

RISK ADVISORY SERVICES

BUSINESS CONTINUITY MANAGEMENT

TODAY'S BUSINESS WORLD IS MORE COMPLEX AND HECTIC THAN EVER. RAPID TECHNOLOGICAL CHANGE, GLOBAL GEOPOLITICAL UNEASE AND A PERCEIVED UPSURGE IN NATURAL DISASTERS THREATEN THE STABILITY OF SOCIETY.

Disaster, be it imminent or far-off, minor or major, can strike your business at any time. Being prepared for 'worst-case scenario' situations is crucial to maintaining viability and functionality in times of crisis.

Establishing and maintaining a comprehensive Business Continuity Management (BCM) process begins with three steps:

1. Defining business continuity management
2. Identifying and defining the key components of a viable BCM framework
3. Placing BCM in the context of organizational risk management

A business continuity plan (BCP) is an important step in the right direction for mitigating risk. While it's true that a BCP will be critical to your company's fortune and prosperity in the face of disaster, it's important to look beyond the obvious; a proactive, risk-oriented plan will also contribute to the overall efficient operation, profitability and viability of your business. The risks your organization may face can be minimized and contained.

Some key drivers of business continuity management plans include:

- An increasing number of business interruptions both natural and man-made
- The growing impact of business interruptions have, due to the interconnected nature of business
- Protecting shareholder value by ensuring continuity of operations

- Current rules and regulations for various industries and some sectors of public companies
- A number of business benefits e.g. differentiation against competitors, exposure of inefficiencies, etc.
- The insufficiency of current processes proven through various recent disasters

Dimensions of BCP

The development of a BCP requires an intricate process which includes the consideration of internal and external dimensions relevant to the business processes of your organization. Some of the dimensions include infrastructure, information systems, human resources and regulatory environment which support and promote efficient business processes. Recovery objectives of BCPs focus on availability, integrity, and recoverability of business processes to ensure the organizations' competitiveness.



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The Solution

Our business continuity framework is based on five steps beginning with its conception and ending with a solid, sustainable business continuity plan. Each step has its own processes and related deliverables to ensure that the BCP is complete and based on the organization's requirements.

BDO's unique continuity model includes understanding and analyzing the risks associated with specific industries, geographic regions, facilities, critical dependencies (i.e. third-party relationships, supply chain, etc.), human resources and information systems.

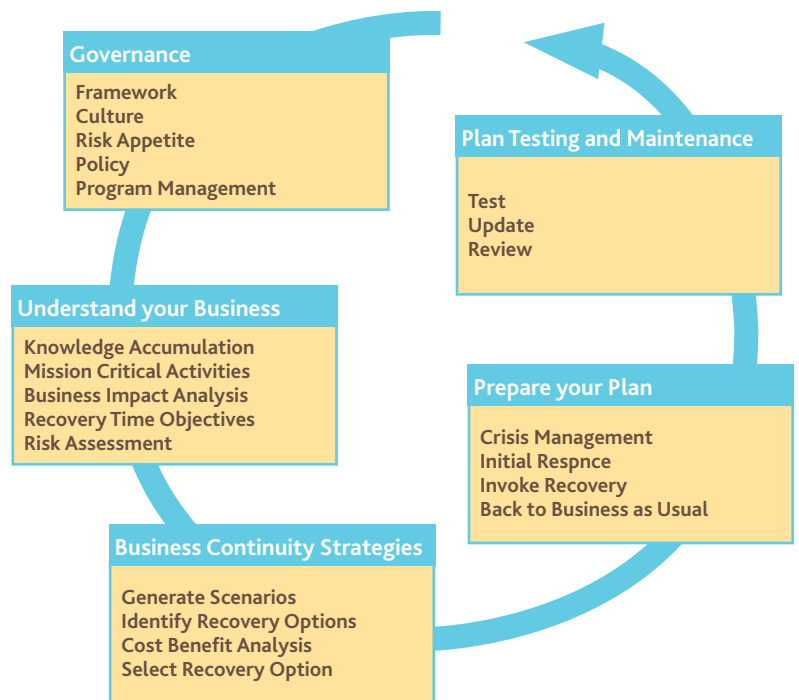
Essentially, our approach provides management with the following:

- Objective and expert assessment resulting in practical recommendations
- Risk mitigation strategies which balance inherent risks against the cost of available approaches for operational, technological and human resource decisions
- Plans for recovery and continued availability
- Designed and implemented secure, fail-proof (i.e. fault-tolerant) systems for continuous availability
- Comparison against industry best practices (ISO 17799/27001, CoBIT, NIST, BS 25999)
- Assurance to key stakeholders on the integrity, confidentiality and continued availability of information
- Plans for the protection and preservation of human resources
- A fail-safe, practical set of procedures, in addition to acquiring resources and testing/maintaining plans

BDO's Six Key Recommendations for Management

- Thoroughly evaluate organizational business risks and mitigation strategies

- Incorporate Business Continuity Management procedures into project and system development lifecycles as insurance in the face of disaster
- Carefully review operations to determine if modifications or enhancements need to be made to mitigate risk
- Incorporate management considerations and needs into plans
- Implement up-to-date strategies to effectively communicate plans to employees, suppliers and service providers
- Regard regular maintenance and the review/testing of plans as a necessity, not an option



COMMON PMI ISSUES

- Lack of planning pre-merger
- Retaining key staff
- Tax compliance or general compliance issues
- Misapplication of capital/operational expenditures
- Operational changes – logistics, IT systems, business processes
- Understanding cultural change