Another One Bites the Dust: Business Continuity Planning for Your Nonprofit

March 13, 2018

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Nonprofit
Risk Management
Center

Workshop Agenda

- NRMC Affiliate Member Resources

- Introduction to Business Continuity Planning

- Break

- Business Impact Analysis exercise

- Examples of BCP process diagrams and outlines; key questions to consider; overview of My BCP web app

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Kay Nakamura, Director of Client Solutions
703.777.3504 | Kay@nonprofitrisk.org

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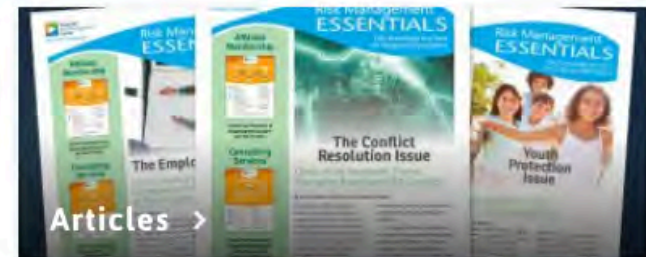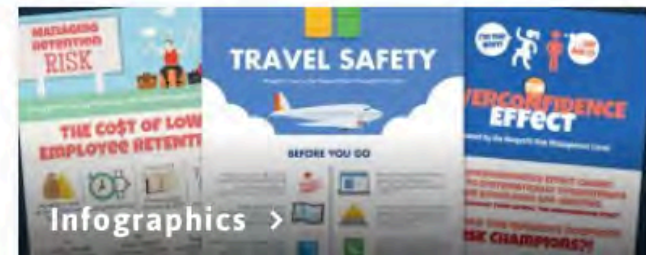
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Click here to review frequently asked RISK HELP questions.

Ask a RISK HELP Question

First Name *

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Name of Organization *

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RISK HELP Question *

Submit

For RISK HELP, call us or submit a question.

Business Continuity Planning
Overview

What is BCP?

The planning process that: 1. keeps absolutely necessary functions running during a period where normal operations are disrupted, and 2. explains how other functions will be restored as soon as possible.

Why BCP?

Business continuity planning helps determine:
- which activities must be *sustained* without interruption
- which activities can be *interrupted* and for how long, and
- how to *maintain* "time sensitive" operations in the immediate wake of a crisis or business interruption.

Crisis Management vs. Business Continuity Planning

Crisis Management: Managing in the face of an emergency, disaster or catastrophe.

Business Continuity Planning: The planning process that keeps absolutely necessary functions running during a period where normal operations are disrupted, and explains how other functions will be restored as soon as possible.

Disaster Recovery vs. BCP

- **Disaster recovery** is the ability to restore data and applications should your data center, servers, or other infrastructure get damaged or destroyed.

- **BCP** refers to a strategy that lets an organization operate with minimal or no downtime or service outage.

"Risk management is not about providing certainty. It's about **living with uncertainty.**"

Grant Purdy, Broadleaf Capital International

Does the Source of Interruption Matter?

What Type of Interruption?

High magnitude, low frequency = catastrophe
(e.g. affects entire organization)
Activate BCP in full

Moderate magnitude, moderate frequency
(e.g. may affect portions of the organization)
Activate portions of BCP

