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ContinuitySA rounds out a *successful* year

Despite the gloomy economic predictions and less than sterling company results that abound globally, South Africa's leading Business Continuity provider, ContinuitySA has produced sterling results for its latest financial year.

Michael Davies, financial director at the company, says the company closed the year with growth of 30% above the previous year. "ContinuitySA is fortunate to be in the position of offering a service our customers need in good times, as well as bad," says Davies. "Consequently we are continuing our expansion strategy and expect to report even better results next year, even topping the 30% mark."

According to Davies, ContinuitySA adopted a three-pronged approach to growth in 2008/2009 and will continue to reap the benefits of this strategy in the coming year. The three strategic factors are:

- African expansion,
- Acquisitions, and
- Organic growth.

African expansion

ContinuitySA is committed to expanding its presence in Africa. The company is already delivering on projects in numerous countries, such as Kenya, Uganda, Ivory Coast, Ghana and others; while it has also established recovery sites in Botswana, Mozambique and Mauritius. All aspects of its operations in Africa were growth areas in 2008, and ContinuitySA expects further expansion this year, with more Disaster Recovery sites established.

Acquisitions

The acquisition of the South African subsidiary of SunGard Availability Services by ContinuitySA in 2008 was another success factor. The deal was finalised in June and in the following months, ContinuitySA turned the company around into a profitable enterprise. In 2009 this business will contribute to the bottom line for the full 12 months, which will definitely boost the results shown next year. Moreover, the company is looking towards further small acquisitions during the course of the year.

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Michael Davies
Financial Director, ContinuitySA

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Organic growth

During 2008, ContinuitySA leased a new 8000-square-metre property, now named Continuity Junction. The facility still has capacity to spare, which will be snapped up in the coming year. The company is also looking at buying and equipping a new 6000-square-metre facility in Cape Town to deliver continuity and Disaster Recovery services to the many corporations headquartered there and to expand its existing presence in Cape Town. In addition to its current Business Continuity training programmes, a new training programme has been developed by ContinuitySA, which will offer customers the ability to learn the intricacies of Business Continuity and Disaster Recovery from specialist consultants in the field. There is nothing like this on the continent and he expects tremendous success from this venture as well.



“While we are not in a position to arrogantly claim we are recession proof, ContinuitySA has weathered the storm of economic turmoil by offering unmatched services to our clients,” states Davies. “The company is in a good position, delivering R15 million in after tax profits in 2008 and is in a prime position to take advantage of the growing emerging market engines in South Africa and Africa.”

UK economy loses £11.1 billion a year to major disruptions

The Business Continuity Institute estimates 0.8% of UK GDP is lost due to lack of Business Continuity Management

The Business Continuity Institute (BCI) announced that it has estimated that the UK economy is losing £11.1 billion a year, the equivalent to 0.8% of UK GDP, to major disruptions due to lack of Business Continuity Management within organisations based in the UK.

Further to the recent Chartered Management Institute’s ‘A Decade of Living Dangerously’ report, the BCI researched key findings across 17 causes of major disruptions to calculate, for the first time, the cost impact to the UK economy. The figure shows that organisations are still not looking seriously at Business Continuity Management to provide a solid framework for managing the impact of potential disruptions and significantly reduce the cost impact to the UK economy.

“In the current economic downturn, customers and suppliers will inevitably go out of business and it is vital that an organisation understands its dependency on critical suppliers. The lack of availability to essential products can have a serious impact on business. Disruptions to the supply chain will be one of the main Business Continuity concerns for 2009 and will run way into 2010” comments Lyndon Bird FBCI, Technical Director, the BCI. “The BCI has recognised this risk and feels it is important to help advice organisations of all sizes to build a simple and workable plan that will help them overcome and recover from the pressures of an interruption faster.”

The BCI works to help organisations develop greater resiliency against major operational disruptions and will this week help raise the awareness of Business Continuity Management through the annual, Business Continuity Awareness Week. A survival guide and on-line assessment survey, ‘Weathering Difficult Economic Times’ have been designed to help organisations of all sizes evaluate existing Business Continuity Management strategies.

