

Business Update

From Allen G Smith (FBCI) CEO

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I am sure – like me – you are all thinking where is this year going to? We are now well into 2010 – a really exciting year for South Africa!

Fortunately most of us are finding that the recession is starting to fade into history and hope it continues that way. In addition to this, we can also see an end in sight to the road works and traffic congestion – something that we will all be thankful for i'm sure. Now we can all turn our attention to the 2010 FIFA World Cup™.

But as exciting and wonderful for South Africa as the 2010 FIFA World Cup™ is, we mustn't ignore the challenges it will create for many of our businesses. ContinuitySA is conscious of its obligations to clients to provide them with appropriate information relating to the risks associated with South Africa hosting the 2010 FIFA World Cup™. Some clients for example will be denied access to their premises! We have therefore set up a complete Continuity2010 offering that includes both a portal and a steering committee. The aim with the portal is to act as the single and reliable repository of information for organisations to keep up to date with all information related to the event, including potential

risks and mitigation strategies. The steering committee on the other hand is a forum where Corporate South Africa is given face-time with those parties responsible for organising the event as well as parties responsible for the areas that are perceived to be at risk, like power and telecommunications. In addition to this, healthy conversation regarding mitigation strategies and plans has resulted in organisations sharing their own risks and associated strategies and plans.

As far as we've been able to establish, this is a world-first! To date, the industries represented on both the Portal and Steering Committee includes Telecommunications, Manufacturing and distribution, Medical, Disaster Management Services, Utilities, Financial Services, Retailer and Government.

Our consultants have also been productive during 2009 when we didn't have enough work for them (yes we also suffered during the downturn!). They have developed two new products called Business Resilience Check and CM².

The first aims to identify – at high level – the areas of concern for businesses which are not 100% comfortable with their ability to recover. The latter is an ongoing measurement of your implemented Business Continuity Management Programme. This will at last enable organisations to evaluate the effectiveness of the BCM Programme against a standard – BS25999. This can be done regardless of in-house or outsourced consulting activities. Management can at last get an accurate view of each division or subsidiary's BCM readiness against a set standard and not rely on differing views and understandings of what makes an effective BCM program.

So in 2010 let's make sure our BCM readiness is tried and tested because there is a greater chance you may be put to the test. And let's measure it! How do you stand up to the industry norms and your peers and competitors should disaster strike?



By Millington Gumbo
MBCI, MIRM
Senior Consultant,
ContinuitySA

ContinuitySA's launches a **Business Resilience Check[®]** service

In the wake of the recent global recession which resulted in the collapse of several international businesses most executives are asking the question, "how do I know if my company is resilient enough to withstand and bounce back should it be impacted by any kind of disruption?" Are there any tell-tale symptoms which once they become evident, can indicate to executives whether or not their operations have sufficient levels of resiliency to survive worst-case emergencies, crises and disasters?

In yet another ground breaking initiative, ContinuitySA has launched a solution which addresses this challenge. For the first time in South Africa, companies with an immediate need to evaluate the adequacy of their business resilience levels can now do so using ContinuitySA's Business Resilience Check[®] solution.

The Business Resilience Check[®] solution offers an immediate prognosis of a company's resiliency to disruptions. It achieves this through a quick evaluation of the organisation's BCM Capability and Maturity combined with an analysis of the top-most threats to operational resilience.

The high level BCM capability and maturity prognosis which is the primary output of the Business Resilience Check[®] is generated from ContinuitySA's CM2 model. The CM2 model has a set of assessment criteria based on BS25999 as well as ContinuitySA's extensive practical experience in business continuity.

Similar to a medical check up, the Business Resilience Check[®] provides a preliminary indication of a company's operational resilience status.

It facilitates the early diagnosis of any inhibitors or threats to organisational resiliency. One part of the prognosis involves the assignment of a BCM Capability and Maturity level. The second part is reflected in a dashboard highlighting an organisation's competency in 12 critical success factors required for best practice BCM. When used judiciously, the prognosis from the Business Resilience Check[®] can form the platform upon which an organisation can build and strengthen its BCM capability and maturity over a time period.

As part of the Business Resilience Check[®], ContinuitySA also conducts a Recovery Configuration Assessment to determine specific resources which the client would require at an offsite location (i.e. in terms of infrastructure, technology and business continuity expertise). The combination of these complementary services in a single solution enables the client not only to obtain a quick prognosis of operational resiliency but also provides them with an action plan to follow if they need to build the necessary capability to ensure the continuation of critical operations after a disruption.

All the above benefits can be accessed without having to go through a full-on BCM maturity assessment which ordinarily has an extended scope, additional value-adds in terms of prescribing remedial actions and a longer implementation timescale.

ContinuitySA offers full-scale BCM capability and maturity assessments using its class leading CM² model. The assessment criteria built into the CM² model is structured into various layers, each of which serves a specific purpose but all of which are complementary in assisting an organisation to improve its resilience levels. The BCM capability and maturity prognosis which comes out of the Business Resilience Check[®] is based on the first layer of resilience-discovery criteria extracted from the CM² model. The subsequent layers in the CM² model deal with remedial actions and best practice guidelines to aid compliance with specific clauses of BS 25999-2.

Clients signing up for the Business Resilience Check[®] solution will also be eligible for preferential discounted access to the

Continuity2010 risk portal and a seat on the 2010 Continuity Steering Committee. ContinuitySA has established the Continuity2010 risk portal to keep track of all the key business risks associated with major events taking place this year. This will be a running theme in subsequent years as the portal will continue to profile each year's topical risk issues. Beyond the 2010 World Cup Finals, it is anticipated that business interruption risks will increase dramatically as the age of super automation and business inter-connectivity engulfs South Africa. This trend is already apparent and is set to become more entrenched in the medium to long term.





