



Business Continuity Management - Which Threats Should You Consider?

Introduction

The predominant causes of disruption to UK businesses are both well-known and reasonably consistent. Year to year, the same three triggers generally cause disruption to the greatest number of UK organisations (although the order varies from year to year):

- Loss of IT/telecoms;
- Extreme weather; and
- Interruption to utility supplies.

One (rather simplistic) approach would therefore be to concentrate specifically on mitigating these threats. However, judging by the scenarios that clients choose for their exercises, this does not appear to be what happens in practice; indeed quite the opposite. Whilst extreme weather scenarios are popular, people very rarely choose a scenario concerned solely with the loss of IT, telecoms or utilities; and scenarios involving loss of people tend to involve mass casualties rather than industrial action or transport disruption. Meanwhile, clients still request exercise scenarios based on such unlikely eventualities as catastrophic fires, kidnap and terrorist attacks. Overall there appears to be a preoccupation with dramatic, high-impact threats.

Clearly there may be a rational justification for considering some of these threats, even if they are relatively unlikely, precisely because of their potential impact. However, there may also be some irrational reasons for the observed behaviour and these are discussed below. I conclude by proposing an approach to business continuity management (BCM) based on addressing issues rather than specific threats.

The Insurance Analogy

If only subconsciously, many businesses appear to be inappropriately applying an analogy with insurance-buying in their approach to BCM. It is not generally cost effective to purchase insurance for routine losses (so-called pound-swapping) so organisations concentrate on insuring against less likely events which would, if they occurred, seriously damage or destroy the business. The analogy though is flawed for two reasons:

- It can, in fact be very cost-effective to mitigate routine everyday occurrences (such as short-term denial of access) through sensible contingency planning; and
- Our ability to effectively plan responses to massive disruptive events is, by definition, limited by our lack of understanding of these very rare occurrences.



The Availability Heuristic

Another plausible explanation for the observed bias lies in the 'Availability Heuristic': that is, the subconscious tendency to equate the ease with which a threat is recalled with the likelihood of occurrence. For example, people tend to significantly overestimate the risk of death from dramatic causes (eg murder) compared to death from disease. Thus attention to specific risks tends to be swayed by what has happened most recently and what receives extensive media coverage.

Looking Beyond Individual Threats

I am not suggesting for a moment that we pretend that the terror attacks in London, Manchester and elsewhere never happened. However, our experience of working with and studying numerous organisational crises leads us to two important conclusions:

- High impact incidents are not necessarily more complex to manage and are, in many cases, simpler than less disruptive events; and
- There is much commonality in the actual issues that a Crisis Management Team has to deal with, regardless of the precise trigger or the scale of the incident.

Expanding on the second bullet point, in most disruptions you will have to deal with the following issues:

- Communicating with staff, customers and other stakeholders;
- Accounting for staff and visitors and managing staff welfare;
- Relocating staff to other sites or home-working;
- Recovering IT systems or implementing manual workarounds; and
- Assessing impact on products and services and re-planning schedules.

Focusing planning and training on mitigating specific, high-impact, threats may secure senior management attention and funding in the short term; but generally represents poor value for money. Concentrating instead on the generic issues arising from various disruptions is much more likely to demonstrate real benefits in the short term and forms a solid basis on which to build over time.