Never “Test” Your Business Continuity Plan Again!

For Audio: (1) Listen through PC speakers, OR (2) Dial 470-200-0301 and use access code 430-555-694
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- VP of Business Continuity at Southeast Corporate FCU
  - Provides consulting services to real-person credit unions -- plan reviews, staff and board training, exercise development and facilitation, and complete program and plan development.
  - Developed and teaches a one-day seminar course in Business Continuity Planning for Credit Unions
  - Presents at Disaster Recovery Journal and other conferences, as well as numerous League and Chapter meetings.

- Certified Master Business Continuity Professional by DRII.
- Member of the Editorial Advisory Board for The Disaster Recovery Journal
- Charter member of his local Association of Contingency Planners (ACP) chapter.
- Served a career in the United States Air Force as a pilot, contingency and employment planner and supply squadron Commander.
- BS in Applied Math and Engineering Physics from the University of Wisconsin and a MS in Management from Troy State University.
Current Exercises in Most Credit Unions

IT tests a failover annually—Usually the Core System
• Other critical apps, maybe!
• Operational Failovers, never!
• Business Functions, table top only!
  – Tellers, Never!
  – Call Center, Never!
  – Member Services, Never!
  – Lending, During table-top.
  – Accounting, Never!
  – Executive Suite, Heavens No!
OUR CREDIT UNION NEEDS NO PHYSICAL FITNESS PROGRAM. Everyone here gets enough exercise:

1. Leaping to conclusions.
2. Flying off the handle.
3. Carrying things too far.
4. Dodging responsibilities.
5. Pushing their luck.
6. Running around in circles.
7. Jumping the chain of command.
8. Racing for the door at quitting time.
9. Stretching the truth.
10. Pulling others down.
11. Pumping their own egos.
A “test” is a “pass/fail” event
• Staff reacts accordingly
  – Avoid discussing what they have done
  – Not contribute beyond script
  – “Did we pass?” queries throughout
• “Passing” becomes the primary objective
• Contribution is withheld
An exercise is a training event

- Learning outcome is key objective
- Staff contribute at all levels, often suggesting ways to improve process
- Helps evaluate the effectiveness of plan
- Different mindset from all participants
- Ability to call “Time Out!” for discussion, correction, revision
Table Top:
- Players are gathered around a table
- Verbally respond to the exercise input
- Really, they just talk about “The Plan”

Walk Through:
- Carefully orchestrated steps
- Ensure full understanding
- Often used the first time that a new business line is exercised
Simulated exercise play:
- React to inputs in near real-time
- Do not actually deploy
- Used to insulate the outside world from the exercise play

Full Exercise Play:
- Most difficult to do, but by far the most effective
- Requires the most coordination (and has most risk)

Combination:
- Most exercises are a combination of these four types
Exercise Objectives

- Objectives have action word that defines a desired outcome in sentence format
  - “Validate that the checklist is complete, executable, and understandable”
  - “Demonstrate that tellers can effectively operate off-line for full shift.”

- Objectives may be combined into multiples for a specific item exercised (like above)
- Every business function participant must have an objective defined
- Objectives may have multiple targets:
  - “Confirm that staff can successfully evacuate the building with all occupants assembled and accounted for within 5 minutes.”

- Forms basis for Exercise Plan
Publish the Plan - be sure to include:

- Objectives - What are we measuring?
- Cancellation Criteria - Why might we call it off?
- References - What’s it based on?
- Scenario - What’s going to happen?
  (may be hidden for pre-exercise publication)

What are Exercise “Scripts”

- Leads to “Exercise the Script” instead of “Exercise the Plan”
- The only “Script” should be the scenario development that defines when and how injecting occurs
• All exercises should minimize operational risks
• That doesn’t mean eliminate sections
• Tellers, call centers, lending, collections—all can and should participate
• Control the risks with carefully designed exercise injects (which build in safety valves)
Safety Valve Examples