Low magnitude, high frequency
No disruption of key functions

Magnitude

Frequency
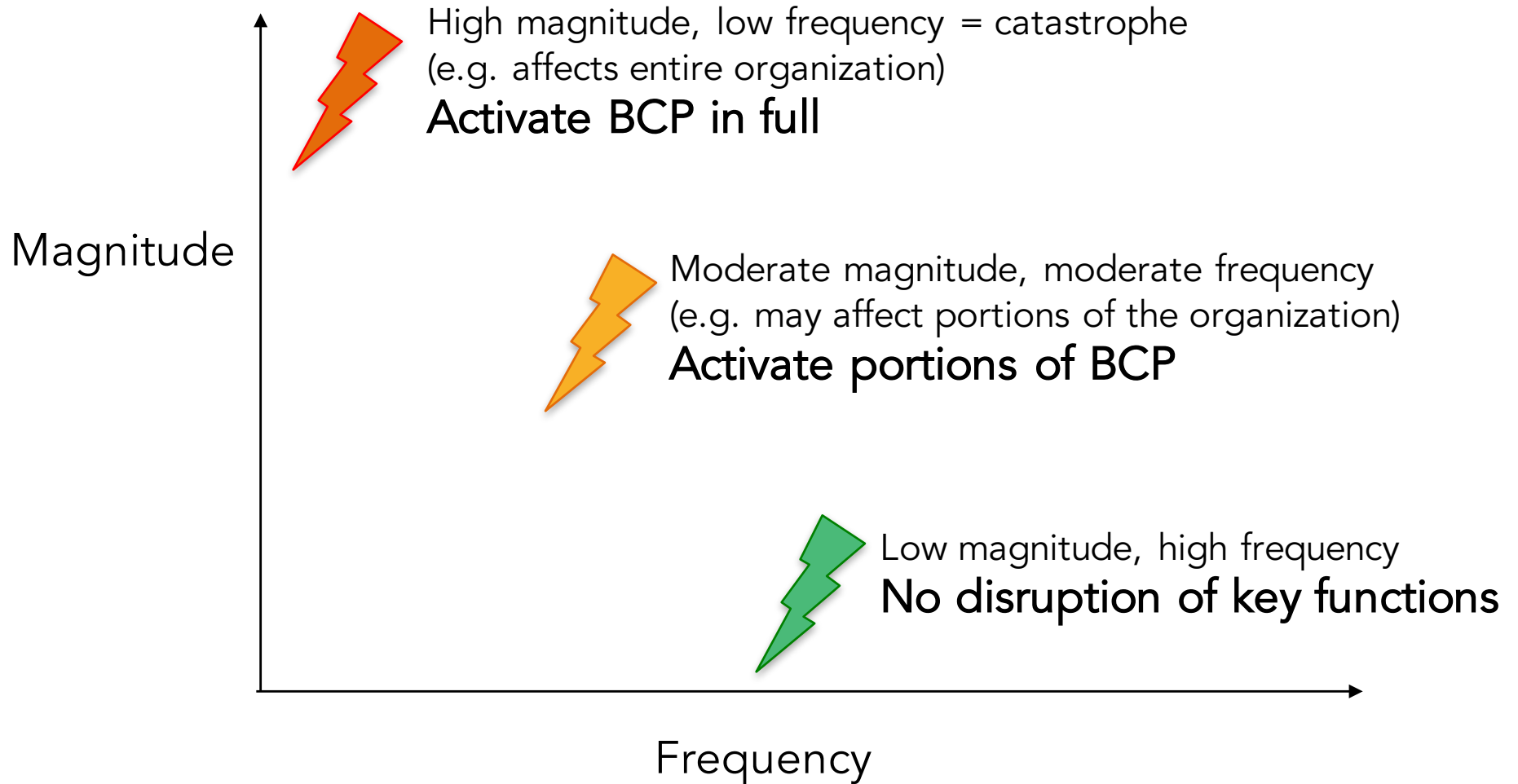
Business Impact Analysis

- Time-sensitive (alternative wording to "mission-critical" or "essential")

- Why? We don't hire staff to perform non-essential tasks!

- Some functions are critical to growth and long-term health, but not time-sensitive.

Look at each function or program in the same light: *how long can we NOT do this* without causing significant financial losses, client unhappiness, or significant penalties (fines, lawsuits, etc.)

