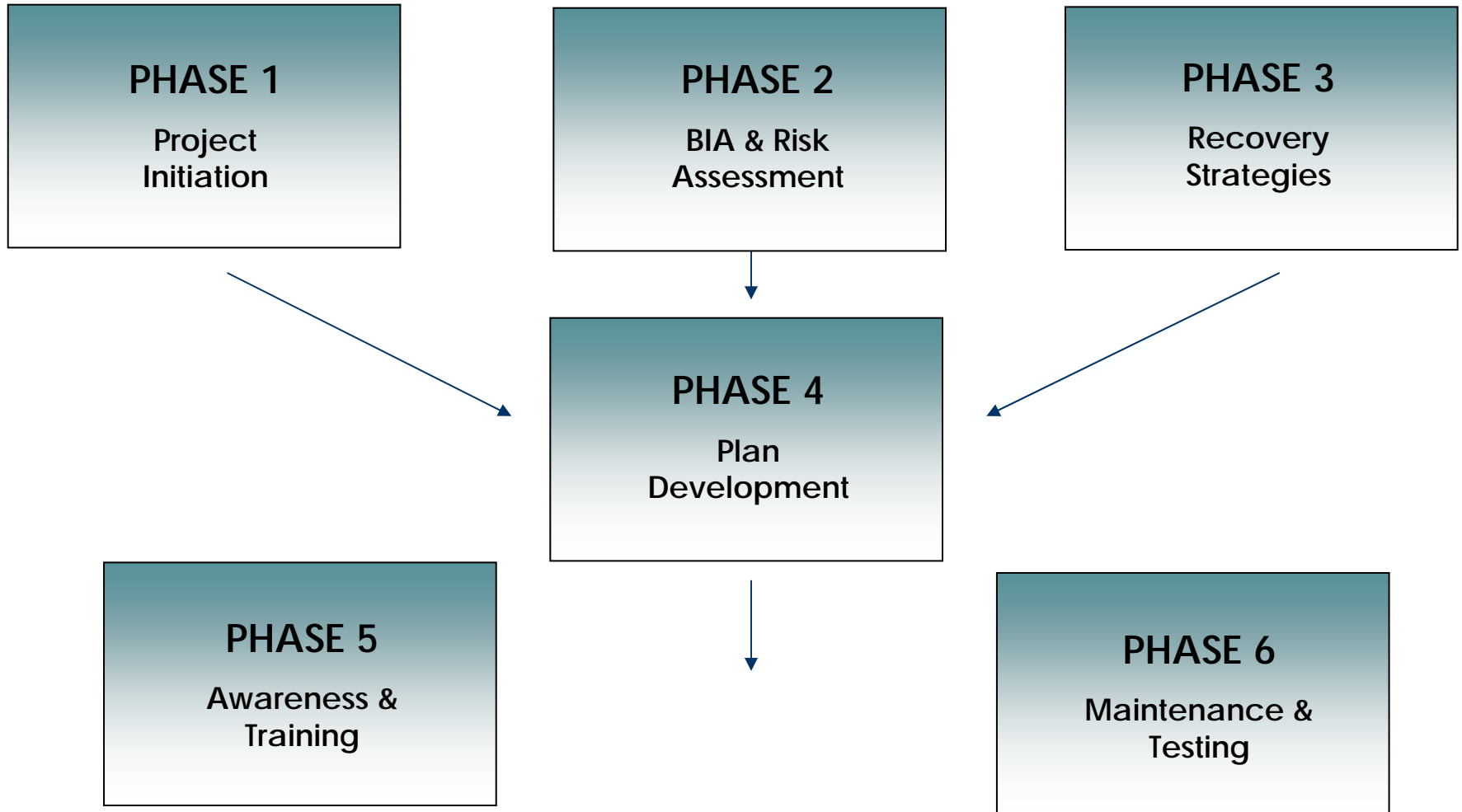


Project Initiation

- Gain **Senior Management** Support
- Define **terms, objectives** and **assumptions**
- Assign **responsibility** and **accountability**
- Familiarize Team Leaders and participants with the **planning process** and **resource requirements**
- Provide a **roadmap** of the project with **projections**



A Project Approach To Planning



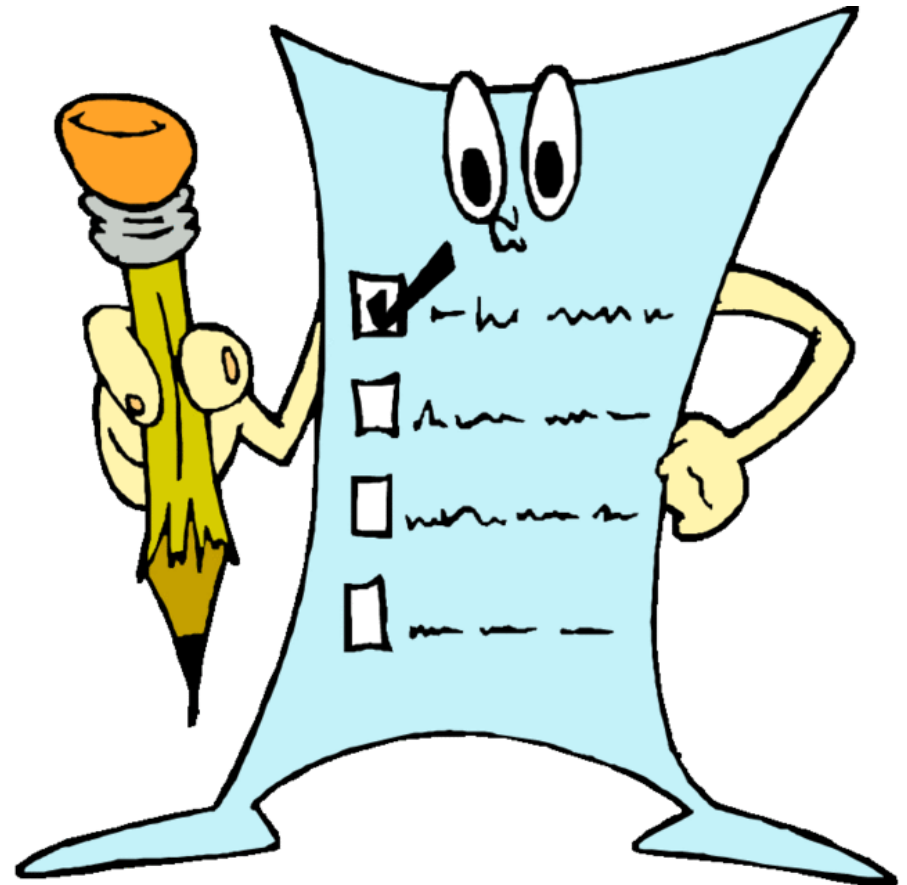
What is a Business Impact Analysis

- **Required** for FFIEC & NCUA compliance
- **BIA is the foundation** of all Business Continuity Programs
- Detailed analysis of **all business functions & processes**
- Aids in determining the potential impact of a disruption
 - **Quantitative Impact** – monetary loss
 - **Qualitative Impact** – intangible loss
- Information gathered will help to:
 - **Prioritize** business units & critical processes
 - Define **interdependencies** within organization



