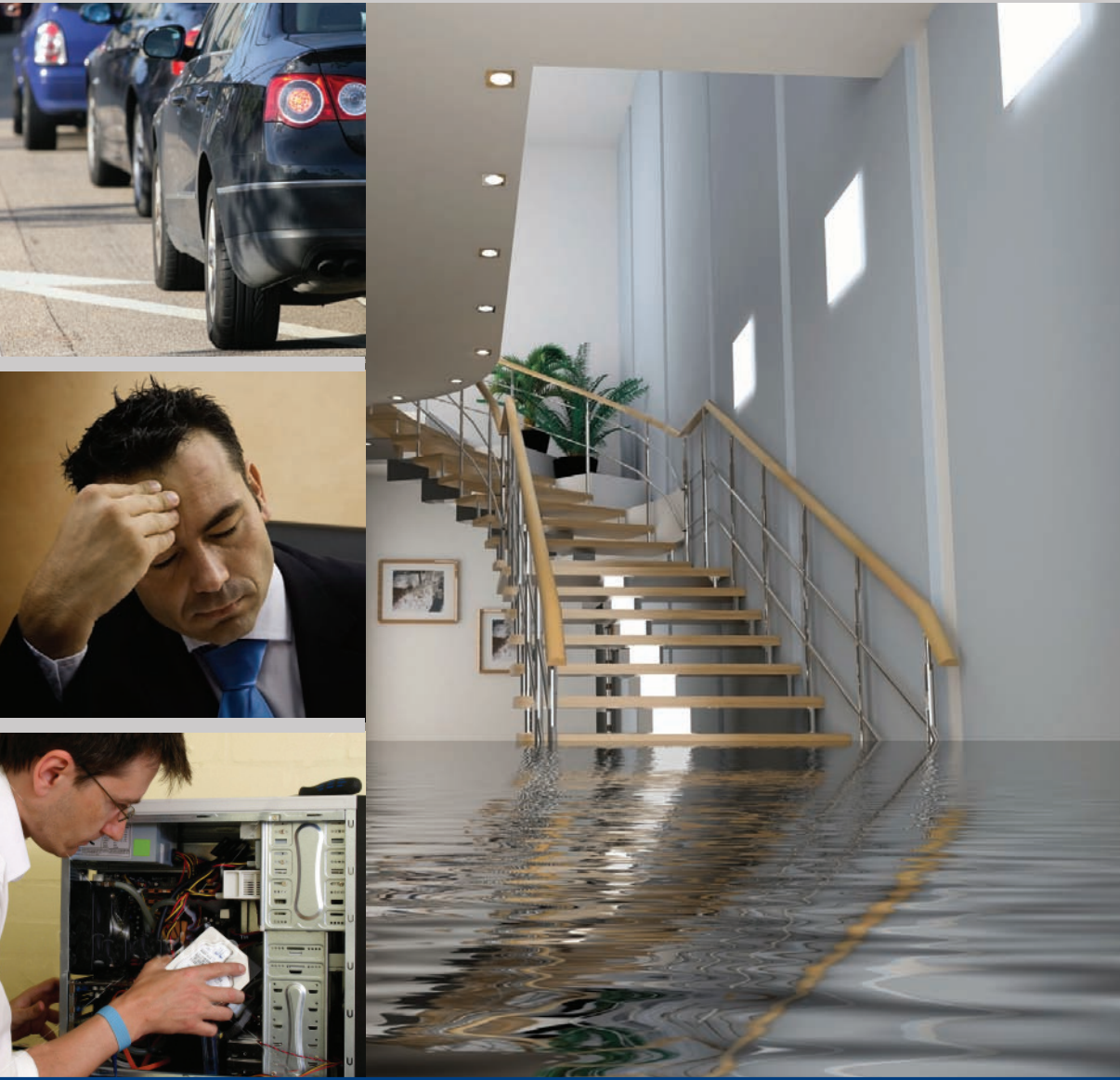


Business Continuity Management 2008

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Patrick Woodman
March 2008

In association with



Foreword

As the Director of the Civil Contingencies Secretariat (CCS), I am pleased to support this report on the Chartered Management Institute's 2008 Business Continuity Management Survey, and the recommendations contained within it. As in previous years, the research has been co-sponsored by CCS.

Although the report shows a situation where organisations are taking steps to improve their business continuity arrangements, for example in relation to the impact of an influenza pandemic and supply chain resilience, it also shows that there is much more to be done.

There are many risks that can affect an organisation's ability to continue its day to day business and these can affect organisations of all sizes, across all sectors, both directly and indirectly. This was highlighted most recently by the floods of 2007 as evidenced by the findings of this survey that found up to 33 per cent of respondents in the affected areas were significantly disrupted. However, despite this evidence, too many organisations still do not have effective business continuity arrangements in place.

The need for more resilient business continuity arrangements also came out strongly in the interim findings of the Sir Michael Pitt review of the lessons learned from the 2007 floods.

By following the recommendations contained in this document and by drawing on the help and advice set out at the back of the report, you will be making a first step to mitigate the impact an incident will have on your organisation. This is not only good news for your organisation but for national resilience as a whole.



Bruce Mann, Director of Civil Contingencies Secretariat, Cabinet Office

Executive Summary

- **Extent of business continuity management:** The number of organisations that have adopted business continuity management remains broadly static: 47 per cent of managers report that their organisation has a specific business continuity plan. This is despite the fact that 76 per cent report that continuity is regarded as important in their organisation.
- **Impact of business continuity management:** 94 per cent of those who had invoked their plans agreed that they had reduced disruption.
- **Most significant disruptions:** Over the past year, 43 per cent of organisations were disrupted by loss of IT, while over one in three experienced loss of people (35 per cent). Thirty per cent experienced loss of telecommunications.
- **Impact of extreme weather:** Twenty nine per cent of organisations nationally were affected by extreme weather such as flooding or storms over the past year. This is up from 9 per cent two years ago.