Business Impact Analysis Exercise

Step 1: Work with your small team to complete a BIA for your program or function. Your program/function is described on your worksheet. (20 minutes)
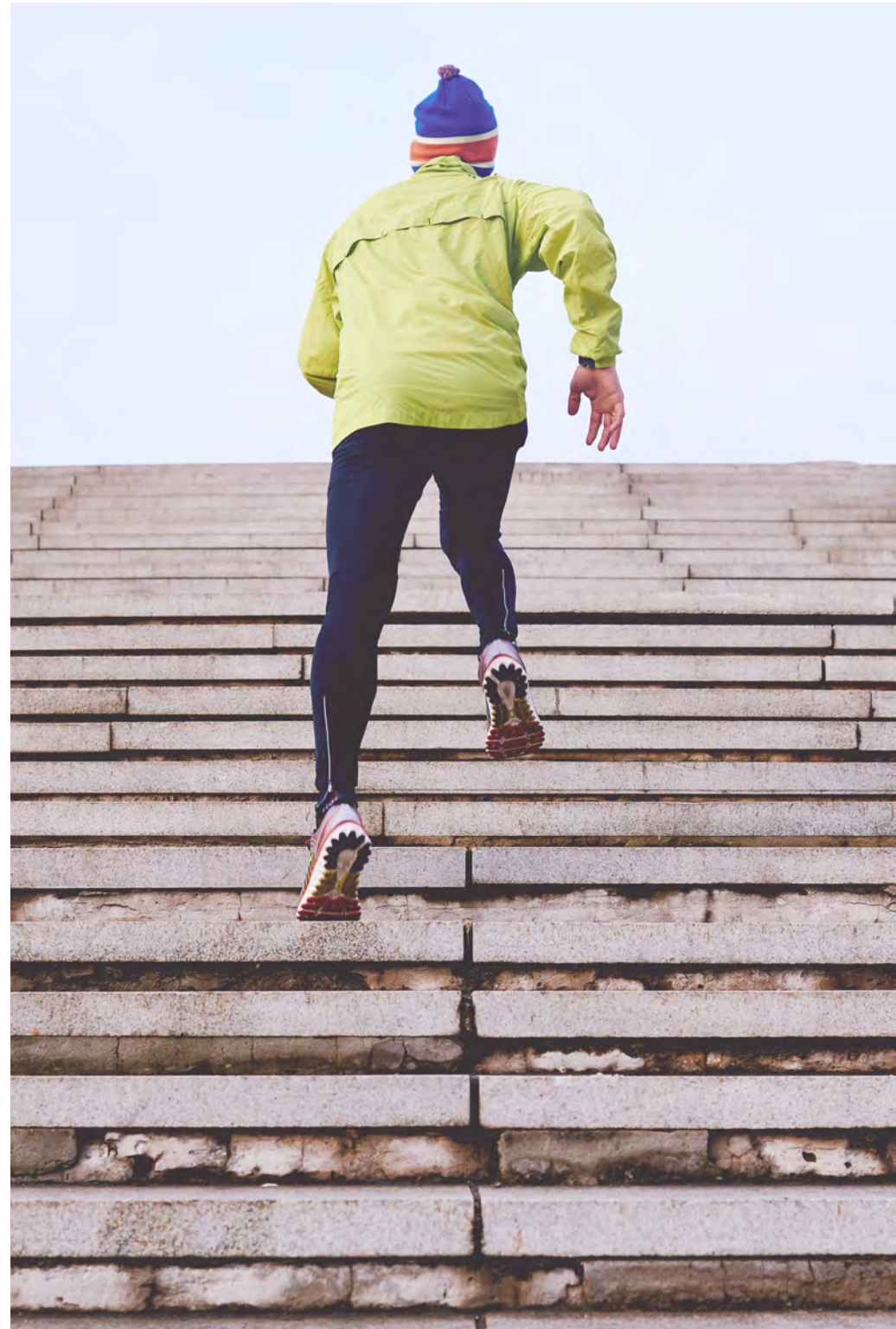
Business Impact Analysis Exercise

