Real Life Issues: Terms of Reference and Scope

▶ The project scope, for a leading insurance company, was just information and communications technology (ICT) disaster recovery (DR) – the BCP had been completed by others. However, from the outputs and deliverables of the DR project it became clear that there were major weaknesses in the BCP. The BCP project was re-opened and completed in parallel.

▶ A major bank had a highly sophisticated DRP that, technically, was superb, providing a maximum 4-minute outage – but it completely overlooked non-technology disasters and did not cover the people aspects. A full BCP needed to be implemented.

▶ A privately owned and fast-growing fashion chain with over 300 stores deliberately excluded all of its branches from the BCP: the logic was that, although loss of a branch would hit profits, this would not cause long-term damage. Also, because they were growing so fast, they had contracts with real estate agents to find suitable property and with shop-fitters to create new shops. In effect, that was their unwritten BCP. Subsequently, one of its biggest stores was wrecked by a terrorist bomb. They were back in business in a new store within a month.

▶ An international newspaper had problems while running its enterprise financial systems. Operations thought it was a hardware problem. Four hours later, the maintenance vendor came and replaced a part. It didn't work. He assumed the spare was faulty and now, some eight hours on, ordered a replacement. It didn't work. The fault was then thought to be software. Software support arrived (now 12 hours on) and failed (now 24 hours on) to find a fault. Finally, the CFO stormed into IT to ask why he had not received his daily reports. The chief information officer explained the situation to the CFO. "This is a disaster!" said the CFO. IT had been too busy trying to fix the problem to understand how serious and far-reaching it was. The lesson here is to plan for "creeping disasters" as well as the big bang.

▶ Despite explicit instructions from the second in command in the organization, the chief information officer (who was already being criticized for the poor performance of ICT) refused to cooperate with the BC project. It took over a year before he was removed, causing the BC project to be delayed by a year and costs to be increased substantially.

▶ The BC project was allocated to a time-serving project manager to oversee. He had little interest in or understanding of BC and insisted on using the project management tools the company used for $250 million projects, which was total overkill. The BC team spent most of their time fighting the project management software. When the report containing the risk assessment, BIA, and BC strategy recommendations was presented, he asked for it to be split into three separate reports. This task took two weeks of iteration. When he received the three separate reports, he said that perhaps it would be better if they were combined into a single report.

3.3 Getting Buy-In: Benefits of BC Planning

3.3.1 Buy-In From Management

> **People are more likely to provide long-term support by being persuaded, particularly with realistic scenarios, rather than by being threatened with doomsday scenarios.**

Your organization's management needs to understand the seriousness of BC and the potential consequences of not having a BCP in order to give their buy-in. You can circulate examples of disasters in relevant industries or market sectors and show dramatic statistics, videos, and photographs at management meetings. Real operational incidents can be highlighted as situations that could have been disasters.

Table 3-3. Useful Documents

Examples of Useful Documents	
The table indicates the type of information required to provide background. Not every organization will have all of the documents identified below.	
Document	**Comments**
General	
Mission statement for organization	
Annual report and chairman's statement	
Mission statements for each department	
Ethics statements	
Other background material – e.g., sales brochures	
Organization chart with post-holders named	
Job descriptions of key personnel	
Background information on any recent or planned reorganization	
Overview of business plans for next year	
Health, safety, and enviromental reports	
Incident reports	
Internal audit reports	
Quality audit reports	
Useful Documents	
Procedures and Standards	
Business processes	
Documentation standards	
Problem escalation procedure	
Priority definitions	
Existing call-out/on call arrangements	
Change control procedures	
Security procedures	
Risk Management and Insurance	
BIA (if done)	
Risk analysis (if done)	
Insurance schedule and policies	
Contracts and licenses	
Maintenance contracts	
Software license details	
Other key supplier contracts (including standby resource/facilities)	
Contracts/service level agreements with key customers	
Technical Documentation	
Overview of key systems (perhaps the business case for financial authority; any accompanying risk analysis)	
System dependency chart	
Configuration diagrams	
–Servers	
–LAN	
–WAN	
Traffic profiles	
Operational work schedules	
Backup and work schedules	
Mechanical and electrical engineering configurations	

Table 3-7. Project Deliverables and Investment

	Indicative Project Deliverables and Investment	
Module No.	**Module**	**Consultant or Internal Project Manager Days**
1.	Scope, terms of reference, project plan. Obtain and absorb background information; gap analysis. Deliverables: documented scope, terms of reference, project plan.	4.0
2.	Salvage plan.	2.0
3A.	Conduct risk assessment. Deliverable: documented risk assessment. Typically one day per site or process..	1.0
3B.	Draft risk assessment/risk reduction aspects of report. Deliverable: risk appendix and summary for business case; recommendations for risk reduction.	2.0
3D.	Set up BIA Interview schedules and create consultant interview schedule. Deliverable: interview schedule.	1.0
3E.	Conduct BIA interviews. Deliverable: documented interview reports. For example,15 interviews at 1 hour overall.	2.5
4.	Collate BIA results, Draft BIA aspects of report. Deliverable: BIA appendix and summary for business base.	3.0
5A.	Identify recovery requirements and relevant suppliers of recovery services. Identify and cost strategy options, cost/benefit case. Deliverable: documented strategy options with budget costs and cost/benefit analysis for business case.	3.5
5B.	Produce full report. Deliverable: draft full business case including BIA, risk analysis and strategy, with recommendations and costing for Phase 2 of the project.	3.0
5C.	Produce business case for executive management board. Deliverable: executive management board business case including BIA, risk analysis, and strategy, with recommendations – summary of 5B above.	2.0
6.	Design management, departmental/functional BCPs.	10.0
7.	Plan audit, review and integration of any existing DRP.	3.0
8.	Preparation for, attendance at, and follow-up action from project meetings.	3.0
9.	Awareness, briefings, training, communication program; preparation and delivery of workshops and presentation material for management and teams.	3.0
10.	Rehearsal/testing strategy; rehearsal/test schedule; design and facilitation of test; post-test review.	3.0
11.	Plan maintenance method and program.	2.0
	TOTAL DAYS	48.0