What if? STANLIB Business Continuity Management awareness campaign

Interview with Werner Bornman

1. Tell us about your career before joining STANLIB?

I started my career in the IT Advisory Division at KPMG directly after obtaining my Masters Degree in Information Security Risk Management at the University of Johannesburg. My consulting experience in Business Continuity, Disaster Recovery, Revenue Assurance, Project Management, Audit and Business Analysis proved very valuable in taking up the IT Risk management role.

2. During your time with STANLIB, what would you consider your greatest achievement in terms of Business Continuity Management and Recovery?

Increasing focus on Business Continuity in all areas of the business from Executive Management to the technical teams involved with the initiatives. Another goal was to standardise plans and tests throughout the business.

3. How do you see Business Continuity Management playing a role in potentially benefiting the rest of the STANLIB's operations?

I think that a lot of businesses underestimate the operational value of Business Continuity overall. Business Continuity Management has the potential for management to determine where there are gaps in the operations and also to determine their in-depth knowledge of their own departments. It can provide them an indication of key dependencies in their business as well how they can optimise their current operations.

4. Why does STANLIB take Business Continuity seriously?

As STANLIB is one of the premier asset management organisations in Africa we manage in excess of R300 billion of assets in the Retail and Institutional space. Our clients deserve access to asset information 24 hours and we take the responsibility of managing their hopes and dreams very seriously. BCM is just one of those areas that we ensure is taken care of to serve our clients that much better.

5. Tell us the reasoning behind running the recent Business Continuity Management awareness campaign within your organisation?

I believe one of the most important mechanisms to increase the maturity of business continuity within an organisation is to make users aware of it not being there. If employees are made more aware they will ask the questions that continuity coordinators are asking now. The primary reason was to launch the BCM Identity and making employees aware of their responsibilities.

6. How did you implement it?

We had three main areas we focused on: (1) establish an identify for Business Continuity (2) raise awareness by 'teasing' the employees, and (3) deliver BCM message in a unique and thought provoking manner. Our Business Continuity identity is owned by all but IT Risk Management is the custodian thereof. The teaser campaign was to create an interest and awareness of something that is coming.

7. Did your marketing team have any involvement?

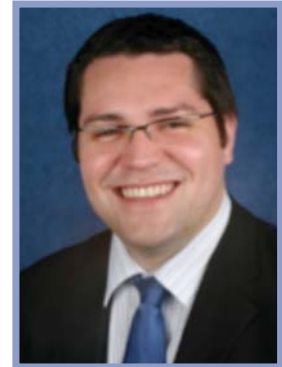
The STANLIB DTP and Marketing department was involved from the word go. It was great working with a team whose responsibility it is to be creative and to package a relative boring subject into an eye catching campaign.

8. Was there buy-in from an executive level?

The STANLIB business continuity has several Executives representing their respective areas. The awareness campaign was discussed with them but a lot was still left as a surprise.

9. How was it received, both internally and by your shareholders?

The campaign caused quite a stir for several reasons. The campaign was launched in two phases; a teaser campaign and then a transformation of the key areas in the building.



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The teaser campaign only asked "What if?" The actual awareness week took everybody by surprise with cracked windows, holes in the floor, red construction tape and transformed elevators resulting in people asking what is this about? The campaign had 90% saturation within the organisation.

10. How would you do it differently next time?

The campaign achieved what it set out to do, but we will be able to run it for a longer period if we coordinate the messages and activities with all executive managers.

11. What advice would you give to other organisations who would want to run a similar campaign?

We learnt a lot during this campaign and have learnt a lot of valuable lessons. First of all, have fun! That will enable you to think outside the box and challenge normal convention. Explore all your options in terms of communication mediums and costs. A building can be a blank canvas, an elevator is not just a box, a poster with the right message in the right spot can still be effective.

12. Do you believe it has served to deliver the right message?

Most definitely! The objective was to force people to ask questions about BCM.

Some of the messages were not as direct as it could have been but it made people discuss it among themselves. We even received jokes based on the campaign that employees created (Viral Marketing). Individuals started to ask "What if?" questions incorporating social commentary.

13. What changes (if any) have the various department heads or BCC's made, since the awareness campaign?

They have started to ask more questions amongst themselves and within departments. What if we do not have our battle boxes updated? What if I do not have my Business Continuity Management updated and with me at all times? What if the Business Continuity Management plans are not effective?

14. What is involved in the ongoing awareness strategy?

We will be presenting at business unit level and engaging with senior management to conduct management walkthroughs of their plans. The objective is to constantly drill the "What if?"



15. What is your opinion on the current level of Business Continuity Maturity, generally, within the financial sector in SA today?

I believe that the maturity of the South African Financial sector in terms of being able to continue as normal during and after an incident is quite high, but as most business functions there are still room for improvement especially when it comes to non-technical elements. Although the level of maturity is quite high, most financial organisations struggle with accountability within business units.

16. Do you find it difficult to justify Business Continuity Management spend within your organisation?

No. Practicality and common sense prevail. Business Continuity has a strong focus within STANLIB's business units.

17. In your opinion, what issues keep risk managers awake at night?

Knowing that not all risks can be controlled, and if there are sufficient contingencies in place to manage an unknown situation.

Security and Interoperability in the Cloud

Cloud computing remains a hot topic for IT professionals who are eager to explore the benefits associated with service orientated IT deployment. In addition to reducing capital expenditure for IT departments, cloud computing promises great adaptability and flexibility for users. While rapid technological advances and aggressive pricing structures are increasing the appeal, many issues remain unresolved with security risks remaining the greatest barrier to adoption.



