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Business Update

From Allen G Smith (FBCI) CEO

The top 10 business continuity issues South African companies will face in 2010

The news that South Africa is officially out of the recession and has not been as badly affected as some first-world countries has certainly been welcomed in all quarters, even if some sectors of the market are still feeling the pinch. And while views on 2010 are generally cautiously optimistic, there are serious issues South African businesses will have to face during the year, issues that have nothing to do with soccer or economics.

Whether it's crumbling infrastructure, lack of skills, social unrest, failing health standards, a larger tax bill or any combination of these events, 2010 in South Africa will be a good year to be sure your business continuity plans are in good shape. There are, of course, always issues that force organisations to implement their business continuity plans, but with reduced budgets, less certainty in all spheres and the continuing brain drain, we expect a busy year for business continuity professionals.

With that in mind, the following make up the top 10 issues businesses will face in 2010 that will cause them to invoke their business continuity plans.

1. Effect of the global recession

While South Africa seems to have missed the worst of the global recession, it was not and will not be immune to its impact and future consequences. Expect to see commodity and food prices increase, more job losses, and the consequential increase in volatility among the unemployed. Companies must ensure they continuously monitor the global and local socio-political landscapes.





2. Threat of pandemics

The threat of a pandemic has been looming large for a while, however, South Africa must look beyond the news-making issues such as swine flu and pay more attention to African diseases that are often ignored. Being aware of the potential dangers of Congo Fever, Malaria, Tuberculosis or Cholera, for example, is crucial.

We should also realise that the world cup takes place in the winter, which will increase the threat of outbreaks. It is highly advisable that local companies ensure they have a pandemic aspect to their business continuity and crisis management plans.

3. General infrastructure disruptions

World cup or not, we will all have to adapt to more outages in all spheres of life. We hope the road chaos will be over in June, but don't count on it. Expect more drama from Eskom's old infrastructure and don't think the water supply will escape the general outages experienced in the country. Gauteng, for example, will have to deal with rising cyanide levels in its underground water table.

Moreover, if a major incident, such as a terrorist attack or derailing occurs on the section of the Gautrain that is operational, authorities may be required to cordon off certain areas, such as the Sandton CBD. Are businesses prepared for these emergency measures?

Of course, the strain on communications resources, be it voice or data during the world cup may or may not overwhelm the communications mechanisms vital to business. How prepared is your business for major supply chain disruptions?

4. Skills flight from SA

The skills issue won't go away. Business is in a global fight for skills and South Africa is not in a position to create enough new skills to make up for those being lost. Once recessionary caution vanishes, international opportunities will attract more of our best and brightest away. In light of this, companies need to ensure that they have

sufficient succession planning in place for all key employees.

To make matters worse, if government goes ahead and implements its national health scheme, national pension scheme, major Eskom price hikes and so forth, effectively increasing taxes significantly, the average taxpayer will be crippled.

The National Health Scheme, if implemented in its present format is not only unaffordable, but will drive a substantial numbers of the medical profession out of the country, and consequently we should expect to see a new drive by skilled professionals to leave the country.

5. Non-delivery of basic services

The continuing lack of basic services amidst rampant corruption is fertile breeding ground for criminals and those wishing to disrupt social order. The effect of their actions can hinder business by harming infrastructure or employees, or preventing them from getting to the work place.

Companies are advised to ensure that they have factored denial of access scenarios into their business continuity plans for next year. The government is making the right noises, but we still need to see decisive action and remedies.

Moreover, the increased influence of Cosatu and the SA Communist party in the ANC should not be underestimated. The danger is that instead of addressing the real issues of non-performance by government departments, the government will follow a populist policy designed to appease the masses.

6. Climate fluctuations

Climate problems are another global phenomenon we all have to get used to. Companies need to ensure that they have the necessary contingency plans in place to deal with everything from flooding to riots due to food shortages.

7. Terrorism challenges

While South Africa considers itself a neutral country and not on a terrorist hit list, the world cup is a soft target and a temptation that may not be resisted. It would also be a mistake to ignore the threat of internal sabotage by disenchanting South Africans.

