



Business Continuity Management Specialists  
*Here Today. Here Tomorrow.*

# ALARM Conference & Exhibition 2006

## Succession Planning for Business Continuity

Garry Smith  
26-27 June 2006

- Introduction
  - **About Garrison Continuity**
- Business Continuity
  - **Overview**
  - **Potential disaster scenarios**
- Succession Planning
  - **The need**
  - **The challenges**
  - **Objectives**
  - **Key steps**
  - **Practical application - your organisation**

- Independent Business Continuity Management consultancy, founded in 1996
- We cover the entire spectrum of business continuity, risk management and crisis management, providing:
  - **Analysis**
  - **Planning**
  - **Testing and maintenance**
  - **Full BCM programmes**
- Clients in private and public sectors including:  
**banking and finance • transport • manufacturing • media  
government • utilities • local authorities**

# Our clients include...



# What is Business Continuity?

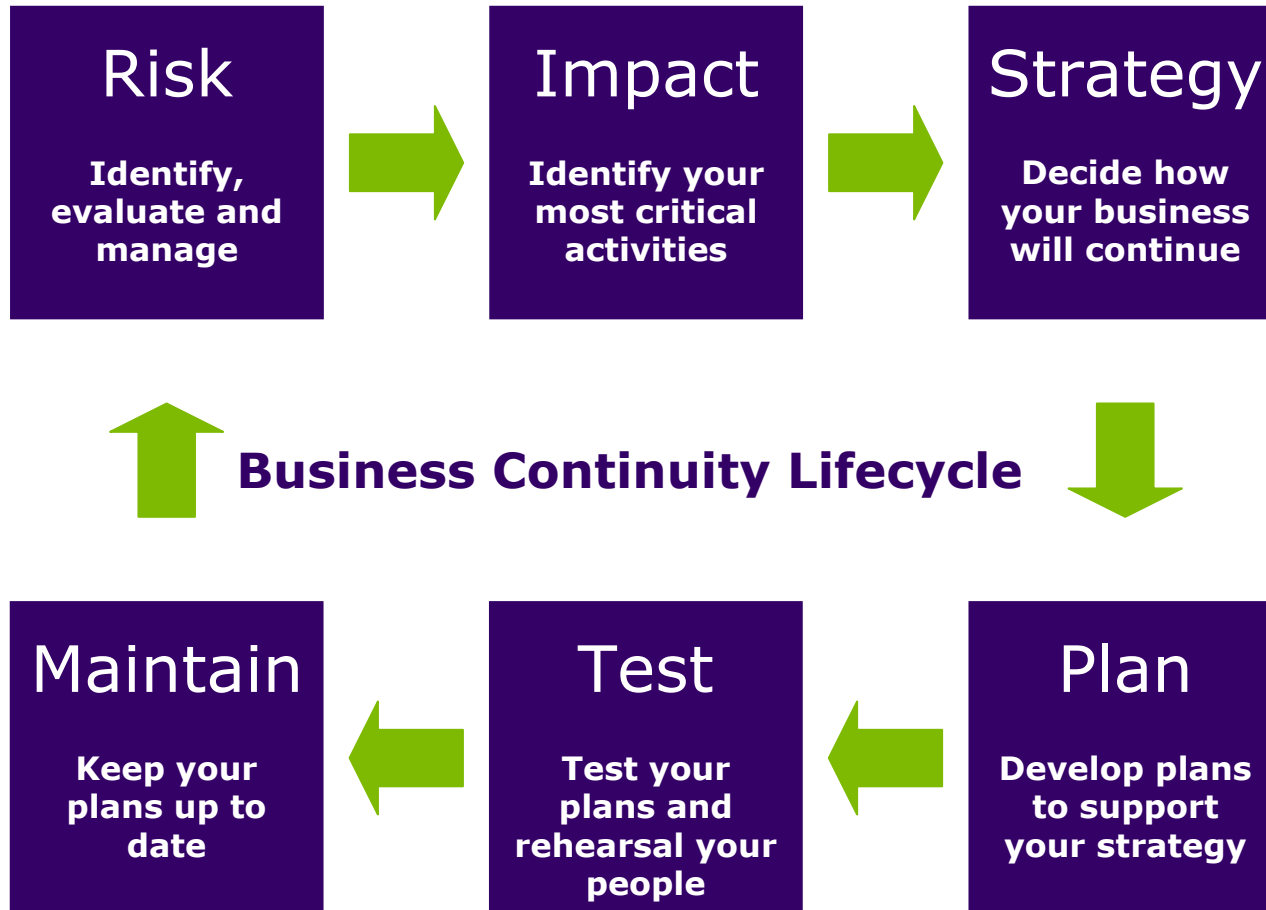


Business Continuity Management is a holistic management process that:

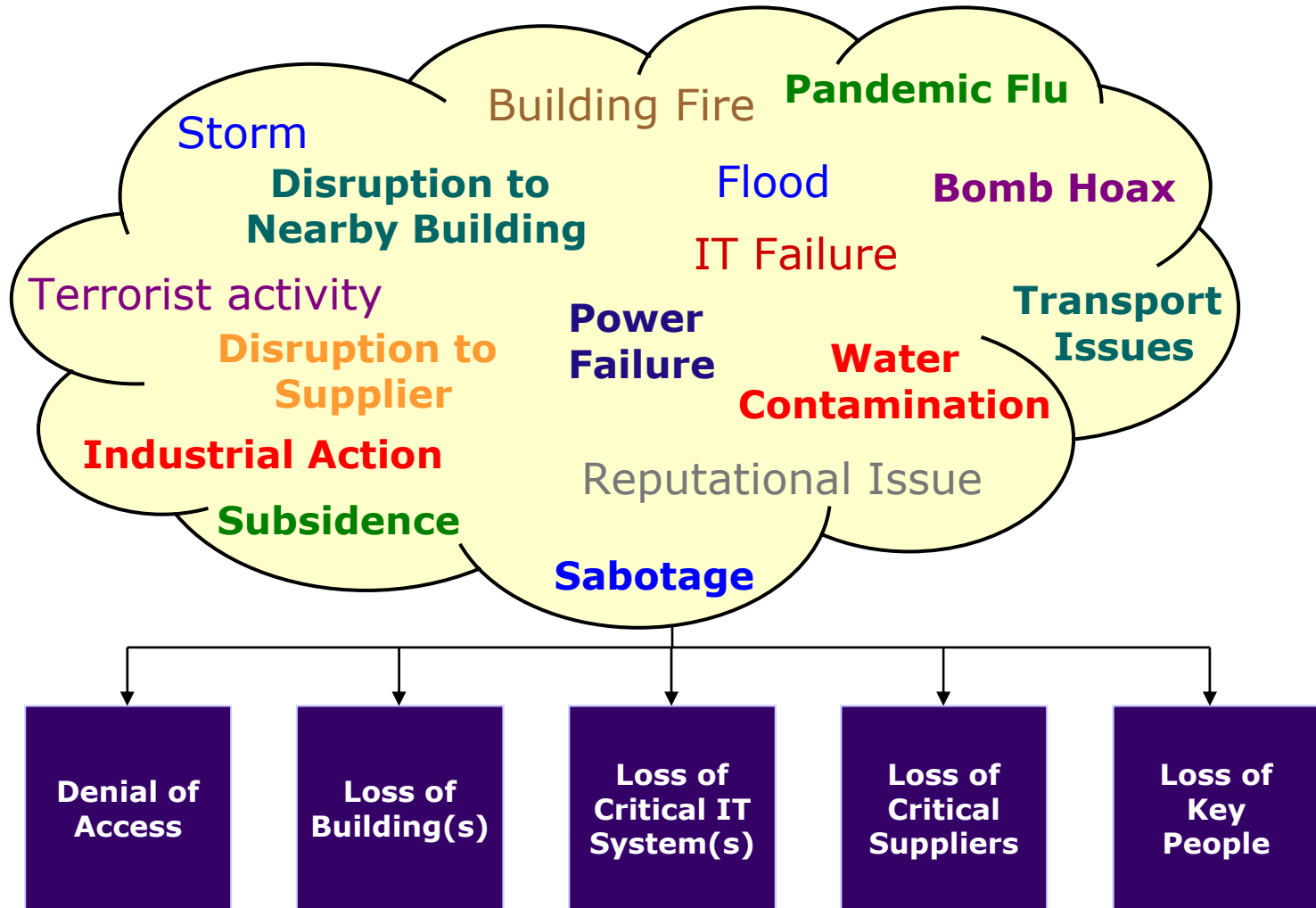
- Identifies potential impacts that threaten an organisation and
- Provides a framework for building resilience with the capability for an effective response that safeguards the interests of:
  - **Key stakeholders**
  - **Reputation**
  - **Brand**
  - **Value creating activities**