ContinuitySA employs more than 40% of the members of the BCI working in South Africa and Africa. The company is also a BCI Gold Partner and as such subscribes to the highest international standards when it comes to business continuity practices.



Our Business is Keeping You in Business

ContinuitySA up and running in *Mozambique*

In July 2008 ContinuitySA signed an office & data centre recovery contract with Barclays Bank Mozambique. The contract is to convert a Barclays bank branch in Matola, Maputo into a recovery facility for Barclays with 52 seats. In addition, also providing a small data centre for their systems recovery. The branch will still operate at the facility until August 2009 and then move out to a new shopping complex next door. Part of the agreement is that ContinuitySA purchase the branch from the bank which includes 4000m² of land which provides great opportunities for ContinuitySA to expand the business.

Due to the bank branch remaining on the site for some time, ContinuitySA had to develop additional office space. This was done by building a new structure adjacent to the branch. The building is made of pre-cast concrete and assembled on site. The building is hurricane proof and has a concrete roof. It is currently used only for office recovery space. More of these buildings will be added as we expand the business.

Work started on the site in September last year and was completed by the end of December which included a Barclays test. This was a critical phase of the project as Barclays had to complete their test in December 2008 to ensure an internal audit finding can be closed off by year end. ContinuitySA faced some unexpected challenges which included working at night to minimise noise levels during the daytime. This was mainly due to a complete breakdown of a built in bank safe which had concrete walls all round and a solid steel safe door. The safe had to make way for

the office recovery area and a new safe was installed at the branch.

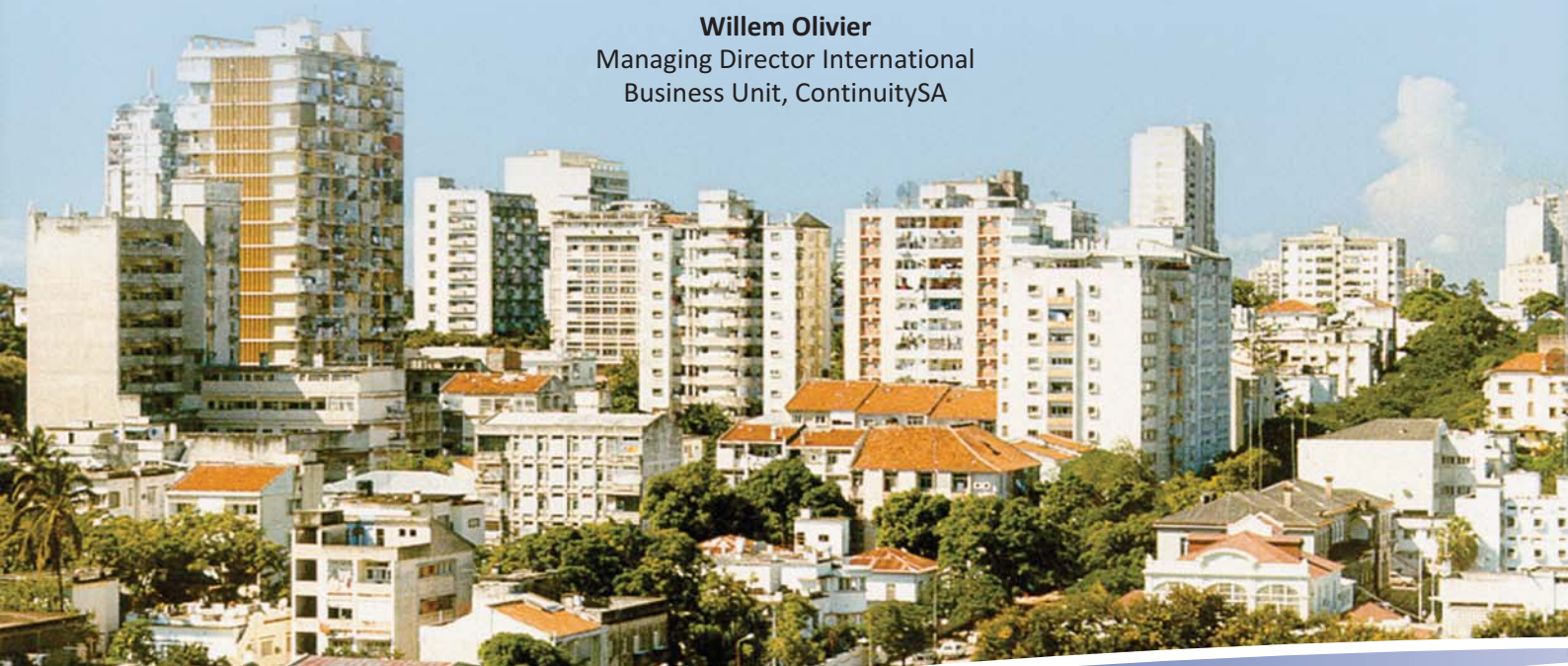
In January 2009 a Branch Manager, Bertus Taljaard, a long serving ContinuitySA employee was selected and relocated to Matola. Currently more testing is in progress with Barclays and all ContinuitySA standards are being setup at the recovery centre.