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- **Reliability of plans:** Just under half of organisations with business continuity plans carry out regular and thorough rehearsals/exercises, despite strong evidence that rehearsals are vital to ensure the effectiveness of planning. Seventy eight per cent of those who had exercised their plans said that the exercises had revealed shortcomings in the plan.
 - **Remote working:** Around half of respondents (51 per cent) report that they could continue to work to a great extent by working remotely in the event of a disruption. Smaller organisations remain in a weaker position to support remote working.
 - **Key drivers:** Corporate governance continues to be regarded as a key driver. There is evidence that business continuity management is being driven through the supply chain through public sector procurement contracts and by customers demanding evidence of BCM from their business-critical suppliers.
 - **Guidance:** Some 32 per cent of respondents overall were aware of the business continuity management guidance provided by their local authority or Local Resilience Forum, up from 23 per cent in 2007. The most commonly requested information relates to risk assessment, advice on potential disruptions and guidance on developing a business continuity plan.

Background

What is Business Continuity Management?

Business Continuity Management (BCM) is based on the principle that it is the key responsibility of an organisation's directors to ensure the continuation of its business operations at all times. It may be defined as:

*"A holistic management process that identifies potential threats to an organisation and the impacts to business operations that those threats, if realised, might cause, and which provides a framework for building organisational resilience with the capability for an effective response that safeguards the interests of its key stakeholders, reputation, brand and value-creating activities."*¹

BCM is an established part of the UK's preparations for the possible threats posed to business, whether from internal systems failures or external emergencies such as extreme weather, terrorism, or infectious disease. The Civil Contingencies Act 2004 required frontline responders² to maintain internal BCM arrangements and, in addition, since May 2006 local authorities have been required to promote BCM to businesses and voluntary organisations in their communities.

The survey

This report presents the findings of research conducted in January 2008 by the Chartered Management Institute in conjunction with the Civil Contingencies Secretariat in the Cabinet Office and the Continuity Forum. It is the ninth survey that the Institute has undertaken on BCM since 1999. A total sample of 10,600 individual Institute members was surveyed and 754 responses were received. Please see Appendix B for details.

¹ BS25999-1 British Standards Institution's Code of Practice for Business Continuity Management.

² A list of Category 1 and Category 2 responders as defined by the Civil Contingencies Act 2004 can be found at <http://www.ukresilience.info/upload/assets/www.ukresilience.info/15mayshortguide.pdf>.

1. The extent of Business Continuity Management

1.1 Levels of Business Continuity Management

The Chartered Management Institute's BCM research series has tracked how many managers are aware of a specific Business Continuity Plan (BCP) covering critical business activities in their organisation. Despite 76 per cent of managers in the 2008 survey reporting that BCM is regarded as 'important' or 'very important' by their senior management, the number whose organisations have a specific BCP is much lower, at 47 per cent. As Figure 1 indicates, this level has been broadly constant since 2002.

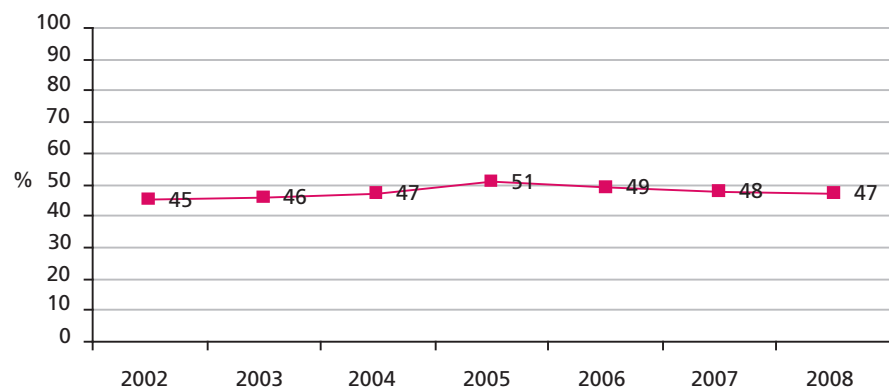


Figure 1: Percentage of managers whose organisations have BCPs.

1.2 Variation between different types of organisation

The survey data indicates differences between different types and sizes of organisation. Larger organisations are more likely to have BCPs.

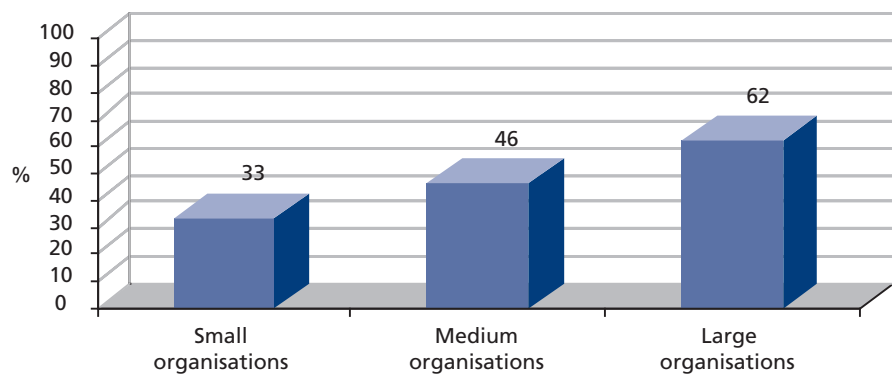
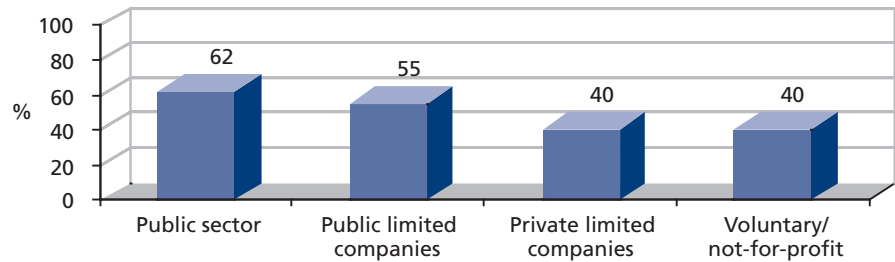


Figure 2: Percentage of organisations with BCPs by size³

Major differences also exist between different types of organisations (see Figure 3). BCM is most common in the public sector, where it is required among certain organisations by the Civil Contingencies Act. Listed companies follow – while private companies, and the voluntary/not-for-profit sector, demonstrate lower levels of take-up.