Step 2: Full Group Discussion

- The dependencies you identified

- Potential impacts of NOT offering your service/function

- Alternatives for operations at lower functional level

- Tolerable unplanned downtime

- Strategies to prevent/mitigate business interruption
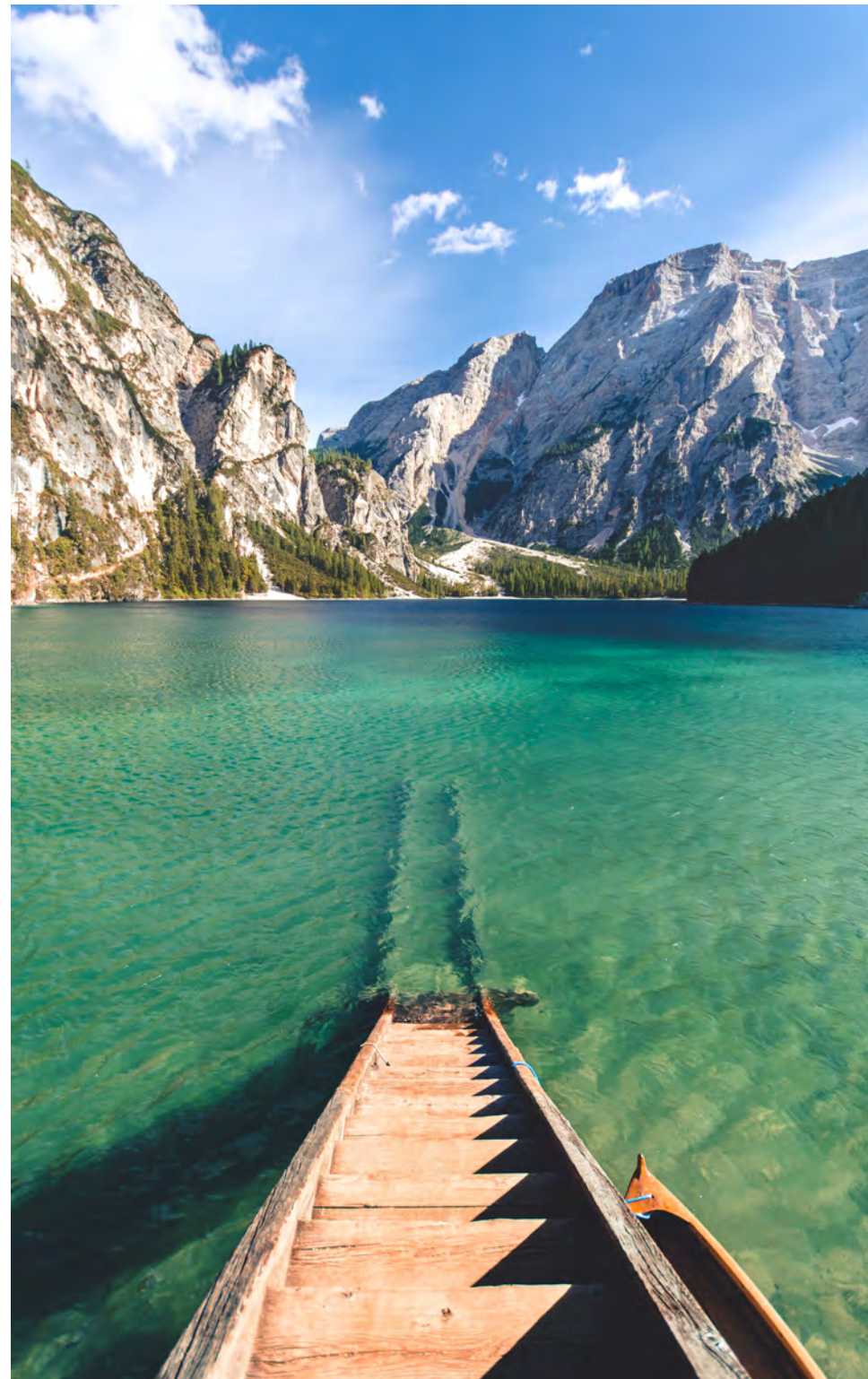
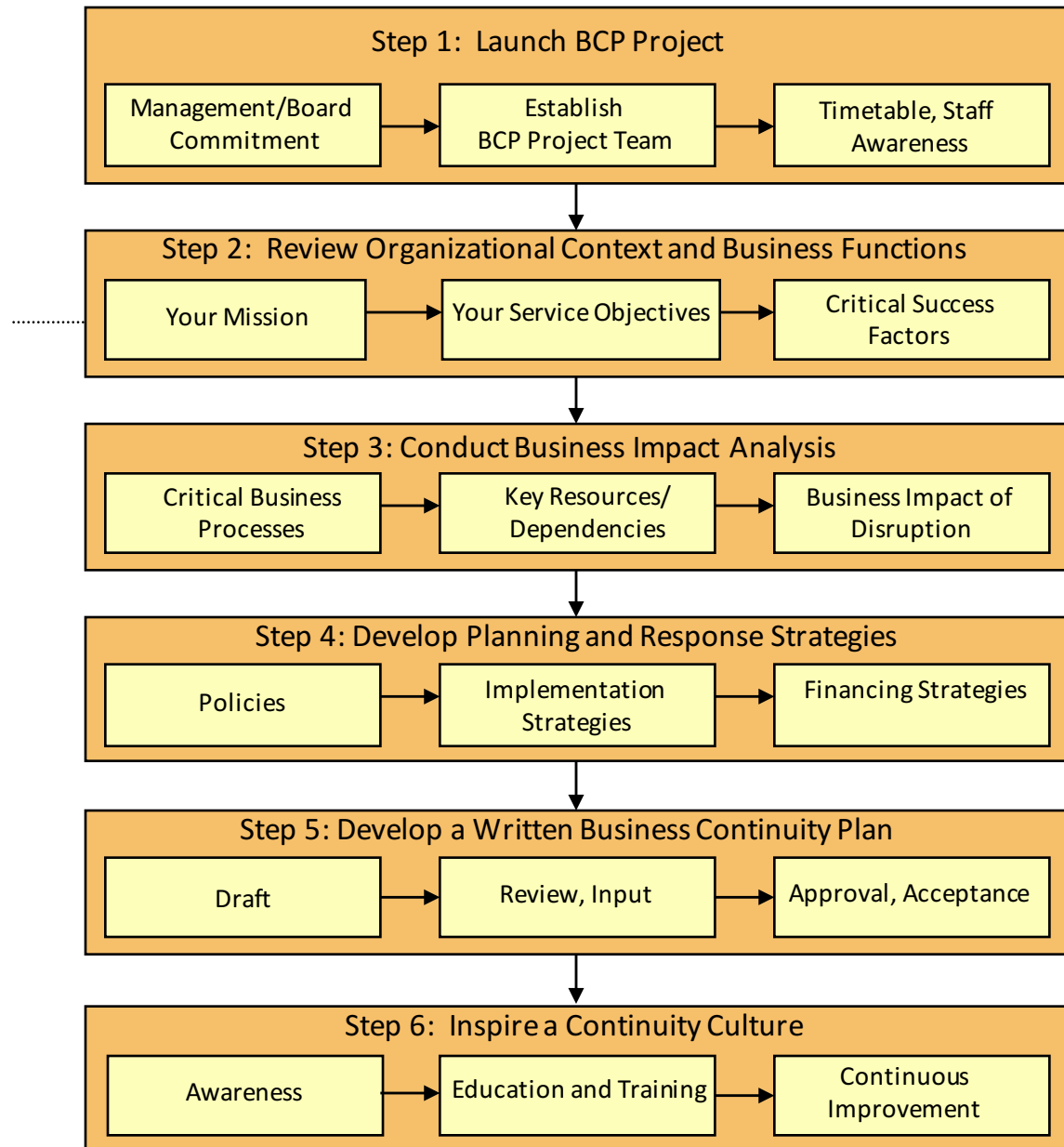# Business Impact Analysis Exercise

