BUSINESS CONTINUITY PLANNING:
The Often Under Prioritized Responsibility

By Stephen Brown

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International Facility Management Association

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The association’s members, represented in 130 chapters and 17 councils worldwide, manage more than 37 billion square feet of property and annually purchase more than US$100 billion in products and services.

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Foreword

The Strategic and Tactical Action Group (STAG) of FM Consultants Council, has made great efforts to align its activities and service delivery to our members within the FMCC vision, which is ‘to be the resource and voice for Facility Management Consultants Worldwide, to leverage our collective expertise to benefit IFMA members and the Facility Management Profession’.

The publication of ‘White Papers’ by FMCC members are one of the many activities promoted by STAG and the senior leadership team, and as part of this effort and campaign, we are delighted to publish this white paper.

By creating the platform for such white paper publications, we hope to encourage our members and offer them opportunities to express their viewpoints and share knowledge with our membership and fellow consultants, and the wider FM fraternity around the world.

We appreciate that lot of time and effort goes into writing a white paper, the way of researching material on the topics chosen and would like to thank the author Stephen Brown for his efforts put towards writing this white paper and sharing this knowledge with us.

We also would like to thank you, the reader for taking the opportunity and your time to read this publication and I hope you will learn something new in the process.

Regards,

President
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Building Futures for FM Consultants Worldwide

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After a successful career in stateside facilities management, Stephen Brown assumed a position with an international portfolio. Since that time, Brown has held senior posts in the Caribbean, UK/Europe, and the Middle East. After more than 20 years managing the built environment for both private and public sector organizations, Brown founded FM-adviso, ltd. to support organizations with specialist and credentials training in addition to consulting on operational efficiencies, outsourcing, policies and procedures, contract management, environmental matters, and emergency response / business continuity.

Brown earned an MBA after undergraduate work that combined studies in Architectural Technology and Business Management. Qualified as a trainer for IFMA and DRII credentials programs, he has been published and has been an instructor for other environmental, emergency response and disaster preparedness training programs.

For more than eight years, exceptional studies have been applied to refining two key facility assessments – Business Continuity Management and IAQ (indoor air quality).

Active in IFMA program development activities, Brown has earned IFMA’s Certified Facility Manager®, Facility Management Professional®, and Sustainable Facilities Professional® credentials. He also holds Certified Plant Engineer, Master Business Continuity Professional, Certified Business Continuity Professional, Registered Environmental Manager, and Certified Environmental & Safety Compliance Officer credentials.

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BUSINESS CONTINUITY PLANNING: The Often Under Prioritized Responsibility

It won’t happen to me…probably

It shouldn’t happen to me…statistically

But if it does happen, am I prepared?
The continuum of Business Continuity (BC) is generally misunderstood by many persons in management roles – including some Facility Managers. As a consequence, it is not given sufficient attention and/or priority. Some industries (i.e. - Financial) require that organizations prepare detailed contingency plans and test / exercise the plans to confirm viability. Even those that are expected to meet this requirement often fall short. Statistically, those that fail to analyze their risks and to plan responses are statistically going to fail to recover.

A component of the Business Continuity Plan is the **Emergency Action Plan**. This plan relates to all hazards that could exist. This plan will guide actions to be taken during workplace accidents and through more devastating events. Businesses have a responsibility referred as the Duty of Care. Failure to have an emergency plan and for employees to be annually trained can result in liabilities. United States (US) courts have ruled that the CEO, trustees/directors, and Senior Operations persons can be held responsible in both civil and criminal proceedings for issues that arise from employees who are not trained what to do in the event of an emergency. Further, OSHA has stated that even contractors and visitors are considered the responsibility of the business as a ‘host employer’.
In the US, there are standards to be met. For facility managers both in the US and elsewhere around the globe, you are encouraged to be aware of the Code of Federal Regulations (CFR) sections CFR 1910.24 to 1910.39 and NFPA 1600 for emergency planning. If you are working in the US, you need to be acutely aware. Even if the content is not a legal requirement in your locale, the information can help guide you to best practices.

Whilst many facilities are fortunate to avoid disruptive events, there has been an increase in catastrophic events and other risks are becoming more common. Facilities have experienced fires, hurricanes, floods, and protracted utility outage which has reinforced the need and benefits of planning and the advantages of having systems in play for reducing time to business recovery. But the FM must also consider potential that results from interruptions caused by extreme snowfall, workplace violence, terrorist threats, and pandemic (i.e. influenza or from Zika virus, Dengue, and other insect-borne disease).

The objectives for a comprehensive Disaster Response-Crisis Management-Business Continuity Plan is for business resiliency…

- To safeguard human life
- To minimize confusion and enable effective decisions in a time of crisis
- To reduce dependency on specific personnel
- To minimize the loss of assets, revenue, and customers, and
- In the US – to meet legal requirements
To be frank, business recovery is difficult, very difficult, because:

- It involves people
- Personal lives (if affected) will take priority over the recovery of the business
- It requires planning, documenting, exercises, and tests to be successful.

A typical catastrophic event includes the following sequence:

- Sequence of a catastrophic event
  - Event >
  - Emergency/Disaster Response
  - Crisis Management
  - Business Recovery
When the event occurs, the Emergency First Responders will take charge and act to stabilize matters and end the calamity.

The responsible and capable FM operator need to have adequately trained staff on hand to deal with occupant safety needs before the official responders arrive, share pertinent site knowledge, and other needed facility support (such as the disconnect of utilities).

