

Business Continuity: Six Reasons Why You're Wrong and Why It's Important

Keeping the customer promise and delivering the customer experience is paramount to a company's success. Continuous availability of the Customer Service function (indeed, all critical processes in your organizations) is paramount to fulfilling that mission. A Business Continuity Program (BCP) for the re-establishment of operations from a business interruption can be critical during outage situations; indeed, it can make or break a company. However, many executives misunderstand what Business Continuity is – even worse, they misunderstand what it's *not*, and therefore choose not to invest in it. Here are some of the main misperceptions. Once these are understood, your executive conversations will shift from “Why do this” to “Why would we not”!

#1: “Business Continuity = Insurance”. Executives view having a plan as either a necessary box to be ticked, or something that they can risk going without (common thinking from entrepreneurs). Who spends time managing an insurance policy? Leaders who view Business Continuity in this light are missing a valuable opportunity. While insurance is important, it is not value-creating. Insurance is betting your underwriter that something bad will happen and then being happy when you lose. I'm happy that my 'investment' in life insurance didn't pay off this year. Business Continuity is more properly viewed as *hedging*. Banks hedge their foreign exchange positions, and that has value every day. Airlines hedge their fuel costs, and that has value every day. Hedging is buying down risk with money that has everyday tangible value. So is Business Continuity. Some companies mitigate risk with Business Interruption insurance. This can supplant lost revenue, but will it bring back customers who give up when service is severed? Given that acquiring a new/replacement customer is more expensive than retaining a current customer, and given that having a good Business Continuity program can be less expensive than BI insurance, the business case for BCP is compelling.

#2: “Business Continuity is Only for the Big One”. Executives look at Business Continuity as the “break the glass” last resort for the Zombie Apocalypse-type major catastrophes. Therefore, it will rarely if ever be used, therefore it's a waste of time to build. Executives, indeed most people, do not like to think about disasters and bad news, so they psychologically avoid the subject (Business Continuity consultants do not help the cause when regaling executives with pictures of 9/11 or earthquake devastation). The reality is that contingency plans are for contingencies large, medium or small. Case in point: a global company with European headquarters in London had contracted for an Emergency Work Center (Centre, as they say) as an alternate place to run the business. Some executives misperceived it as only being there in case the office was destroyed and therefore never thought it was used. In fact, the Center was activated during a City-wide Internet outage (the Center had segregated redundant connectivity). It was placed on standby during office moves, building maintenance and the 2012 Olympic Games. For the executives, it was transparent... as it should be. A properly constructed Business Continuity program is not all-or-nothing, it has components that can be selectively employed and dialed up or down for the Zombie Apocalypse or minor interruptions.

#3: “Business Continuity is The Big Red Binder”. Executives think that “the Plan” is the 500-page Word document that sits on the shelf. Since it’s too big to read and nobody will reach for it during an emergency, it’s a waste of time, right? Wrong! The ability to manage employee safety/well-being and re-establish operations is not a document, it’s a *capability*, with tools and enablers to document its existence and use. Consultants (here we go again!) contribute to this misperception by producing big weighty deliverables as proof of their hard work. Best Practice is not to have one bulky tome with reference information, history, process descriptions and other interesting but not actionable data. Best Practice is to employ crisp checklists, wallet cards, one-page ‘grab as you evacuate’ handouts and other ergonomic point-of-use tools. Think about emergency information for an airplane. Pilots might study the thick Operating Manual, but if the engines cut out they reach for the laminated Emergency Landing checklist. Best-Best Practice is also to drill and exercise so managers are operating not from documents but from muscle memory (more on this later).

