



Business UPDATE

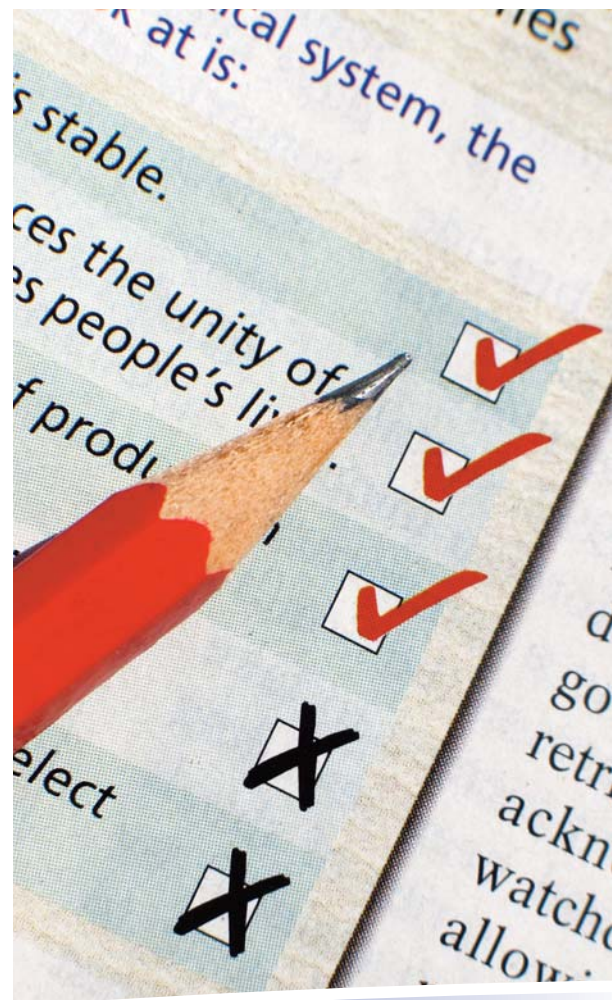
From Allen G Smith, CEO

It is unbelievable that this year – 2010 – has almost come to an end. It has been a year that has been dreamt about with intense anticipation for so long!

It was finally Africa's time to show the world what it's capable of! Too quickly did the FIFA Soccer World Cup™ come and go. Of course, ContinuitySA prepared feverishly to not only ensure its own readiness for the event, but also to deliver a world-class service to clients and non-clients through the Continuity2010 Portal and Steering Committee. In addition to this, businesses had their fair share of challenges in general this year as well! Major infrastructural upgrade projects have meant that organisations have had to deal with power, water and telecoms outages fairly frequently.

With regards to the economy, all of us have surely watched with bated breath for signs of recessionary recovery. These signs have certainly been there, but the recovery has indeed been slow with the ever present fear of a double-dip or secondary recession in the back of our minds.

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But regardless of all the negative variables that have affected our daily lives, ContinuitySA has continued to be profitable during excruciatingly tough times. Our aim has been to keep focusing on Service Excellence which we believe is the only trait that can set a company apart from the competition! This, along with the partnerships we form with our clients, have stood us in good stead and has ensured that ContinuitySA can continue doing business in 2011 – a new year with new opportunities!

Perhaps the most exciting opportunity looming for ContinuitySA is a partnership with CoroCapital. ContinuitySA is pleased to announce that CoroCapital will become its new business partner and will effectively acquire a 49% equity stake in ContinuitySA. ContinuitySA engaged with CoroCapital some time ago with regard to them being a potential shareholder in the business and this has culminated in an agreement whereby the Dialogue Group will sell its 51% share in ContinuitySA to CoroCapital. The Continuity Investment Trust, represented by management and staff of ContinuitySA, will acquire 2% resulting in a shareholding as follows;- Continuity Investment Trust (51%) and CoroCapital (49%). Together with CoroCapital, ContinuitySA is facing exciting prospects and looks forward to continued growth both in South Africa and into Africa. The transaction referred to is subject to the various conditions precedent as per the Dialogue Group Holdings Limited SENS announcement dated 26 October 2010 and specifically Competition Commission approval.