Approach to BIA

- Define scope & assumptions
- Develop a method to gather necessary information
- Identify & notify appropriate recipients
- Gather data
- Analyze data and verify results
- Present findings
- Make joint decisions on risk mitigation



What is a Risk Assessment

- Required for **FFIEC & NCUA** compliance
- Identify threats to organization
 - **Human Threats**
 - **Natural Threats**
 - **Technical Threats**
- Estimate **probabilities** of identified threats occurring
- Assign **critical ratings** to identified risks
- Identify effective controls to **reduce risks**
- Make decisions on **risk mitigation**

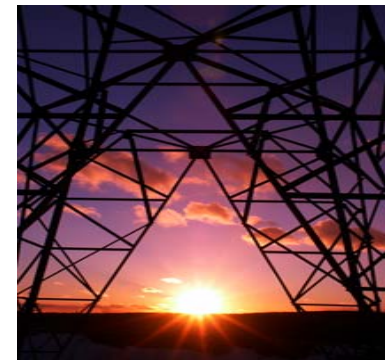
Types of Threats



- Tornadoes, Hurricanes
- Earthquakes
- Floods
- Blizzards
- Wild Fires
- Volcanic eruptions

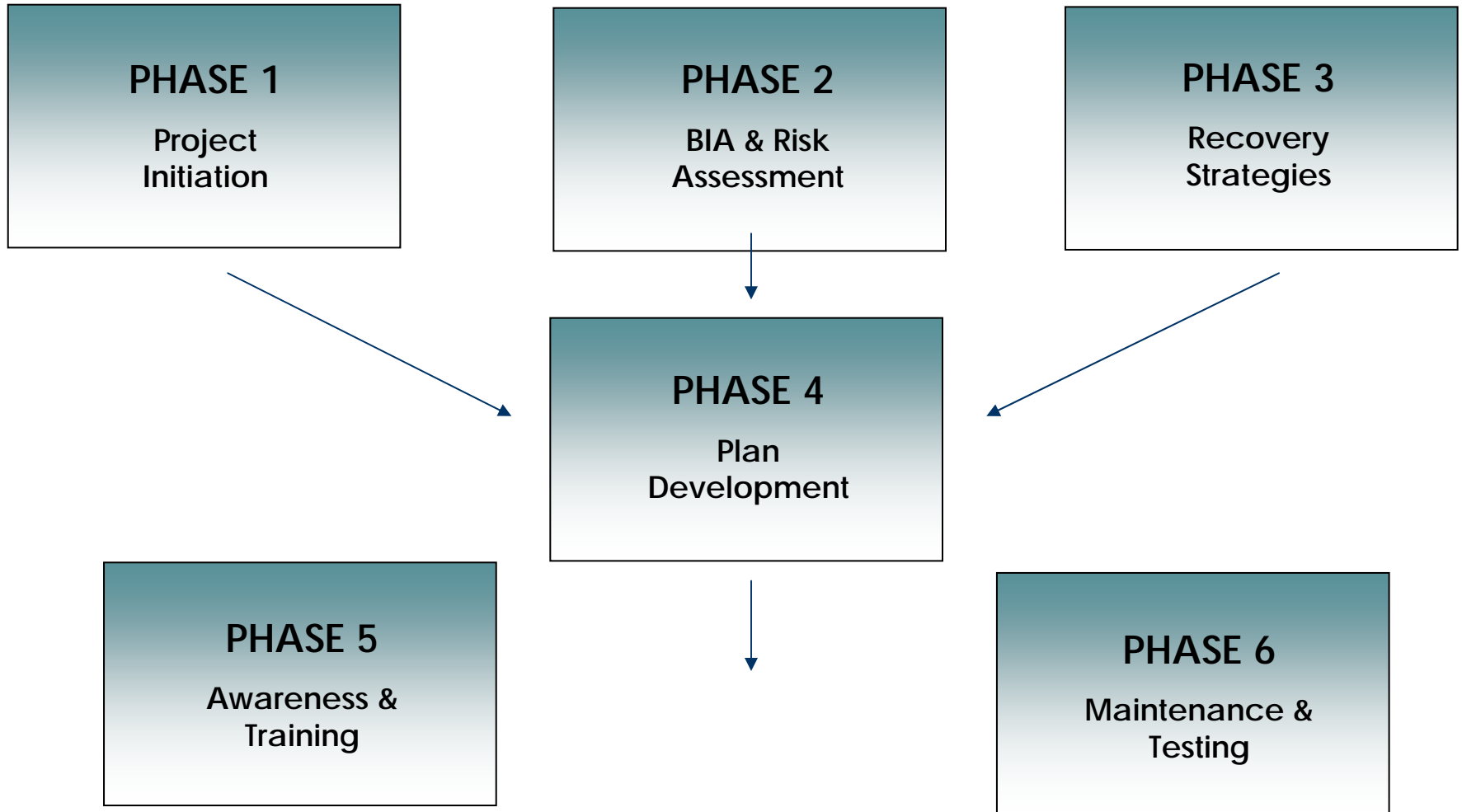


- Fire/ Explosion
- Hazardous materials
- Sabotage
- Terrorist acts
- Workplace violence
- Civil disorder
- Violent criminal acts



- Major electric power outage
- Telecomm Grid/CO outage
- Water/Sewage system breakdown
- Major computer processing disruption