³ Based on standard definitions of organisation sizes:
 Small = up to 50 employees (N.B. excludes sole traders)
 Medium = 51-250 employees
 Large = over 250 employees

Figure 3: Percentage of organisations with BCPs by organisation type



The use of BCPs also varies widely between particular industry sectors. Some 89 per cent of managers working in finance and insurance report that their organisations have BCPs; the utilities sector (electricity, gas and water) and central government are next highest at 83 per cent. Local government is at 69 per cent. Less highly scoring industry sectors include business services (43 per cent) and, perhaps surprisingly given the predominance of IT concerns in many organisations' BCM, the IT sector (33 per cent). Appendix A provides further details on specific sectors and key lessons for organisations in each sector.

1.3 What is driving the adoption of BCM?

The finding that BCM is more common in the public sector and in listed companies is consistent with the survey's findings on the drivers behind the adoption of BCM by different organisations. Corporate governance was again the most commonly identified driver of BCM (60 per cent) and was followed by central government (33 per cent) and demand from existing and potential customers (32 per cent). Thirty percent identified insurers and auditors as driving the process and a similar number listed regulators as a driver (28 per cent).

Some differences emerge between different sectors. Corporate governance was a key driver for 76 per cent of those managers working in PLCs that use BCM. It is also regarded as a key driver in the public sector (69 per cent) and is the most common driver in voluntary and not-for-profit organisations (57 per cent).

Central government was identified as an important driver, particularly in the public sector where it was cited by 61 per cent of respondents. Public sector procurement requirements are also having an impact on the private sector, cited by 16 per cent of managers across private and publicly listed companies – up from 10 per cent in 2007.

Existing customers were a key driver for 54 per cent of respondents in public companies and 46 per cent in private companies.

2. Effectiveness of Business Continuity Management

2.1 Impact of BCM in reducing disruption

Previous years' surveys have consistently found that the vast majority of managers agree that BCM helps to reduce disruption. The 2008 survey is no exception. A total of 94 per cent of respondents in organisations which had invoked their BCP in the previous 12 months agreed or strongly agreed that it had been effective in reducing the disruption.

2.2 BCP rehearsals/exercises

Exercises are an essential part of good BCM practice, enabling plans to be revised and updated before weaknesses are exposed by a real disruption. Just under half (49 per cent) of managers whose organisations have BCPs reported that they undertake an exercise of their plans once or more per year. Thirty three per cent reported that they do not rehearse their BCPs at all, slightly down from 37 per cent in 2007.

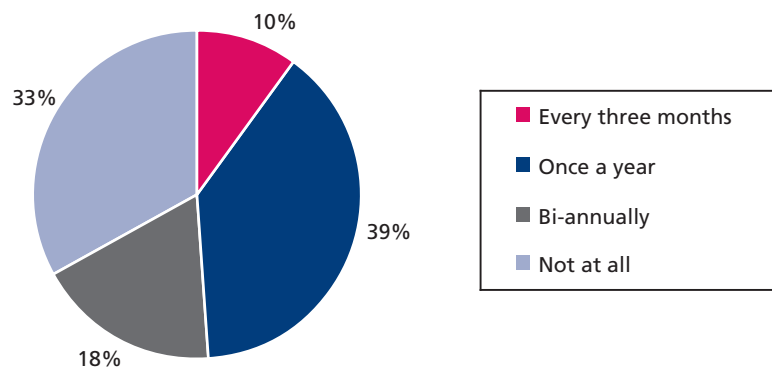


Figure 4: Frequency of exercising BCPs

Seventy eight per cent of those who had exercised their plans said that the rehearsals/exercises had revealed shortcomings in their BCP, enabling them to make improvements to the plan. Nevertheless, 9 per cent reported that they had not taken steps to address the weaknesses that were revealed.

2.3 BCM training

There is some evidence of an increase in BCM-related training activity, although it remains limited. Among those who have a BCP, 35 per cent include training on the organisation's BCM arrangements in the induction process for all new employees – rising from 30 per cent in 2007 and 28 per cent in 2006. Fifty eight per cent provide additional training for relevant staff.

With staff turnover among managers and professional staff at 12.9 per cent⁴ there is a clear need for increased levels of training to support effective BCM and build resilience against disruption.

⁴ National Management Salary Survey, Chartered Management Institute and Remuneration Economics, April 2007

3. Understanding risks and potential disruption

The survey examines a wide range of threats faced by managers across the UK, tracking managers' perceptions of which disruptions would have a significant impact on their organisations and which disruptions they have actually experienced over the previous year. It also covers how many organisations consider particular threats within their BCP. These trends are presented in Table 1 below.

3.1 Events causing disruption

Loss of IT is the most commonly experienced disruption, as in previous years. Loss of people also continues to be a major cause of disruption. This year's results again indicate a relatively high level of disruption due to extreme weather incidents, such as flood or high winds, with 29 per cent having been disrupted, up from 9 per cent in 2006.