Wayne Reed
GM Research & Development

A number of groups have been established to address the issues associated with cloud services which will hopefully accelerate the move to maturity. The Cloud Security Alliance aims to promote the use of best practices for providing security assurance within cloud computing. The Enterprise Cloud Buyers Council has been established to work on the issues associated with security, reliability and interoperability between cloud vendors, with major IT providers such as Microsoft, Cisco and IBM forming part of this group. Until the issues and concerns are resolved, organisations will understandably be hesitant to host business critical systems with commercial vendors. While more companies are already making use of cloud services for applications such as word processing, spreadsheets, as well as testing and development, business critical applications will continue to be managed by in-house IT services.

For growth in cloud computing to really accelerate, cloud providers need to provide the ability for interoperability and disaster recovery between both private and public clouds. The development of standards and demonstrable security measures are crucial to safeguarding critical and sensitive client information.



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Risk Management Imperatives

– A South African perspective

I probably won't be the first to point out that organisations that embrace and practice business continuity management may have a competitive edge compared to others who don't. Having said this, chances are that I probably wouldn't be the last to say that business continuity management enjoys the dubious distinction of being viewed as a cost centre either, and more often than not the board and senior management within many organisations today ignore the rewards that good governance and effective risk management really bring to their organisation and its stakeholders.



Derek Taylor(CISA)
Business Development
Manager

South Africa currently has no universal standard that encompasses all aspects relating to risk and compliance management, however with the recent release of the King iii report and soon to be promulgated new Companies Act, South African businesses may well enjoy a new universal language that will help business leaders alike to understand more clearly the Governance Risk and Compliance framework in which businesses are to operate. This is really a practical issue that once addressed by business leaders, may well provide to be the blueprint for a sustainable and effective commercial future for South African businesses on a global scale. Business leaders that embrace this change will ensure the socio-economic well-being of South Africa's inhabitants and provide a better life for all within our economy.

In order to embrace responsible corporate behaviour, we need to put in place the building blocks, the foundations and framework on which we can build, develop, monitor, engage, evaluate and fulfil the objectives of our collective interests, our revenue generating activities. We can only achieve this through good governance, effective risk and compliance management – The DNA of South African business for future generations.

Businesses in South Africa and those on the African continent can forge new international partnerships and change the unequal relationship between South Africa, Africa and the developed world if we adopt international best practice and good corporate governance methodologies. More importantly if the broader understanding of what constitutes good corporate governance is embedded in business throughout South Africa, we would see raised levels of service delivery, improved quality of service, better safety within the work place, reliability, transparency, sustainability and accountability.

Companies that demonstrate sound corporate governance and who ensure compliance within their organisations have a competitive advantage over companies that don't. Investors by large don't always look at the bottom line, they seek to invest in companies with good DNA, the best of breed as well as companies that are able to withstand potential threats to their operations, the impacts of which would not jeopardise their business continuity, long term sustainability and revenue generating activities. The rationale behind the DNA of South African business is that investing in companies that effectively manage their risks are more likely to deliver better long-term financial rewards, not only for the investors, but for the greater good of the South African economy.

The DNA make-up of South African business, much like the biological definition, should form the basis upon which all business in South Africa, Africa and perhaps even globally, should engage. While this may seem somewhat farfetched, the reality remains that DNA is the foundation of life on earth, a map, strand, a plan or foundation. DNA is also seen as the most accurate means of measure. South Africans share a rich and diverse culture; we have vast resources and a wealth of opportunities as a united country with a common business language – If we share a common DNA of good governance, effective risk and compliance management, so too will we share in the rewards of a sustainable South African economy.

So how do we define and measure good governance, risk and compliance from a South African perspective? - By defining the measurement means and basis upon which to engage effectively on a large scale – The DNA of doing good business, better – Good governance, effective risk management and compliance.

2010 Steering Committee Ready for the Game

The 2010 Steering Committee started the year with a bang in the build up to the 2010 FIFA World Cup. With movers and shakers from the Who's Who of South Africa's corporate brands, the committee was formed by ContinuitySA to keep South African businesses informed, up-to-date, and ready for any surprises the World Cup may throw their way in the form of unwanted business risks. The committee's kick-off meeting was held on the 20th January at SAFA House, next to Soccer City itself, with further meetings scheduled for May and June. This is not simply a talk shop where members can chitchat about their experiences and expectations of the tournament, but a serious meeting of minds gathering information relating to their companies' ability to continue operating at full capacity during the games and the risk that might prevent this.



Chene Maartens
Consultant

The Steering Committee has already heard from keynote speakers from:

- Telkom,
- The Department of Justice,
- FIFA Risk,
- FIFA Marketing and Communication,
- NDA Engineers,
- Disaster Management Services, and
- The Department of Telecommunications
- The Department of Transport,
- Eskom

In the last weeks leading up to the World Cup, more information will be delivered in the form of keynote speakers from:

- SANRAL and
- MTN.

The committee has also been provided with additional information to assist companies in identifying potential risks and bottlenecks arising as a result of the environment impact surrounding the tournament itself. For example, ContinuitySA has provided all members with the locations of the following events, plotted on Google Maps for easy access:

- Base Camps,
- Fan Parks,
- Walk & Rides,
- Stadiums,
- Park & Rides,
- Fan miles,
- Training Grounds,
- Public Viewing Areas,
- Township TVS,
- Applicable exclusion zones (red/blue /yellow/green),
- Ports of entry,
- Applicable Fan Routes,
- Possible transport routes, and
- Possible Tented Cities.

As can be expected, the locations of these events can have a tremendous impact on the ability of a company to function, hindering the smooth flow of its supply chain, for example. Having the pertinent information at hand will allow businesses to plan ahead and avoid any customer unhappiness for the duration of the 2010 World Cup.

