

Effective Business Continuity plan

Business Continuity Management (BCM) can be known as a holistic management process that is used to identify the potential threats in a company. These threats can bring huge impacts to business operations. It gives a framework for building a company's resilience in order to get effective responses that can safeguard the interests of its value-creating activities, reputation of the brand and stakeholders.

BCM integrates the disciplines of Crisis Management, Emergency Response, Business Continuity, and Disaster Recovery (technology continuity).

A business continuity management system shows the importance of several things like:

- Implementing and operating controls and measuring or managing the company's overall continuity risks.
- Understanding the needs of continuity and preparedness, also, the importance of policy and objectives of BCM.
- Continual improvement is based on objective measurements.
- Having a proper control and check on the performance and effectiveness of the BCM system.

The Value of Business Continuity Management

There are several reasons to have a robust BCM program and the scope of such a program is enterprise-wide.

Here are some of the reasons that make BCM a top priority among others:

Legal and Regulatory Compliance

Regulation: Business Continuity Management has 120 regulations that mandate across a variety of industries, including but not limited to:

- **Financial Services** – Financial Industry Regulatory Authority (FINRA), the Federal Financial Institutions Examination Council (FFIEC), Financial Services Authority (FSA).
- **Energy** – Federal Energy Regulatory Commission (FERC) and North American Electric Reliability Corporation (NERC).
- **Healthcare** – Joint Commission on Accreditation of Healthcare Organizations (JCAHO) and the Health Insurance Portability and Accountability Act of 1996 (HIPAA).
- **International** – All Central Banks have Business Continuity Management requirements and The International Regulatory Framework for Banks (BASEL III).

Negligence: Any personal injury such as “a failure to use that degree of care that any prudent person would use under similar circumstances” is known as Negligence. Some of the court decisions which were made based on common law have stated that “failure to prepare” as well as “failure to plan” are the basic grounds for negligence.

Demands by Organizations for their Vendors

1. **Customer demand:** Now, Requests for Proposal (RFPs) requires potential vendors to show that they have BCM programs in place.
2. **Regulation:** Certain requirements govern preparedness in the supply chain of regulations. Some of the federally chartered banks are governed by the Office of the Controller of the Currency and FFIEC, which regulates, charters, and supervises all federal savings associations, national banks, agencies of international banks and federal branches.
3. **Smart business:** It is a competitive advantage for

companies to have a resilient supply chain that will make them better able to respond to disruption than their competition. All these things or capabilities will make the company a more attractive supplier to larger companies that will have benefits from the increased reliability of the smaller business.

To Maximize Insurance Coverage

BCM increases the company's ability to provide risk transfer information, which includes:

- **Analysis Phase of Business Continuity Management:**

Organizations conducting a Business Impact Analysis (BIA) will be able to ascertain the profit losses as well as the number of fixed costs that must be paid in the event of an incident that triggers an insured peril. This will quantify the proper amount of Business Interruption Insurance.

- **Strategy Phase of Business Continuity Management:**

Extra Expense Insurance will be given as the maintenance of the operations when an insured item has an accident until normal operations can be restored.

Reputation and Resilience Management

BCM can help organizations to increase their resilience in the face of adverse circumstances(internal or external) and protect their reputation.

BCM can protect the brand or company from the risks like promising deliveries to the customers, including cyber risks, and reduce downtime and the cost of recovery if any accident occurs.