The far right-hand column in the table presents the numbers of organisations with BCPs that cover each disruption. It again shows the dominance of IT concerns in BCM. Comparison with the disruptions that were actually experienced highlights potential gaps in planning. For instance, large numbers of plans address the threats of fire or terrorism, despite the fact that small numbers of organisations were affected by these threats. Only 29 per cent of organisations have a BCP addressing loss of people as a concern, yet 35 per cent experienced disruption as a result of this during the past year.

Base: 754 respondents (2008)	Disruptions experienced in the previous year							Threats likely to have a significant impact on costs and revenue	Threats covered by BCM ⁵
	2002 %	2003 %	2004 %	2005 %	2006 %	2007 %	2008 %	2008 %	2008 %
Loss of IT	19	24	25	41	38	39	43	73	39
Loss of people	-	26	20	28	29	32	35	59	29
Loss of telecommunications	-	-	23	28	24	25	30	68	36
Extreme weather e.g. flood/high winds	18	15	10	18	9	28	29	46	31
Loss of key skills	33	16	14	20	19	20	21	62	26
Negative publicity/coverage	24	17	16	17	16	19	18	51	19
Employee health and safety incident	13	9	8	19	13	17	17	44	27
Loss of access to site	5	5	6	11	13	13	16	63	38
Utility outage e.g. electricity, gas, water, sewage	-	-	-	28	19	21	14	54	30
Supply chain disruption	19	11	12	10	10	13	12	37	19
Damage to corporate image/reputation/brand	15	7	8	11	8	11	10	55	19
Industrial action	-	-	-	5	6	7	7	26	16
Environmental incident	9	5	4	7	5	6	7	36	29
Customer health/product safety issue/incident	11	6	4	6	6	6	7	35	21
Pressure group protest	10	7	7	6	7	7	6	27	14
Fire	6	5	5	5	5	6	5	58	33
Terrorist damage	2	1	1	2	3	3	3	53	28

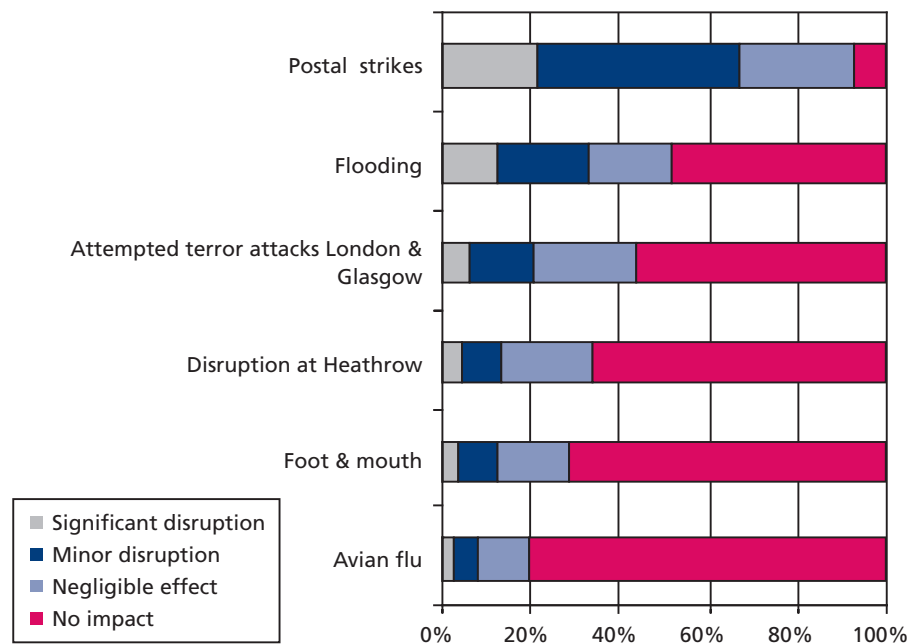
Table 1: Disruptions experienced in the previous year, 2002-08; perception of threats, 2008; and threats addressed by BCPs, 2008.

⁵ This column indicates those organisations whose BCM covers each particular threat, expressed as a percentage of all respondents. In previous years, this column gave a percentage based on those organisations that had a BCP.

3.2 The impact of specific incidents

Respondents were asked how far they had been affected by a selection of high-profile disruptive incidents during the previous 12 months. The postal strikes in September-October 2007 were regarded as most disruptive overall. More than one in five respondents (21 per cent) reported that the strikes had a significant impact on their organisation. The impact was most strongly felt among small organisations, where 24 per cent of organisations reported that they had been significantly disrupted.

Figure 5: Disruption caused by specific incidents



The floods experienced in several parts of the United Kingdom during 2007 were also highly disruptive for many organisations, with as many as 33 per cent of respondents in Yorkshire and the Humber significantly affected, and 25 per cent in the West Midlands. Sixteen per cent in the South West and nine percent of managers across London and the South-East were significantly disrupted.

3.3 The impact of flooding

A sequence of specific questions was asked of those respondents who indicated that they were affected by flooding. The results show that the effects of flooding were felt well beyond organisations whose workplaces or premises were actually flooded:

Table 2: Effects of flooding

Base: 255	2008 %
Staff unavailable for work	53
Premises flooded (offices, shops etc)	38
Suppliers disrupted	27
Increase in trade/demand for services	24
Loss of power	18
Loss of water supplies	11

Those affected were also asked how their organisations had responded to the experience of flooding. Many said they had been prompted to make improvements to BCPs, while some introduced a BCP for the first time, as indicated below.

Table 3: Responses to the experience of flooding

Base: 255	2008 %
Made improvements to business continuity plans	45
Introduced measures to mitigate against the effects of flooding	31
Sought improved insurance against flooding	9
Implemented a business continuity plan for the first time	7
Considering relocation premises to an area less vulnerable to flooding	4

Those that had been affected were asked for how long their operations had been disrupted. A total of 194 responses were received and the average length of disruption experienced was 8.75 days.