The companies that are taking part in the Steering Committee meetings includes:

- British American Tobacco (BAT) ABSA,
- Standard Bank,
- Edcon,
- Nedbank Capital,
- Momentum,
- Investec,
- Massmart,
- Stanlib,
- Netcare 911, and
- Servest

To date, the feedback received from participants has been positive and complementary, and all have welcomed the regular presentations and information provided.

Despite all the business challenges we are about to face, Shareholders and Customers of these companies can have peace of mind knowing that they have done all they could to avoid any potential business disasters during the FIFA World Cup.



International Disaster and Risk Conference IDRC Davos, Switzerland 30 May - 3 June 2010



As the leading Business Continuity Management (BCM) company on the African continent, ContinuitySA remains committed to sharing its ground breaking initiatives in the field of BCM with other industry peers globally. To this end, ContinuitySA's consultants who are renowned experts in their field are members of various international forums which they use as platforms to collaborate in best practice for the benefit of their clients.

This year, Millington Gumbo, a senior consultant with ContinuitySA will deliver a presentation at the International Disaster and Risk Conference (IDRC) to be held in Davos at the end of May 2010, an event organised by the Global Risk Forum.

The Global Risk Forum based in Davos is a collaborative platform for initiatives and solutions aimed at reducing vulnerabilities for all types of risks and disasters. It is a regular participant in events organised by the World Economic Forum – an independent international organisation committed to improving the state of the world by engaging leaders in partnerships to shape global, regional and industry agendas. IDRC Davos 2010 will bring together leading experts in risk management and business resilience.

ContinuitySA's participation at this premier event is an affirmation of our thought leadership in the field of business resilience, in which we continue to introduce cutting-edge solutions to improve our client's capability and maturity in dealing with operational disruptions.

The lack of resiliency has been at the heart of some spectacular corporate collapses in recent times. The average corporation takes about 20 years to build solid enterprise value. It only takes a single

incident lasting no more than 5 minutes to destroy value built over a long period. Most importantly, whereas in the past resiliency was geared at surviving direct physical impacts on a local entity, today's organisations have to contend with other more devastating far flung threats occurring in distant parts of the globe. Making the core enterprise resilient is only a starting point.

As the ultimate custodians of various stakeholder interests, board members and senior executives must embrace tools which enable them to build and monitor resiliency in the sphere of the extended enterprise. Failing to do so in the current age of hyper co-dependency and interconnectivity between various entities across the globe can result in catastrophic impacts, not least of which is reputation damage and the irreparable loss of stakeholder confidence.

At IDRC 2010, Millington Gumbo will be speaking on how organisations can build, measure and test resiliency in the face of threats which threaten their day to day operations. In a presentation themed *Operational Resilience: see it, test it and prove it*, Gumbo will share important insights which organisations functioning in an integrated global environment can use to absorb and rebound from the impact of borderless disruptions.

Incident Management, Crisis Management, Disaster Management, Emergency Management... Is it any wonder that we're perplexed and mystified?

There is widespread confusion concerning the terms Incident Management, Crisis Management, Emergency Management and Disaster Management - and rightly so.



Megan Boonzaier
BCM Consultant



Firstly, the major disagreement in the industry is over whether Incident **Management** or **Crisis Management** is the 'correct' term to be used to describe the following process: Incident / crisis management is the umbrella term that encompasses all activities involved when an organisation prepares for, and responds to, a crisis. The key element is crucial and rapid intervention at the acute phase of an incident, including classification of the level of incident, with related response requirements.

Incident management defines structures, roles and responsibilities for managing adverse events. The main objective of the Incident Management Team is to manage and communicate during a crisis in a formal and controlled way in order to ensure staff safety and that customer services are restored according to set priorities in the shortest possible time. The main reasoning behind the avoidance of use of the term " 'crisis' is that it implies 'spin' or 'dilution' or 'pretending' that the incident does not have a serious implication for all stakeholders. However, it does not mean out of control, any more than having a sudden puncture of a car tyre whilst driving on the road means automatically losing control. In such a case you have a crisis that jeopardises your task and which needs immediate action; i.e. moving the vehicle off the road to safety, from then on it's recovery. I think you can draw some parallels with a possible business disruption?"

'In the end they are just words, and are often used interchangeably. The reason the term 'incident' is becoming increasingly adopted is because of the connection to formal Incident Management Systems that are defined in many countries. It is nothing more than the acceptance of best practice".

Speaking of best practice, the internationally recognised standard of BS25999:1 has replaced the term '**crisis management**' with '**incident management**'. Implicit in this is that this is the way to go regarding terminology utilised!

Research has shown that the executive team are always thankful for an Incident Management Plan (IMP), even if it's simply a framework describing roles and responsibilities, which meets their needs and supports the way they think.

The term '**Emergency Management**' is used to cover two processes. The first is the subset of plans and actions within Incident Management which relates to the health and safety of staff and any other individuals affected by the incident.

Emergency Management is also used as a synonym for **Disaster Management**. This focuses on the management of large-scale disasters, with a wide geographical impact to society, which may be called civil emergencies. These fall into the following categories: Geophysical phenomena such as hurricanes, tornadoes, earthquakes, tsunamis, global sea level change, floods and droughts.

Technological disasters which would include large-scale transportation accidents, wide-spread exposure to hazardous materials and serious environmental pollution. South Africa faces increasing levels of disaster risk. It is exposed to a wide range of weather hazards, including drought, cyclones, floods and severe storms that can trigger widespread hardship and devastation. In addition, South Africa's extensive coastline and proximity to shipping routes present numerous marine and coastal threats.

Similarly, our shared borders with six southern African neighbours present both natural and human-induced cross-boundary risks, as well as humanitarian assistance obligations in relevant times. In Africa there exists the triple threat of food insecurity, HIV/AIDS and weakened capacity to deliver services.