Additional client development has already started and we expect the business to grow in the future. ContinuitySA's presence in Mozambique brings the first BCM company to the country. Most of ContinuitySA's competitors in this space only offer some form of data centre recovery and not the full bouquet of BCM services.

The facility in Matola is ideally located to offer recovery services to companies in Maputo City and we are looking forward in developing the business in Mozambique. The business also forms part of our strategy to develop businesses in SADC countries.



Willem Olivier
Managing Director International
Business Unit, ContinuitySA



Don't cut back on Business Continuity

As South Africa enters a recession, courtesy of global economic woes, local companies are already cutting back and planning for their long term survival.

Although there may be several areas of business that can safely be scaled down and reorganised during tough times, organisations are warned that slashing the Business Continuity budget is not only irresponsible and dangerous, but can result in serious damage to the business in the long term.

Figures from a recent survey conducted by Continuity Central, a US-based Business Continuity portal, show that only 40 percent of companies polled globally expect the recession to have no impact, or a positive impact, on their Business Continuity initiatives. Conversely, in South Africa, according to a recent study by BMI-T, the demand for Business Continuity services is expected to increase continuously in line with the IT security market trends. In fact, the total Compound Annual Growth Rate (CAGR) spend on Business Continuity hardware, software and services up to 2011 is expected to be in the region of 18 percent, with software revenue growing the most. The study furthermore identified the following as the four most prominent trends in Business Continuity:

- A shift from Business Continuity planning to management;
- Business Continuity becomes a company concern;
- Increase in outsourcing of Business Continuity;
- Business Continuity is taken more seriously due to the effect on reputation and integrity.

Being in a recession may mean business is down and opportunities vanish, but it doesn't mean the risks facing companies vanish. In fact, the risks to a company increase in poor economic conditions. Business leaders, therefore, need to be careful in directing their companies through the recession and make decisions that will benefit the company for the long term, not just during the immediate danger.

Business Continuity delivers returns

People often feel too much money is spent on Business Continuity and returns are not seen unless serious problems arise. It's

therefore always tempting to reduce costs in this area. As businesses and the commercial environment change, it is best practice for executives to regularly examine their firm's continuity plans to make sure they serve the current best interests of the company. Corporations should only trim their disaster preparedness when justified by changes in the company and the business environment, not to satisfy a balance sheet.

An important component of a Business Continuity strategy is to retain stakeholder confidence and brand loyalty. Naturally, this is even more important in a recession when people are generally nervous. A company reducing its ability to function in emergencies will lose this confidence, which could lead to lower investment, customers looking elsewhere for suppliers, or even critical employees leaving for seemingly stronger brands.

