

## Give me a chance, I am trying to run a business here!

Maybe, just maybe, our industry has got it wrong. As a supplier of business continuity and recovery services I have this horrible feeling that we may have been plying our trade to the wrong people.

So here's a thought. Is the opposite of business continuity, business failure or is that too extreme? Maybe the opposite of continuity is interruption? If that were the case, do you not think the world's insurers would have cottoned-on to the fact that a company with a tried and tested business continuity plan is a safer risk than one without it (they do, after all, sell business interruption insurance). If that were the case, wouldn't we, as managers of well-prepared businesses be enjoying the luxury of premium discounts on our business insurance policies? Maybe pigs fly (more about swine fever later).

You've probably guessed I've got my tongue in my cheek.

My point is this. The companies that are threatened by absolute survival in a disaster are small companies. The very companies that world economies depend upon. Business Continuity, for the SME, does exactly what it says on the tin. These are the companies that need help. They need affordable and viable recovery services and perhaps more importantly, they need encouragement to invest in resilience.

I sense that the words "Business Continuity", for a large corporate, are a misnomer. Why? Because the reality is that in a disaster, a large corporate will keep going: it will keep running; it will not fail; it may suffer downtime and it may suffer from departmental losses; it may suffer reputational damage but, in its purest sense its business will keep running with or without a viable continuity plan. It will keep running because it has the resources and inherent resilience that will ensure it does so.

In short, it is too big to fail.

However, if you want to know what Business Continuity really means then talk to the owner of a small business that has just lost its main premises because of fire. He/she will use words like: catastrophic; terminal; final; total; wipe-out.

But, why don't small and medium enterprises (typically) invest in business continuity services? The industry is now advanced and has been established for well over twenty years. There are plentiful case studies that describe in fearful detail the impact of a disaster. There are: consultants; service suppliers; web portals; industry magazines; conferences; white papers and even degrees on the subject.

Try this simple experiment. Stop and ask any continuity professional (from around the world) to quote the industry's most famous statistic and they will chant the mantra "80% of companies that suffer a disaster and yet do not have a viable continuity will cease trading within 12 months of the disaster". This mantra is taught to any business continuity professional from the outset of their career and is now so commonly a quoted statistic that it is in danger of replacing the Scouts motto (dib dib).

So why don't they get it?

Well the answer is perhaps a simple one. There are three reasons. The first is something few of us can do anything about. Let's call it "life". The other two can be solved:

1. SME's don't believe the disaster will happen to them. This "head in the sand" approach cannot be mocked. It is human nature. Anyone and everyone reading this will believe that tragedy strikes others. It is always next door that gets burgled. It is the guy down the road that has the serious car accident. Even when something does happen, it takes no more than two weeks after the incident before your heightened sense of alert and fear go back to their steady state and you start leaving your windows unlocked again.

We know this for a fact at Global Continuity. After a headline disaster (e.g. the UK summer floods of 2007, the Buncefield explosion of May 2006 or the terrorist attacks of July 2005), the number of incoming sales enquires for our range of continuity and recovery services can be plotted with interesting results. In the first 3 days it is not uncommon for incoming enquiries to increase 5-fold (note: these enquiries are not from those affected by the disaster (for them it is too late), it is from those companies that can see first-hand what is happening to others). After a week, we still "enjoy" a 2-fold increase. After two weeks, the phones are back to steady-state. It is perhaps the steady-state call rate that tells us most. The disaster is over and the news no longer current. Those companies that

didn't suffer from the disaster have forgotten about it and are getting on with "business as usual". After all it not only didn't happen to them, it also won't happen to them. They have got a business to run without having to be distracted with other non-strategic issues (ironic).

This "I'm alright" mentality will forever be perpetuated until government and commerce introduce compelling arguments that drive SMEs to prepare themselves for a disaster. See points 2 and 3 below.

2. Business Continuity is a grudge purchase and there are few driving forces that compel an SME to invest in their own protection given, as described above, they do not believe it will happen to them. So, here are some radical questions:

Given how economies depend so heavily on the SME sector, why don't governments make business continuity mandatory? Case history proves that SMEs do fail in a disaster. Insurers can absolutely count the scale of claims. The media (local and international) regularly reports on the impact of disasters. There are 4.2m SMEs in the UK. In South Africa, SMEs account for 33% of GDP. Surely Government has a duty to insist on business continuity planning? I know that quoting a UK government minister perhaps no longer carries the credibility it once used to (less said the better) but these are the words of Patrick Mercer, Shadow Security Minister: "Too many businesses have no contingency plans for disasters. The SME sector is vital to the UK economy, and it is essential that it takes every step possible to ensure that it is protected against the worst case scenario. Events in recent years including the Carlisle floods and even the recent tornadoes in London have shown just how suddenly businesses can be hit. I urge all SMEs to get real about business continuity planning now, and ensure that they are in a position to survive should the worst happen".

