The Pareto Principle of Continuity Planning

Making the 80/20 Rule Work for You

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Today’s Agenda

• The Business Continuity Challenge
• Terminology and Definition
• A Little Bit of History
• Reasons to Plan
• Lessons Learned
• Traditional Planning Process
• 80/20 Planning
• How to Plan: Components
• Keys to Success and What to Avoid
• Conclusion
The Business Continuity Challenge

- Adopting continuity management industry best practices
- Moving beyond just “Emergency Management” and “Disaster Recovery”
- Implementing one solution across various business segments
- Varying progress on each plan component (emergency response, crisis communication, recovery, etc.)
- Each organization has a different “personality”
Terminology: Helpful or Hindrance?
Terminology: Helpful or Hindrance?

- Stabilize
- Communicate
- Recover

Emergency Response
Crisis Communication
Recovery
What is Continuity Planning

A hedging strategy against the impact of a catastrophe on the organization.
History

- **1960s and 1970s**
  - Centralized information technology (IT) and internally focused Disaster Recovery Plans (DRP)

- **1980s**
  - Distributed processing and integrated operations

- **1990s**
  - Integrated value chain and service chains
  - Value/service chain efficiency

- **2000s**
  - High public relations expectations
What Does Planning Accomplish?

• Ensures the welfare of employees and visitors
• Minimizes potential for escalating crises
• Enhances reputation
• Minimizes loss exposures
• Reduces financial impact
• Ensures operational continuity
Losses – Lessons Learned

• “...smart, energetic people...were directly responsible for the vigorous execution of our less than great plan.”
  – Frank Monaco, Pace Univ. “Educause Quarterly”, Nov. 4, 2001

• “We had not planned for the possibility of losing the library building and the entire collection. We should have.”
  – Mary M. Finley, California State Univ. Northridge “Federal Depository Library Conference” April, 1999

• “We never expected to be out of the office for as long as we were...”
Traditional Planning Process

<table>
<thead>
<tr>
<th>Phase I</th>
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Traditional Planning Process

- Identify customer and business requirements (i.e., data gathering)
- Obtain management support
- Implement project planning and control process
### Traditional Planning Process

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- Perform threat and risk assessment
- Identify vital business processes, applications, and data sets
- Determine disaster cost impact on business
- Identify interdependencies
- Define recovery windows
• Identify offsite data backup, processing backup and network backup alternatives
• Formulate recovery strategy based on optimum cost-benefit
• Implement offsite data and alternate processing
Traditional Planning Process

- Form Disaster Recovery Teams
- Develop notification and activation procedures
- Develop Emergency Response and detailed recovery procedures
- Develop plan distribution and control procedures

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## Traditional Planning Process

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- Develop test plans
- Perform tests
- Develop maintenance process
- Develop training and awareness programs
Traditional Planning Process

- Follows “Systems Development Life Cycle (SDLC)” model
- Structured with limited flexibility
- User input at beginning and end only
- Long throughput
- Results at end of process
- Best suited for information technology planning component
The Pareto Principle: 80/20 Rule

In certain situations, a usable 80% solution can be produced with 20% of the effort that would have been required to produce a total solution.
Planning on “The Edge of Chaos”

• Organizations are “Complex Adaptive Systems”

• Complex Adaptive System (i.e. Living System) is a system of independent agents that:
  – act in parallel
  – develop models as to how things work in their environments
  – refine those models through learning and adaptation

Concepts adapted from: “Surfing the Edge of Chaos” Pascale, Millemann and Gioja
Planning on “The Edge of Chaos”

- Individual performance, objectives, actions, and responsibilities vary within the organization.
- Combined individual activities move organizations in a strategic direction.
- Organizations are less responsive to changes when in a state of equilibrium.

Concepts adapted from: “Surfing the Edge of Chaos” Pascale, Millemann and Gioja

Graphic Source: R. Leone
Planning on “The Edge of Chaos”

- Professionals tend toward “detail” as a measure of success
- Belief that during a crisis there is a need to control and direct all activities toward a uniform “strategic objective”

Dynamic Organization (e.g. Living System)

Concepts adapted from: “Surfing the Edge of Chaos” Pascale, Millemann and Gioja

Graphic Source: R. Leone
Planning on “The Edge of Chaos”

- Unforeseen consequences are inevitable
- Facing threats evokes higher levels of mutation and experimentation – new solutions found – old models fail
- Emergent behavior occurs

Concepts adapted from: “Surfing the Edge of Chaos” Pascale, Millemann and Gioja

Graphic Source: R. Leone
Planning on “The Edge of Chaos”

- “Living Systems” cannot be directed along a linear path
- Rather, usher (i.e. disturb) them in a manner which approximates the desired outcome
Rapid Plan Development Process

- Project Initiation
- Response and Recovery Strategy Session
- Recovery Requirements Documentation
- Testing, Maintenance and Training
Rapid Plan Development Process

- First and last stages are similar to traditional approach
Rapid Plan Development Process

- Plan from the top down by developing the recovery strategy with the key decision-makers in each department
- Assume a worst-case scenario that affects all functions, regardless of how realistic
- Determine critical supporting activities/functions
- Develop flowcharts of actions – slice and dice graphically
- Iteratively review and refine flowchart actions in follow-up individual meetings – use imperatives only!
Rapid Plan Development Process

Slice and Dice the Process Graphically

<table>
<thead>
<tr>
<th>ACTIONS</th>
<th>TIME</th>
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<tbody>
<tr>
<td>Review Situation &amp; Assess</td>
<td>24 Hours</td>
</tr>
<tr>
<td>Initiate Emergency Recovery</td>
<td>1-2 Days</td>
</tr>
<tr>
<td>Order Equipment</td>
<td>2-5 Days</td>
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</table>