Source: Business Continuity Institute (BCI)

# Simple Business Continuity Model



# Potential Disaster Scenarios



# Potential Disaster Scenarios



## INCIDENT

### Denial of Access

### Loss of Building

### Loss of Critical IT & Telephony

### Loss of Critical Suppliers

### Loss of Key People

- Split functions across locations
- Implement 'roving profiles'
- Contract for DR services

- Split functions across locations
- Implement 'roving profiles'
- Contract for DR services

- Ensure resilience / redundancy
- Contract for DR services

- Check BCM status of supplier
- Identify alternate suppliers

## **Resilience**

- Do nothing
- Move staff to alternate location(s)
- Invoke DR capability

- Move staff to alternate location(s)
- Invoke DR capability

- Source new equipment
- Rebuild / Restore IT
- Invoke DR capability

- Await recovery of service
- Transfer to new supplier

## **Recovery**



# The Need For Succession Planning



- **A way of providing the next generation of talent to ensure continued success**
- **The advantages include:**
  - Better retention and motivation of staff
  - More effective deployment
  - Preparation for bigger roles
  - Planned transition between roles
  - Broader skills/knowledge
  - Gaps readily filled
  - Improved capability to deal with a crisis or disruption

Ability to identify,  
grow, retain a  
**talented workforce**



Source of  
**competitive  
advantage**

## **An effective succession planning process needs:**

- **The right process design**
- **High-level support**
- **A long-term approach, with multi-stage plans**
- **Alignment with the organisation's**
  - Strategy
  - Culture
- **Consistency of assessment**
- **Timely data collection & analysis**
- **Committed implementation**