So, good words but still no legislation to insist on planning.

Here's another question: why do Banks lend money to SMEs without first checking that their investment would be safe if that SME had a major disaster? Banks, before they lend, insist upon 3 year business plans (written in triplicate), personal guarantees (including pets and children); credit references; market analyses; competitive landscapes; etc. etc. Why don't they also ask to see the continuity plan?

And one more question just to drive the point home: why don't insurers demand to see an SMEs continuity plan before they insure and then offer a discount once they have seen it. After all, insurers know above all others, how much it really does cost an SME (and by default the insurer) when a disaster strikes.

Government and commerce really does have the power to sort this problem, one that really isn't rocket science. In what is such a protected world (how many forests have been cut down to write the world's health and safety policies?) legislation must surely be on its way? But, to make the argument for mandatory business continuity planning (for SME) compelling there is the third and final reason why SMEs don't buy business continuity services:

3. They are too expensive and are not "relevant" to the SME . Imagine you are the Managing Director of an SME and you read the following guidance emanating from the business continuity industry: how to keep your company running should your staff win the national lottery; swine fever: how to keep your business running when it gets the flu. These are valid business continuity issues for the corporate environment but not for an SME. When Business Continuity articles start to talk about the effects of nerve gas on their postal department it just puts the small boys off. As suppliers of continuity services we need to get real. MDs of SMEs run companies whereby a broken leg just about excuses coming into work with a limp.

So, the business continuity industry has a responsibility to ensure SMEs are given viable services that genuinely help them, not hinder them. The services must be affordable and tangible. They must reflect the small business mentality. They need to be easy to use, simple to deploy. They must be demonstrable and easy to prove. And maybe our language is wrong (talking of which, I was taught never to start a sentence with the word "and"). Maybe we should start talking about "Preparing for a Business Failure" and just maybe, maybe the SMEs will start to listen.

We have been thinking for some time at Global Continuity about this challenge. It is clear to us that above all else, in a disaster an SME needs to keep communicating with its customers, suppliers, employees and key stakeholders. It also needs a controlled environment from which it can co-ordinate its recovery. So, how can we provide a viable and affordable solution that has clout and will be adopted by the masses?

In 2008, we engaged with the London insurance industry to craft a service that we collectively believed would solve some (if not all) of the three issues described above. Global Continuity proved that it could substantially reduce the average number of days a company would remain "off-air" after it had suffered from a major denial of access to its premises (reduced from an industry average of 8 days to just 1).

From the compelling evidence, the insurers were able to financial quantify the savings they would make from reduced interruption claims and subsequently decided to support Global Continuity with a “mass-market” service that by default would be affordable to the SME sector.

Crucially however, the insurers then decided to embed BusinessAssist™ for free into their existing suite of business interruption and commercial-combined insurance policies and thereby provide the industry’s first ever insurance-led disaster recovery service aimed exclusively at the SME sector.

In one fell-swoop the new service removed any objection an SME could or would have with investing its money and energy into business continuity planning.

The service, called BusinessAssist™ was launched in May 2009. It can be bought outside of standard insurance policies for as little as £50 per month (UK sterling) and is perhaps more viable (in terms of absolute continuity) than traditional disaster recovery services sold to corporate enterprises. The service has minimal frills and whistles (there is no testing, no tailored IT recovery, no bespoke planning) and is restricted to the recovery of just 10 employees. When the insurer places the insured on cover it sends a certificate (similar to an employers liability certificate) allowing the SME to evidence to its bankers, customers and stakeholders that it is a business continuity prepared and ready company.

By using agreements secured with serviced office providers, hoteliers and other space providers, Global Continuity has access to over 100 million square feet of office space in 75 countries (BusinessAssist™ is a multi-national service) allowing us to provide the service country-wide and virtually without limitation. By using “cloud-based” technology we can switch an incoming telephone line from the lost office to an emergency office in under 4 hours and by providing up to 10 laptops at the recovery location, we can provide internet access for ongoing receipt and delivery of email messages.

For a large corporate reading this paper, BusinessAssist™ strengthens the supply chain. By asking to see a copy of the BusinessAssist™ certificate of preparedness and cover, it can now rest-assured that its key suppliers will be there when it needs them.

So, has the business continuity industry been getting it wrong? Have we been selling our services to the wrong people? Is there really a market out there for resilience in the small business community? Only time will really tell but what we do know is this. Once the Banks start demanding to see continuity plans things will change. Once it become a legislative requirement services will improve. More crucially, once the world’s insurance companies start to lower premiums to companies that have viable continuity plans (as well as embedding those service in its insurance policies) then pure market dynamics will make the world a more resilient place and owners of SMEs will once again be left alone to get on with running their business (and pigs might fly after all).