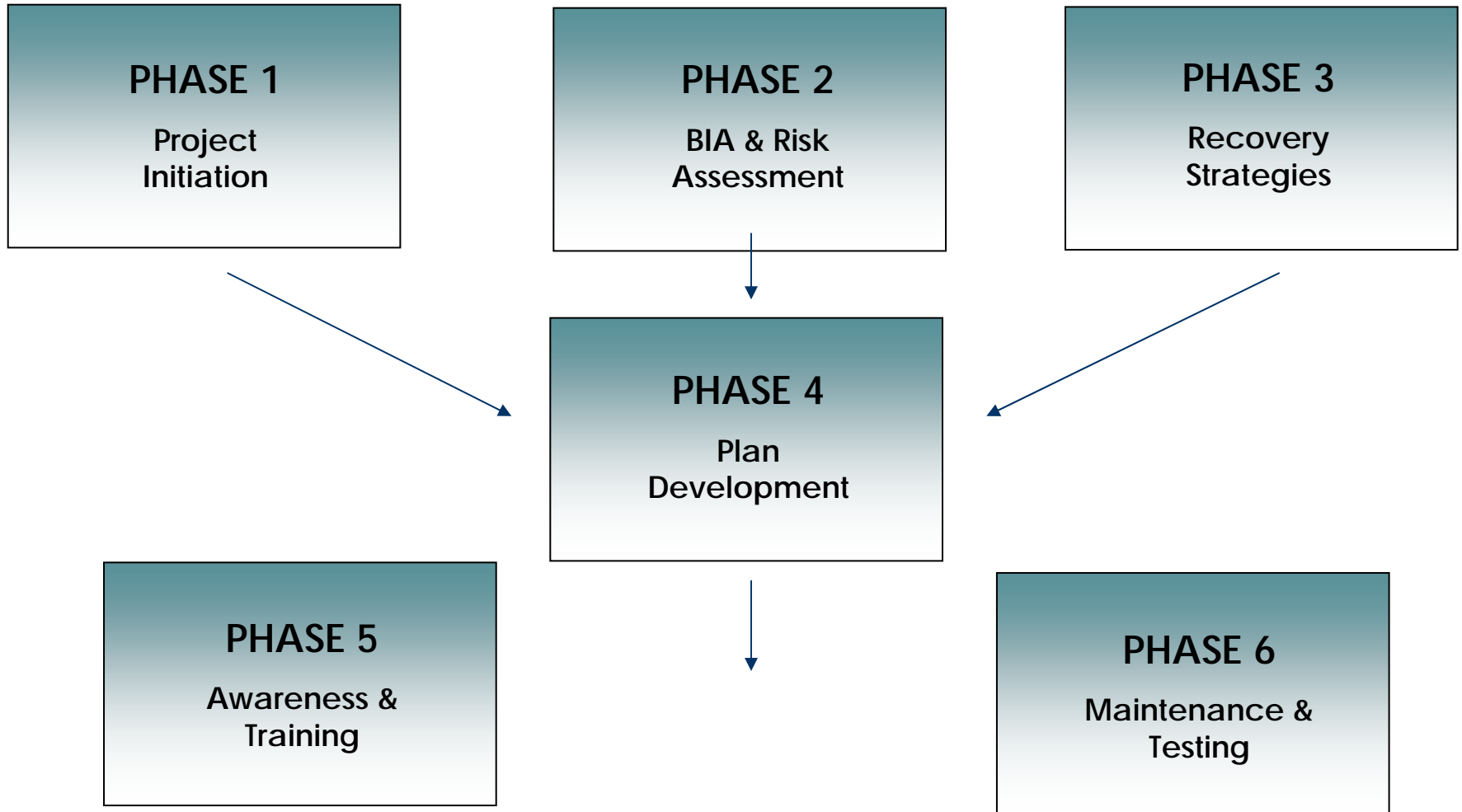
A Project Approach To Planning



Developing your Recovery Strategies

- Develop strategies based on **BIA & Risk Assessment**
- Conduct a **Cost/Benefit Analysis**
 - What is the most **cost effective** strategy?
 - Invest \$ in the **most effective** identified strategies
- The selected strategy(ies) should achieve:
 - A **controlled and effective response** to crisis situations
 - A **timely and cost effective** acquisition and utilization of resources
 - Recovery most **critical processes** in the shortest RTO

A Project Approach To Planning



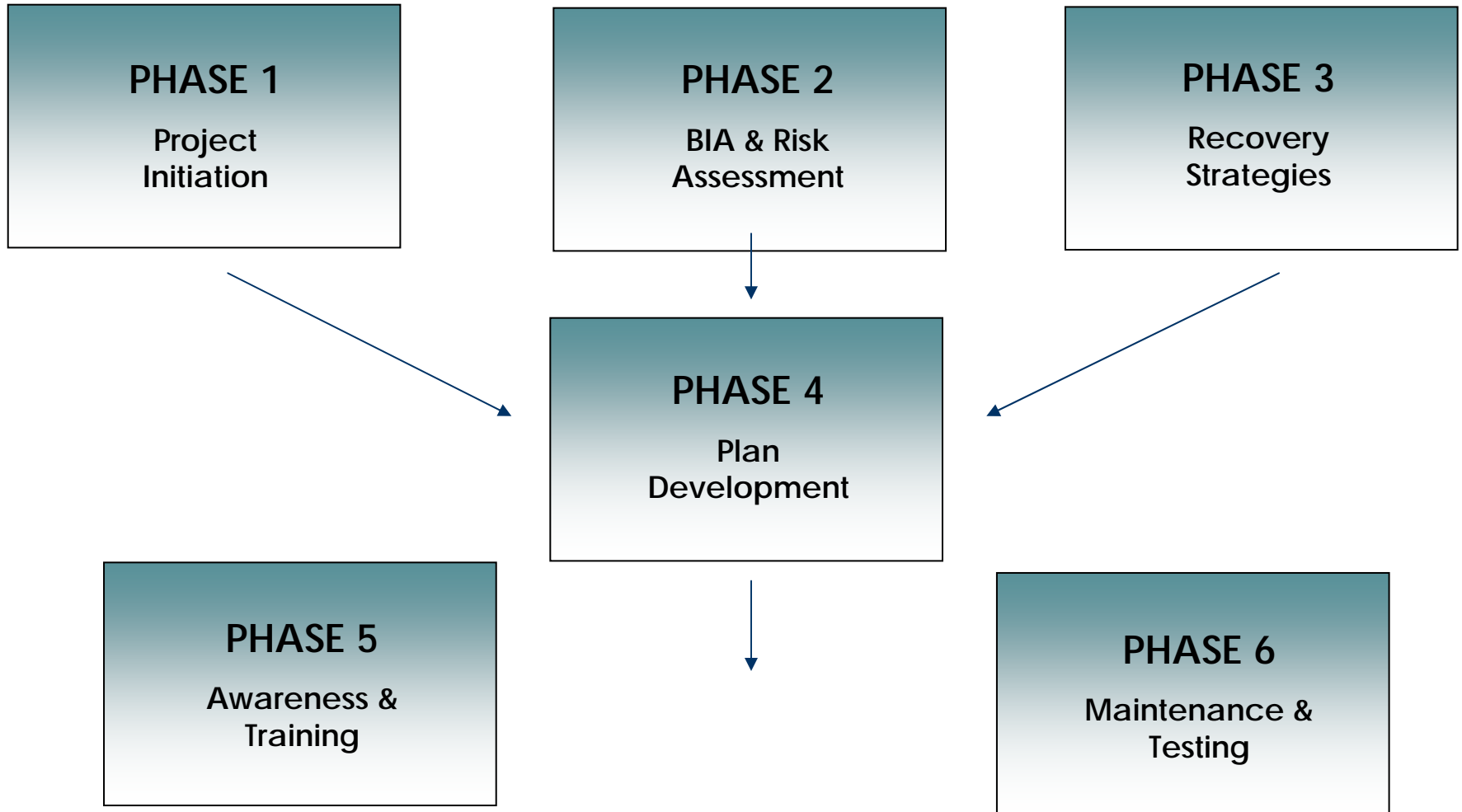
Plan Development

- **Definition** - A previously established set of arrangements and procedures that enable an organization to respond to a disaster:
who, what, when & how
- **Scope of Project**
 - Cover the **worst case scenario** that is recoverable
 - Address **three areas** of exposure
 - Business service interruption
 - Financial loss
 - Legal responsibility
 - Address the **entire** financial institution

Plan Development Tasks

- Identify **Recovery Team Members**
- Develop **roles and responsibilities** for recovery team
- **Determine RTOs** for each functional area (based on BIA results)
- Develop **tasks and processes** for each business function
- **Assign** recovery tasks by Role
- Identify **resource requirements** (technology, equipment, vital records, vendors, etc.)
- Plan how the team will be **notified, mobilized and activated** in the event of a disruption