A disgruntled employee has already caused a panic in one of the countries large banks, there is no reason to think this will not happen again. A target such as the new Gautrain might prove irresistible to those with malicious intent.

8. Companies reducing business continuity management (BCM) spending

Cost cutting in many companies has resulted in reducing the budget for BCM planning and testing. If all goes well, these cuts will have the desired impact of reducing costs. If any or some of the above do occur, the cuts could result in serious consequences for businesses unable to deal with emergencies when they arise.

Corporate directors and managers would do well to ensure they meet new governance requirements in the Companies Act as well as King III Report. Accountability may not be rife in government, but there will shortly be legally enforceable rules in business.

9. Crime, corruption, civil unrest and illegal immigration

These are old South African stalwarts and are unlikely to change in 2010, with the exception of an increase in civil unrest. The lack of new jobs even as the business environment recovers, called a jobless recovery, could also lead to increased and more violent Xenophobia. The potential impact of these issues on business always needs to be incorporated into continuity plans.

10. Information security vulnerabilities

The increased bandwidth available to business coupled with new technologies has made it easy to conduct business remotely. Uncontrolled traffic chaos and unsafe neighbourhoods have also encouraged business to allow, and in some cases, encourage people to work remotely.

This may improve productivity and reduce office space costs, but if the appropriate security measures are not in place we could see data theft becoming as prevalent as violent crime in South Africa. Business leaders should take advantage of technology to reduce their costs and increase productivity, but only after ensuring their

systems and data are safe from digital thieves and disasters.

Of course, these are not the only information security treats we will face. Despite many press articles and even more horror stories, companies will still fail to backup their critical data, or for those that do backups regularly, nobody will bother checking that they work and can be restored until an emergency strikes, after which it's too late to discover a problem. Many companies who have moved to mirrored systems have become complacent about the need to have offsite backups and to test recovery from these backups.

The role of business continuity is to prepare for a worst-case scenario and it is therefore

unlikely that all the above will happen. It is likely, however, that one or some of them will happen, but we can't predict which or when. Business leaders need to ensure that their organisations are geared to handle any changes in the social, weather, political or business environment. The alternative can be catastrophic.



Business Continuity Institute Appoints First African Board Member

The UK-based Business Continuity Institute (BCI) has appointed Louise Theunissen, GM of Consulting Services at ContinuitySA as its first Board member from the African continent. The appointment follows the announcement at the end of last year that Theunissen had been appointed as the organisation's regional representative in South Africa.

The BCI was established in 1994 to enable individual members to obtain guidance and support from fellow Business Continuity practitioners. It also plays an important role in promoting standards and quality issues globally, with the view to improving and maintaining a high standard of work in the Business Continuity market. The BCI currently has over 4000 members in 85 countries.

The BCI Board consists of 11 elected members who determine the strategic direction and growth path of the organisation. The board has primarily consisted of BCI members and fellows based in the United Kingdom to date, a state of affairs the organisation wanted to change to reflect its global demographics.

Members of the BCI have an opportunity to apply for Board membership each year, as long as there are vacancies to fill.

This year saw four seats vacant and a record twenty people put their names forward. The institution's members voted the following people to the Board:

- **Steve Mellish, FBCI**
- **Kathleen Lucey, FBCI**
- **Louise Theunissen, MBCI**
- **Roberta LaRocca, MBCI**

As the first Board member from the African continent, Theunissen will be in a position to ensure growth of the institute's membership on the continent and act as a catalyst to the expansion of Business Continuity best practices throughout the region. The appointment also reflects the growing interest in and demand for Business Continuity Management services on the continent that are aligned to global standards.

The South African Forum of the BCI is well established and growing fast. This provides the BCI with a solid foundation as it expands into the rest of Africa. We envision setting up local forums in other African countries in the future to assist businesses in understanding and applying Business Continuity Management best practices in their environments. Ultimately, we hope to set up the first African Forum made up of representatives from across the continent.