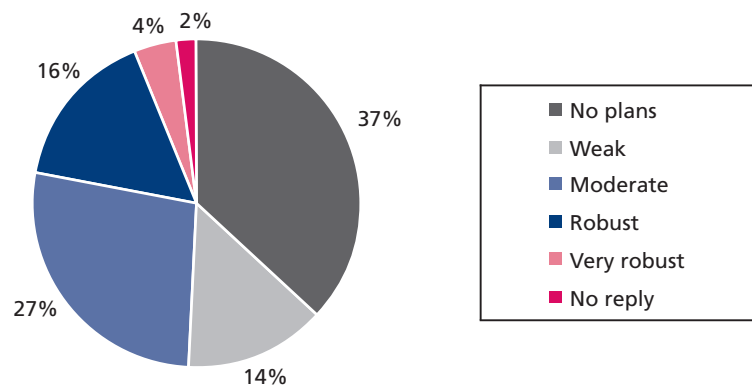
A total of 49 per cent of respondents reported that their organisations are insured against the threat of flooding. Some 14 per cent said that they are not insured, although 37 per cent did not know.

In addition, a few respondents were able to provide an estimate of the total uninsured cost to their organisation. For instance, in the South-West, one manager in a school reported costs of around £25,000 due to flooding of facilities; another manager in a large business services organisation reported costs of £250,000 and they indicated that their organisation had adopted BCM for the first time as a result.

3.4. Extent and robustness of influenza planning

In light of the risk of a human influenza pandemic, the survey has asked since 2006 whether organisations have plans in place to ensure that they could continue to function in the event of a pandemic. The findings suggest an increase in the level of planning activity, with the number of organisations reporting that they have some level of planning in place rising to 61 per cent, from 54 per cent in 2007.

Figure 6: Perceived effectiveness of plans for an influenza outbreak



Managers in larger organisations are more likely to view their organisation's plans as well-developed; 28 per cent in large organisations believe their plans would be robust or very robust. Half of small organisations still have no plans, although this has dropped from 58 per cent in 2007.

3.5 Anticipated absence levels

Among those who indicated the absenteeism rates expected, there appears to be reduced level of planning for absence of over 30 per cent of the workforce. This may reflect awareness of Government advice that as a prudent basis for planning, organisations employing large numbers of people should ensure that their plans are capable of handling staff absence rates building up to a peak of 15 per cent lasting 2-3 weeks (in addition to usual absenteeism levels). Small businesses however, or larger organisations with small critical teams, should plan for levels of absence building up to 30 to 35 per cent at the 2-3 week peak, or perhaps higher for very small businesses with only a handful of employees.

Table 4: Anticipated absence levels 2007-08

Base: 353 respondents (2008)	2007 %	2008 %
Up to 10% absenteeism	18	21
11-20% absenteeism	23	27
21-30% absenteeism	23	24
31-40% absenteeism	17	13
Over 40% absenteeism	19	15

The survey also asked how long organisations plan possible pandemic-related absences to last, as shown in Table 5 below.

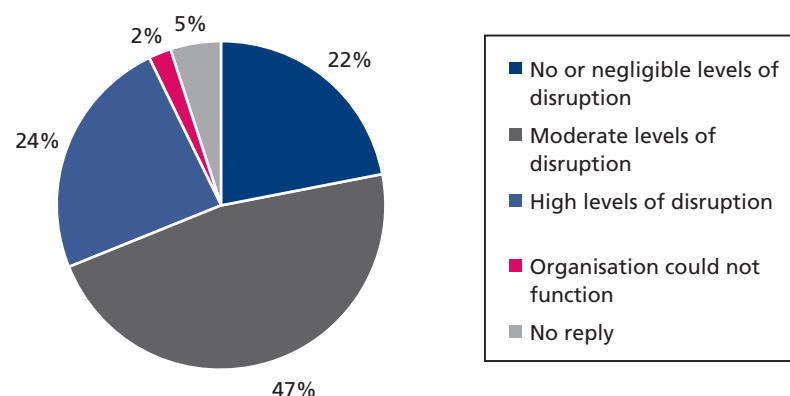
Table 5: Anticipated length of employee absences 2007-08

Base: 356 respondents (2008)	2007 %	2008 %
0-1 weeks	15	19
1-2 weeks	27	32
2-4 weeks	28	21
More than 4 weeks	30	28

3.6 Additional absence due to school closures/care of dependents

An additional factor beyond the direct impact of the illness on employees that organisations must consider when planning for an influenza outbreak is the impact of increased parent-worker absences that would result from possible school and childcare closures. Almost three-quarters of managers anticipate that this additional impact would be moderately or highly disruptive, up to the point where the organisation could not function, as indicated below.

Figure 7: Impact of additional parent-worker absences



4. Managing Business Continuity

4.1 Who takes responsibility for BCM?

In those organisations that have BCPs, responsibility for leading BCM rests with senior management or the board in 72 per cent of cases. However, the number of organisations in which BCM is led by a specific BCM team appears to be rising, as indicated in Table 6 below.

Base: 353 (2008)	2005 %	2006 %	2007 %	2008 %
Senior management	49	49	41	47
BCM team	27	22	29	19
Board	8	18	16	23
Operational staff	4	5	5	5
Operational risk department	2	4	5	4
Don't know	1	1	-	-

Table 6: Responsibility for leading BCM, 2005-08

4.2 Internal stakeholders in BCM

There appears to be a substantial degree of cross-functional working behind the development of BCPs. Although, as previously, IT teams are most likely to be involved it is evident that there is also widespread involvement of other teams.