A Project Approach To Planning

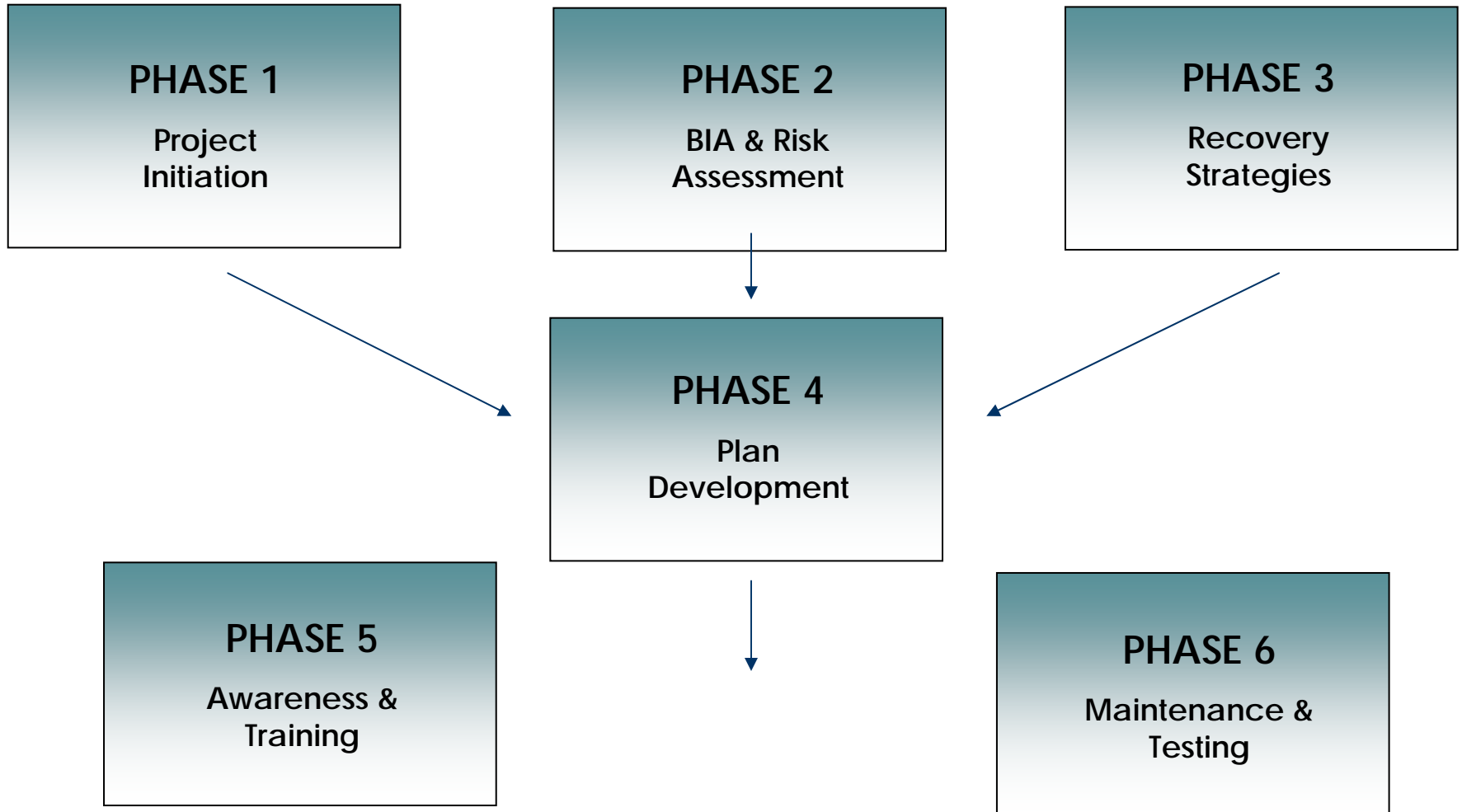


Awareness and Training

- **Elements of Awareness & Training Programs:**
 - Policy Statement – Why is the plan being developed?
 - All components of the BCP
 - Who is involved and what are their roles
 - Where BCP information be found
 - How the BCP is activated

Awareness and Training is an ongoing program!!

A Project Approach To Planning



Maintenance & Testing

- Testing is required on an **Annual Basis** for compliance
- **What is testing?**
 - It is the technique of demonstrating the **correct operation of all equipment, procedures, processes and systems** that support the organization's infrastructure
 - The testing program has one overarching goal: ***the survivability of the organization***
- **Tests should focus on:**
 - Capabilities
 - Gaps and Shortcomings

Importance of Testing

- Enables efficient BCP **maintenance** through **early corrective action**
- Enables testing of many plan elements with **minimal cost and overall disruption**
- Provides **low-pressure atmosphere** that fosters learning
- Stimulates business continuity and **recovery preparedness** at all levels

Testing Methodology

- A **Four Phased** approach should be used to test BCP plans & components
 - **Test Planning**
 - **Test Execution**
 - **Post Test Review**
 - **Self-Assessment**
- Applying this method allows all tests to be **consistent**

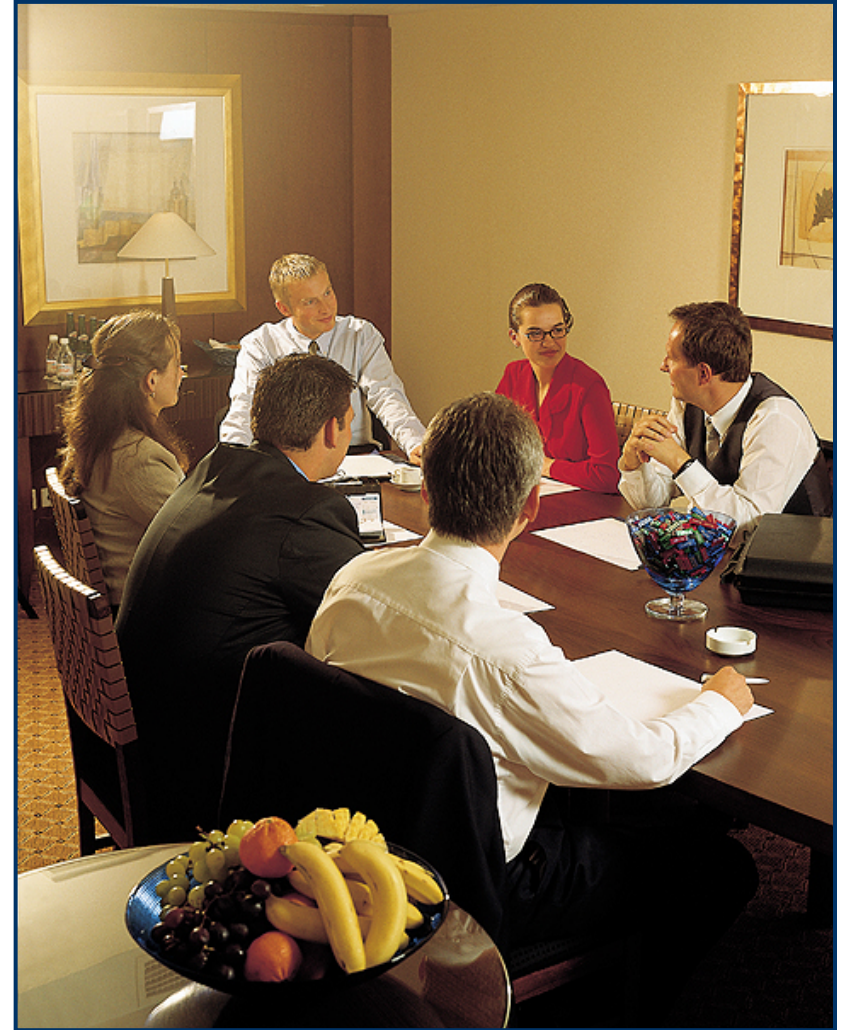
Test Frequency & Complexity

- BCP plans must be tested on an **annual basis**
- Frequency of **business unit** testing:
 - Based upon assigned **criticality** and **risk assessments**
 - Establish a **test schedule** to perform portion
- Complexity is based on the criticality of the **business function's processes**
 - This will determine how **robust** the test will be