The staff at ContinuitySA have displayed yet again their depth of character and *Can Do!* attitude during the past year and I sincerely hope that you as our client have experienced the passion with which they embrace their daily activities.

I would like to wish you and your loved ones a blessed Festive Season and look forward to seeing you in 2011!



Louise Theunissen
MBCI, PMP

*General Manager:
Consulting Services*

On the Consulting Front

As we draw to the close of 2010 we realise that, although the year has been tough, we were still able to achieve many objectives in ensuring continuous growth. In addition to the standard Business Continuity Management (BCM) services, ContinuitySA Consulting Services division, through the years has developed several unique BCM offerings which are being continuously updated to ensure that the offerings are kept in line with the latest Business Continuity Management standards and guidelines.

The revised Business Continuity Institutes Good Practice Guidelines was launched in early 2010. ContinuitySA has ensured that the revised guidelines was captured in our Capability Maturity Model (CM²), a solution that measures an organisation's BCM capability and maturity, based on a set of twelve

BCM success factors derived from BS25999 (the international BCM standard), the Business Continuity Institutes Good Practice Guidelines and ContinuitySA's wealth of experience regarding the critical components required for achieving recoverability. The CM² solution has received enormous interest from the business community since it was launched in 2009.

Our Complete Continuity[®] Programmes have also been realigned to the revised Business Continuity Institutes Good Practice Guidelines. During the process of realignment our training material has been streamlined to ensure increased trainee interaction and the Five Day Complete Continuity[®] Practitioner Programme includes revised practical exercises at regular intervals.

ContinuitySA is also proud to announce that in November this year our Complete Continuity[®] Programmes and training facilities received Botswana Training Authority (BOTA) accreditation. To date, our programmes are accredited in South Africa (ISETT SETA), Mauritius (MQA) and Botswana (BOTA) we intent to further develop and increase our accreditation profile throughout Africa.

In 2010 South Africa were the proud hosts of the FIFA 2010 World Cup™. In preparation for this prestigious event and in the effort to provide continuous value to our clients, ContinuitySA provided two Continuity2010 offerings, the Continuity2010 Portal and Steering Committee. To guarantee that the offerings achieved the required goals, a dedicated team ensured the accuracy of real-time information and provided immediate and continuous accessibility thereto. A structured communication process was established to ensure key information reached relevant participants in the desired timeframes. The feedback from the Continuity2010 participants were extremely positive, confirming the success of the Continuity2010 portal and Steering Committee offering. Continuity2010 Steering committee participants at several sessions reconfirmed the uniqueness of the committee and the value it created for executives through all industries. The Continuity2010 Steering committee requested the continuation of a similar Steering Committee to address high level business risks

and concerns, with the view of eventually becoming a voice for Corporate SA. Information regarding the new Steering Committee will be made available early next year.

The Continuity2010 team created a document named **A Summary of the ContinuitySA FIFA 2010 World Cup™ Offering** that provides a summary of the decisions, actions and outcomes of the various phases covered before, during and after the FIFA 2010 World Cup™. The success of the project was remarkable and as such the document holds valuable and practical information for the re-use in similar initiatives within various industries. The document can be downloaded from our website:

<http://www.continuitysa.co.za/continuity2010.html>

ContinuitySA will continue to strive towards providing Organisations with unique offerings aligned to their specific requirements. Several new offerings, aligned to international best practices, are in the process of being developed and will be launched in 2011. For more information please contact Louise Theunissen, louise.theunissen@continuitysa.co.za



Upcoming BCM training courses for 2010, Quarter 1

- 2 Day training
25th-26th
January 2011 (JHB)
- 2 Day training
22nd -23rd
February 2011(Bots)
- 5 Day training
7th-11th
February 2011(JHB).
- 5 Day training
9th-13th
May 2011(Bots).