Base: 353 (2008)	2007 %	2008 %
IT	65	58
Risk management	53	54
Facilities management	57	53
Human resources	56	50
Finance	52	47
Security	45	37
Public relations	32	29
Purchasing/procurement	29	29
Marketing	19	16
Sales	17	13
Outsourcing	16	13
None of the above	3	5
Other	10	9

Table 7: Functions involved in creating the BCP, 2007-08

4.3 BCM budgets

Some seventy-seven per cent of organisations with a BCP appear to have dedicated budgets for BCM. However, this includes a higher proportion of large and medium organisations (82 and 80 per cent respectively) but fewer small organisations (63 per cent).

Among those organisations that do have a BCM budget, it is most likely to sit with a managing director (35 per cent) or financial director (23 per cent). Although the IT function is most likely to be involved in creation of the BCP, this is not reflected by budgetary responsibility: only 5 per cent reported that budgets sit with an IT director. More commonly, budgets are held by a dedicated BCM manager (16 per cent, although this is predominantly among large organisations), a facilities manager (11 per cent) or risk manager (8 per cent). Two per cent say that the budget sits with the HR director. Unsurprisingly, among small organisations the budget is more likely to reside with the managing director (63 per cent).

4.4 Evaluating BCM capability

The survey asked how organisations evaluate their BCM capability. For the first time, legislation was most widely used, which is likely to reflect the impact of the Civil Contingencies Act 2004. As many as 46 per cent of public sector respondents identified the use of legislation for evaluation. Forty per cent of public sector and 41 per cent of listed company respondents referred to “guidelines”, and those in listed companies were also likely to use regulation for evaluation (35 per cent).

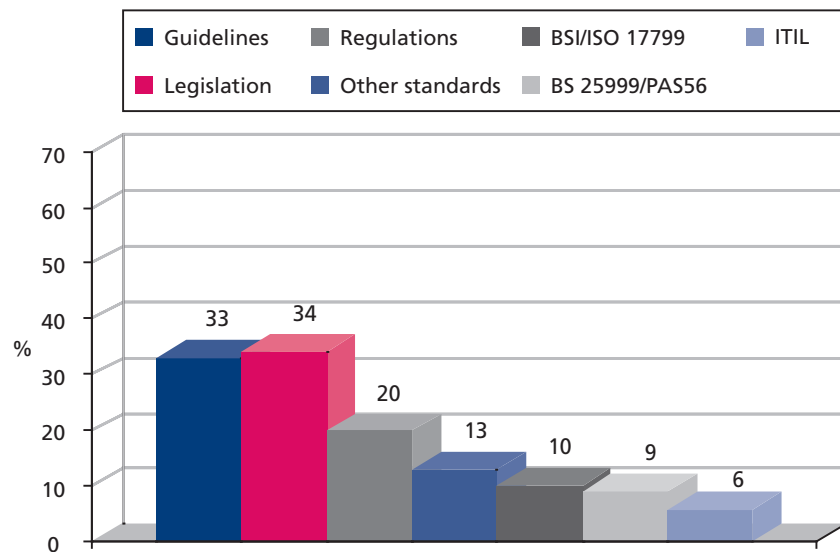


Figure 8: Use of methods for evaluating BCM capability, 2008

4.5 The new British Standard on BCM: BS 25999

The British Standards Institution’s new full standard for BCM, BS 25999, was launched in 2007 to provide some uniformity of approach in BCM across private, public and voluntary sectors and to provide a method of assuring BCM down the supply chain. Awareness of the standard is at an encouraging 41 per cent among those who have a BCP, up from 32 per cent in 2007. Of these, a majority (56 per cent) intend to use it for guidance, while 14 per cent intend to achieve third party accreditation, with another 11 per cent planning to comply without accreditation. Three per cent will use it to ask for compliance from suppliers. (See section 5 below for further discussion of supply chain issues).

4.6 Impact of the Civil Contingencies Act

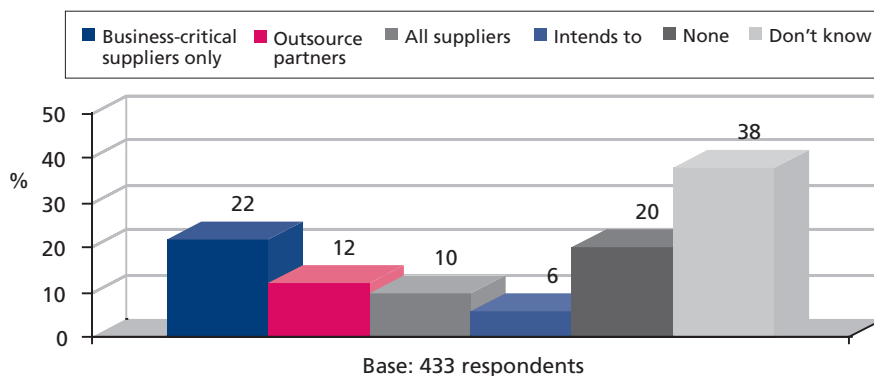
Under the Civil Contingencies Act 2004, local authorities have been obliged since 2006 to offer support and guidance on BCM to local businesses and voluntary organisations. Some 32 per cent of respondents overall were aware of the BCM guidance provided by their local authority or Local Resilience Forum, up from 23 per cent in 2007. Managers in larger organisations were most likely to be aware (39 per cent), with those in medium or small organisations a little less likely (32 and 29 per cent). The most commonly requested advice relates to risk assessment, advice on potential disruptions and on developing a BCP.

5. BCM and the supply chain

5.1 Use of BCM among suppliers

A majority of respondents (57 per cent) report that their organisations outsource some of their facilities or services. However, the use of BCM down the supply chain remains limited as indicated in Figure 9 below.

Figure 9: Percentage of organisations requiring suppliers or outsource partners to have BCM



5.2 Verifying suppliers' BCM

In addition, the survey asks how those who require outsource partners or suppliers to have BCPs verify the plans. Thirty-nine per cent accept a statement from the supplier/partner in question. A third (34 per cent) take the more active step of examining the supplier/partner's BCP, while 14 per cent are involved in the development of the supplier/partner's BCM. Fourteen per cent use a third party audit and eight per cent assess their suppliers' or partners' plans against BS 25999/PAS56.