In addition to these natural and human-induced threats, and despite ongoing progress to extend essential services to poor urban and rural communities, large numbers of people live in conditions of chronic disaster vulnerability – in underserved, ecologically fragile or marginal areas – where they face recurrent natural and other threats that range from drought to repeated informal settlement fires.

The focus should be on strengthening the country's capacity to assess and manage vulnerability. Longer term solutions are required to help vulnerable groups cope better.

The Disaster Management Act, 2002 (Act No. 57 of 2002), promulgated in January 2003, provides background for those interested in the South African context. The mission of the South African National Disaster Management Centre is "to successfully implement South Africa's Disaster Management Act through well-trained, well-resourced and committed people". Further information can be obtained at <http://www.ndmc.gov.za/>.

In conclusion, Dr Patrick Lagadec, of the European Crisis Management Academy, sums up the criticality of being prepared, in whichever manner works for the individual organisation, in order that normal "One cannot predict the unpredictable or guess the unguessable, all one can do is train and prepare to face the challenges that these events will present us with".

As seen in Government Digest



What Our *Clients* say



Good day Gentleman

Just a big thank you for your assistance with the recent DR test. As you know the expectation is huge and sometimes unreasonable but with your commitment and dedication towards GijimaAST and it clients do we walk away with a sense of success.

Thank you once again for your commitment.

**Regards
Floris**



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Good day,

I would like to add, that throughout all the tests we have seen a great deal of commitment from the CSA team and have noticed an increase in the business' level of comfort in our continuity plans. In my view, this can be attributed to the improved working relationship between STANLIB and CSA. I would like to thank Cara-Lee and her team; we have pushed them to meet our high expectations and haven't been disappointed. We are really looking forward to this year's tests and we will definitely be pushing the boundaries further.

**Regards,
Werner Bornman – IT: Risk Manager**



Our Business is Keeping You in Business

ContinuitySA's Complete Continuity[®] Programme receives Francais accolades!

ContinuitySA's Complete Continuity[®] Programme was hosted in Mauritius from 24-26 March 2010. This event was attended by a whopping 16 delegate attendance from different industries, mostly financial. This programme is registered with the Mauritian Quality Authority (MQA) as a three day programme and hence the local two day was adapted to suit the three day requirement. The delegates enjoyed the practical examples and exercises provided which was completed and reviewed in class.

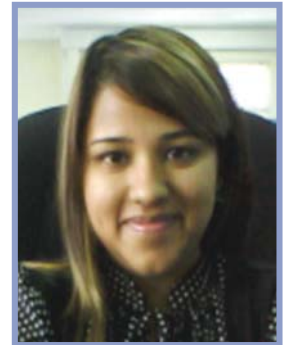
Some feedback from the delegates was that:

- The programme provided them with excellent practical knowledge
- The programme was well delivered and
- It was clear that it was delivered with expert knowledge!

ContinuityMauritius is planning more programmes during the course of the year and we are looking forward in yet again a positive delivery!

ContinuityMauritius - ContinuitySA's footprint in Mauritius

ContinuitySA's presence in Mauritius dates back to 2008 when ContinuityMauritius was set up in partnership with 2 Mauritian owned companies - Mauritius Telecom, the country's biggest telecommunications provider and Blanche Birger, a leading provider of hardware solutions on the island.



Tejasvini Ramburn
Client Management
Executive
ContinuityMauritius Co Ltd

Mauritius - A brief background

Since the last 3 decades, Mauritius has undergone unprecedented transformation from a 100% agricultural economy into a highly diversified one with now 5 strong economic pillars. The 2 newest sectors, namely ICT and Financial, have been in high ebullition with many international players implanting in the country to take advantage of a modern and growing economy, highly-skilled and bilingual population coupled with attractive local Government incentives.

The country aspires to become the next Singapore of the region and is offering an interesting platform for international companies like ContinuitySA to broaden their exposure and market. Likewise, both companies have a lot to gain from this partnership - ContinuitySA by expanding its presence in the region, and ContinuityMauritius by taking advantage of its South African partner's extensive skills and know-how.

Business Continuity in Mauritius

ContinuityMauritius has since widely benefitted from ContinuitySA's widespread expertise in this highly specialised field of Business Continuity. The market and business environment in Mauritius being relatively young in terms of BCM, ContinuitySA's support is undoubtedly contributing towards changing the business landscape of the island. ContinuityMauritius offers the same core services as its South African partner namely Risk Management and Consulting, Disaster Recovery and Training services.

An existing Recovery Centre houses a modern data centre and offers 108 office recovery seats to its clients, while a new state-of-art Recovery Centre will be the first of its kind on the island, with capacity to host 500 office recovery seats in the first phase.

In addition, the month of March saw the launching of the first 3-Day Complete Continuity training organized by ContinuityMauritius in collaboration with ContinuitySA. The training has proved to be an astounding success and two more such sessions will be organized during the course of the year to cater for this demand. Further to this, suggestion for setting up a BC forum in Mauritius has been approved by the BCI - ContinuityMauritius is proudly coordinating this particular initiative and a tentative launch date has been scheduled for the end of next month, as specified by our ContinuityMauritius spokesperson:

"ContinuityMauritius est fière de s'associer a la BCI, pour mettre en place un forum de Business Continuity a Maurice, une première sans doute dans le pays. Au sein de la compagnie, nous finalisons cette démarche avant le lancement officiel prévu pour la fin du mois prochain".

If you would like to receive more information on our Mauritius operations, please contact your account rep at ContinuitySA or phone ContinuityMauritius's office on (230) 208 0777.



