

Factsheet: Business Continuity

What is Business Continuity?

Business continuity can be defined as:

The overarching arrangements to be enacted when a business disruption, disaster situation or crisis has a major impact on business operations that flows to service delivery. It is the process an organisation puts in place so essential activities can continue during and after an unforeseen event or disaster situation.

Business continuity planning seeks to prevent interruption to critical services and re-establish operations as quickly and smoothly as possible. Ideally business continuity will form part of organisation resilience:

In a business setting, resilience relates to the ability of an organisation to anticipate, prepare for, respond and adapt to incremental change and to sudden disruptions in order to survive and prosper.

This can be shown as:



This is often brought together as a single organised resilience program:

A united organisation approach to risks, threats and opportunities, rather than applying separate functions such as security, disaster recovery, risk management, business continuity etc each trying to cope separately.

Why is Business Continuity Important?

All organisations are reliant on business processes operating effectively and continuously. Without this, products and services cannot be delivered and business sustainability is lost. Business disruption can often occur when information technology (ICT) or operational technology (OT) is degraded or unavailable. Many organisations that experience a significant business disruption never recover.

On the other hand, an apparent disaster can present new options to an organisation. For example, it might provide opportunity to relocate to or build better facilities or replace obsolete equipment. While the disruption was not planned, it may provide an opportunity for improved business operations.

Business Continuity Planning

Three elements are common to a crisis:

- › Threat to the organisation.
- › Element of surprise.
- › Short decision time.

Consequently, a range of processes and activities are necessary to properly prepare for an unexpected crisis:

Business Continuity Elements	Documentation and Preparedness
Threat to the Organisation	<ul style="list-style-type: none"> › Strategic risk assessment › Operational risk assessment (often for each business unit) › Business impact analysis › Supplier contracts and assurances
Element of Surprise	<ul style="list-style-type: none"> › Emergency management plan › Incident management › ICT / OT disaster recovery plans › Business continuity plan › Business continuity test schedule › Business continuity training
Short Decision Time	<ul style="list-style-type: none"> › Crisis management plan › Media plan

In the context of organisation risk management, business continuity is a set of processes designed to deal with the consequence of an unexpected loss of business capability.

Business continuity is built upon business impact analysis which is assessment of the time criticality for business processes. It assesses the length of time before an organisation is severely damaged by loss of a process – the time an organisation can survive before restoration of a minimum acceptable level of service or operations.

Business Continuity Plan

A business continuity plan (BCP) is a documented and structured approach that describes how an organisation can quickly recover and resume work after an unplanned incident. A business continuity plan will generally contain such things as:

Table of Contents	
Introductory Information	<ul style="list-style-type: none"> › Plan owners – business owner / plan owner › Document location › Document distribution › Document change history › Document review › Document approval › References and related documents › Glossary › Business continuity team contact details
Introduction	<ul style="list-style-type: none"> › Overview of plan coverage › Business continuity background › Objective and scope › Business continuity definition › Declaring a disaster › Single source information › Media comment arrangements
Plan Hierarchy	(Seniority)
Plan Triggers and Escalation	<ul style="list-style-type: none"> › Plan triggers › Escalation
Business Continuity Arrangements	<ul style="list-style-type: none"> › Seniority list › Recovery teams › Crisis kits › Recovery centre location – may include alternatives (contingent resources¹)
Recovery Checklists	(Checklists)
Business Continuity Actions	(Actions)
Critical Services	<ul style="list-style-type: none"> › Recoverability categories › Critical services
Recovery Plans	<ul style="list-style-type: none"> › Buildings and facilities › Infrastructure › Technology
Testing	<ul style="list-style-type: none"> › Testing requirements › Testing types › Test actions
Staff Emergency Information Line	<ul style="list-style-type: none"> › Administrator › Example staff emergency line scripts › Contact lists
Other Important Contacts	<ul style="list-style-type: none"> › Buildings and facilities › Infrastructure › Technology

Key Contracts	<ul style="list-style-type: none"> › Buildings and facilities › Infrastructure › Technology
Incident Log Template	<ul style="list-style-type: none"> › Buildings and facilities › Infrastructure › Technology

“...contingency plans should always include as check list items, questions that stimulate agile thinking such as: what new opportunities are created by this event? and as a result of this event, what is now possible that wasn't yesterday?” (Estall & Purdy, 2020).

Business Continuity Plan Triggers

Business continuity plan triggers will typically be when an organisation process, service or technology is severely impacted and recovery time objective (RTO) is unlikely to be achieved or has not been achieved.

Situations leading to the plan being activated may include such things as:

- › Technology equipment failure leading to an outage.
- › Successful cyber attack.
- › Power outage.
- › Major water leak or flooding.
- › Gas leak.
- › Major fire.
- › Malicious attack.
- › Severe community incident.

Business Continuity Testing

Periodic business continuity testing should be conducted to ensure the plan is kept up-to-date. Testing types may be:

- › Desktop testing.
- › Walkthrough testing.
- › Component walkthrough testing.
- › Partial simulation testing.
- › Full scope simulation testing.

Business Continuity Plan Update

A business continuity plan should be updated:

- › Annually.
- › Whenever there is a change to business responsibilities.
- › When there is a major business change.
- › After every test.

¹ Resources held in reserve specifically to deal with unexpected circumstances. They may be reserves of funds, equipment or other facilities primarily maintained for the purposes of addressing a disaster. Contingent resources may be in routine use for a lower priority activity.

Conclusion

Business continuity is an important risk management activity for every organisation but it needs commitment and resources to be successful.

Useful References

Christian, J., 2022. Basics: Recovery vs. Continuity. Internal Auditor, lxxix(6), pp. 17-19.

Estall, R. & Purdy, G., 2020. Appendix B - Anticipating the unexpected. In: Deciding: a guide to even better decision-making. s.l.:Sufficient Certainty Pty Ltd.

ISACA, 2021. IT Business Continuity/Disaster Recovery Audit Program. Chicago: ISACA.

The Institute of Internal Auditors - Australia, 2022. The 20 Critical Questions Series: What Directors should ask about Business Continuity. [Online]
Available at: <https://iia.org.au/technical-resources/20-critical-questions/what-directors-should-ask-about-business-continuity>

The Institute of Internal Auditors - Australia, 2023. Factsheet: ICT Disaster Recovery. [Online].

