



FIDELMAN & CO

# OPERATIONAL BUSINESS CONTINUITY

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WHITE PAPER



# DISCLAIMER

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White Paper - Operational Business Continuity  
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# OVERVIEW

In today's unpredictable global economy, now more than ever before it IS important for small and medium-sized enterprises (SMEs) to be equipped with a strong business continuity plan. Disruptions, both natural and man-made, have the potential to overwhelm organizations of all sizes and in any location. According to the Federation of Small Businesses, 80% of small-to-medium enterprises that are affected by a major calamity close within 18 months.<sup>1</sup> The COVID-19 Pandemic on its own drove over 60% of firms to close down. This is proof that every business must have a business continuity strategy in place to ensure that its operations can continue, no matter what the disruption.

# BUSINESS CONTINUITY DEFINED

A Business Continuity Plan (BCP) is a collection of policies, procedures and guidelines that are put in place by companies to ensure their ability to function despite a disaster or disruption. The plan outlines the steps an organization needs to take before a disaster strikes, in order to continue its operations until recovery from the disruption is complete.

Business continuity is part of the emergency management cycle that connects the emergency response phase to the recovery phase. Business continuity takes place before, during and after an emergency. The plan is effective if it can mitigate the effects of a disruption on its operations by ensuring that critical functions continue to be performed when they are needed most.

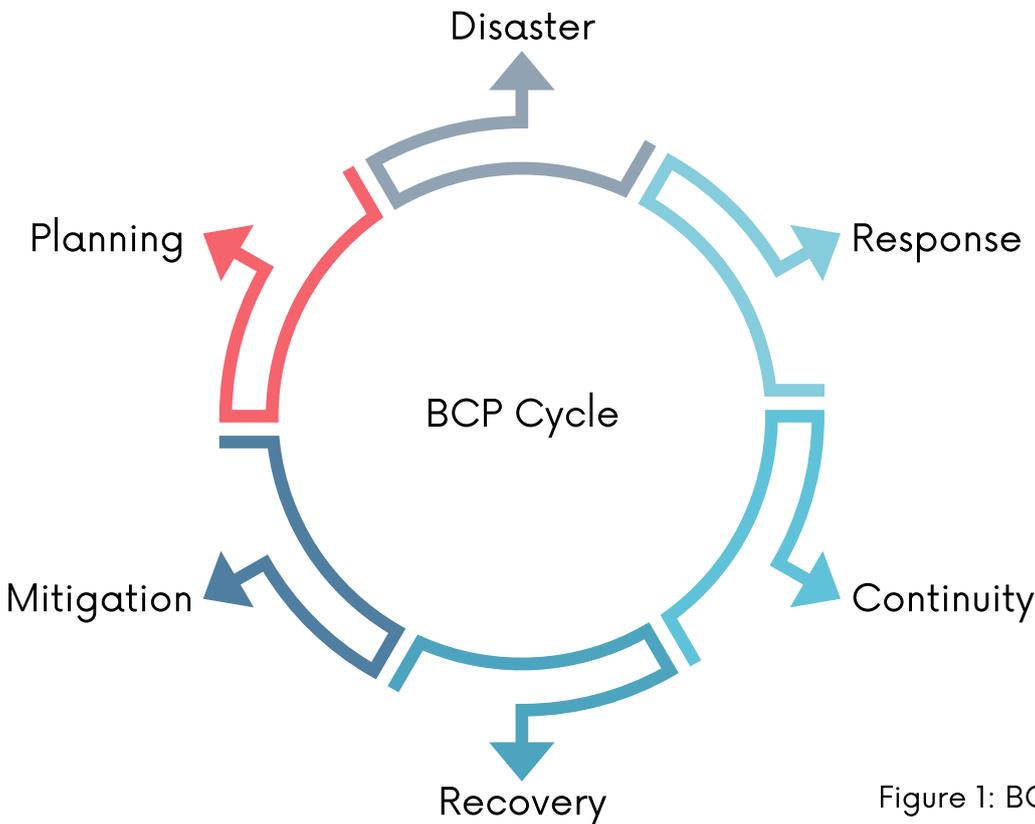


Figure 1: BCP Cycle

# THE CASE FOR BUSINESS CONTINUITY



Thousands of small and medium-sized businesses (SMEs) in the United States do not have a contingency plan in place, according to independent research commissioned by Fidelman & Company, posing a risk to themselves and their employees in the event of an act of terrorism or major global problems such as the current COVID-19 pandemic.

Moreover, according to a separate survey conducted by Aviva and published in their bi-annual SME Pulse report, 59 percent of business owners had no BCP whatsoever in place.<sup>2</sup> An incredible 15% of respondents said they did not feel the need for one, and just 17% had a BCP in place. Given that the majority of these firms will ultimately never reopen or close permanently after 18 months, this is a cause for concern.