Our Business is Keeping You in Business

A Review of Business Continuity Awareness Week 2010



In an effort to reach more people this year around the world, much of the BCI's work for BCAW focused on virtual events and digital resources accessed through: www.businesscontinuityawarenessweek.org

New research for practitioners

BCAW featured the publication of "The Business Case for BCM" following a survey of 221 BCM practitioners. The research provided significant evidence that BCM improves day-to-day resilience with than only 50% of respondents having to deviate from business-as-usual when faced with disruption. For those who did need to activate their BCP, 77% said they were able to recover faster as a result of the BCP and 25% were able to recover in half the time compared to a comparable situation when they did not have a plan. 55% were able to articulate a financial figure in terms of the benefit delivered: either in terms of cost avoided or the protection of critical revenue streams. A copy of the full report can be downloaded from here:
<http://www.thebci.org/case/businesscaseforbcm.pdf>

New collection of BCM case studies published

We also published a collection of case studies submitted by members that articulate their experiences of the value of BCM. There are nine case studies from private and public sector organisations in the UK(2), Switzerland, Japan (3), Pakistan, Saudi Arabia and one multi-national. You can access the case studies from here:
<http://www.bcipartnership.com/BCIBusinessCaseforBCMMarch2010CASESTUDIES.pdf>

BCAW global video conference

The BCAW kick-off took the shape of a global video conference, which brought together BCM experts from nine countries (Australia, Canada, Denmark, India, Norway, Singapore, Switzerland UK and USA). The conference included two excellent case studies from Statoil in Norway and Lockheed Martin in the USA as well as a vibrant Q&A session with viewers. Topics included 'getting BCM recognised at the board level', 'government promotion of BCM', 'developing supply chain resilience', 'climate change', 'standards', and 'BCM education'. The conference is still available to view here:
<http://www.visualwebcaster.com/event.asp?id=65758&pw=BCI>

BCAW Webcasts

There were some 23 webcasts delivered through the week. The webcasts are available to view as often as you would like and will remain on the site for at least 6 more months:
eBay's Margaret Miller provided an excellent insight into the challenges and practical steps to integrate an acquired organisation's BCM programme into your own: all given from the perspective of someone who has seen both sides of such situations.



B-Source's Patrick Burki provided a case study on how they have worked with their suppliers on developing greater supply chain resilience and some of the challenges they faced.

Sheana Tambourgi, from the World Economic Forum, covered the key findings from their annual report on Global Risks, which considered risk interconnectivity and risks around long term trends.

BT in the form of David Charles and David Ross provided two interesting webcasts around the benefits of data centre virtualisation and the BCM issues arising from cyber security; remarking in the latter that the impact of cyber attacks is often not considered in BCM programmes.

ContinuitySA contributed no less than four webinars covering a wide range of subjects but the operational risks around the forthcoming FIFA World Cup® 2010 is clearly a timely one for organisations in South Africa.

Nick Wildgoose from Zurich provided a 10-step approach to improving supply chain resilience. Meanwhile, Roberta Witty from Gartner shared with viewers the need for business related KPIs in order to get the attention of your organisation. Henry Ee, the BCI's Asia Director, provided not only a perspective of BCM adoption in Asia but also an introduction to BCM in Mandarin Chinese.

While Charlie-Maclean Bristol made sure that small businesses were not forgotten this BCAW and provided a jargon-free introduction to the essentials of BCM even for the lobster fisherman with his boat. Glen Abbott followed up on earlier pandemic influenza webcasts with a session examining whether the effort was worth it and concluded that swine flu was real, companies had benefited from the process, and it was, after all, still out there.

Dr Gerald Lewis from Norwich University focused on the importance of understanding organisational culture from the start of the process and identified the differences in culture between hospitals, retail stores and even between high schools and

universities: asserting, in conclusion, that BCPs were about establishing a new level of safety.

BCM-Insurance Sector Roundtable

Wednesday saw the gathering of key BCM and insurance industry players in London to discuss the nature and magnitude of the link between good BCM programmes and terms offered for business interruption (BI) insurance. Marsh, AXA, Zurich, AIRMIC, the Chartered Institute of Loss Adjusters, and the BSI joined the BCI in what is now expected to be the first of a series of sessions to develop stronger links and tackle the identified issues.

The BCI's aim is quite simply that we'd like to see recognition of the quality of BCM programmes that are designed, implemented and assured by certified practitioners in the terms of BI cover offered. The importance of management system standards was also discussed in some depth. A full report from the meeting will be published in April.

Proper Business Continuity

I often get asked where I get all my skills from and why I drive our company to look beyond the average text book style BC teachings to embrace and implement "proper BC".

I get my skills from over 25 years in various business environments as a South African – fantastic training ground for any BC related subject. Now – based in outer London as the Head of Business Continuity for a UK financial sector company (a key Systemic Payment System supplier to the UK critical national infrastructure) I am appreciative of the many facets of South African business (and life) that have afforded me an arsenal of available strategic BC gems.

If one Google's "Business Continuity" you will get a plethora of material on the subject – and links to a whole bunch of consultants ready to take your dosh, some hardly out of their teens. There are buckets of BC standards which (if you read them all) will give BC personnel a good overview when considering their Business Continuity Management System (BCMS). At the moment there is a bit of a bun fight over standards and the race is on to get an ISO BC standard in place.

Whether that will collectively cover the 3 main aspects of BC is anyone's guess. A good global BC standard should cover at least 4 main components (Business Continuity, Service Continuity [DR], Incident Escalation & Response and Liquidity & Cash flow.

Liquidity? Cash Flow? I hear the newly certified BC analyst gasp! Have a look at the global financial sector debacle over the past 24 months and give me ONE example of where a failure in "IT resilience" or lapse in BC exercising was the cause of the financial credit crash resulting in the annihilation of a number of prominent and well established businesses. C'mon, have a go – just one example will do?