The newly elected board members will officially take their post in January 2010.

The *Role Of Consulting* in developing a *BCM Strategy*



Louise Theunissen
(MBCI) (PMP)
General Manager:
Consulting

The New Year has begun and looking back at 2009, although it was a tough year, so much has been achieved. The past year held numerous challenges, but at the same time held opportunity for growth. The Consulting Services division, that I am proud to be a part of, have developed and improved several services over the past year, which include the Capability Maturity Model (CM²), our comprehensive Continuity2010 offering, Complete Continuity Programmes and several other services and initiatives.

CM² was launched at the end of last year and is a modeling tool designed to provide organisations with the ability to measure the effectiveness and maturity of their Business Continuity Management (BCM) Programme. CM² is designed to provide executives with the confidence to assess the likelihood of their organisation's recoverability if faced by a disaster or incident. The model is a first of its kind on the African continent and is continuously being improved. The Continuity2010 offering was officially launched in November 2009 and consists of two key elements; the Continuity2010 Portal and the Continuity2010 Board. The project was initiated in February 2009 and is the product of extensive research and development.

The Continuity2010 Portal is a subscription web based application that contains all

relevant information pertaining to the 2010 World Cup™ and the potential operational risks the event will have on businesses in general. Tremendous interest in the portal has been shown, with several key corporates having committed to the portal offering to date.

The Continuity2010 Board, limited only to Continuity2010 Portal subscribers, will be used as a platform for all potentially impacted businesses to discuss topical issues and risks associated with the 2010 World Cup™. The Board Kick-off meeting was held on the 20th of January 2010 and was well attended and thoroughly enjoyed by all participants. The interaction by the participants confirmed that there is truly a need for organisations to work together in addressing the potential risks that they face. The future scope of the Continuity2010

offering will be determined by the Continuity2010 Board at the 1st Continuity2010 Board meeting scheduled for the 17th of February 2010. With regards to training, the Complete Continuity® Business Continuity Management Training Programmes, the only hands-on courses of this nature on the continent, received full ISETT SETA accreditation and 'Content Approval' from the United Kingdom based Business Continuity Institute (BCI).

ContinuitySA's Consulting Services Division has also ensured continuous development of its existing service offering to ensure that our deliverables meet all requirements as dictated by the BCM standards. Growth through 2009 has provided ContinuitySA with a solid base for the year that lies ahead, which I believe will hold many successes.



Continuity2010 Kick Off *Board Meeting*

ContinuitySA held its Continuity2010 Inaugural Board Meeting on the 20th January at SAFA House in Johannesburg. The meeting started with a welcome message from the host and CEO of ContinuitySA, Allen Smith, who then proceeded to discuss the objective and reasons behind the development of the Continuity2010 Portal and Board. This was followed by a message from Rich Mkhodo, Chief Communications Officer 2010 FIFA World Cup™ Organising Committee, who highlighted past and present developments for the World Cup™ and the impact these developments have had, and will have, on the South African nation. Brian Oxley, Risk and Insurance Manager 2010 FIFA World Cup™ Organising Committee then discussed and highlighted the risks that hosting the FIFA World Cup™ may present. Fanie Mokoena, Director 2010 World Cup™ Gauteng Province concluded the meeting with a presentation on the Gauteng 2010 Gateway and also provided the meeting with a Progress Report on all infrastructure and security enhancements.



Chené Maartens
Consulting Services



Our Business is Keeping You in Business

The invited guests were then given the opportunity to view Soccer City and were also given a guided tour of the stadium and an overview of the history behind its construction and its planned future after the 2010 FIFA World Cup™.



The objective with the Continuity2010 project is to provide a user-friendly and easy accessible information platform for clients to obtain information relevant to their business risks prior to and during the 2010 FIFA World Cup™. The Continuity2010 Project Team will manage the Continuity2010 website and portal, ensuring that the content meets user requirements. ContinuitySA would like to offer subscribers the opportunity to also join the Continuity2010 Board, the intention of which is to bring together organisations which share a keen interest in managing Operational Risk. Because of the many potential risks that organisations may face because of the 2010 FIFA World Cup™, this Board creates the ideal opportunity to share ideas, learn from each other and promote the thinking around various mitigation strategies. This would also be the platform to encourage participating organisations to ensure that the implementation, review, update and testing of their own Business Continuity Management (BCM) Programmes has been conducted so that their desired BCM maturity level is obtained and /or maintained.