With over 30 million SMEs<sup>3</sup> in the United States employing roughly 58.9 million people, or 47.5 percent of the country's total employee workforce, and given that most SMEs lack a BCP, this only invites another disaster to occur.<sup>4</sup>

**30M**

SMEs in the United States

**58.9M**

People employed by SMEs in the US

**59%**

Percent of SMEs without a BCP

# CREATING A BUSINESS CONTINUITY PLAN



At this point, we've discovered that enterprises require a BCP in order to quickly recover from a disruption. Businesses equipped with such plans are more resilient and agile, and are able to quickly resume their operations.

The following elements form a comprehensive contingency planning strategy:

- Emergency Response
- Crisis Management
- Business Recovery and Resumption

We can use these elements to construct an effective five-step BCP protocol:

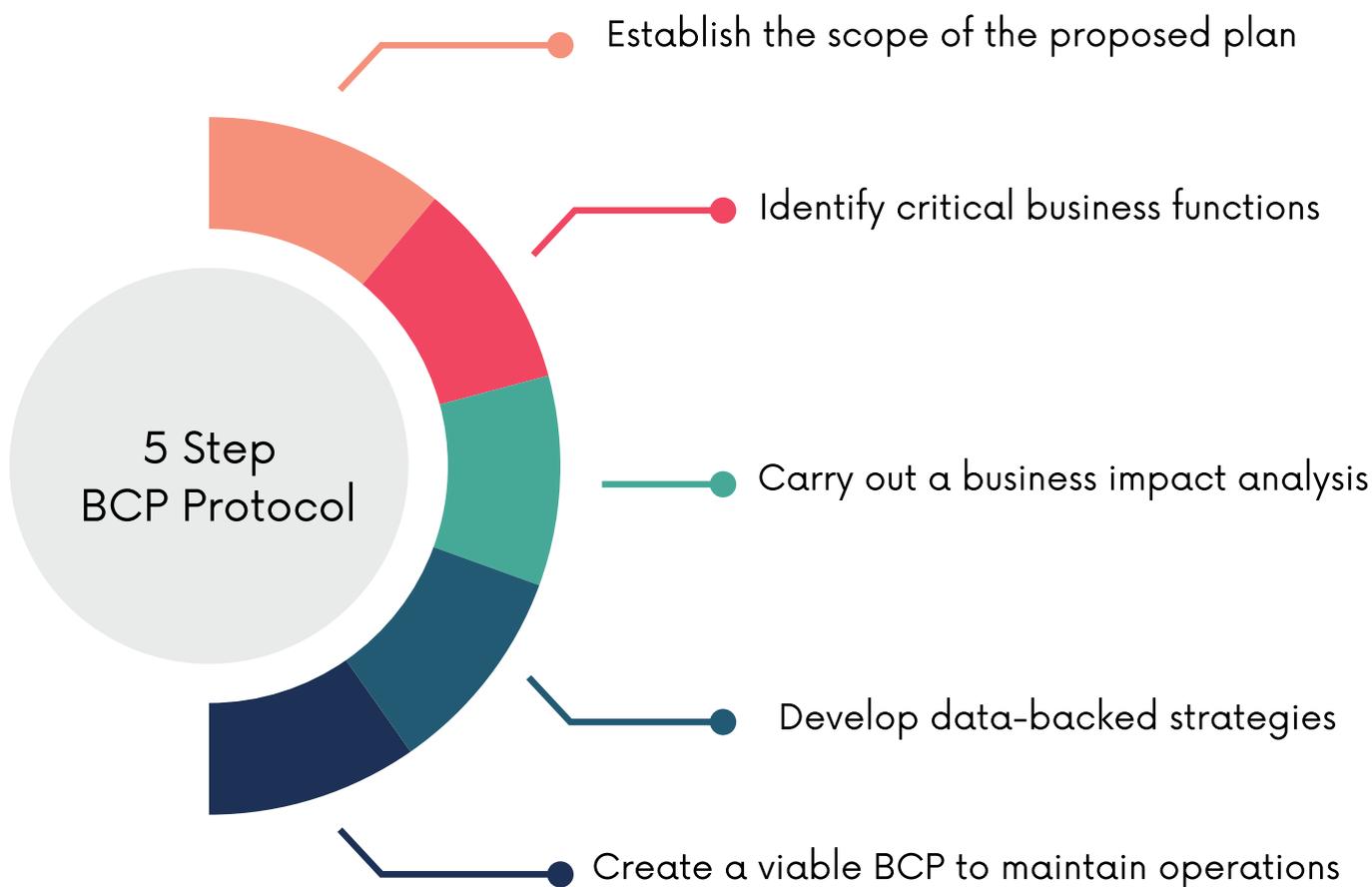


Figure 2: 5 Step BCP Protocol



## **STEP 1**      **Establish the scope of the proposed plan**

Determine who will be in charge of establishing and executing the BCP. This entails identifying the crisis management team, technology recovery team and business recovery teams. These teams will be responsible for identifying the potential threats, establishing risk analysis policies and selecting appropriate countermeasures.

