

TERMINOLOGY AND DEFINITIONS

BUSINESS CONTINUITY PLANNING TERMINOLOGY AND DEFINITIONS

There is a lot of confusion and inaccuracy in the terminology used to describe Business Continuity Planning, Crisis Management Planning, etc... That is understandable as much of the terminology has developed over a period of years and under differing circumstances.

The terms “Emergency Procedures”, “Emergency Response Procedures”, “Disaster Recovery Planning” and “Crisis Management” are often used synonymously when discussing Business Continuity Planning. This is incorrect. Although they are interrelated within the Business Continuity Concept these phrases all denote separate parts of that concept and build on each other, e.g., Emergency Response Procedures are incorporated in a Business Continuity Plan.

This paper provides definitions for the most used terms to indicate their differences, their interrelationship and how they build on one another.

Emergency Procedures

The initial procedures, in an emergency situation, to notify personnel, evacuate the facility and attempt to control the situation if it is safe to do so.

Emergency Response Plans

The procedures involve both public and private capabilities, to control the emergency situation. These are the procedures followed from time zero until the fire is out, the chemical spill contained, etc. Emergency Response Plans are intended to address evacuation, securitization of the facility, and immediate mitigation of an incident. In some cases these plans are activated based upon a threat potential such as a developing hurricane, Tornado conditions, or winter storms.

Such procedures are normally incorporated in the Business Continuity Plan. They are either already in force or developed as a separate project from the Business Continuity Plan for subsequent incorporation in that plan.

Business Continuity Planning

A disaster is often defined as a disruption occurring on a scale sufficient to require outside assistance. However, a more appropriate definition is that a disaster is any event that causes disruption to a company’s operations or business functions for a period

beyond the maximum acceptable downtime. A disaster can be a natural occurrence or the result of an accident, e.g., fire, flood, earthquake, hurricane, tornado and industrial accidents.

Business Continuity Planning is the development of a document detailing the actions, resources and procedures to be utilized in the event that facilities are rendered inoperative by such a disaster. The primary goal of Business Continuity Planning is to minimize the extent of the disruption and damage and prevent its escalation, thereby reducing the economic impact.

The plan covers not only the immediate emergency procedures needed to reduce loss of life and damage to property, but also the long term actions needed to expedite operational recovery for critical business functions.

A Business Continuity Plan covers those incidents involving an operational downtime in excess of acceptable limits. Incidents within the Maximum Acceptable Downtime limits should be covered by standard operating procedures.

Disaster Recovery Planning

This term is often used to mean the Business Continuity Planning. Disaster Recovery Planning is most often used to refer to Information Technology Recovery Plans and has retained the connotation with Technology recovery.

Contingency Planning

The intent of the Contingency Plan is to mitigate the consequences of unexpected and undesirable events of whatever magnitude. A Contingency Plan is not directed exclusively at reaction to catastrophically destructive occurrences. The plan can cover lesser events which impede business functions for time periods within the previously determined maximum acceptable downtime.

The overall intent of the Contingency Plan is the same as a Business Continuity Plan, i.e., minimization of the disruption and damage to reduce the economic and operational impact. In general a Contingency Plan would be developed to address a finite operations exposure such as a single source supplier situation. The Business Continuity Plan is more wide ranging in scope.

Crisis Management

Any incident can be an emergency. Any emergency could escalate to be considered a crisis, depending upon the scope and impact of an event. Crisis Management and the Crisis Management Plan are intended as the first step in the recovery process beyond the immediate Emergency Response. This phase of response is intended to control incidents, and set the stage for an increased level of response if needed.

Some examples of Crisis type situations would be:

- a) Actual or threatened physical damage to a facility with resultant business interruption caused by an accidental or intentional act or a natural hazard.
- b) Intentional acts such as kidnap, ransom, extortion, hijacking, hostage, product tampering or contamination.
- c) Major accidents involving employees and/or third parties.
- d) Spills or discharge of hazardous materials into the environment.
- e) Financial, corporate management or other general business emergencies.
Examples of such include:
 - adverse public reaction affecting market share
 - strike/industrial relations problems affecting production
 - major product recall
 - cash flow problems
 - hostile take over

The goal of the Crisis Management Plan and response phase is to enable management to cope with a crisis situation while simultaneously accomplishing organizational goals.

An effective Crisis Management Plan details the decisions, plans and procedures that can be developed beforehand, i.e., the mechanical portions of the crisis – those aspects that rarely vary. This provides a framework and leaves personnel and management free to manage those aspects of the crisis which can vary from situation to situation.