Types of Tests

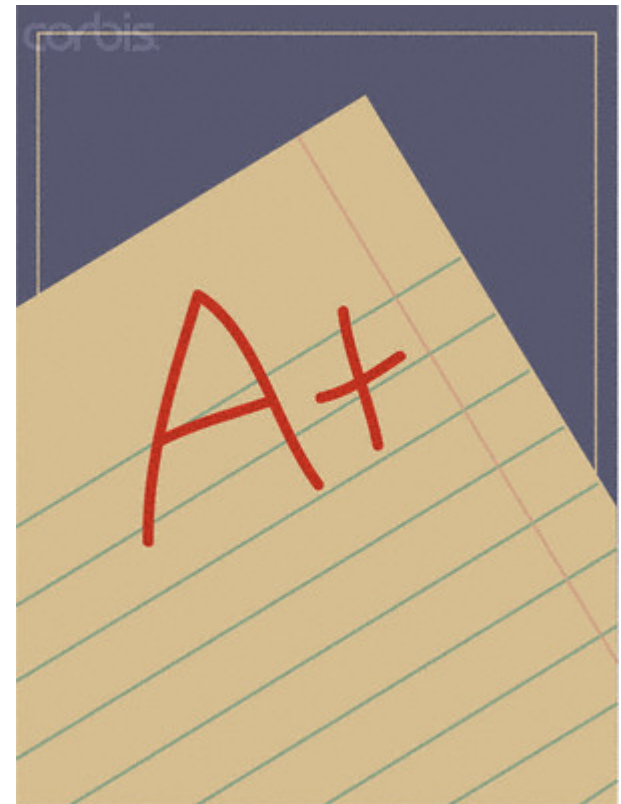
Walkthrough Test

- Most **basic** type of test
- Source of the most **changes** to the plan
- Facilitated **discussion** of one or all recovery procedures
- Ensures members of recovery team are **familiar** with the plan



Desktop Test

- **More involved** than Walkthrough – but still a discussion
- Specific **scenario** is applied to BCP
- Acts as both a **test & a training**
- Focuses on **demonstration** of knowledge
- **Role Playing** is key



Functional Test

- **Mobilization** of personnel at other sites
- Demonstration of **emergency management** capabilities
- Actual or simulated response to **alternate locations**
- Use of **actual communication** capabilities
- Varying degrees of **actuality**



Full-Scale Test



- Most **comprehensive**
- **Implements** all or portions of BCP
- Processing data and transactions using **back-up media**
- **Validation** of crisis response functions
- **On-the-scene** execution
- **Global participation** and interaction of internal and external management response teams

Keys to Running a Smooth Exercise

Clarify **roles and responsibilities** ahead of time

Use **checklists** throughout the exercise

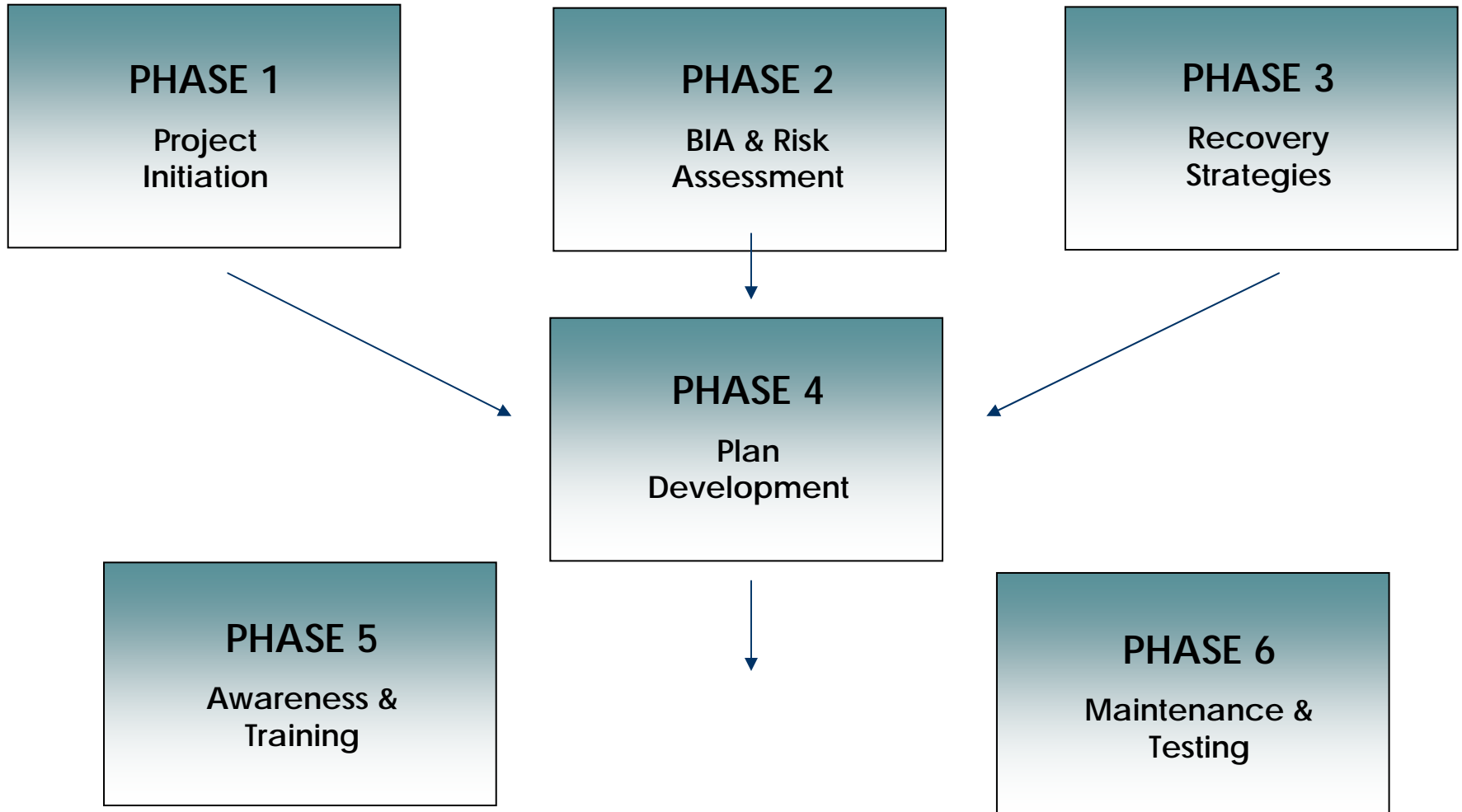
Keep an **active log** throughout the exercise as an aid to track timing

Always be prepared to manage **unexpected developments** that can occur during the exercise