Our Business is Keeping You in Business



Wayne Reed

General Manager:
Research and
Development

Assessing the Risk of Cloud Services

The rapid evolution of cloud services remains an exciting concept promising great quality of service, scalability, ease of implementation, and reduced reliance on internal IT resources. While these factors can create significant economic benefit for customers, the risks associated with cloud services continue to present the greatest barrier to adoption.

The Cloud Security Alliance is a non-profit organisation that was formed with the aim of promoting the use of best practices for providing security assurance within cloud computing, and has representation from a myriad of international technology and software giant's including Google, DELL, Oracle, VMware, IBM, and Microsoft. The Cloud Security Alliance has published version 1.0 of its "Consensus Assessments Initiative Questionnaire" which comprises a set of questions that a cloud consumer and cloud auditor may wish to ask of a cloud provider.

The questionnaire addresses a wide range of control areas including security (Facility, human resources, information and architecture), business continuity, compliance, governance, legal and risk management. Questions relating specifically to business continuity that should be posed to potential cloud vendors include:

- Do you provide multi-failure disaster recovery capability?
- Do you monitor service continuity with upstream providers in the event of provider failure?
- Do you have more than one provider for each service you depend on?

- Do you provide access to operational redundancy and continuity summaries which include the services on which you depend?
- Do you provide the tenant the ability to declare a "disaster"?
- Do you provide a tenant triggered failover option?
- Do you share your business continuity and redundancy plans with your tenants?
- Do you provide tenants with geographically resilient hosting options?
- Do you provide tenants with infrastructure service failover capability to other providers?

The questionnaire will assist organisations to build the necessary assessment processes for engaging with cloud providers. While assessing the business continuity capability of cloud providers is a prominent theme within the questionnaire, the ability to perform practical recovery tests remains a critical success factor for building a sound business continuity strategy.

The questionnaire can be downloaded at www.cloudsecurityalliance.org/cai.



Derek Taylor (CISA)

*Business
Development Manager*

Operational Prudence

The aim of Operational Prudence is to achieve a fuller understanding of the reward risk balance within an organisation. Effective risk management seeks not only to reduce the likelihood and consequence of the adverse effects of risk, but also the reward of protecting the company's assets, stakeholders, environment and reputation.

While various Sub Committees and Management are tasked with the role of addressing effective risk management, it's the Board that is accountable and need to ensure that these necessary systems are implemented. Companies should endeavour to develop, implement and maintain sound risk management practices consistent with international best practice and good corporate governance.

Business Continuity Management (BCM) is an applied science and holistic risk based management process that will assist the Board in addressing these objectives:

- Identifying, assessing and measuring risks in an effective and efficient manner;
- Making decisions based on comprehensive risk analysis;
- Providing greater certainty of the delivery of goods and services;
- Meeting effective risk /reward business objectives;
- Satisfying corporate governance requirements.

Businesses that are susceptible to disruption, whether it be IT downtime or denial of access due to industrial action, should consider the reward in having continuity in their business operations – BCM is a means to ensure the continuity of the business during adverse operating conditions.

ContinuitySA is uniquely positioned to assist organisations and their Boards to identify risks that could adversely affect their revenue generating activities through our Consulting and Standby Services offerings:

In pursuing these objectives, ContinuitySA can:

- Implement a comprehensive and systematic risk assessment and reporting process throughout the organisation;
- Create an environment that controls and mitigates risks within acceptable risk tolerances;
- Provide an informed view of risks associated with business activities;
- Heighten risk management awareness within the organisation;
- Foster a culture of continuous improvement in risk management through a review process;
- Provide the necessary infrastructure required by organisations to recover their operations during a disruption.

A business that fails to address operational risk effectively may well succumb to the adverse effect that an operational disruptive event could cause – the reward in having continuity within an organisation will ensure that appropriate measures are in place to minimise the negative effects of such a disruption.