- **Tellers in the Exercise**
  - One remains on-line
  - Service members in a crisis or rush
  - Instruct to remain in background!
- **Call Center deploys**
  - Deploy only half the team to set up alternate ops
  - Needs pre-coordination with phone lines
    - Primary group forwarded, but overflow comes back to main #s
- **Exempt individuals as play begins**
  - Use as exercise inputs or monitors
  - Permits real-time intervention
  - Can head off exercise interruptions by handling “real world” events
“No Exercise” Risks

- Won’t know if the items in Teller’s “Red Box” are the correct items.
- Won’t know if backup site & phone transfer procedures work.
- Lending won’t know if all info is available at backup site.
- IT won’t know if the phone forwarding process is correct (correct numbers, correct procedures)
- You won’t know that Support agreements work? (shared space, planned conference rooms, emergency internet connectivity)

Not Exercising Your Business Continuity Plan is The Greatest Risk of All! --Ken Schroeder
Scenario play is one of the most important aspects in creating a successful exercise.

At 8:00 am on Saturday (a normal down day), all employees report to the alternate work location where we will conduct sample transactions.

The fire alarm goes off at 10:00 a.m. Once the all clear is sounded, and staff return to their offices, all back office functions are taped off and the areas are marked as inaccessible. Nothing can be retrieved (including personal items). What happens next?
Some Examples

Pandemic
- Slow Leak (starts night before)
- External Injects (county, schools, caterers)
- Acting awards
- Difficult to do, but will stress test every department

Multiple/Simultaneous
- Car crashes into largest branch
- Fire in main office an hour later
- Divides resources
- Infrastructure, Facilities, Staff
- Stresses relocation plans
Another Example

- Fire Sprinkler pipe in attic bursts at 2:00 am Sat morning
- Water pours into all offices.
- Desks, computers, papers, files, ceiling tiles, drywall—all ruined.
- Staff discovers problem coming to work Mon a.m.
- Credit Union can’t open. (or can they?)
- What’s Next?
A FedEx box delivered to mail room.

May 10, 2010

SAVANNAH, GA (WTOC) - A Wachovia Bank is closed after firefighters say eight people were exposed to some kind of white powder.

Savannah Fire officials say a woman drove up to the drive through window of the Wachovia off US Highway 17 and gave the teller $1,500 in cash to deposit. As the teller was counting the money, officials say a white powder was found in between some of the bills.

Eight people were exposed to the white substance, four directly and four indirectly, and had to be decontaminated by Hazmat crews. All eight were taken to the hospital.

Crews have closed the bank as officials continue to investigate. Authorities say the woman who handed the cash to the bank teller drove off.

The FBI and CEMA are also on scene. No word on when the bank will reopen.
Baby Steps

- Start Slow
  - Table Top
  - Single Departments
- Build Complexity
- “Smoking Hole” is very rare
  - Most disasters are pretty simple
  - Build confidence
  - Build toward the “Big One”
- Consider Getting Help
  - Get with another credit union with a great program.
  - Research - on-line, conferences, seminars (like this one)
  - Bring in a facilitator
References

FFIEC Business Continuity Examination Guide

Disaster Recovery Journal
www.drj.com

Disaster Recovery Institute International (certification programs)
www.drii.org

Association of Contingency Planners
www.acp-international.com/

Continuity Insights
www.continuityinsights.com

Disaster Resource Guide
www.disaster-resource.com

Public & Private Businesses, Inc.
www.ppbi.org
Additional Reading (By Yours Truly)

“When Disaster Strikes - Keeping the C-Levels Busy during a Crisis”
“Bulletproof Your Continuity Plan”
“A Seasonal Look at Business Continuity Plans”
“The Risk of Exercise”
“What Your Board Should Know About Business Continuity”
“On Compliance: From a Business Continuity Heretic”
“What I Learned About Business Continuity That's Not in Any Book!”
“Preparing a Workable Business Continuity Plan”
“Preparing For Pandemic”
“What to Do Before Disaster Strikes”
“Exercising Your Business Continuity Plan”

Find all these by going to:

http://tinyurl.com/KensArticles
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Prepare to Survive.

