

Business Continuity Planning for IT operations

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Why Business Continuity Planning is so important?

Many companies today are faced with the constant pressures and demands of competitive business environment. Added to this, their responsibilities to customers, shareholders, staff, regulators and auditors may mean that demands on them is all the more exacting. Devising plans to ensure that their business will continue to operate effectively through normal as well as unexpected circumstances is fundamental to survival. IT has grown from support based function to full business operation in the last 15-20 years. The dependence on IT for decision making in an organization has increased tremendously.

Most companies today have essential information which they need to have access to, in order to operate effectively. If access to critical data and information is unavailable for whatever reason, the resulting disruption could have serious consequences. In case of total disaster alternate arrangements need to be made so that the service levels are always maintained.

A study done in US indicates that in the past 10 years there are 820 cases of reported IT disasters and recovery rate for the companies is less than 40%. As companies increasingly depend on their IT resources for their business transactions(ERP based solutions for businesses) the dependability or availability of data becomes significant. The situation becomes more demanding for the companies which are in service industry like Insurance/Banking /Travel/Infotainment where the customer can quickly shift his preferences. These businesses are usually built on service commitments, timely delivery of products and customer satisfaction over a period of time. Further once the service levels are committed and if there is a failure to meet the commitments there is a chance for customers to file liability suits, demand compensation and there is chance for increased litigation. Hence preparation of realistic disaster recovery plan and workable business continuity plan assumes significance. Business Continuity is therefore an issue which many senior managers now consider to be of key strategic importance.

The aim of Business Continuity Plan

Before we define the aim of this plan the difference between Disaster Management Planning and Business continuity planning need to be understood. Emergency plan contains information on how to manage emergency where as continuity plan aims at bringing back the normalcy after the disastrous event takes place. In other words, when the disaster strikes, the disaster management plan comes into effect with business continuity plan as a follow -up. Some of the key steps in this planning are explained below.

Steps involved in preparing Business Continuity Plan

The key steps involved in preparing the plan are

◆ ***Project Initiation and Management***

To establish a sound business continuity plan with agreed time and budgetary limits.

◆ ***Risk Evaluation and Control***

To determine the risks that can adversely affect a business/organization and formulate a plan to minimize probability of such an event.

◆ ***Business Impact Analysis***

To evaluate the potential impact to the business due to loss of specified hardware/software/critical systems/applications/vital records/ key personnel/premises. In short it determines the staying power of an organization.

◆ ***Develop recovery strategies***

Review all available options and plan alternative solutions

◆ ***Emergency Response***

The preplanning and execution of actions required to stabilize and recover situation.

◆ ***Develop Business recovery plan***

To develop and document in clear concise terms a working document that will ensure business continuity under emergency conditions. The document summarizes the immediate resource requirement, identification of those resources and cumulative outage cost.

◆ ***Business back up and restoration procedures***

To manage development procedures that will ensure availability of business critical applications, data, information ,programmes and personnel under all conditions.

◆ ***Selecting the recovery teams***

Guide lines need to be prepared for identification of recovery teams and their training needs to be addressed.

◆ ***Awareness and training***

To develop and implement a corporate awareness and education programme to ensure development, maintenance and execution of the Business continuity programme.

◆ ***Testing and exercising***

◆ ***Maintenance and update of BCP***

◆ ***Salvage and Restoration Strategies***

Liaison with national and international experts for restoring critical equipment with in the shortest possible time.

◆ ***BCP audit and review***

Some of the above steps are explained below. Many of the business which are single location based, critical and where service levels are committed it is vital that BCP as concept should be explored.

Business Impact Analysis:

For companies to justify investment in recovery plans the first step is to carry out business impact assessment of stoppage of their operations for a particular period. Some of the key questions that need to be addressed are

- ‡ are the critical activities and key personnel identified?
- ‡ has the continuity plan drawn up and tested any time?
- ‡ does the plan include recovery procedures and standby systems for the critical systems?
- ‡ does the plan guarantee a return to normalcy within a agreed time frame?

If the analysis indicates that stoppage causes significant effect on their businesses they need to consider hot site service seriously. In a recent survey done in UK, 68% of respondents had a downtime of more than 2 hours. The average rectification time ranged from 6 hours to 72 hours. The situation becomes more critical for those businesses which are single location based and time/customer critical.

Service providers:

It is not possible to have all the services listed above in-house as it requires huge investments and it is essential that some of them need to be contracted out. Since the services are going to depend on external suppliers the agreements between the service providers should be fool proof. These agreements are to be developed in our country but nevertheless these can be evolved and experience from many parts of the world can be drawn.

Sensing the business opportunity various services are provided by entrepreneurs in Business Continuity field throughout the world and some of the new services are like

- ◆ Hot site service
- ◆ Mobile data service vans
- ◆ Restoration Specialists
- ◆ Data Vaulting Service
- ◆ Remote disk mirroring

Hot site:

Hot site is one that is prepared for use in the case of destruction of usual operational base. In concept it is like a dedicated site to be used only in case of an emergency. Usually this type of service is provided by net work service providers or entrepreneurs who have number of customers. It is understood that no. of sites are operational is Southeast Asia/Australia/South Africa/Europe/ Newzeland.

The customer in case of a worst kind of disaster moves into the hot site and resumes his operations at the shortest possible time. The service levels are maintained and once the normalcy is restored he resumes the operations from the usual site.

Eg.: Site operated by Guardian dr./Singapore postal services etc.

The service provider enters into an agreement with the customer to make available the site at a very short notice and the customer pays a fixed charge irrespective of usage of site. In order to overcome the problem of liability the service provider enters into an agreement with other hot site service provider and both of them enter into a back to back agreement to share the resources.

Electronic Data Vault

Data Vaulting service provides a reliable on line automatic back -up and archiving service with all data stored securely off site. The data is then available for instant access and retrieval from the desktop and all under user control. The data is stored off-site in a secure, professionally - managed vault.

Remote disk mirroring

This service enables clients to store data remotely and in real time in one of the service provider sites. This ensures that in the event of a disaster on the clients system that data is immediately available and its integrity is assured.

Present status in India

None of the above mentioned services are currently available in India even though the IT systems are expanding by leaps and bounds. Indian corporates oblivious of the disasters are not taking a proactive approach to Business continuity planning. Added to the confusion is the non availability service providers with a holistic approach. It is hoped that the situation may change as exclusive service providers enter the Indian market.