How prepared is your company/ organisation to deal with



Jacob Mothupi, MBCI
CEO ContinuitySA
– Botswana

operational disruptions?

A Business Continuity Institute (BCI) survey (November 2009 - January 2010) showed that the top five causes of business disruption over the previous 12 months recorded by respondents were: **pandemics; IT and telecom disruption; adverse weather; lack of energy supply (Power) and computer virus/cyber attack.**

The timescales and advance warning of these disruptions will vary considerably, and in some cases, will allow time to implement mitigation measures. For example, if adverse weather is forecast, plans can be set up to allow staff to work from home, but this may not work for an unexpected loss of power. It may well be that a changing climate will influence, and possibly exacerbate, the occurrence or severity of some of these 'top five'. This in turn may shape decisions about the scale and capacity of resilience and recovery resources, or the allocation of budget and spending strategies to provide both resilience and recovery capabilities.

The challenge is to recognise the emerging risks and the potential disruptions. So the question we should be pondering is how well are business continuity plans and our BCM systems able to cope with the changing scope and magnitude, likelihood and nature of the risks and impacts they consider?

The idea of Maximum Tolerable Period of Disruption (MTPD), or its equivalent, has always generated lively discussion. It is a central pillar of most business continuity management systems, looking to customers and other stakeholders to help

justify the timing and prioritisation of BCM activities and expenditure. This is supported by the BCI Benchmark, which suggests that most participants adopt this metric to some extent.

“The business impact analysis (BIA) identifies, quantifies and records the organisation's maximum tolerable period of disruption for each critical activity or function and prioritises its restoration”.

Most of us would accept that getting it wrong can have risk and financial implications, potentially misinforming or misleading those who rely on the information. BS 25999 defines MTPD as: “the duration after which an organisation's viability will be irreparably damaged if delivery of a particular product or service cannot be resumed”. It advises us to “... assess over time the impacts... if the activity is disrupted” and “...establish the MTPD of each activity” by identifying the latest time by which an activity must be resumed, the minimum level to which resumption must be achieved, and the time within which normal activity levels must be restored. It says that we should “...identify any inter-dependent activities, assets, supporting infrastructure or resources that also have to be maintained”. This is sound advice - but it's important to remember that this is a standard, not a manual; it can't advise on specifics. Nonetheless, we need a way to confidently align with its intent and set practical recovery priorities and timeframes for our organisation.

In an attempt to safeguard against threats and vulnerabilities most organisations have already introduced a multitude of specialist functions and collectively named them as Corporate Defence Management (CDM). The corporate defence domain represents these different corporate defence related activities, all of which contribute to the defence of the organisation. Activities which make up what can be described as the corporate defence domain are as follows: Corporate Governance Risk Management Corporate Compliance Corporate Intelligence Knowledge Management Physical security IT Security Resilience Management Corporate Protection Corporate Controls Corporate Assurance Corporate Investigations.

The corporate defence domain can be said to represent what can be described as the corporate defence ecosystem,

as it relates to the symbiotic relationships which exist between these activities. This relationship highlights the fact that all defence related activities are linked, and that each could be said to represent a link in a chain. Like any chain, it is only as strong as its weakest link, and therefore it could be said that this represents something of an asymmetric challenge for an organisation, as it is the weakest link which is typically exploited. The challenge therefore facing contemporary corporate defence is to unify, align and integrate the management of these defence related activities.

If we now look at what is referred to as the corporate defence cycle, we will see that this cycle represents the cornerstones of corporate defence, and addresses the key drivers which should be present in all corporate defence related activities. These four drivers include:

Anticipation → Prevention → Detection → Reaction

Anticipation: The timely identification and assessment of existing threats and vulnerabilities, and the prediction of future threats and vulnerabilities.

Prevention: Taking sufficient measures to shield the organisation against anticipated threats and vulnerabilities.