## **STEP 2**      **Identify critical business functions**

Determine and define all of the sectors within your company, such as IT, sales, and HR, in order to draft appropriate response protocols for each.

## **STEP 3**      **Carry out a business impact analysis**

This process involves assessing how a disruption to your company would impact your customers, employees and bottom line.

## **STEP 4**      **Develop data-backed strategies**

With the data you have gathered, write an action plan that outlines your company's procedures for responding to a disruption. Determine the appropriate measures to take in order to resume business operations. Leveraging successful BCPs of other businesses may also shed light on what works and doesn't.

## **STEP 5**      **Create a viable BCP to maintain operations**

After you've developed your plan, it's time to put it into action. This entails training employees on how to act in the event of a disruption; for example, what information should be shared with clients and suppliers? How can customer relations be maintained?

# TESTING OUT THE BUSINESS CONTINUITY PLAN

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Testing your BCP helps you evaluate the accuracy of your plan and identify areas on which you still have to work. It will provide you with invaluable insight on the preparation of your operations for a disruption. Finally, demonstrating rigorous testing can aid your company in obtaining the right insurance. The following steps will help you conduct a BCP test:



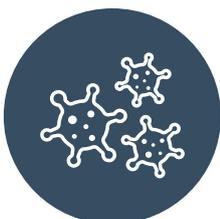
## Review the BCP with employees

Go over the measures and countermeasures contained in your BCP with employees. Your goal should be to make them as knowledgeable as possible on how they should act during an emergency situation. It's also a good idea to include suppliers and vendors in the simulation.



## Decide on a time to test the plan

Find a time to test your BCP. The purpose of the simulation is to make sure that everyone understands their role in restoring business operations; therefore, it's important not to schedule any other critical company activities during the testing period.



## Simulate a disaster situation

The current COVID-19 pandemic is a good example of a disaster scenario. Make a simulation of a disaster scenario and present it to your employees. They are expected to act as though the drill is real. Be sure to track how long it takes to return to normal operations. The shorter it takes, the more effective your BCP is.



## Evaluate the testing exercise

Take note of what worked and what did not. Was the BCP effective in restoring business operations? Was your staff able to properly execute their roles? Are there areas that you need to improve on or further enhance based on the feedback you received from employees?

These best practices should be part of your company's BCP. They can provide a practical guide on how to minimize the impact of a disruption and maximize efficiency in restoring business operations:

1

## Have a experienced sponsor

It's important that your business continuity plan has an experienced sponsor at its helm. This sponsor must have the skills to ensure that your BCP is implemented flawlessly from start to finish. Teams such as Fidelman & Co, can provide guidance in forging a successful BCP.

2

## Choose a strategic policy

Your BCP should be based on a sound and solid foundation, which can only be achieved through strategic planning. Employees must be given a copy of the policy along with the full BCP so they know exactly what's expected of them in the event of a disruption. Ideally, you should present the BCP in an employee handbook.

3

## Work with a methodology

The best way to ensure that your BCP is implemented properly by all involved parties is to use a methodology. A methodology provides the how-to steps an organization has to take in order to be prepared for any disruption. It should be clear and easy to follow and should also provide the necessary level of detail that will be helpful in carrying out all activities required for a successful business continuity plan.

4

## Employ regular assessments

A regular assessment of the BCP is a crucial step in maintaining a successful business continuity plan. It should be part of an ongoing risk management program that will identify areas for improvement and areas where your company can expand its operations without compromising security or efficiency.

5

## Deploy frequent testing exercises

Testing is the only way to prove that your BCP works. Once you've established a successful methodology, ensure that your company is conducting frequent testing exercises. Be sure to make employees aware of the time and date of these drills so they can act accordingly.

6

## Scheduling reporting and feedback sessions

There must also be a reporting procedure in place. After the deployment and testing of the plan, a report should be written to generate feedback that will be implemented in future deployments of the BCP.



# CONCLUSION

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40% of small businesses close after suffering from an unexpected disaster because they had no business continuity plan in place.<sup>5</sup> A business continuity plan acts like a shield. A well-structured BCP increases your chances of recovering successfully, protects your staff, clients, and company operations.

Our experts at Fidelman & Co collaborate with key stakeholders within organizations to develop and test business policies. In addition, we provide employee training and thorough documentation of the entire process. We provide expert services that help organizations protect their assets from critical threats.

By following the tips provided in this whitepaper, you can design a successful BCP that will safeguard your organization's viability in case of a disruption.

Learn more about how we can help you construct your BCP at [www.fidelmanco.com](http://www.fidelmanco.com)

**40%**

**Of small businesses without BCPs close after suffering from an unexpected disaster**

**A BCP can aid you in fortifying your business and assets in an uncertain environment.**

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