- Assess Building Damage
- Establish Site Security
- Isolate & Shutdown Utilities
- Notify Contractors to Standby
- Coordinate Site Selection
- Communicate Site Utility Needs
- Etc.
Rapid Plan Development Process

- Identify/gather data ONLY for those assets/resources that support critical activities/functions – gather data last!
- Simple form for internal/external call lists, battle box contents, applications with RTO and RPO, number of workstation setups, work location
Rapid Plan Development Process

- Follows “Rapid Application Development (RAD)” model – also known as “prototyping”
- Limits project exposure to forces of change (flexible and adaptive)
- Iterative development with constant feedback and business user acceptance
- Saves development time
- Results seen early in the process
- Best suited for dynamic organizations without full-time BCM staff
Rapid vs. Traditional Approach
Rapid vs. Traditional Approach

Copper Harbor Continuum™

- Response and Recovery Decision-Making Framework Documented (e.g. draft plan with flowcharts)
- Recovery Objectives and Strategy Established by Senior Management
- Risk Assessment
- Business Impact Analysis
- Requirements Data Gathering
- Alternate Recovery Strategy - Options Development
- Alternate Recovery Strategy - Actions Development
- Plan Actions Identified
- Fully Documented Plan
- Workable Plan
- Time Savings

Increasing Plan Functionality

Increasing Time

Project Initiation
Traditional Plan Document

- Purpose, Scope, Objectives – TEXT
- Management Commitment – TEXT
- Testing and Training – TEXT
- Threat/Risk Analysis – TEXT/MATRIX
- Initial Notification – TEXT
- Client Notification – TEXT
- Business Impact Analysis – TEXT/MATRIX
- Facilities Description – TEXT
- Alternate Office Locations – TEXT
- Natural Disasters – TEXT
- Man-Made Disasters – TEXT
- Teams Roles – TEXT
- Communications Plan – TEXT
- Recovery Strategies – TEXT
- Appendices – TEXT/DIAGRAMS

Source: Actual Plan Document

= 4-inch binder
Rapid Plan Development Document

- Purpose, Scope, Objectives – TEXT
- Emergency Response – FLOWCHARTS
- Call Lists – TEXT
- Crisis Communication – FLOWCHARTS
- Operational Recovery – FLOWCHARTS
- IT Recovery – FLOWCHARTS
- Appendices – TEXT/DIAGRAMS

= 1-inch binder

Source: Actual Plan Document
How to Plan: A Modular Approach

- Pre-Incident Planning
- Incident Management
  - Emergency Response/Management
  - Crisis Communication
  - Operational Recovery (including Information Technology)
- Test, Train, Audit
How to Plan: Emergency Response

• **Purpose:** *Stabilize*
  – Minimize injury, damage, ensuing impact
  – Coordinate with responding agencies, other departments

• **Key Components**
  – Immediate response
  – Assessment
  – On-scene management
  – Wrap-up or escalate – *escalation/disaster declaration criteria*

• **Use Existing Plans**
How to Plan: A Word about the ICS

- **Positives**
  - Uniform, flexible, modular
  - Proven effective by public/emergency services

- **Negatives**
  - Unfamiliar to most people
  - Virtual management structure
  - Terminology
  - Training and Emergency Management knowledge
  - Ongoing commitment beyond normal job responsibilities
How to Plan: Crisis Communication

**Purpose:** Communicate
- Smooth escalation through response and recovery
- Internal/external communication management
- Leadership and reputation management

**Key Components**
- Communication chronology
- Call trees - ALL audiences

**Connect to media strategy/spokesperson**

**Recognize technology side of communication**
How to Plan: Recovery

- **Purpose:** Recover
  - Return to business within Recovery Time Objective (RTO) in the most efficient way

- **Key Components**
  - Recovery chronology
    - Emergency Recovery (partial functionality)
    - Temporary Recovery (full functionality under less than optimal conditions)
    - Permanent Recovery
  - IT Recovery Plan
  - Appendices
How to Plan: Pre-Incident Activities

- **Purpose**: *Manage Risks*
  - Existence
  - Magnitude

- **Exposure/Threat**
  - Identification
  - Assessment
  - Mitigation/Transfer

- **Key Component**
  - “To Do” and “Issues” lists
How to Plan: Test, Train, Audit, Maintain

- **Purpose:** Validate
- **Internal**
  - People capabilities
  - Appropriate plan response(s)
  - Adequate resources
- **External (suppliers/vendors)**
  - Availability/capability
  - Surrounding infrastructure
- **Require of your suppliers/vendors what you demand of yourself**
Keys to Success

• Keep it short and simple

• Limit management and staff time

• Use action-oriented imperatives only (NO DESCRIPTIONS!!!)

• Use “To Do” lists to improve your risk position and planning effectiveness

• Yield concise plan – user-friendly, less maintenance, and long shelf life
What to Avoid

- Mistaking an Emergency Response/IT Disaster Recovery Plan for a Service Continuity Plan
- Creating a “virtual management structure”
- Collecting data without a purpose
- Yielding to detail creep
- Relying on software only
What Should I Do Right Now?

- Establish an Emergency/Crisis Management Team (CMT) with one person in charge (with alternates)
- Create a call tree
- Establish escalation/disaster declaration criteria and responsibilities
- Set up a conference bridge
- Decide where to meet during an incident
- Brainstorm key functions and recovery time objectives
This Will All Be Wrong If…

…you don’t have senior management commitment and direct involvement
A Final Thought…

“Everyone says that the plan is supposed to be a living document…

I disagree. What any organization really needs is a plan that requires the least effort, is on life-support, and is able to be revived when needed.”

- Thomas A. Gaitley
A Second Final Thought…

“It may look like a crisis, but it’s only the end of an illusion….”

- Gerald M. Weinberg
Questions