6. Building resilience: alternative offices and remote working

6.1 Alternative work spaces

Just over two thirds (68 per cent) of respondents reported that they have access to an alternative office or work site in the event of a major disruption, slightly up from 2007 (64 per cent). Managers in large organisations were most likely to have alternative work sites (79 per cent), although a majority of respondents in small or medium-sized organisations (55 and 65 per cent respectively) also reported having access to alternative sites.

6.2 Remote working

Providing the ability to work remotely can be a useful part of BCM preparations for many organisations. For instance, many employees may be unable or unwilling to travel to the office in the event of a significant disruption. As in 2007, just over half of managers report that their organisation could support remote working to a 'great extent'.

Table 8: Preparedness for remote working in the event of a major disruption

Base: 754	2008 %
To a great extent	51
To a small extent	28
Not possible due to nature of the organisation's work	15
Our IT systems do not support remote working	5
No reply	1

7. Recommendations

- The Chartered Management Institute, Continuity Forum and the Cabinet Office recommend that all organisations have a robust and proportionate approach to business continuity management.
- Senior management should take responsibility for BCM, including the development of robust, fully-rehearsed and well-communicated plans. All managers and employees should be aware of their duties in the event of a disruption.
- Organisations' BCPs should address not only technological or physical requirements, but also people and skills needs. For many organisations there remains a pressing need to address these aspects of BCM.
- A holistic approach to BCM should be employed to ensure resilience in the face of a range of risks. Managers should make full use of the Government's 'Planning Assumptions' derived from the national risk assessment process, which set out the type of major emergencies the Government judges may arise, and the nature and scale of the consequences were they to do so. These are available at http://www.preparingforemergencies.gov.uk/business/generic_challenges/index.shtm.
- Organisations which have adopted BCM should seek to enhance its effectiveness through regular, thorough and comprehensive rehearsals/exercises.
- IT and communications systems intended to support remote working in the event of disruption should be in place and fully tested prior to any disruption.
- We recommend that organisations conduct assessment and benchmarking of their BCM using dedicated guidelines or standards. BS 25999 provides a basis for this.
- BCM should be used more extensively throughout supply networks, in particular with essential suppliers and outsourced providers. It is important to check whether suppliers have exercised their BCM arrangements and plans should be verified and audited where possible.
- Companies should demonstrate their commitment to BCM to key stakeholders. The Business Review offers companies an opportunity to demonstrate to their shareholders and wider stakeholders their commitment in this area. Some organisations will find it useful to communicate their BCM arrangements to suppliers or customers.

8. Help and Advice

Business Continuity Management Toolkit

The Civil Contingencies Secretariat has developed, in partnership with stakeholders, a Business Continuity Management Toolkit to assist organisations put in place business continuity arrangements. The toolkit is a step-by step guide to the six elements that make up the BCM lifecycle as set out in the Business Continuity Management Standard, BS 25999. The toolkit has been specifically developed with small and medium businesses and voluntary organisations in mind, although it is applicable to all sizes of organisation across all sectors.

The toolkit also links to other sources of information such as the Government's 'Planning Assumptions' which describe the type of major emergencies which the Government judges may arise, and the nature and scale of consequences were they to do so.

The toolkit is available at :

<http://www.preparingforemergencies.gov.uk/bcadvice/index.shtm>.

Civil Contingencies Act 2004

The Civil Contingencies Act 2004 required frontline responders⁶ to maintain internal BCM arrangements and, in addition, since May 2006 local authorities have been required to promote BCM to business and voluntary organisations in their communities. Chapters 6 and 8 of the statutory guidance 'Emergency Preparedness' available at <http://www.ukresilience.info/preparedness/ccact/eppdfs.aspx> sets out how these requirements should be carried out.

In addition to this specific guidance, the 'UK Resilience' website at <http://www.ukresilience.info> provides a range of advice for frontline responders on emergency preparedness, response and recovery.

Influenza pandemic

For the most up-to-date guidance on planning for a flu pandemic, please check the 'Preparing for Emergencies' website at:

http://www.preparingforemergencies.gov.uk/business/generic_challenges/staff1.shtm.

Business Continuity Management Standard BS 25999

The British Standard for Business Continuity, BS 25999, provides a basis for understanding, developing and implementing business continuity within an organisation. Developed by a broad range of experts and industry professionals, the standard is for any organisation, large or small, from any sector.

BS 25999 comprises two parts. Part 1, the Code of Practice, provides best practice recommendations; Part 2, the Specification, provides the requirements for a Business Continuity Management System (BCMS) based on best practice and can be used to demonstrate compliance via an auditing and certification process.

BS 25999 can be purchased and downloaded from the BSI's website,

<http://www.bsi-global.com>.

⁶ A list of Category 1 and Category 2 responders as defined by the Civil Contingencies Act 2004 can be found at <http://www.ukresilience.info/upload/assets/www.ukresilience.info/15mayshortguide.pdf>

Appendix A: Key messages by sector

Table 9, below, outlines key messages for a range of specific sectors. It highlights the percentage in each sector that have a BCP; the most common drivers of BCM for the sector; the percentage of respondents that had not received any external requests for information on their BCM, an indicator of how BCM is being driven; and key messages for organisations in each sector.