Even whilst the official First Responders are arriving and acting, the above graphic displays that the site must have a Crisis Management Plan activated. This plan defines the structure of

![Diagram: COMMAND, CONTROL, COMMUNICATIONS]

Critical elements of this plan will establish who is in charge to make critical decisions to protect people and business interests, to secure the site, effect controlled communications, and take first steps toward recovery. Communications planning is often ignored. Whilst we want to believe that our smart devices are the best option, only two-way radios are considered effective and reliable. Clearly defined protocols are necessary to advise employees, make media releases, contact the insurance company, ease concerns of customers and vendors, and protect the good name of the business. In the timeline of activities, this will occur well before the team can commence clean-up and restorative actions.

The Business Continuity activities engage every aspect of the organization’s function. The FM will hold a key role in this activity. There will be immediate need to secure replacement or alternative space for the affected employees. Other interim actions will be required to ensure impacted functions are restored and the impact to the organization is made as transparent as possible to the customers. The FM will become engaged with Project Management to make the facilities whole.

If there is a documented, current and exercised Business Continuity Plan at your organization, you are in the best position to support the C-suite. There are many organizations that do not consider Business Continuity to be a priority. This is a gamble – a short-sighted decision that has potential to result in business closure. Consider the following statistics…

Almost 40% of businesses that experience a catastrophic event do not re-open!
(global insurance statistics)
Of those that do re-open,

- 25% fail within one year (US Federal Emergency Management Authority),
- Up to 90% fail within one year if the operations of the business are impacted for five days or more (US Small Business Association).
- Over 75% are out of business within two years.

Insurance and government aid can help cover incurred costs, but it is not the immediate dangers that most severely impact the business.

- An interruption can disrupt or halt your customer base.
  - Will your customers wait while your organization is recovering?
- An interruption to suppliers can disrupt your operations.
  - What would you do if your key vendors were suddenly forced to halt their support? Do you have a back-up plan?
- Events can take an emotional toll on employees and reduce their productivity.
  - How would you function if a hurricane severely damaged their homes and they were unable to attend? What if there were deaths?

Maybe it is true that you cannot prepare a contingency for every scenario, but you should have documented plans in place to deal with the circumstances that are most likely and are at the periphery or within your sphere of control. In the US, it is stated that Emergency Action Plans should include response to deal with almost fifty different disruptive events.

This brings us to the importance of identifying and analyzing risks. In the Business Continuity industry this is commonly referred as a **Business Impact Analysis**. The most prepared organizations complete these for every department and then coordinate the response activities to make best use of resources.

1. Identify the risks/threats and vulnerabilities to the entity and its resources, or impact the entity’s image
2. Assess risk/threat likelihood that they would occur
3. Assess the potential impacts
4. Identify where controls, mitigations or management processes are non-existent, weak or ineffective
5. Recommend additional controls, mitigations or processes

Start by making a comprehensive listing of everything and then consider:
What could happen versus what is more likely to happen?

- Forget the meteor strikes but don’t forget to include the usual and the mundane
  - Loss of potable water service
  - Extended power outage
  - Fire / flood / extreme weather

- Quantify the potential impact to the organization
  - Disruption
  - Loss of customers
  - Liabilities

Once the risks are identified, careful consideration is made to define when the impact of each risk becomes critical. For example, if the electricity service is lost for only 20-60 minutes, perhaps it is acceptable.

Then you must define how long the business can afford to be without the power before it has adverse effects. This timeline becomes the Recovery Objective to which the FM can define options and make plans.

There are various ways that organizations can deal with the risks. These include:

- Accept it – the cost to mitigate approximates the risk impact
- Ignore it – considered so unlikely that no action is warranted
- Avoid it – mitigate the risk (usually the most costly action)
- Insure against it – pay the insurer to cover losses
- Limit it – reduce the impact by partial mitigation (i.e. generator back-up)
- Transfer it – outsource activities (may require back-up contracts)

The Facility Manager needs to be acutely aware of how the FM operations can participate and/or contribute to the solutions that are selected for the organization. This is a key area where being proactive adds real value to the organization.
If need for action exists, what can you do?

- Start with a table-top review of your responsibilities
  - Ensure broadest FM participation
- Expand to include known activities in the organization
  - Develop department/division awareness and partners
  - Share your awareness; offer to be a resource for the other departments

Identify and document the systems and responses that will ensure reliable and consistent performance of the facilities. Initiate reviews of potential risks and establish programs that will overcome challenges. There are some significant improvements to be had if you take a lead role and show your FM operations to be aware and engaged.

Aside from the risk registers, consider these actions:

- Expand inspection schemes in effort to reduce risks.
- Document alternative sources for key parts, supplies, and contracts.
- Document procedures to be taken to minimize disruptions.
- Document contact information of management, employees, and key suppliers into your smart phone to be able to respond immediately when the need arises.
- Identify space that can be re-purposed to meet interim needs.
- Reach out to First Responders and Government Agencies to develop these resources to support your emergency needs.
- Widely communicate the plan within your FM organization and exercise/test response actions to validate the content.

The above list is a concise summary of some points of a Business Continuity Plan. The IFMA Knowledge Library, Disaster Recovery Institute, International (www.DRII.org) and the Business Continuity Institute (www.theBCI.org) are superior resources.

What system exists at your organization? Are you an active supporter and participant?
As stated earlier in this paper, most organizations have not prioritized Business Continuity planning and this often is reflected in the FM operations. Whether or not the enterprise has embraced the planning and preparations to respond to disruptive and catastrophic events, I submit that the professional FM will take steps to incorporate these ideals.

On the other hand, if there is a dedicated Business Continuity resource in your organization, reach out and ensure to partner with them. Some businesses delegate this responsibility to the Insurance Department or a Risk Department. Find out and then make yourself an active supporter and resource to that office.

Being a part of the Business Continuity program is a strategic support and will be viewed by management in a very positive and professional way. Your efforts could actually save the business and in so doing can save your job!