The Continuity2010 Project Teams' activities – apart from the initial launch of the Continuity2010 offering – also include ongoing research and development, to ensure that the information gathered is up-to-date and accurate. The Continuity2010 Project Team has also established numerous relationships with key individuals and associations involved in the 2010 FIFA World Cup™. Future Board Sessions have been scheduled, and will include presentations and discussions regarding Provincial Disaster Management and security as well an insight into Telkom's 2010 initiatives.

There are numerous advantages to membership of the Continuity2010 Portal and Board:

- Easy access to relevant information and key individuals and associations involved in the 2010 FIFA World Cup™;
- Up-to-date information, including risks, relevant articles, presentations, and contact details pertaining to the 2010 FIFA World Cup™ ;
- A central point to access information and relevant skills provided by the Continuity2010 Project Team.
- The opportunity to discuss and raise concerns with 2010 FIFA World Cup™ employees and associated bodies as well as peers and other industry experts at Board meetings
- Aid Management in providing assurance to stakeholders, shareholders, Board and staff concerning Business Continuance and Risk Mitigation Strategies.

We look forward to successful partnerships with our clients during 2010 and beyond!

For any information pertaining to the Continuity2010 project please contact us on 2010@continuitysa.co.za

What Our Clients Say

Quotes from C2010 Inaugural Board Meeting



I would just like to express my appreciation to Continuity SA for hosting the C2010 Inaugural Board Meeting. I believe that the presentations done by "Rich Mkhodo, Fani Mokoena and Brian Oxley" was most beneficial and value add as the information provided was very factual, it was not hearsay or rumours. The 2010 portal that Continuity SA is hosting is going to assist every organisation in obtain correct information and will also assist in identifying risks so that they can act accordingly. Nedbank will definitely be purchasing a user licence to the portal. My tour of soccer city was really and eye opener to see the standard of architecture and the work being done within SA. I was very privileged and it was a life time opportunity to be part of this tour.

Regards

Ricky Pillay – Senior Manager - BCM: Group risk - Business Continuity Management, Nedbank



It was an honour to address your meeting.

Best wishes

Rich Mkhondo – Chief Communications Officer - 2010 FIFA World Cup Organising Committee South Africa"



Unisa International Banking Conference Update

The University of South Africa (UNISA), hosted the second International Banking Conference from 27 – 30 November 2009 aboard the Sinfonia Ocean Liner. The theme for this conference was: Risk Management imperatives: a Euro-African Perspective, which couldn't have been more appropriate, taking into account the increase in Operational Risk that companies worldwide face on a daily basis.

This conference promised to provide attendees with a comprehensive agenda filled with a variety of presentations from some of the most respected risk management and banking specialists and experts on Africa and the world. Presentations were divided into four main themes namely: Corporate Governance, Risk Management & Compliance, Risk Challenges, Developments in Risk Management and Risk Management Capacity Building.

Subsequent to responding to the Call for Papers, three ContinuitySA employees - Millington Gumbo – Senior Consultant (MBCI), Louise Theunissen – GM: Consulting Services (MBCI, PMP) and Derek Taylor – BDM (CISA) - were selected as speakers at this prestigious event. Their topics covered the potential risks companies face in 2010, how to measure performance in the



From left: Millington Gumbo – Senior Consultant (MBCI), Thelma Gumbo, Louise Theunissen – GM: Consulting Services (MBCI PMP), Derek Taylor – BDM (CISA)

Business Continuity arena and why sound Corporate Governance practices should form part of any company's culture.

Chaired by well-known celebrity Dr. Michael Moll, the event and venue proved to be fantastic for both the speakers and the attendees alike!