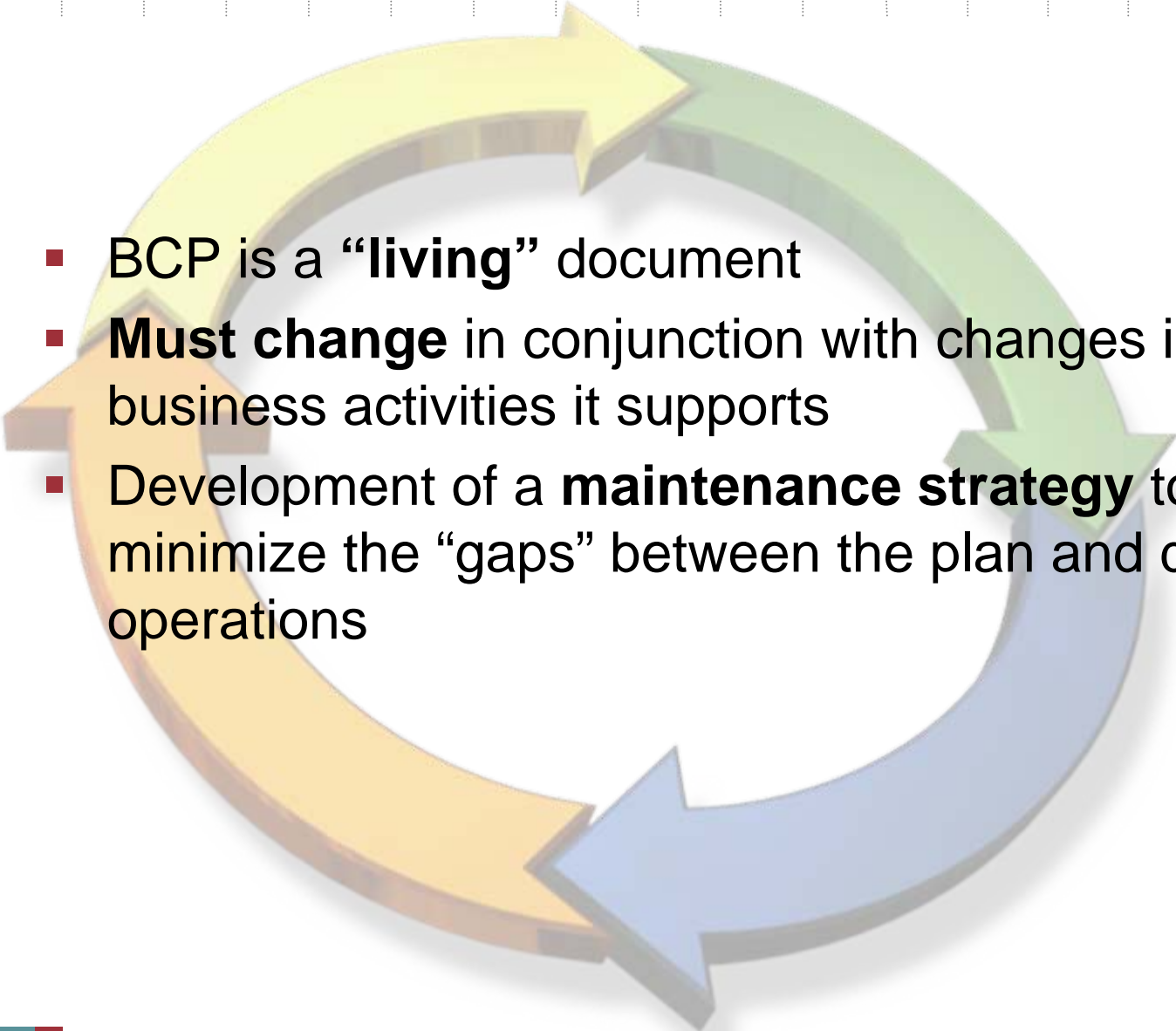
Questions for Test Analysis

- Can recovery of critical tasks be completed within the RTO?
 - If not, do alternate strategies exist?
- Was the scenario valid?
- Did the test effectively detail the activities to be completed during a disaster?
- Were the procedures clearly stated and understood?
- Is overall recovery possible using the current plan?