It might be worth mentioning that the warning signs were all there:

– **Aug/Sep 2007 (phase 1)**, Delinquency of US MBS programmes, declining risk appetite, closure of securitisation markets, failure of Northern Rock



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– **Aug2007/Sep2008 (phase 2)**, Bank failures (IKB, SLB, Roskilde), financial firm failures (Fannie Mae, Freddie Mac, AIG, Indy Mac, Wa-Mu), financial market closures (ABCP, Leveraged Loan, Private Equity), economic down turn (particularly falling property markets)

– **Sep 2008 and onward (phase 3)**, Demise of Lehman's, more bank failures (Icelandic banks, Bradford and Bingley, Fortis, Dexia), Constraints on corporate/business lending, Corporate failures (Adams, Viyella, Wedgwood, Woolworths, Zavvi), ongoing money market dislocations and scale of unprecedented government intervention.



Time therefore to review what is proper Business Continuity. We are certified to BS25999-2 (Business Continuity) ISO 27001 (Information Security), ISO 14001 (Environmental) and OHSAS 18001 (Occupational Health and Safety). We are subjected to SAS70 audits and during the year we have a multitude of internal audits and due diligence inspections.

We partake in the Financial Services Authority market wide exercise and we benchmark our BC capability with the Bank of England (we did come out top). I present at seminars, attend conferences and network with BC professionals of the highest calibre.

We regularly rehearse our Crisis Management Team and, with four data centres (2 of which are 200 miles away), our technology and resilience is "bakgat" - and it has to be, given that we do some 70 to 90 million financial settlement transactions a day just on the BACS service.

Once upon a time Business Continuity was common sense. Thanks to recent and rapid advances in technology, wider commercial and aggressive markets, political upheaval, religious mania, 911, Lockerbie Pan Am, Mumbai Terror, Madrid trains and lets not forget weather havoc - BC is now a recognized and mature subject, growing in volumes each year - naturally attracting more professionals and practioners keen to join this highly experienced exclusive group of pragmatic thinkers. Businessmen also want in on a good BCMS - whether to make customers happy or because they really want to subscribe to a professional impartial partner for their business survival strategy. So the demand for BC is much higher (and in some cases the pay is pretty attractive).

And with all this new focus and heaped volume on BC management comes the threat of "common sense dilution" - and more reliance on theoretical practice, albeit that some of the theory is pretty scientific.

So what's missing from the "text book" teachings that entry level BC practitioners (and perhaps some old DR legends) should add to their skills to implement "proper business continuity"?

Very few standards or BCM guidelines venture near "protection against adverse cost impact" or "protection against adverse revenue impact". We, the BC practitioner, seek to address the people, place, reputation and infrastructure utilities aspects of BC - with little interference in what our financial, legal, sales and purchasing departments are up to during that program and we often scope our BC around production/services [DR] - excusing the rest of the business as "non-critical". Scary!

Usually drivers for cost reduction are bottom line based (the need for higher profit/more cash flow) with an ever increasing focus on "efficiency saving" (getting rid of people that don't produce high quality/high volume, or replacing people with technology) - and usually the driver for increased sales is the need for business growth or the need for an investment slush fund. I would be curious about the number of BC practitioners who have a hand in counseling sales teams when planning new products or services (particularly where bids are concerned) - or whether they have an overview of "quoted cost analysis v eventual delivery cost". As bid management programs are usually long term I wonder if sales directors have ensured that,

of those who compiled the bid and did the cost analysis, that some of the team are extant during the entire bid phase through to live production/delivery. What controls and measurements do sales directors put in place to ensure that a bid stays on track? What if the bid estimate does go over budget - could that adversely dent cash flow? Is there provision to absorb over spend? Are legal back lashes catered for - particularly in this world of litigation gymnastics? Is product recall part of the plan?

The obvious reliance on key suppliers is much in the focus and while it may not be easy to prove a supplier's BCP it is worth changing general terms and conditions to include mandatory BCP compliance to, at least, the spirit of a recognized local or international standard.

As boring as it might be for a BC practitioner to delve into financial management there is need to monitor where the company invests its wealth (and not just the people side - as important as that is). It's great having a whacking big insurance policy but will that cover a rebuild - or will the insurance company dawdle with payouts. In my experience the UK financial people make decisions based on their BAU comfort zones and very few have had to experience the likes of 911 or the Amanzimtoti bombing of some years back.

There is a misnomer that the rest of the world will be fine and insurance account managers will be on hand waiting to handle just our "little" problem. One only has to look at the UK floods of recent which displaced many people - and many are still trying to get their money out of insurance companies.

Proper investment will allow emergency liquidity and this should be reserved just for BC, the interest/profit going towards supporting the cost of BC and therefore self serving to some extent.

In the UK we have ACAS, a similar type structure to the CCMA. At this stage the process favours the employer but they are quickly aligning labour laws much like in South Africa. As it is the payouts are huge – considering the Sterling value, but the process is time consuming and difficult to get past entry level. BC practitioners need to stay close to labour law and intertwine BC practice with HR policies – particularly remote working risks and hazards. It is relatively easy to overlook health and safety in the work place when staff operate from home and that could have dire HR consequences if not monitored.

BC standards encourage a robust “response” structure for incidents but key to this is ensuring that all incident processes, whether production/operations or other, are dove tailed into a corporate incident governance structure. The Gold/Silver/Bronze is a relatively easy structure to put in place – but it MUST work. For instance we have incident management for HR, Finance, Services, Facilities, Engineering, Infrastructure and Corporate IT. But these are not managed in isolation – escalation processes compel wider senior management involvement (Silver team) – and BC, Risk, Legal, H&S, Business Assurance are included in that list. Paramount to any incident management is that it must have control and that could be spread amongst key senior personnel with the authority to manage an incident (adverse impact) through to resolution.