These are human events that can occur without any logical motivation apart from the perception that the company is not in control. A properly implemented Business Continuity strategy provides the perception of preparedness and the confidence that an emergency will have only a limited impact on the company, recession or not. Therefore, instead of cutting back on Business Continuity plans, executives should use the recession as a motivation to reassess and optimise the applicability of their strategies to current conditions and environments.



Ansophie Strydom
GM New Business Development,
ContinuitySA

Innovation in Turbulent Times

Wayne Reed GM Research and Development

The current worldwide economic crisis has made it all the more important for organisations to stimulate innovation in order to improve services, products and efficiencies, and in so doing remain competitive and viable through these turbulent times. Fundamentally, innovation means the successful introduction of a new idea, and while it can refer to a major breakthrough such as a totally new product or service, it can also be a series of small, incremental enhancements to an organisation that can help to improve productivity, reduce costs or increase service levels.

Innovation needs to be instilled within the culture of an organisation, and should be a focus during both good times and bad. To build a sustainable innovation culture, employees should practice innovation in everything they do. Constantly employing innovation best practices for small challenges will prepare employees to deal with larger issues.

Diversification

Recent innovations from ContinuitySA include the development of Continuity Junction and the diversification into managed infrastructure and call centre services, the launch of a Business Continuity training course specifically tailored for practitioners, and the imminent launch of the Capability Maturity Model (CM2). This new Consultancy Service will allow organisations to accurately assess their Business Continuity preparedness in accordance to the BS25999 international standard and identify the specific areas requiring further improvement.

The launch of Rapid Desktop and Server Deployment has made a marked improvement on our clients' ability to rapidly deploy desktop and server software images in order to speed up the recovery process, allowing expensive IT resources to focus on the more important and intricate activities involved in the recovery process. Other smaller scale innovations achieved by ContinuitySA have focused on the improvement of internal processes and service levels, and while these innovations are not always clearly visible they have contributed significantly towards our drive for service excellence.

Great ideas do not only originate from within an organisation, but can also originate from clients, suppliers, media reports and market research. We recognise the importance of continued innovation at ContinuitySA and welcome ideas and suggestions that may assist us in becoming more innovative in satisfying your Business Continuity needs.

Five Business Continuity Challenges in 2010

With the anticipation of the biggest sporting event ever to be held in South Africa growing as the kickoff date nears, it's possible that organisations can get caught up in the excitement of the Soccer World Cup when they should be considering the full impact of the occasion on their daily operations.

It's not possible to say what the impact of the games will be on "business as usual", but we can highlight some potential problems the public sector needs to prepare for. Local and national government departments should also realise that while all attention is on 2010 at the moment, this will not be the last major event to be held in the country and the preparations mentioned below will apply to any major events. Five issues government offices and municipalities should plan to deal with include:

- 1. Influx of people:** Any offices located near stadiums or the fan parks will have to allow for a greater influx of people on game days.
- 2. Transport mayhem:** When considering the transport requirement of tens or hundreds of thousands of people, combined with the state of our transport systems, we can expect tremendous

pressure on all routes. This again will have an impact on employees' ability to get to and from the office as well as the functioning of courier and delivery services.

- 3. Staff shortages:** The inability of staff to get to work may not sound too serious as most companies can operate effectively with 20% or even 30% of their staff away. The problem is the absentees won't be evenly spread across the company, but will probably all be from the same operational level where people rely on public transport – such as call centre operators or front-line staff.
- 4. Emergency services:** Many emergency services will be focused on the games and operating in and around stadia. However, adding in the transport difficulties that will occur, have government departments made allowances for the operation of these services in case of disasters, whether natural, like floods; or manmade, such as a terrorist bombing?
- 5. Pandemics:** The idea of a pandemic may be a little stale to those living in a modern city, but simply look north at Zimbabwe to understand how easily it can happen. With the influx of people from around the world in 2010 a pandemic can not be discounted.

These are only some of the potential disruptions national and local governments should be preparing for during the World Cup. Not all of them will reach crisis proportions, but some will. It is therefore critical that senior management in government departments ensure an in-depth Business Continuity audit is carried out to determine what risks apply to their areas and plan to mitigate them. With luck, business as usual will apply; if not the preparations will stand these organisations in good stead during and long after the games are over.