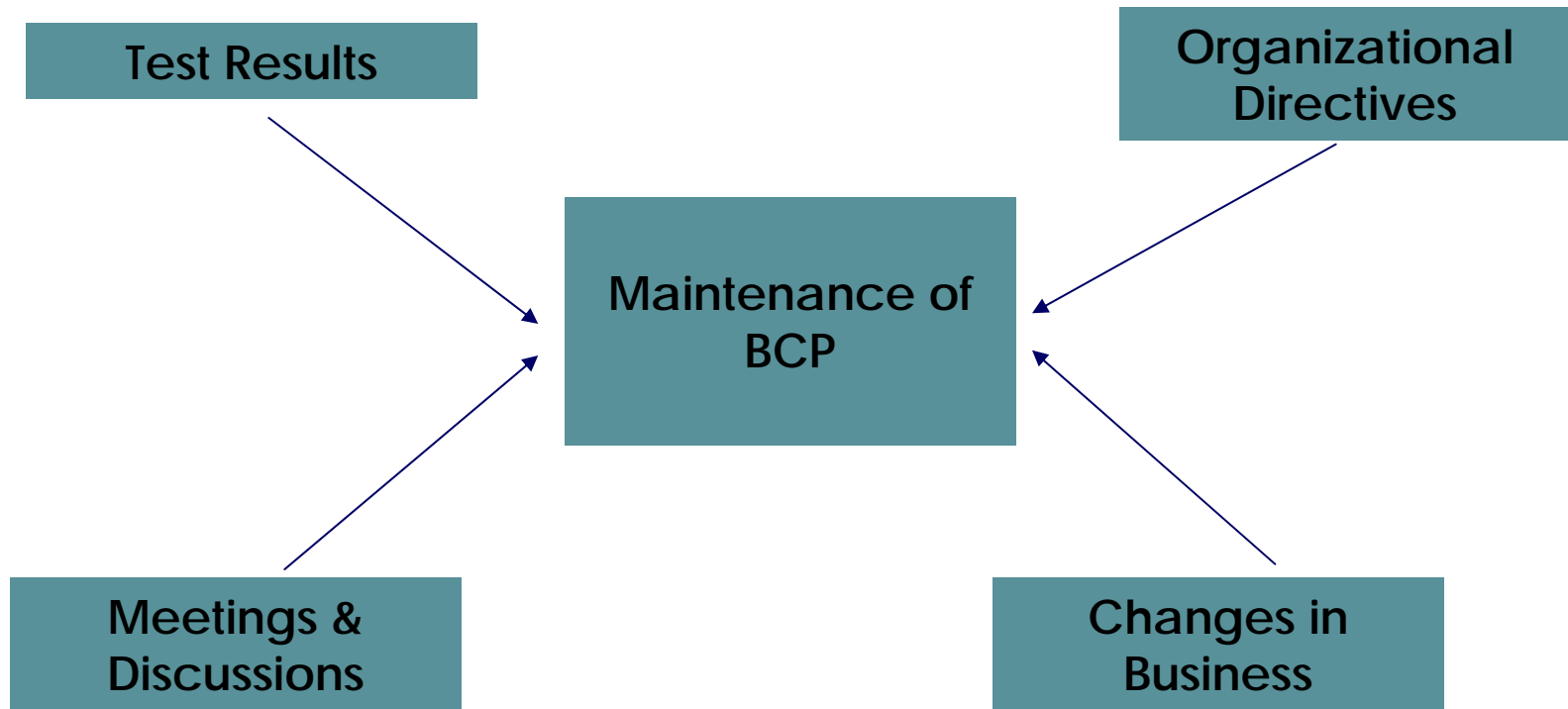
A Project Approach To Planning



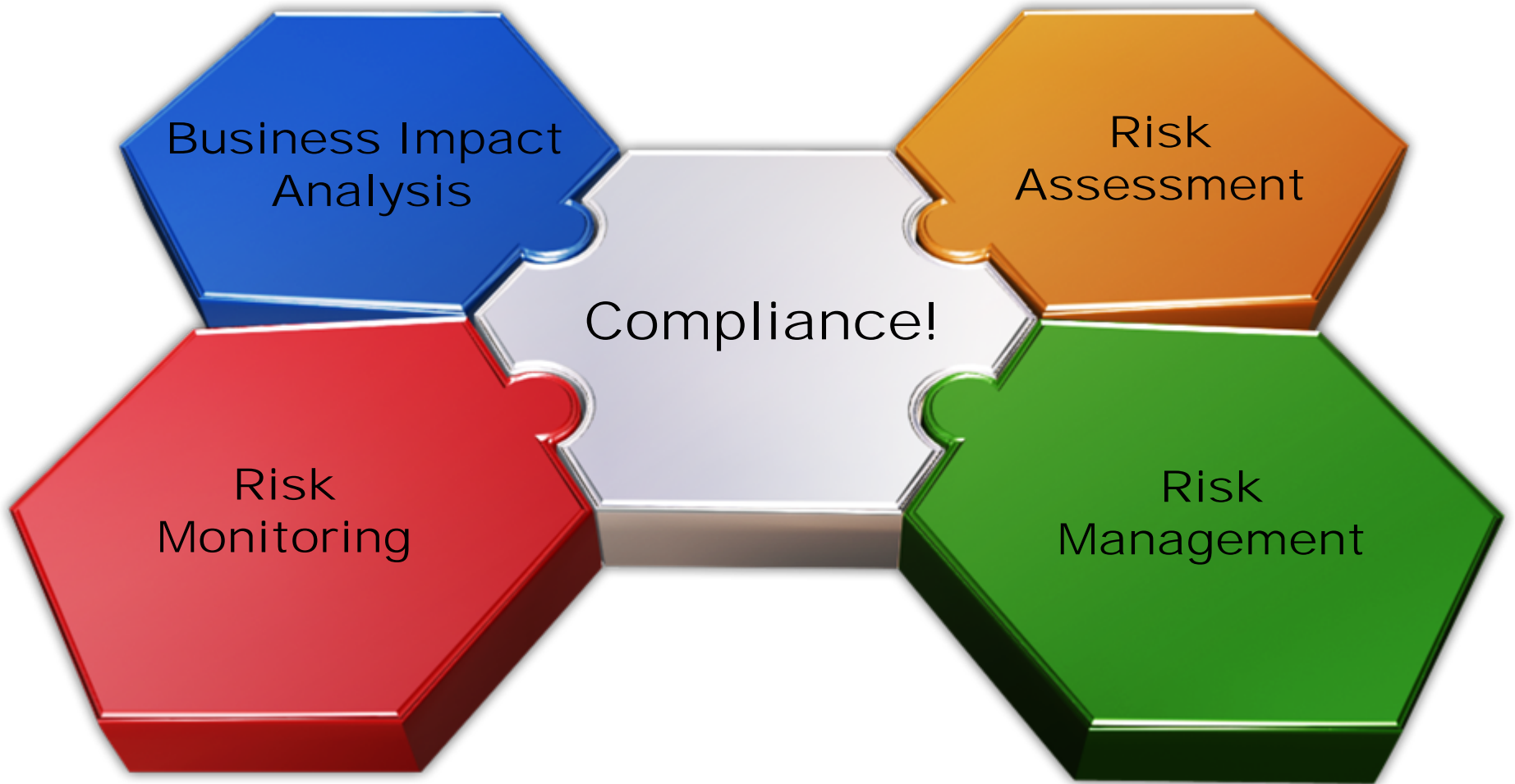
Plan Maintenance

- 
- BCP is a “**living**” document
 - **Must change** in conjunction with changes in the business activities it supports
 - Development of a **maintenance strategy** to minimize the “gaps” between the plan and daily operations

Sources of Change



Compliance Components



Lessons from Disasters

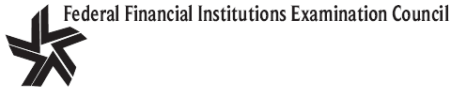
- **Airports and local transportation may be shut down**
 - Be prepared to recover without out-of-town personnel
 - Ensure you don't test the same personnel in the same positions every time

- **Business Continuity tests become very valuable in real-world disruptions**
 - One company conducted 11 tests in 2004 and 2005. In one test, they learned that when a disaster strikes, they may not have access to cash to purchase critical supplies. Added in procedures to get money to disaster scene. That very lesson proved critical in their recovery effort in Louisiana.

Special Considerations for Pandemic Plans

- **Widespread Impact**
 - Can occur simultaneously across many locations
- **High Levels of Employee Absenteeism**
 - Can reach 40% during the peak weeks of outbreak
- **More Lengthy Disruption**
 - Event can come in waves and last 6-8 weeks
- **Need to establish remote working strategies**
 - People may be unavailable, caring for relatives etc.
- **Different skill sets required for recovery**
 - How can you deploy your Employees most effectively?

What prompted the March 2008 changes to the FFIEC BCP Guidelines?



Federal Financial Institutions Examination Council

FFIEC

Business
Continuity Planning **BCP**

MARCH 2008

**IT EXAMINATION
HANDBOOK**

What prompted the changes?

- Feedback from examiners and financial institutions
- Changes in technology and regulations that have taken place since 2003
- Lessons learned from Hurricanes Katrina & Rita
- The increased need for an enterprise-wide BCP process

What changes took place?



What changes took place?

- More concise language throughout
- Enterprise-wide involvement
- Lessons learned additions
- Risk Monitoring and Testing
- New Section: Other Policies, Standards and Processes
- Appendices were improved

Change: Lessons Learned

- Valuable resource from the FFIEC website:
http://www.ffiec.gov/pdf/katrina_lessons.pdf
- Highlights include the following:
 - 🔍 Staff may be unavailable
 - 🔍 Communication outages
 - 🔍 Transportation difficulties
 - 🔍 Lack of electricity and fuel for generators
 - 🔍 Multiple locations/branches were impacted
 - 🔍 Mail service was interrupted

Other Standards, Policies and Processes



New: Other Policies, Standards and Processes

This new section provides information on:

- 🔍 Security standards
- 🔍 Project management
- 🔍 Change Control Policies
- 🔍 Data Synchronization Procedures
- 🔍 Crisis management
- 🔍 Incident response
- 🔍 Remote access
- 🔍 Employee Training
- 🔍 Notification standards
- 🔍 Insurance
- 🔍 Government- and Community-related issues

How can PLANet help you meet your requirements?