The Agility Story
DISASTER RECOVERY - Is this what comes to mind?

Tuscaloosa, Alabama – April 2011
There’s no such thing as a minor disruption. Any event that prevents work from happening can be catastrophic for a business.

Thus far in 2011, Agility has responded to over **1900 disaster event** alerts or declares including hundreds of recoveries such as:

- O. Berk Company - Hurricane Irene
- DCH Credit Union - Tornado
- ASI Federal Credit Union - Broken Fitting
- Bank’34 - Arson
- River Valley Community CU - Winter Storm
- Convergys call center - Flood
- Cowan Insurance - Server Failure
- Mayfield Kentucky - Power outage

Planning gives you the ability to understand and mitigate your risk, and quickly recovery from the impact of a crisis.
- Hurricanes
- Floods
- Forest Fires
- Tornados
- Earthquakes
- Ice Storm

Regional Events
Regional Events/Risk

- Proactively reached over 4,000 Members in 2011 during events
- Demonstrated impact of Roadmap to Recovery discussions
- Reviewed risks, communication plans, risk assessments, contact processes and any action items identified during roadmap.
- Offered advice, guidance and assurance that Agility is there if the event should materialize and impact their operations.
Agility responds to non-mega events every day.
**Agility Expertise**

*With Agility, you don’t need to be all things to all people.*

In the midst of a disaster, it’s nearly impossible to try to run your business and recover it at the same time.

The responsibilities are too numerous, the must-do list too long and the emotional demands too taxing for one person to handle.

That’s the reason companies turn to Agility. We take care of everything you need to get your business back in business, freeing you to focus on what matters most – your people, your customers and your community.
Following the tornado in Tuscaloosa, AL residents and businesses found themselves prioritizing basic needs.

The employees of DCH Credit Union, witnessed first hand the violence of the April tornadoes as the building next door to their workplace was completely demolished. In the days following the storms, they dutifully handed out over $100,000 in cash to make payroll at DCH Hospital, where 90% of the credit union’s members work.

Agility provided temporary satellite communications equipment for voice & data, as well as temporary power. This allowed them to process payroll on time despite no power within 3-4 miles in any direction.
In exchange for a small monthly fee, you can have access to all of our knowledge, expertise and resources. We’ll help you develop a customized plan and get prepared for any crisis.

**Our Promise:** If you have a disaster we will rescue your business. We will deliver any or all of our four key recovery elements:

- Power
- Technology
- Space
- Connectivity
Agility Membership

Membership Lifecycle
Agility provides robust, easy-to-implement recovery solutions for an affordable monthly membership fee.

Membership Features
- Immediate protection
- myAgility Planning Portal
- Alert Notification
- 24-hour access
- Ongoing education programs
- Testing
ReadySuite Recovery Solution

Whatever you need, whenever you need it.

When disaster hits, Agility will be there on the scene, providing you with any, or all, of the critical elements you need to keep your business in business.

CUNA Rate: $395/Month
- Immediate protection
- 48-seat office space
- 5 Intel servers
- Power generation
- Phone and Internet connectivity
- Testing Option
- MyAgility Planning Portal

Power
Emergency generators stationed across North America

Space
ReadySuite mobile offices complete with desks and chairs

Technology
IT and office equipment stocked for express delivery

Connectivity
Satellite connectivity to restore phone and Internet service
Agility bridges the gap between disaster and survival.
Too often businesses hit with a crisis close for good because they’re unable to respond quickly and effectively. That’s not the case for Agility members. The moment the worst happens, we’re on the job assessing, strategizing and mobilizing our resources to get your operation up and running without delay. Fact is, we’ve dedicated more than twenty years to helping businesses recover – and we’ve been successful 100% of the time.
Thank You