Communications are key to all incident management processes (internal and external) and I am gob smacked at how many companies still rely on key production/operations personnel to be the first face in front of the media. If there are “Public Relations” companies taking care of BAU communications is there a mechanism where Crisis Management

(Gold+Silver usually) redirect all communications from their Crisis Comms team? Are there pre-scripted mechanisms for communication? Is there a comms matrix to identify who own which piece of communication so that there is no duplication – and so that single points of failure can be covered? Does BC have a direct line to the comms team and does BC have some media training? It should be remembered that in adverse circumstances BC is likely to be near the hub of activities and we are soft targets for media pressure. Most BC people I know are likely to give the media a curt “go-away I am busy” response. Not good.

Socio political issues will impact all somehow, not that I expect BC practitioners to become politicians – although we would make very pragmatic politicians. In the UK we have the tardy evidence of a cash strapped government. That will put pressure on business finance and controls with the next government – even if it is Labour. But businesses will be the preferred debtor. South Africa has its problems and the Soccer World Cup will give the world a chance to see RSA “BC” management in action – large scale – as this is the reputation of South Africa inc. at stake. Businesses will bear the brunt of any failure – much like they have had to with other travesties. BC practitioners need to keep an eye on what politicians are up to and how decisions made will affect consumers and businesses alike. Usually this is the bottom line.

When first taking over the role as Corporate BC manager I was delusionally idealistic in thinking I could put a far better system in place (instantly) than what was current at the time. I figured with all the experience I had in South Africa it would be a piece of cake here in the UK. Was I ever so wrong? My enemy was “change” and the “sensitivities of individuals”. But instead of discarding the components of my plan I re-engineered the delivery structure – first focusing on absolute necessity (that also had obstacles) and nurturing relationships with executive and senior management – big foot in the door.

Then I put my money where my big mouth is and proved the value I was adding. A BC practitioner has to earn respect – it’s not dished out at a college and is not a right either.

Do not be afraid to break down sensitivities of departments and people – but be careful not to create consumer resistance – or too much work for others. Earning respect is a fine line but I would rather be damned for trying than damned for rolling over because I came up against consumer resistance or organisational obstacles.

Go get the qualification and experience – become a value add to your business. Explore the outer realms of other functions within your business. I wouldn’t be surprised if later on in years the BC practitioner (with fully rounded skills) isn’t the new desired MD of a business. I close on the quality assurance of a business.

There are not many BC standards that mention quality control /assurance – even though there are many standards and practice guidelines for QA. Quality is not just about the finished product/service and how reliable these may be – its about the business quality; branding and corporate values, people behaviours, bid presentation (tenders), executive management messaging (internal and external), security compliance (not just at the work place), cost conscience, customer service, work ethics, how you drive when you have a company decal on your car – there are just so many aspects in which quality can be better encouraged. All these should come under the watchful eye of the BC practitioner.

In summary – BC practitioners shouldn’t limit their imagination to the rudimentary teachings of elementary courses but should delve into all aspects that could impact the wealth and health of their business. It’s not just about Service Continuity (IT DR) – important and well developed as that is - it’s about “proper” Business Continuity.

Minister of Health visits Growthpoint Business Park

The Minister of Health conducted a tour of all the Hospitals and staff offices of the Department of Health in February 2010 and planned a visit to the Department of eeHealth site at Growthpoint Park on 20 February 2010. We had arranged access for the delegation and prepped the Media briefing centre for them. Mr Sithole from Department Of Health did a presentation for them and ContinuitySA assisted with the site tour to the Department of Health premises. They had display all the Emergency vehicles and a field tent hospital as well as the mobile emergency trailer. The day was an overall success and the minister of Health seemed happy with the outcome the delegation received.



**ContinuitySA
supporting CANSA**



On Friday the 5th of March, ContinuitySA staff and clients gathered at Continuity Junction in Midrand to support the CANSA Shavathon 2010. ContinuitySA participates in this event annually to show our solidarity to people in our lives struggling with cancer. This year was no different and the day was a huge success! CANSA is a valued client of ContinuitySA, and we assist with recovering their business in an event of a disaster at the recovery site in Midrand. Being in the business of recovering, we find the celebration of the Shavathon very dear to our hearts and will continue to support this significant day.



ContinuitySA would like to thank all the clients who also joined in for a colourful hairspray or act of bravery in shaving their hair. We look forward to next year!



100 Day Countdown to the 2010 FIFA World Cup®

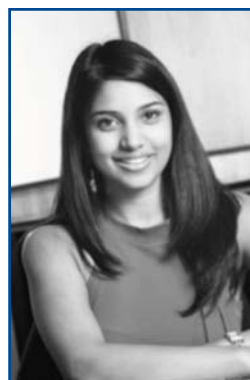


On Tuesday, 2 March 2010 ContinuitySA - dressed in Proudly South African clothing - gathered outside our ContinuitySA sites to hoist the South- African flag in celebration of the 100 day countdown to the 2010 FIFA World Cup.

As we hoisted our proudly South African flags, loud colourful vuvuzelas were blown in excitement! Whilst hoisting the flags, each of our recovery sites read a summary of our country's past challenges and accomplishments to prove that - even through we as a nation have gone through tough times – we can hope and work towards a better tomorrow! We should also celebrate the fact that our nation has been responsible for the invention of so many life-changing things.....including the "Kreepy Krawly"! We also held an internal competition with the theme: "What makes South Africa the best host country for the Soccer World Cup?" The entries were amazing! It was astonishing to see how proud we really are to be a South African.

In addition to this ContinuitySA will also be holding a disk dance competition where ContinuitySA staff will send through their own disk dance video's from 29 April and winners will be announced on 11 June 2010 at our own kick off party. Who knows we might just find our own dance stars in the making ☺

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



Our Business is Keeping You in Business