## How will succession planning link to other processes?

**Performance Management**

**Recruitment & Retention**

**Training & Development**

**Career Development**

**Organisational Design**

**Business Development**

- New Markets
- New Products & Services
- New Customers
- New Technology

**Business Plans/Goals**

**Leadership Capability**

Headcount/payroll budgeting

## How widespread is succession planning in the UK?

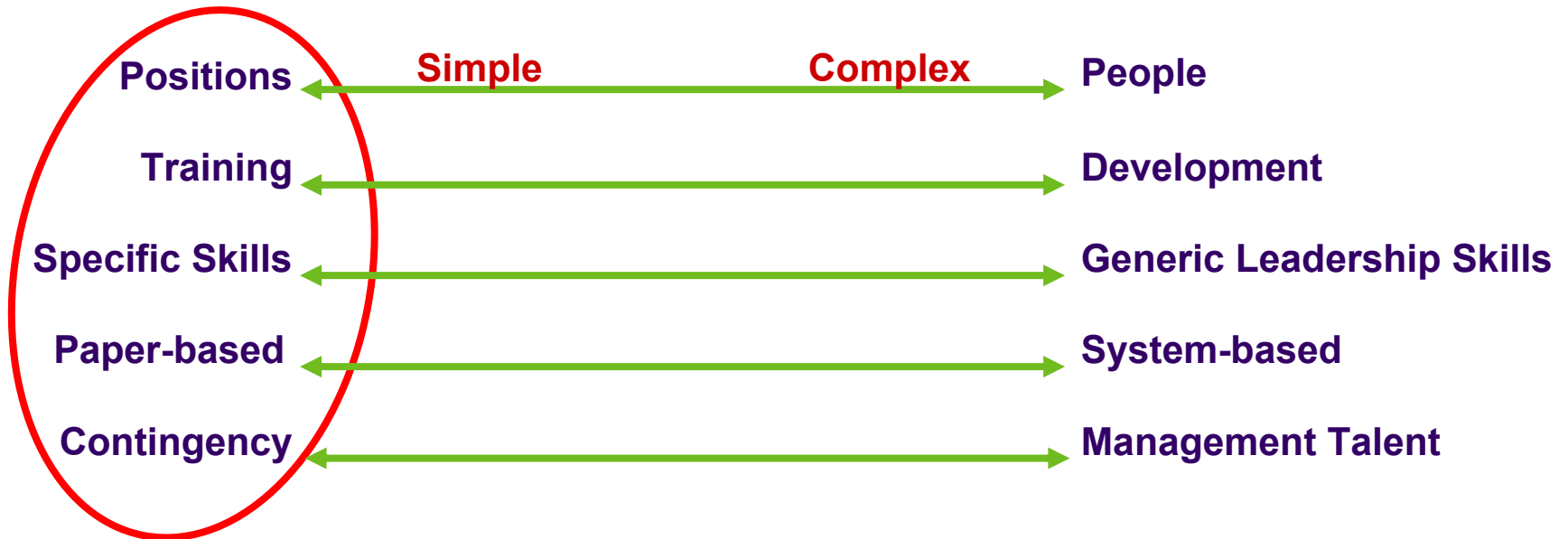
- **Most leading UK organisations have a formal process, but:**
  - The vast majority focus on senior positions only
  - Few processes have been implemented rigorously enough to achieve planned results
- **Across the UK as a whole,**
  - Up to 100,000 businesses with no succession plan face closure
  - The risk is increasing through growing staff turnover & flatter structures

# Succession Planning Objectives



## Focus on:

**business continuity .....or future development?**



**For business continuity, keep it simple**

- **An effective method of insuring against key people:**
  - leaving the organisation
  - being unavailable, for whatever reason
- **Identifies single points of failure and areas where there is limited cover**
- **Allows areas of greatest risk to be prioritised**
- **Generates solutions that build on existing organisational strengths**

- **Identify key staff**
- **Identify potential impacts**
- **Review potential mitigation measures**
- **Implement agreed strategies**
- **Rehearse staff**
- **Review and maintain**

# Step 1 – Identify Key Staff



- **Can be done as part of a broader business impact analysis**
- **Capture information for all departments, individuals, teams or other appropriate groups for the organisation**
- **Key considerations:**
  - **Are there key skills that would be difficult to replace in the short term? Is there a need for specific qualifications?**
  - **Is there a reliance on specific knowledge held by individuals or small groups (about processes, customers, systems, markets or legislation for example)?**
  - **Are there any key relationships that are essential to maintain critical activities?**
  - **To what extent is cover limited? Have minimum levels of cover been agreed, and are they being met?**

# Step 1 – Identify Key Staff



## **Local authority examples:**

- **Tree maintenance**
- **Refuse collection**
- **Maintaining the electoral roll**
- **Supported housing**
- **Rough sleepers**
- **Cemeteries/grave spaces**
- **Legacy systems (mainframe/UNIX)**
- **Winter maintenance (road gritting)**
- **MOT & taxi testing**

# Step 2 – Identify Impacts



- **Capture the potential impacts for each area where you have identified that cover may be insufficient**
- **Key questions:**
  - **Will any systems or processes fail?**
  - **Will there be any financial impacts through loss of income, fines or compensation claims for example?**
  - **To what extent will customers be affected?**
  - **Will there be any threat to life or health, or financial hardship**
  - **Will the organisation's reputation be at risk?**

