

## **Business Continuity Planning: Ten Common Mistakes**

With increasing reliance on lean manufacturing, JIT supply chains, and reduced inventory, companies are becoming more and more concerned about business continuity planning (BCP). Yet, simply having a business continuity strategy is not enough. Common mistakes include:

- 1. Reliance:** Relying on a BCP can lead to a false sense of security and potential business failure if the plan is not [updated regularly](#) and [fully tested](#). In addition, recovery personnel [must be trained](#) on plan execution and employees [must be aware](#) of the plan's provisions.
- 2. Scope:** Companies often limit the scope of their efforts to systems recovery. Business continuity planning requires consideration of business processes, systems recovery, and [production/manufacturing capability](#).
- 3. Prioritization:** A formal process [prioritizing key business processes and key revenue customers](#) is a critical step that often does not get its due attention by senior management. Without prioritization, a plan may recover less-than-critical business processes rather than the ones crucial for survival.
- 4. Plan Update:** Formal mechanisms are not in place to force a plan update on a regular basis [at least bi-annually](#) or when significant systems or business process change occurs.
- 5. Ownership:** Senior management often appoints the wrong person to manage the BCP process; [someone with the power to lead](#), influence, support, prioritize and organize the project should be named.
- 6. Communications:** Communications issues are often overlooked. Formal plans to contact employees, vendors, business partners and clients often lack specific communications strategies. A formalized [crisis communications plan](#) is critical to communicate effectively.
- 7. Security:** Information systems security controls are often disregarded during plan development, resulting in a greater risk exposure during recovery operations. [Site security](#) is needed after a major catastrophe.
- 8. Public Relations:** Practitioners often fail to plan for public relations and investor considerations, therefore missing the opportunity to limit perceived impact by the public and investors. A [formal PR script](#) should be drafted and only announced by authorized staff.
- 9. Insurance:** Many BCPs fail to adequately plan to support the filing of insurance claims resulting in delayed or reduced settlements. Coordinate closely with [Risk Management and Insurance](#) staff after a loss.
- 10. Service Evaluation:** Many companies poorly evaluate recovery products and services (hot site, clean-up services, salvors, etc.), relying on vendor-supplied information. This often leads to a solution that may not adequately address a company's needs. [Work with Risk Management and Insurance](#) to secure reputable vendors.

Companies that avoid these ten common BCP pitfalls significantly increase their odds of a successful and timely resumption of business and information technology operations. As an example, both sites of a major US computer hard drive manufacturer were flooded up to 5 ft. of water in Thailand for weeks. With their robust and regularly exercised BCP's, production was quickly recovered and business continued