Sector	% with BCP	Principal drivers	Comments	% not asked for BCM info	Key messages
Business Services	43	Corporate governance, existing and potential customers	Insurers are keen to reduce business interruption risks	49	BCM ensures customer service is improved and maintained during disruptions. Communicate with customers to advise what actions are being taken at the time of a disruption to ensure customers stay loyal – once they try an alternative supplier they may never return. Ensure key suppliers have BCM arrangements in place. BS 25999 should be used as a basis for assessment. Inform insurers of BCM arrangements to reduce business interruption risk.
Central Government	83	Central government; also seen as corporate governance matter.	Whilst not covered by legislation it is recognised that the continuity of government departments and agencies is critical	17	Many Government bodies now subject to legislation under the Civil Contingencies Act. BCM is a key component in achieving compliance. Government bodies have a key role in driving BCM down the supply chain so ensure contracts include BCM requirement. As part of the critical national infrastructure, Central Government plays a key role in providing UK resilience.
Construction	36	Customers; insurers & corporate governance	Major contracts are driven by project management and penalty clauses. Health & safety issues high – insurers looking for good management	57	Successful contracts rely upon sub-contractors and suppliers delivering on time and to specification: ensure that continuity arrangements are built into contracts. The overall project should have an associated BCP that demonstrates to the client that the project timescales will be met. A BCP included in bids provides competitive edge.
Education	38	Corporate governance	Funding bodies and auditors looking for evidence of BCM	56	BCM is important to enable the delivery of education to the community. Time and work lost for some students cannot be replaced. BCM protects intellectual capital and funding sources, it is not just IT disaster recovery. Ensure key suppliers have BCM arrangements in place.
Finance, insurance	89	Corporate governance; regulators, auditors	Highly regulation industry and subject to a variety of audits	11	BCM is well established in major players. BCM is a key component in achieving compliance with regulations. Major finance companies have a key role in driving BCM down the supply chain. BCM is a key element of good corporate governance and social responsibility. Part of critical national infrastructure; key role in providing UK resilience.
Health and social care	39	Corporate governance and central government; also public sector procurement requirements	Health services are a principal focus for government	27	Health services are a principal focus for government and disruptions have serious effects on community. Funding can be reduced if targets not met because of disruptions. Ensure key suppliers have BCM arrangements in place. BS 25999 should be used as a basis for assessment. Part of critical national infrastructure; key role in providing UK resilience.

continued...

Sector	% with BCP	Principal drivers	Comments	% not asked for BCM info	Key messages
IT	33	Corporate governance, potential customers, existing customers	IT and telecomms are essential resources for most organisations. Telecommunications are a key element of critical national infrastructure	25	ICT suppliers are critical and it is essential they have effective BCM arrangements in place. Those with BCM which complies with BS 25999 will provide confidence amongst their customers and gain competitive advantage.
Local Government	69	Central government, corporate governance	Subject to legislation under the Civil Contingencies Act	16	Local government is part of critical national infrastructure and has a key role in providing UK resilience. Required by the Civil Contingencies Act 2004 to offer guidance on BCM to local businesses and voluntary sector organisations. Can also play a key role in driving BCM down the supply chain; BCM should form part of contracts for critical supplies. BS 25999 should be used as a basis for assessment.
Manufacturing and production	40	Corporate governance, insurers, customers	Major customers aware of their supply chain vulnerabilities – insurers keen to reduce business interruption risks	42	Organisations are only as good as their weakest supplier. Identification of critical suppliers and the suppliers' critical suppliers is essential. Partnership working is valuable to ensure continuity and it is important to build BCM into new contracts. Identify single points of failure in manufacturing process and eliminate where possible – or ensure BCM arrangements are in place. Inform customers, existing and potential, of BCM arrangements to improve competitiveness. Inform insurers of supply chain and own BCM arrangements to reduce business interruption risk.
Transport and logistics	42	Corporate governance, customers, regulators and insurers	Supply chain vulnerability a major concern and distributors play a key role	46	Establish partnership working with key customers and ensure critical suppliers have effective BCM in place. Inform insurers of supply chain and own BCM arrangements to reduce business interruption risk.
Utilities – electricity, gas, water	83	Corporate governance, regulators, legislation and auditors. (Central Government and customers also important.)	Critical infrastructure regulated companies with major customers. Subject to a variety of audits	28	Utilities are highly regulated and BCM is well established in major players. BCM is a key component in achieving compliance. Major utilities have a key role in driving BCM down the supply chain by building BCM into contracts. BS 25999 should be used as a basis for supplier assessment. BCM key element of good corporate governance and social responsibility. Utilities are part of the critical national infrastructure and have a key role in providing UK resilience.

Table 9: Key messages for different sectors

Appendix B - Profile of respondents 2008

Base: all respondents 754	2008 %
Status of organisation	
Public sector	30
Public limited company	11
Private limited company	32
Charity/not for profit	13
Partnership	5
Owner managed/sole trader	6
Sector	
Agriculture, forestry & fishing	1
Business services	5
Central government	5
Construction	4
Consultancy	7
Creative/media	1
Defence	3
Education	10
Electricity, gas & water	2
Engineering	5
Finance & insurance	5
Fire & rescue	1
Health/social care	11
Hospitality, catering, leisure & tourism	2
Housing & real estate	4
IT	3
Justice/security	1
Legal & accounting services	1
Local government	8
Manufacturing & production	9
Mining & extraction (inc. oil and gas)	1
Police	2
Sales/marketing/advertising	1
Telecommunications & post	1
Transport & logistics	3
Wholesale & retail	1

Base: all respondents 754	2008 %
Organisation size	
None (i.e. sole trader)	5
1-25	21
26-50	9
51-100	6
101-250	8
251-1,000	13
1,001-5,000	14
5,001-10,000	7
Over 10,000	16
Area of operation	
Local	28
Regional	18
National	22
International	30
Location	
East of England	6
London	14
East Midlands	6
West Midlands	10
South East	16
South West	10
North East	3
North West	9
Yorkshire & the Humber	8
Northern Ireland	2
Scotland	7
Wales	2
Other	4

Percentages may not total 100 due to rounding.

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