# Step 3 – Consider Mitigation Measures



- **Review any mitigating factors already in place:**
  - **Staff in other departments/locations with the necessary skills & knowledge**
  - **Generic skills widely available in the market (temporary staff)**
- **Determine additional measures needed:**
  - **Cross-training (introduce or extend)**
  - **Detailed written procedures**
  - **Provide support to encourage staff to gain qualifications**
  - **Identify work that can be delayed, transferred or outsourced**
  - **Key person insurance**
- **Reference outcomes in business continuity plans**

Ensure that measures address impacts identified in Step 2

# Step 4 – Implement Agreed Strategies



- **Agree the most suitable and cost-effective approach, including a range of measures as necessary**
- **Gain budget approval if necessary**
- **Draw up an implementation plan, with clear timescales, and ensure that everyone is clear about their roles**
- **Make it happen and document outcomes in plans**

Do agreed measures achieve the required level of cover?

# Step 5 – Rehearse Staff



- **Create opportunities to rehearse staff who will cover key roles:**
  - Shadowing
  - Holiday cover
  - Cross-functional moves
  - Planned experiences/exercises
- **Review effectiveness and capture learnings, including:**
  - Need for additional training to keep skills and knowledge up to date
  - Areas where written procedures need updating

# Step 6 – Review and Maintain



- **Review information about key staff and available cover regularly**
- **Consider the range of areas where changes may mean that you will have to adapt mitigation measures, including:**
  - **Organisational change/restructuring**
  - **Staff moves/promotion**
  - **Leavers**
  - **New recruits**
  - **Changes to services/processes/systems/legislation**
  - **New customers/contracts/suppliers/markets**
  - **Changes in the labour market**
- **Update business continuity plans with any changes**

# Potential Disaster Scenarios



## INCIDENT

### Denial of Access

### Loss of Building

### Loss of Critical IT & Telephony

### Loss of Critical Suppliers

### Loss of Key People

- Split functions across locations
- Implement 'roving profiles'
- Contract for DR services

- Split functions across locations
- Implement 'roving profiles'
- Contract for DR services

- Ensure resilience / redundancy
- Contract for DR services

- Check BCM status of supplier
- Identify alternate suppliers

- **Cross-training in all departments**
- **Succession planning**
- **Identify agencies or contractors**