Our Business is Keeping You in Business

ContinuitySA Ensures Highest Level of Quality in Delivery of Outstanding Training!



Chantal Coetzer (MBCI)
Consultant/Training Facilitator

The past year (2009) has been an exceptional for ContinuitySA's training department, with significant developments regarding our BCM training programmes. ContinuitySA is proud to announce that now - for the first time on African soil - we can provide our clients formal assurance of the quality of our already outstanding education programmes.



Both the ContinuitySA Two-day Complete Continuity® Programme as well as the Five-day Complete Continuity® Practitioner Programme was awarded **FULL** accreditation by the ISETT Seta at Levels 5 and 6 respectively. These programmes are both regarded as essential for developing a career-path in Business Analysis. This fantastic achievement is a first amongst BCM training providers and in addition to this, ContinuitySA is also the first organisation to be accredited against this standard! Some of the benefits of the accreditation to course attendees and employers are:

- Companies can claim a % of this levy back provided employees receive training from an accredited provider;
- Employers will also earn points towards the Work Skills Plan that has to be submitted annually;
- These programmes are aligned with SAQA legislation: fair and quality training across industries;
- Employers are assured that training is of a high standard by an accredited provider and
- ContinuitySA as a Training provider is subjected to a stringent quality management system.

ContinuitySA is also proud to announce that our training programmes have also received "Content Approval" status from the Business Continuity Institute (BCI), another first on the African Continent! This means that both programmes are aligned to the Good Practice Guidelines (GPG) at different levels of detail, with the -day Complete Continuity® Practitioner Programme also being aligned to BS25999.



Again, this means that organisations attending ContinuitySA BCM Training Programmes are assured of consistent content delivery by an affiliated training provider. Moreover, the BCI only recommends endorsed programmes. Delegates attending these endorsed programmes will be issued a certificate of attendance and will be enrolled as BCI Affiliates. Existing members of the BCI could benefit from special discounts.

Lastly ContinuitySA has a third exciting development at the ContinuitySA Training Academy. For the first time, both the training programmes will be delivered in a unique format, as the programmes are "Going Green". Delegates will follow the programme content via pre-configured PC's and will be able to make comprehensive electronic notes, using tested and proven technology. On completion of the training programmes, the delegates will be able to take the full programme content, notes and additional information that will be provided with them in electronic format. On a lighter note, there is also a unique gift that accompanies this new training method!

ContinuitySA would like to extend an invitation to all those interested to enjoy these benefits and receive exceptional education in the niche discipline of Business Continuity Management with us!

For further details you can visit our website www.continuitysa.com/services/training, register online or contact Chantal Coetzer on (011) 554 1000 or via e-mail Chantal.coetzer@continuitysa.co.

Upgrade to Mozambique Recovery Facility

During 2009 ContinuitySA acquired the ownership of the property in Matola south of Maputo which houses the ContinuitySA recovery facility. The property used to be a branch of a well-known international bank which moved all banking operations from the site. This move provided ContinuitySA with the opportunity to take control of the premises and start the expansion of the facility.

Apart from the building already on the property, there is adequate land available to develop additional buildings. An existing client contract necessitated the development of additional Work Area Recovery space and as such, a hurricane-proof structure was built. The structure is made entirely of concrete (even the roof, although covered with tiles) which provides for an extremely safe recovery environment. This additional building is based on a modular system which allows ContinuitySA to add buildings next to it without much difficulty.

This development of the old banking hall and back office areas will allow for additional Work Area Recovery seats, Data Centre space, a new reception area, a boardroom and additional Offices for The ContinuitySA staff.

These recent developments have enabled ContinuitySA to also accommodate additional clients as the requirement for Standby Services increases annually with Business Continuity becoming a more embedded regulatory requirement within banks.