Louise Theunissen
GM Consulting Services, ContinuitySA

Santam Avoids Reputational Damage

In 2007 it was decided that Santam MultiSOS would implement an offsite recovery solution at ContinuitySA's Midrand recovery centre. The reason for the implementation of the solution was to protect the Santam MultiSOS call centre from disruptions that could cause financial and or reputational damage.



The implementation of the solution began on the 1st November 2007. Once the implementation of the solution was complete a number of successful tests and recoveries were conducted.

In as far as recoveries are concerned the incident which stands out for us, (Santam MultiSOS) occurred on the morning of 10 September 2008 when we lost our production telecoms lines and we had to invoke the use of our recovery configuration.

We dialled the invocation number and were promptly assisted by the necessary ContinuitySA representatives. The ContinuitySA representatives prepared our recovery configuration and assisted us to

redirect our telecoms links to the recovery centre. When our team arrived at the recovery centre in Midrand it was all systems go as everything was in place. Thanks to the assistance we had received from ContinuitySA leading up to the event as well as on the day we were able to avoid reputational and financial damage that would definitely have occurred if we were unprepared.

It pleases us to be in a position to endorse the fact that the recovery solution has met its objectives and it is for this very reason that we would recommend ContinuitySA to any organisation in need of the services ContinuitySA have on offer.

ContinuitySA and CGF *strengthen ties*

ContinuitySA (Pty) Ltd (CSA) is proud to announce its alliance to the Corporate Governance Framework (CGF) Research Institute as a Platinum Patron. Our strategic alliance is regarded as key to both parties given the ever changing governance, risk and compliance (GRC) landscape in which the companies operate. Within the GRC landscape, it is becoming increasingly necessary for companies to recognise the critical importance of ensuring that their business can withstand any form of disruption and that the continuity of the business is not threatened. Business Continuity Management (BCM) has become an essential component within a company's strategic and risk management plans - by incorporating BCM within a company's operations, it is able to proactively mitigate various risks to ensure its sustainability and future competitiveness. BCM needs to be practiced - it must take into consideration all aspects of a company's operational affairs as well as meeting the legislative requirements expected of companies.



The Platinum Patron Certificate handover.
Michael Davies (CSA: FD), Allen Smith (CSA: CEO),
Derek Taylor (CSA: BDM), Terry Booysen (CGF:CEO).

Cost Effective Flood Defence Systems

ContinuitySA are suppliers of the 100% unique FloodSax® self-inflating flood defence system. This new system was developed as an alternative to the labour intensive and logistical problems involved with filling of conventional sandbags.

FloodSax® is vacuum packed to facilitate easy storage and optimum use of space. Ready to use in just 3 minutes, FloodSax provide all round better performance results than a sandbag, have a longer shelf life and are biodegradable.

FloodSax® really are the smart choice for flood defence, their diverse functionality means that not only can they be used for external floods but internal burst pipes, and sewage overflow, flooded sports grounds amongst many other applications.

- Lightweight, just 0.2kg
- FloodSax® absorb water to 90% capacity in just 3 minutes
- Can be expanded in water in a bath, a sink, a bucket, a hosepipe or even the floodwater
- FloodSax® expand evenly, unlike other similar products on the market Easy to store and are vacuum packed to save even more room
- FloodSax® last for 5 years in storage

For further information on FloodSax® please e-mail Duane Bester on duane.bester@continuitysa.co.za or call on +27 11 554 8000



This issue is the first in a series of Chronicles specifically for clients and partners. It will be published quarterly in soft copy format. Its objective is to keep you informed on issues related to Business Continuity Management and the ongoing changes in areas of Corporate Compliance and Governance. It will also keep you informed of the initiatives being undertaken by ContinuitySA to ensure that our service levels and ability to execute on your behalf continue to develop through innovative solutions and applications. Your feedback and comments are appreciated. Please send these to andrew.clare@continuitysa.co.za