Detection: Identification of activity types (exceptions, deviations & anomalies etc) which indicate a breach of corporate defence protocol.

Reaction: The timely response to a particular event or series of events, in order to both mitigate the current situation, and to take further corrective action in relation to deficiencies identified, and to prevent these events re-occurring in the future.

Business continuity management (BCM), as a component of Resilience Management, is key in corporate defence within organisations. While business continuity as it currently stands represents an important step in corporate defence, it is an area that itself is continually evolving and has not yet reached its final destination. It is already developing in the direction of an even broader cross-functional discipline such as CDM.



From the CGF...

BRONZE PATRON – IS partners opens governance doors for its supply chain

There is a saying that says “when tough times prevail, the tough get going”. There has never been a truer word spoken for businesses in South Africa, as the economic slowdown has seen many industries take a ‘direct hit’, often resulting in heavy job losses, drastically cut production and sometimes even business closure. Indeed, to survive in these tough economic times; businesses will need to ensure that they deploy well considered and differentiated strategies, whilst at the same time being fully cognisant of their corporate governance practices, which so often get ignored when people become desperate to meet the business objectives and make their financial targets.

Partnerships of course can make a significant difference in the success of a business, particularly when times are tough. Clearly in heightened times of public scrutiny – including a far greater informed institutional investor – partnerships need to be established for the correct reasons, and not simply done for the sake of its camaraderie or ‘feel-good’ reasons. Real value must be found when collaborating with other businesses and failing to establish the common ground could waste precious time, money and in fact cause certain reputational damage.

Such a partnership has again been found in CGF’s latest Corporate Patron, namely IS Partners who were recently appointed in this capacity and join the other CGF Corporate Patrons, **ContinuitySA** and Spescom.

“We are delighted with this collaborative partnership and through the patron support of IS Partners, we are able to offer immediate value to IS Partners and their supply chain,” says Terry Booysen, CEO of CGF Research Institute.

CGF Research Institute has over the years become widely known for our role in assisting to ‘educate’ and inform businesses about the critical need for good governance as the under-pinning foundation for sound, ethically based business practices. Each month, CGF is tasked to produce related reports that pertain issues linked to matters such as BBBEE, Records and Contracts Management, IFRS, Workplace Violence, Corporate Kidnapping, Executive Remuneration, Boardroom Behaviour and Procedures and many more ranging topics. Clearly, the ambit of good governance is not found in a text book alone or only contained within the likes of the King III Report and similar recognised governance recommendations and laws.

At the very heart of the topic – good governance starts within each individual and their inner discipline which allows for ethical business practices and integrated performance, covering the financial and non-financial operations.

In terms of this latest Corporate Patron announcement, Booysen adds that he was attracted to IS Partners not only for their role in the corporate governance field, but also because of its business leaders who share a common vision within CGF to see more businesses align themselves with good governance practices.

Grant van der Wal, CEO of IS Partners fully supported the Corporate Patron move with CGF

from the first meeting, saying that the ‘partnership’ was “an extension of their own corporate ethos, as well as being a symbolic endeavour to cause others to follow.”

To this end, through IS Partners’ commitment and financial backing, both companies -- who also both happen to belong to the Proudly South African Campaign -- have agreed that all the companies within IS Partners’ supply chain will be able to qualify for substantially reduced pricing in the event that they wish to avail themselves of CGF’s popular web-based Body of Knowledge Governance software program. This special offer will last for the two year period of Corporate Patronship, now also occupied by IS Partners.

This offer is limited to organisations within IS Partner’s supply chain and customer base. Qualifying suppliers and customers will save the entry cost of R90k, but the standard R34k per annum fee will still apply. The service may be used throughout the company. CGF’s standard terms and conditions of business engagement apply.

To make use of this offer, contact CGF on +27 11 476 8264/1/0 or email tbooyesen@cgf.co.za

About IS Partners

IS Partners was established in 2001 and the company collaborates extensively with thought leaders within their field of expertise, enabling their clients to innovate and create new ways of improving their businesses.