Step 3:

- Who has the most time-sensitive function?

- Plan the order of reviving each respective program/function.

Lessons

- How would you adapt or use this exercise in your nonprofit?

Business Continuity Planning Process

Step 1: Launch BCP Project

| Management/Board Commitment | → | Establish BCP Project Team | → | Timetable, Staff Awareness |

Step 2: Review Organizational Context and Business Functions

| Your Mission | → | Your Service Objectives | → | Critical Success Factors |

Step 3: Conduct Business Impact Analysis

| Critical Business Processes | → | Key Resources/ Dependencies | → | Business Impact of Disruption |

Step 4: Develop Planning and Response Strategies

| Policies | → | Implementation Strategies | → | Financing Strategies |

Step 5: Develop a Written Business Continuity Plan

| Draft | → | Review, Input | → | Approval, Acceptance |

Step 6: Inspire a Continuity Culture

| Awareness | → | Education and Training | → | Continuous Improvement |

Step 1: Launch Project

- Management/Board Commitment
- Establish the BCP Project Team
- Timetable, Staff Awareness

Step 2: Review Organization Context & Functions

- Your mission + critical success factors

- Project Scope:
  - Documentation only: information to guide teams in the event of an interruption

  - Recovery of systems: plan that will restore infrastructure

  - Hot site: identifying/securing a secondary site where systems are ready and in stand by mode

  - Cold site: a facility that provides and systems necessary to start a recovery

  - Reciprocal agreement: relationship with another organization whereby one maintains space for the other

Step 3: Business Impact Analysis

- Business processes – payroll, regulatory filings, communication with stakeholders, data management, etc.