## **Resilience**

- Do nothing
- Move staff to alternate location(s)
- Invoke DR capability

- Move staff to alternate location(s)
- Invoke DR capability

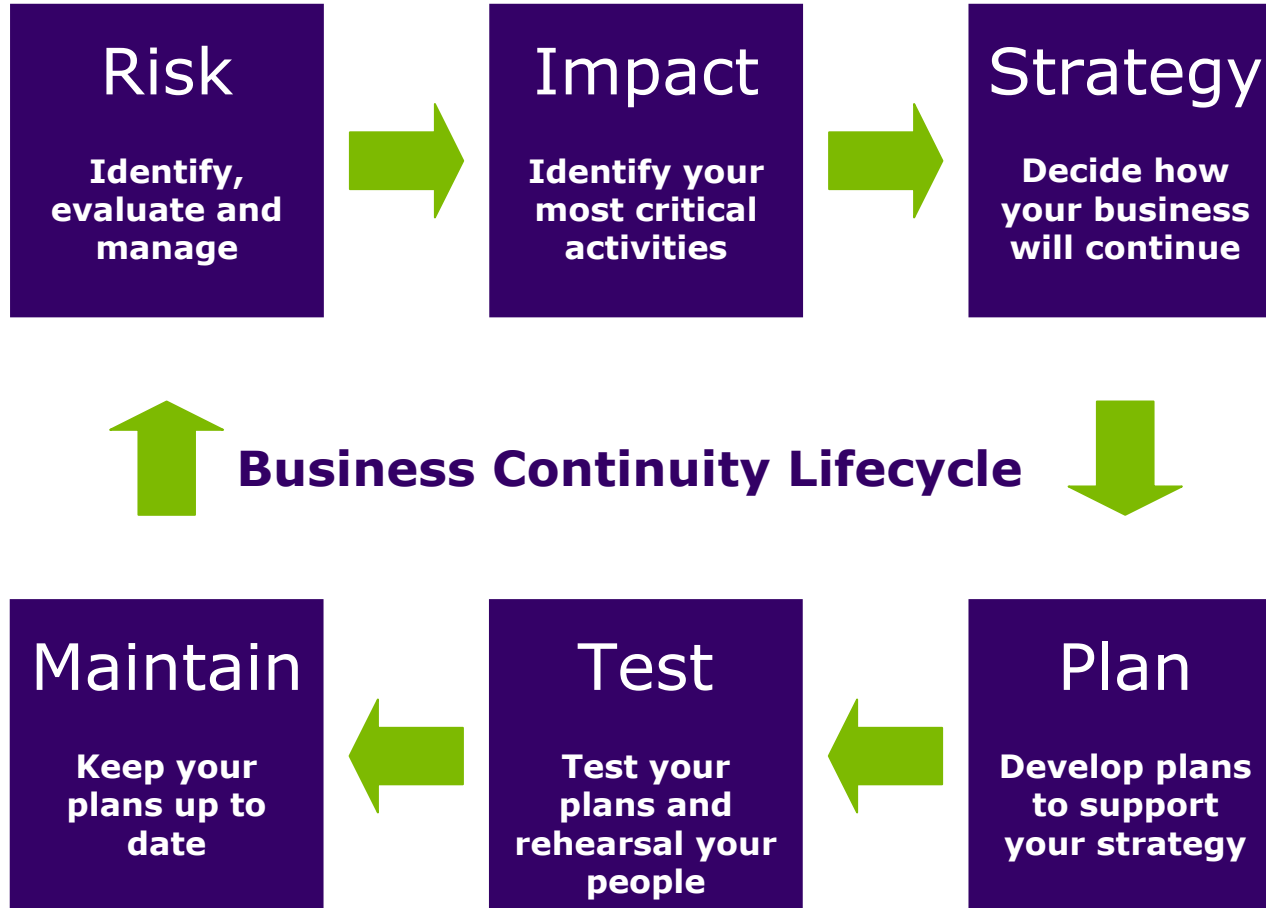
- Source new equipment
- Rebuild / Restore IT
- Invoke DR capability

- Await recovery of service
- Transfer to new supplier

- **Re-allocate non-critical staff**
- **Recruit new staff**
- **Transfer work to other agencies**

## **Recovery**

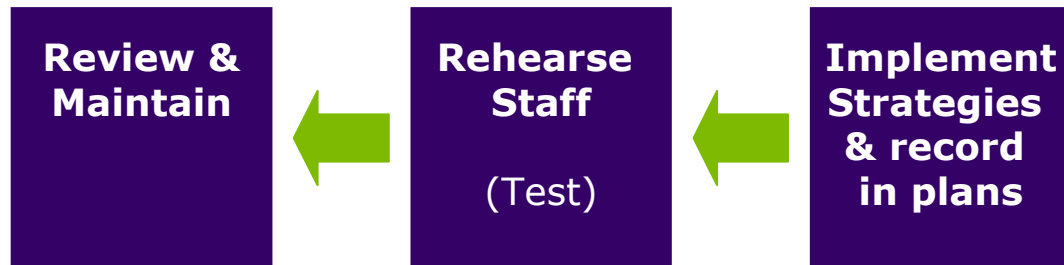
# Business Continuity...



# ...to Succession Planning



## Succession Planning for Business Continuity



- **Sell the benefits and get:**
  - Buy-in from senior managers
  - Practical support from HR
- **Start small & simple**
- **Focus on most critical areas first:**
  - Greatest risk exposure
  - Most significant potential impacts
- **Use a consistent approach across the organisation**
- **It's a continuous process, not a one-off project**



Business Continuity Management Specialists  
*Here Today. Here Tomorrow.*

End

[www.garrisoncontinuity.com](http://www.garrisoncontinuity.com)

Garry Smith  
26-27 June 2006