Willem Olivier (MBCI)
Managing Director
ContinuityAfrica



Measured Continuity is Good Governance

The King III report on corporate governance has been finalised and is due to be released in March this year. South African business leaders will be compelled to re-evaluate many areas of their businesses, most particularly their governance, risk and compliance operations. Moreover, combining this with the new Companies Act 2008 which takes effect in June 2010, company executives will need to be in a position to implement changes to satisfy these new provisions in their organisations, while also finding ways to ensure their modifications have the desired impact. And while King III's predecessor, King II, was mandatory for listed companies on the JSE, King III has a significantly further reach as the code for good governance will now be applicable to all legal business entities, thereby enforcing more executives to apply a far more concerted effort toward its compliance.

Terry Booyen, CEO of CGF Research Institute says, "Good intentions are not good enough anymore when it comes to corporate governance. Executives can find themselves in serious trouble if they do not ensure their business conduct and operations meet the provisions of what is expected from the likes of King III, the new Companies Act, Competitions Act, class actions and many other legal and regulatory measures due this year, which are designed to improve the manner in which we conduct business locally and abroad.

The old adage of "you can't manage what you can't measure" is therefore more prevalent in South African business today than ever before."

The only way to ensure that companies meet the new governance standards is for boards to appoint directors who are equipped to deal with these additional responsibilities whilst providing them the authority to implement and oversee the changes.



Derek Taylor (CISA)
Business Development
Manager

Measured Continuity Is Good Governance (continued)

These leaders will need to ensure each area affected by the new laws and governance recommendations is continually up to standard. One of the areas that will require serious focus is business continuity management.

Many executives realised the need for business continuity and have grudgingly spent money on it in the past, but have never been able to be at ease, knowing their businesses are covered and would be able to recover in a real disaster.

Similarly, MDs have had no way of knowing if the various divisions and business units in their companies are recoverable despite assurances from individual managers, as each manager has a different idea of what it means to have continuity plans in place.

Most often businesses will spend money on some continuity planning without knowing whether it's well spent or if the plans will fall apart at the first emergency.

What business needs is a common, standardised measure that will provide it with the assurance that money spent on business continuity management has been spent wisely. Clearly, not only should the business continuity plan be customised to suit the business' environment, it must also be robust and tested to ensure its effectiveness of withstanding any form of business disruption.

Companies are advised to adopt the Business Continuity Maturity Model – a system that provides a high-level overview of the company's current continuity standing in an easy to read dashboard – which will show managers where they are prepared and where they fall short of the mark. The model is designed according to the British BS25999 business continuity standard.

It breaks down continuity planning into various components and measures each business division's readiness, combining the scores into an overall readiness level for the company.

To explain the concept of levels, one can refer to the BEE ratings common to South African companies. A company will decide which rating level is appropriate for its business and strive to attain that. This level may not be the highest, but will meet the requirements of the company for future business.

The maturity levels of business continuity work on a similar basis. For example, a Level 5 rating is the highest score, meaning all the components are in place and recoverability is certifiable to BS 25999 and that the business will enjoy service continuity even in a worst case scenario.



It's important to note that the Business Continuity Maturity Model is not a standard benchmark against other companies in the same industry, but is a measurement tool designed to assess each company's readiness according to its own requirements as per BS 25999. The comparison is not to how your competitors are doing, but to how close you are to achieving your desired state of continuity preparedness says Smith.

Given the up-coming 2010 World Cup Soccer event, organisations such as emergency services, or even organisations with trading desks at a financial firm, for example, will need to attain an almost perfect score as they will need to be up and running within less than an hour. In a retail environment or the hospitality business, or manufacturing plant; the need for immediate recovery is not as great and these types of organisations may be able to settle for a lesser rating as they may only need to recover operations in a day or two.

The Business Continuity Maturity Model allows businesses to accurately assess the value of their business continuity preparedness and identifies precisely where work is needed in an easy to read graphical format. It does not, however, remove the requirement for business continuity personnel certified by the BCI (Business Continuity Institute) to conduct the process, as the implementation and assessment needs to be in strict accordance with BS 25999.

More importantly, the maturity model does not allow business leaders to avoid learning about and understanding business continuity principles. If you do not take business continuity seriously, you can't effectively determine what you want to achieve and the data provided by the maturity model will simply be a meaningless rating that does not lead to constructive action.