PLANet[®]

PLANet

- Launched in **2000**
- A **patented, web-based, comprehensive** planning tool
- Developed according to the **FFIEC/NCUA BCP regulations**
- Over **1500 financial institutions** using PLANet
- Sample information included

PLANet®

PLANet Presentation

Product Demo/Overview

PLANet Home Page

PLANet®



Welcome to PLANet

Your Business Continuity Planning Solution



Global Decisions

Perform a global risk assessment, define disaster declaration criteria and personnel, and define the objectives and scope of your plan.



Business Impact Analysis

Conduct a business impact analysis (BIA) to identify vulnerabilities and their consequences. Use the information you collect here to set priorities, establish strategies, and develop ways to ensure business continuity.



Manage Data Dictionaries

Collect data that can be assigned to plans. Import existing records or create new ones from scratch.



Build Plan

Build, update, and print your plan.



Test and Approve Plan

Perform tests to verify the validity of your plan. Then approve individual processes and submit the plan to the board for approval.



Publish Plans

Print Plans using Tables of Contents, thereby ensuring consistency in the output of your Plans.



Document and Report Manager

Manage PLANet Reports, upload Documents to PLANet, and define Tables of Contents used for publishing PLANet data and Documents.



Administration

Create and maintain plans and users, and customize field labels.

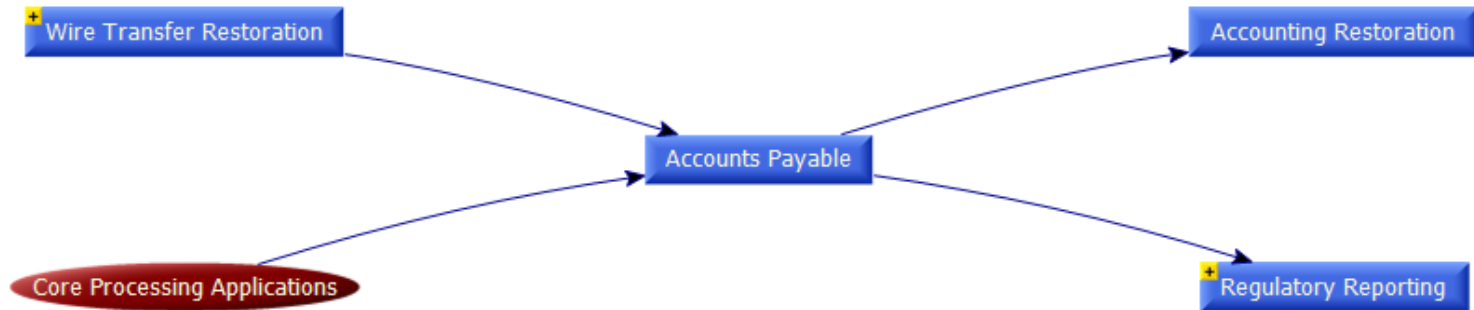
Dependency Map in PLANet

Additional Details

Dependency Summary

Dependency Map

10/7/2008 3:16:54 PM by: Admin
12/11/2008 3:45:49 PM by: Admin



Pandemic Planning in PLANet

Pandemic Event Response

Critical Rating: Not Rated

RTO: 0.00

RPO: 0.00

Task: Activate Work at Home Strategy

Activate the work-at-home strategy for affected areas.

Task Owner(s):

No Roles are assigned.

Seq.: Subtask / Action:

1 Assess employees' ability to do work

Contact department employees to assess their ability to do work. They may be ill, members of their family may be ill, or there may be other circumstances where they are unable to work. As department manager, monitor the health of your family, and your ability to continue working. Ensure your assistant or backup manager is healthy and ready to assume department management in your absence. Should your alternate become ill, immediately identify someone in the department to become your new alternate.

Assigned Roles:

Plan Owner

People:

No People are assigned.

2 Review/revise critical processes

Using the list of critical processes developed during pre-event planning, review and make any needed revisions and communicate them to your management, and to the Pandemic Coordinator, Planning Coordinator, or the Crisis Management team.

Assigned Roles:

Plan Owner

People:

No People are assigned.

3 Assign critical functions to employees

Using the list of employees able to work, assign critical processes or functions to employees.

Assigned Roles:

Plan Owner

People:

No People are assigned.

4 Identify dependencies affecting your department

Certain departments within the organization will either use a work transfer or an in-office pandemic strategy. Know the strategies being used by departments that have an upstream or downstream dependency on processes operating within your department.

Assigned Roles:

Plan Owner

People:

No People are assigned.

5 Communicate with dependent departments

Communicate regularly with any managers whose processes depend on process output from your department. Ensure that information, documents, decisions required by these managers is available in a timely manner. Communicate regularly with the managers that your processes depend on in order to ensure their workflow proceeds satisfactorily. Reconcile any issues.

PLANet Report Example – Plan Overview

Plan Overview

Branch Recovery - Main Office

1/30/2009

Report Description

This report describes the plan's purpose, objectives, assumptions and strategies on which the plan is based.

The Plan Overview helps you meet many requirements, including those regarding Assumptions and Testing Strategies of the BCP (beginning on page 17 and in Appendix H).

Purpose The purpose of this plan is to outline the response and recovery steps should something occur to disrupt business in the Main Office Branch.

Objective Our objective is to documents the steps and teams structure involved with restoring operations at the branch level.

Scope The scope of this plan includes the closure of a branch and/or the manual processing of transactions on a temporary basis

Assumption Assumptions are that the Core Processing system is down but that the staff is in tact. Facility might be in lock down.

Primary Plan Administrator Jodi Bell
Work Phone 6102058352
Cell Phone 4844327052
Work Email jbell@strohlsystems.com

Default Table of Contents Global Default

PLANet Report Example - Disaster Declaration Authorization

Disaster Declaration Authorization

Branch Recovery

12/8/2008

Report Description

The individuals below are authorized to declare a disaster.

Global Authorization

<u>Employee Name</u>	<u>Title</u>	<u>Home Phone</u>	<u>Work Phone</u>	<u>Cell Phone</u>
BUFFINGTON, BILL	VP CHIEF INFORMATION OFFICER	704.692.3741		704.240.9922
HOWARD, STEVE	PRESIDENT/CEO	704.240.9922		704.631.0525

Branch Authorization

<u>Employee Name</u>	<u>Title</u>	<u>Home Phone</u>	<u>Work Phone</u>	<u>Cell Phone</u>
MARTIN, VALERIE	BRANCH MANAGER	919.479.2364		919.568.4354
MCCARTNEY, MYLES	BRANCH MANAGER	919.563.8365		919.645.6546
WOOD, STEPHANIE	ASSISTANT BRANCH MANAGER	919.234.9876		919.234.4436

Department Authorization

<u>Employee Name</u>	<u>Title</u>	<u>Home Phone</u>	<u>Work Phone</u>	<u>Cell Phone</u>
JOHNSON, KATHERINE	SR. COMPUTER OPERATOR	704.431.2287		704.692.3741
Rodgers, Brenda	SVP	555-333-3363	800-634-2016 x333	484-343-3333

The Disaster Declaration Authorization helps you meet the requirements regarding the management of the BCP

PLANet

For Information on this Webinar or on PLANet –
please contact:

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