#4: “Working on Business Continuity Plan Detracts from Real Work”. The ‘real work’ of running a world-class operation includes continuous development of the leaders and continuous improvement of processes, right? These are the collateral benefits of BCP. The discovery phase of BCP touches every important facet of the organization, identifying dependencies, single points of failure and process weaknesses for mitigation, or better yet, elimination. The planning phase of BCP is a catalyst for managers to think through “what if”, “what next”, “what’s important” and incorporate the findings into their everyday operation. The exercise phase of BCP provides practice opportunities for teams to work through problems in a safe environment and build leadership and competency around decisiveness, connecting the dots, acting on less-than-complete or less-than-perfect information and managing under stress. Leaders who can manage under pressure and operations that are resilient, in addition to having a contingency plan, are all valuable outcomes of Business Continuity Planning.

#5: “The Business Continuity Plan is Expensive”. BCP has a reputation being a high-ticket high-overhead expense item. Consultants in this field unfortunately feed this perception since the bigger and more intrusive they make it the more they get paid. Like many things, bigger does not always mean better! In fact, a Business Continuity plan that is chock-filled with endless analyses, worksheets and workbooks, graphs, charts, PowerPoint decks and the infamous Big Red Binders can do more harm than good – it can give an illusion of preparedness that won’t perform when activated. A Best Practice Business Continuity Program follows the principles of pragmatism, the Pareto Principle (80/20), preventing Perfect from being the enemy of Good, and recognizing the differences between fat, meat and bone so knowing where to slim down. These principles can produce a Business Continuity program that’s sleek, aerodynamic and able to outperform Big for nickels on the dollar from a cost standpoint, and for pennies on the dollar from the standpoint of operations, brand and customer relations protected. Another often-overlook point is that the cost of implementing and maintain the program can be partially underwritten by reductions in Business Interruption or Liability insurance premiums; it can also contribute to revenue generation by demonstrating “we’ll always be there for you” to your customers. Smart companies with good programs view Business Continuity not as an expense to be buried but as a market differentiator to be showcased.

#6: “IT’s got it Covered”. Your company’s Information Technology department is charged with keeping the technology lights on and the doors open. The call center or Customer Relationship ‘product’ is essentially a technology ‘product’ dependent upon technology availability. Therefore, the thinking goes, it’s IT’s responsibility to plan for outages. True... but not sufficient. Your IT environment might have redundant data centers, high-availability systems and automated failover (or does it?), but systems still fail and outages such as power outage, closure of workplace or people unavailability still happen. An Operations manager might say, “Well, if the CRM system is unreachable then we’re dead in the water.” Well, then what’s the plan? Send employees home? Swing the IVR’s to voicemail-only (and if so, what’s the messaging)? Manually answer the phones and take notes to preserve some customer experience? Route to an alternate facility? Better to think through the options and document (and practice) them in the calm of forethought than to try to ‘make it up on the fly’. If you would not let IT own your customer experience then IT should not write your plans.

Bonus Reason: “We Don’t Need a Plan”. We all have worked from home occasionally, right? We all have remote access, Web-based email, VPN’s, smartphones that can display documents... I even had an executive tell me “I can check anything I want to from my girlfriend’s iPad!” Executives forget that they can be productive remotely *only when the rest of the organization is productive*. Many functions often cannot be performed remotely or on non-company equipment for security reasons, for example troubleshooting technology issues in a production or live Web environment or handling payments or money transfers. Some functions require the human touch, such as HR. Many call centers capitalize on the ability of a roving Tier 2 or manager to come to an agent’s rescue at the raise of a hand. Even for remote workers, the capability to coalesce around an emergency situation, account for people’s whereabouts and status, choreograph a response and maintain communications in the hectic atmosphere of an emergency require forethought, planning and practice. It’s one thing to take a sick day or Monday-after-weekend and keep up on email. It’s another thing entirely to manage an enterprise with suddenly-displaced teams, impacted resources, under duress, during an emergency situation... from a Starbucks using your girlfriend’s iPad.

Business Continuity is sometimes challenging to understand, especially for business executives whose main mission is not contingency planning but Operations, Customer Service or other specialties. However, it can be doable, economical, non-intrusive, light-touch but high-impact and at the time of need invaluable to the customer experience or even the continued health of the business. Now that the excuses have been dispatched, time to get planning!