To ensure continued preparedness, the Business Continuity Maturity Model has been designed as a continual work in progress, allowing management to view its state of preparedness and make the necessary adjustments, repeating the process at regular intervals to ensure its continuity standards are eventually achieved and then maintained.

The Business Continuity Maturity Model empowers organisational leaders to make effective continuity decisions by delivering the first BS 25999 compliant measurement system to the South African market.

The model offers a clear, unambiguous overview of the businesses continuity standing, highlighting areas where preparations are inadequate and improvements are required to ensure that when disaster strikes, the company is able to maintain or recover operations at a pace suitable to its specific needs.

For further information, please contact Derek Taylor: Business Development Manager on 011 554 8000/ Cell 083 677 5684 or via email on derek.taylor@continuitysa.co.za

Cloud Computing

– Visionary or Vapourware?



Wayne Reed
GM: Research and
Development

Cloud computing is very much an evolving concept that has attracted a great deal of spirited debate relating to its definition, attributes and economic benefits. While some are touting cloud computing as the next big thing, others such as Oracle CEO Larry Ellison believe it to be nothing more than a new term for existing technology and services.

Analyst firm IDC describe cloud computing as “**Consumer and business products, services and solutions delivered and consumed in real-time over the Internet**”, differentiated from existing online service models by the following attributes:

- **Shared, standard service** – Built for a market and not a specific customer.
- **Solution packaged** – Customers can access a cloud service without the need to own, manage or understand any underlying resources.
- **Self service** – Customers can manage service provisioning with simplified administration.
- **Elastic scaling** – Customers have the ability to quickly scale resources as required.
- **Usage based pricing** – Customers pay for cloud services in proportion to usage, or to the number of users.
- **Accessible via the Internet** – Cloud services are accessible to authorised users who have access to the Internet.
- **Standard user interface technologies** – Use of widely deployed Internet related standards and technologies.

- **Published service interface** – The ability to combine services with others and to integrate them with traditional systems.

Cloud computing is an exciting concept that promises great innovation, collaboration and quality of service. The scalability of cloud services, ease of implementation, and reduced reliance on internal resources can create significant economic benefit for customers; however there are security risks that must be addressed when considering adoption of this evolving technology. Gartner highlights the following issues that customers must take into account when evaluating a potential cloud service vendor:

- **Privileged user access** – Providers should supply specific information on the hiring and oversight of privileged administrators, and the controls over their access.
- **Regulatory compliance** – Customers are ultimately responsible for the security and integrity of their own data, even when it is held by a service provider.
- **Data location** – Where is data hosted and are local privacy requirements upheld?

- **Data segregation** – How is data segregated from other customers’ data?
- **Disaster recovery** – What will happen to data and services in the event of a disaster? Does the provider have the ability to do a complete restoration, how long it will take, and what is the potential data loss?
- **Investigative support** – Can inappropriate or illegal activity be investigated?
- **Long-term viability** – Will the data remain available should the provider go out of business or be acquired by another company? Can data be returned in a format that can be imported into a replacement application?

We will see a great deal more debate and development in the cloud computing arena in 2010 as cloud services mature and risk issues are addressed and mitigated. Indications are that cloud services will gain greater acceptance from both private and public sectors, with IDC predicting worldwide spending on cloud services to reach \$42 billion by 2012, a threefold increase over cloud spending today.

It gives me great pleasure serving as the new editor for Client Chronicles as there is such a great deal to report on. I say this as ContinuitySA is growing at such a rapid pace as a result of our latest site developments and new service offerings. The objective of Client Chronicles is to keep you informed of issues related to Business Continuity Management. It is also imperative that ContinuitySA inform you of new initiatives being undertaken by us, in order to ensure that our service levels and capabilities continue to bring you quality services and solutions as part of our ongoing innovation process.

Should you have any Business Continuity thought pieces or articles that you would like to share with us, your contributions 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 – Client Chronicles

From the
Editor's
desk