- Key resources and dependencies – we need X in order to deliver Y

- Impact – what is the potential impact of a disruption on our core programs and services?
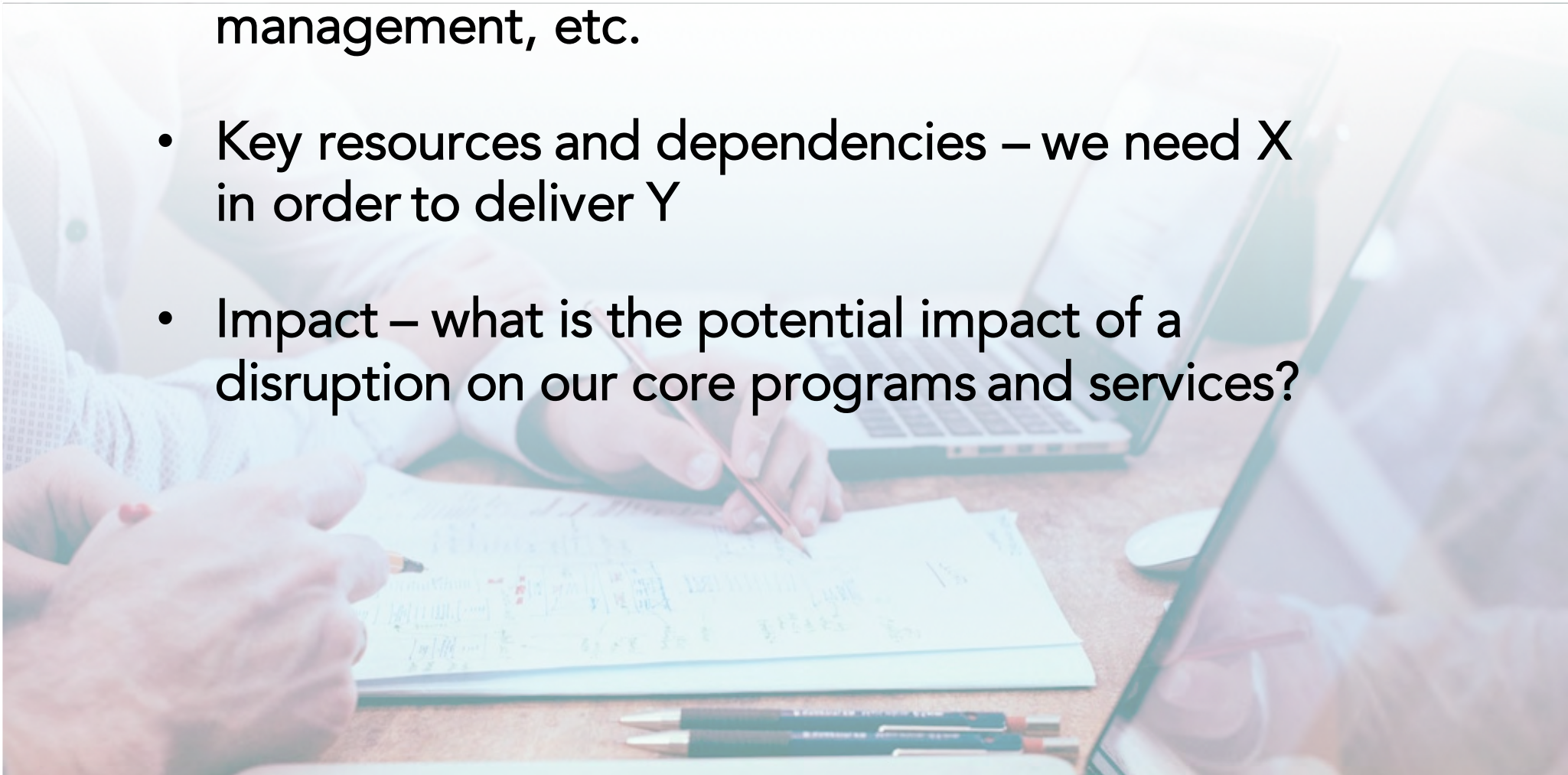
Time for Tough Questions!