The company’s focus resides in the implementation, customisation and integration of core application development on Microsoft platforms for business intelligence, customer relationship management, corporate performance management and knowledge management solutions.

Within their subsidiaries; PERFORMANCE BUSINESS was established to address the demand in the market for hosted solutions which assists to align partnerships and unlock business value to customers through operational and industry-specific hosted applications. PROGNEO was established to provide specialist financial consulting services, linking finance and technology to transform the way finance departments operate.

For more information about IS Partners visit www.ispartners.co.za

For more information about CGF Research Institute visit www.cgf.co.za or www.corporate-governance.co.za

For further information contact:

CGF Research Institute (Pty) Ltd
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Tel: 011 476 8264

Cell: 082 373 2249

E-mail: tbooyesen@cgf.co.za



Our Business is Keeping You in Business

ContinuitySA expands in Mozambique

On August 20th, ContinuitySA officially launched the Recovery Facility located just outside of Maputo, Mozambique by holding a breakfast at the Cardoso hotel for invited delegates. The event was well attended with guests from across a wide range of business sectors including financial, communications and security to name a few.

Brandon Ross and Wayne Reed presented not only on the BCM Lifecycle but also on the specifications of the newly upgraded facility.

The upgraded facility now has a board room, new kitchen and pause area as well as a 30Sqm syndicated server room that falls into the ContinuitySA standards constructed in line with ContinuitySA's standards.

The site also has a new entrance and reception area for visitors and clients to report to and sign in at.

The facility has 60 seats and there is plenty of room for growth. A new Municipality power feed was installed to provide stable power in an area known for power related problems.



Aitec Conference Mozambique 2010



As you may be aware, the ContinuitySA Recovery Facility in Mozambique has recently been upgraded to handle new and larger client requirements. One of the ContinuitySA goals in Mozambique is to grow the local client base and to participate in local IT and Business Conferences, in order to grow awareness.

ContinuitySA approached the AITEC Africa team to discuss our participation in the conference held in Maputo during October. The ContinuitySA focus at this conference was to discuss the difference between BCM and DR – a common area of misinterpretation.

It was also a huge privilege to have the Minister of Technology and Science official open the conference which – at any given time – was attended by between 70 and 250 delegates. ContinuitySA has already been invited to speak at the AITEC Mozambique conference in 2011 and look forward to further contributing to the development of BCM Awareness within the Mozambique business community.



IODSA GOLF DAY 2010



ContinuitySA, Affinity Partner to the Institute of Directors South Africa, sponsored the 10th hole at the IODSA Annual golf day – in addition to entering a 4-ball to play in the event. ContinuitySA was represented on the day by Allen Smith (CEO), Duane Bester (Solutions Design), Wayne Reed (R&D) and Justin Hammann (BDM). The event was brilliantly organised and the gifts at sign-in were fantastic. The only negative feedback was that the greens could have been easier!

ContinuitySA – as part of their sponsorship on the day – held a lucky draw and are proud to announce that Mr. Jack Mashazi, Factory Manager at Tiger Brands, was the lucky winner! Congratulations Mr. Mashazi!