With regard to all functions, programs and services, ask:

- What are the costs of NOT delivering this specific service?

- What are the costs of BEING LATE in delivering this service?

- What is the longest the service could remain undelivered?

- Which processes, programs and services must be sustained at all costs?

- Which can be put on hold, and for how long?

Step 4: Planning & Response Strategies

- Policies

- Implementation Policies

- Financing Policies

Step 5: Written BCP

- Draft
- Review
- Accept

Step 6: Continuity Culture

SAMPLE BCP Outline

Introduction
- Purpose of the plan
- Essential functions
- Priority list for resuming operations, with max acceptable downtime

Emergency Preparedness
- Emergency action plans / evacuation plans
- Alternative work sites (e.g., reciprocal agreements)
- Back up sources for supplies, equipment, etc.

Technology
- Strategy/approach for recovering data
- Ensuring access to systems and content
- Notification process for lost, damaged or inaccessible data/content

Personnel
- General staff info (e.g., how roles may change during a disruption)
- Emergency/Crisis team composition and assignments
- Responsibilities of staff members during a period of disruption
- Stakeholder communication strategies, assignments and action steps

Financial
- Banking information
- Continuity of payroll and benefits
- Continuity of vendor/contractor payments processing
- Ensuring the continuity of incoming payments

Communications Strategy
- Media contacts
- Local public safety and emergency response agencies
- Vendors, partners, affiliates
- Service recipients, clients, customers

Plan Maintenance and Updating
- Training & continuing education
- Evaluation & improvement of BCP efforts

Table of Contents:

My Business Continuity Plan

Is your nonprofit prepared for a crisis?

Create a BCP for your nonprofit

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Welcome to My Business Continuity Plan!

This program will help you develop a business continuity plan that reflects your organization's needs, priorities and culture. Your final plan will consist of only those elements or sections you choose to feature. Throughout the program you will be offered the opportunity to either select from template language or draft or insert your own original language.

My Business Continuity Plan was developed with the understanding that every nonprofit has some business continuity policies or activities already in place. What frustrates many leaders, however, is finding the time to organize existing business continuity strategies and future plans into a document that reflects the organization's commitment to protecting assets needed for mission fulfillment. A growing number of

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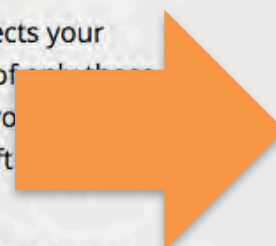LEARN MORE   SUBSCRIBE

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My Business Continuity Plan

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What Is A Business Continuity Plan?

A business continuity plan is a resource for leaders and managers in an organization that explains the agency's philosophy about risk and outlines its business continuity priorities and strategies. Since every organization is different and faces unique challenges and opportunities, your business continuity plan should be customized to match your culture, resources and needs.

Your plan begins with a statement of philosophy. Your philosophy concerning risk and business continuity sets the tone for the plan and determines the plan components.

To begin the process of creating a *Business Continuity Plan* for your organization, click on the *My Plan* link in the navigation bar above.

Library

▶ Anxiety + Motivation = Inspiration for Sound Risk Management

▶ Back to Basics: Effective Risk Management May Require Culture Change

▶ Learning from Loss: Risk Management Wisdom May Be Close at Hand

▶ The Role of Resilience in Risk Management

▶ Risk Management Culture and Your Volunteers

My Business Continuity Plan

Nonprofit Risk Management Center

Plan Module	Status
Organization Information	Completed
Introduction	Completed
Financial	Completed
Emergency Preparedness	Completed
Information Technology	Completed
Personnel	Completed
Communications Strategy	Continue
Plan Maintenance	Completed
Waiver	Completed

7 DEADLY SINS

7 LIVELY VIRTUES

Thank you!

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