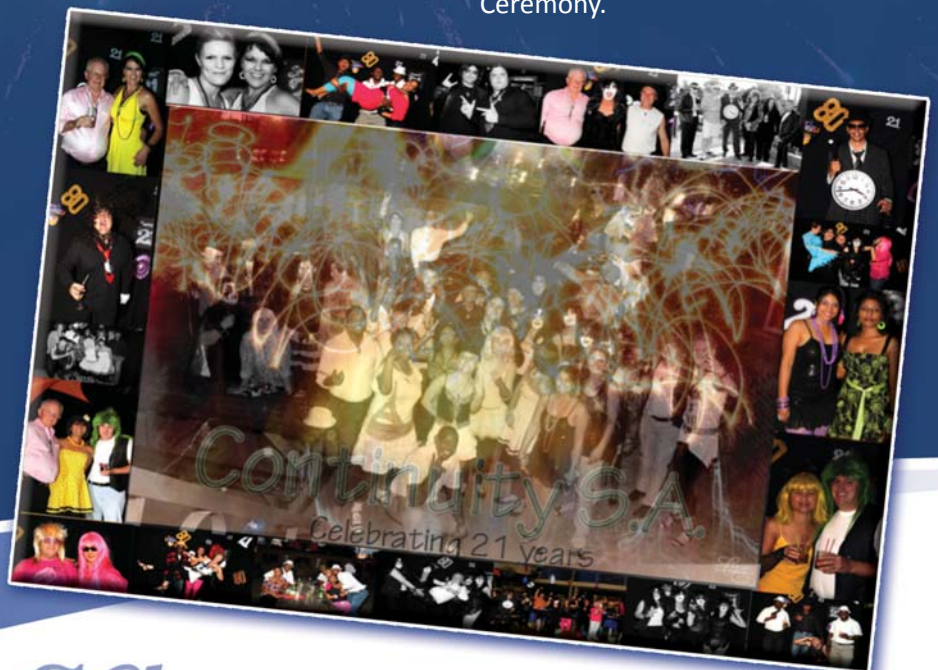
ContinuitySA celebrating 21 years

Every year, ContinuitySA acknowledges the hard work, dedication and commitment displayed by members of staff. This year was no exception! Even though the past year was marred by the doom of the economic downturn, the staff at ContinuitySA continued to serve with excellence and enthusiasm.

On 11 November 2010, a function was therefore hosted at the NiteFever Nightclub in Centurion. This venue was exceptionally befitting to the theme of the event: an 80's Disco Party! Characters from the 80's rocked up in their numbers: Rambo, Flava Flav, Irene Cara from Flashdance fame, Don Johnson in a pink Miami Vice outfit and Kiss to name but a few.

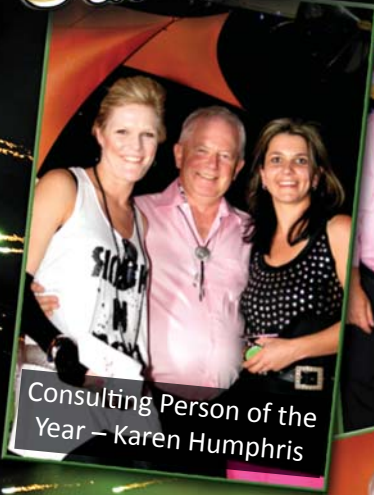
The atmosphere was festive and it was evident that everyone intended to have a great time! The formalities of

the evening included a few words by the CEO of ContinuitySA – Mr. Allen G Smith – followed by the Awards Ceremony.



Our Business is Keeping You in Business

Our winners for 2010 were:



Consulting Person of the Year – Karen Humphris



Manager of the Year – Leonie Cronje



Sales Person of the Year – Leigh Anne Van As



Finance & Admin Person of the Year – Daphne Ramlal



Service Delivery Person of the Year and also Employee of the Year – Innes Le Roux



Division of the Year – Service Delivery



Hardest Worker of the Year - Christina Botha



Region of the Year – Cape Town

From the Editor's desk



With ContinuitySA growing at such a fast pace with all our latest site developments and new service offerings it gives me such pleasure serving as editor for Client Chronicles as there is such a great deal to report on. Having said that, the ContinuitySA team remains committed to bringing our readers more and more valuable articles that will always keep you up to date with our latest products developments and services.

Should you have any Business Continuity thought pieces or articles that you would like to submit and feel will serve our readers interest for the upcoming issues Client Chronicles, we value your input and would like to hear from you.

Your thoughts and feedback are most welcome and can be sent to me directly to Kalaivani.Pillay@ContinuitySA.co.za

We hope you enjoy reading your copy of Client Chronicles.

Kalaivani Pillay, Editor



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