

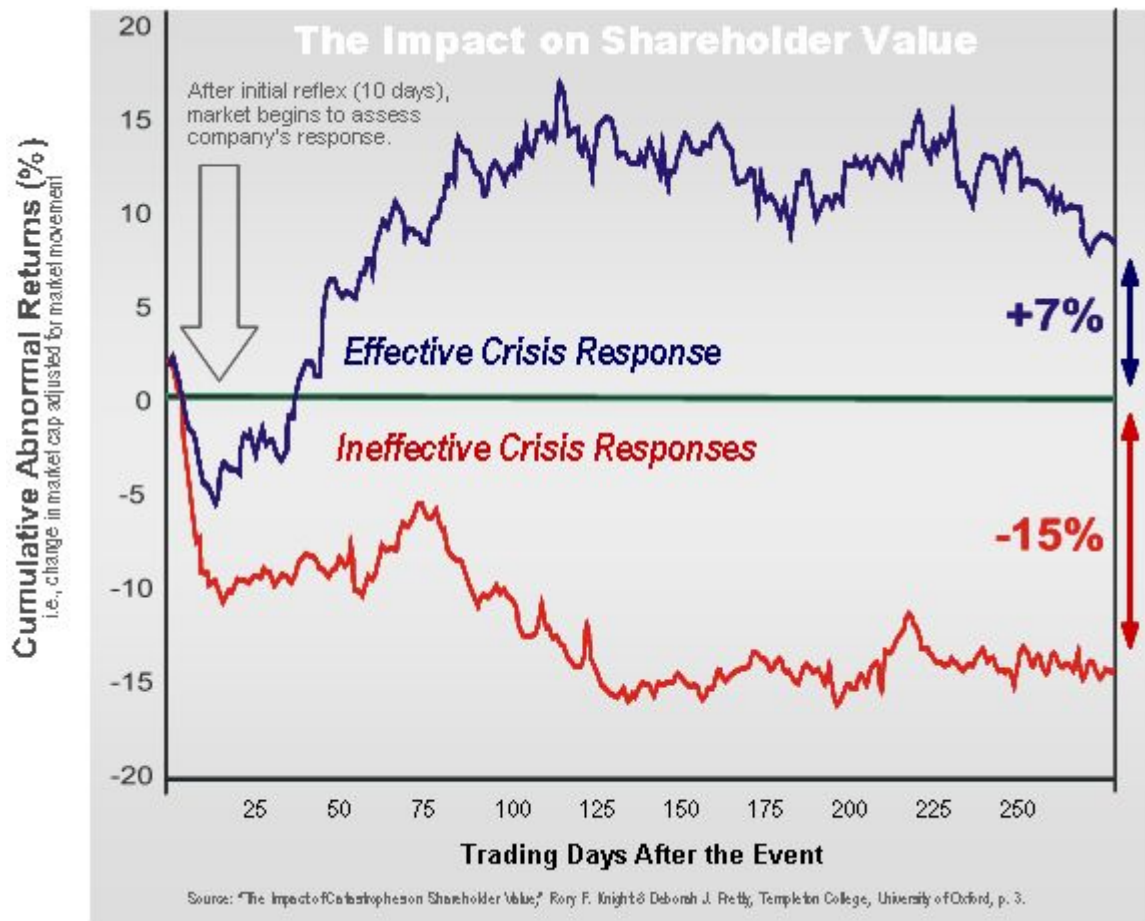
Business Continuity Standards... a comparison of the National Fire Protection Association's NFPA 1600 and the British Standards Institution's BS 25999-1

Business continuity planning can have a lot of different meanings depending upon who you ask. To some it may be largely IT focused, to others a supply chain issue or possibly a facility and equipment concern... and they can all be right. The fact is for BC planning to be effective it must be tailored to the specific characteristics of the organization. For an organization highly dependant on IT systems a plan with particular emphasis on IT systems is important. A company such as a manufacturer or distributor on the other hand may have sole-source suppliers, requiring a supply chain focus; or limited flexibility for downtime requiring high availability of their facilities and operating capacity. With such a wide variety of needs and exposures from one organization to the next, creating a single standard to benefit the planning efforts of all end users requires a high degree of flexibility.

Why Do We Plan?

Before we get into the discussion of standards let's take a step back and address why we do BC planning to begin with. Our ultimate goals in BC planning are twofold. First, we strive to identify those hazards that could disrupt smooth operation and, within our limits, mitigate those hazards to make interruptions less likely and/or less severe. Second, we attempt to establish an effective mechanism to minimize any downtime from an event in a cost effective manner and maintain capability to deliver on our commitments and obligations to our customers.

By its very title "Business Continuity Planning" there is an implication that a lack of planning could lead to "Business Discontinuity". And any reasonable person knows that business discontinuity is not going to be a good thing. As good stewards of our company and of its owner's investments we have a fiduciary obligation to protect the assets and the profit producing capabilities of the company. The effectiveness with which we respond in the face of adversity will have significant implications on the perceived long-term value of our organizations. The correlation between of our effectiveness in responding to an event and the potential effect on company value is most clearly identified in the figure below.



The chart above depicts case studies of share price fluctuations, adjusted for market movement, following a significant event. The value of an effective response to the crisis is demonstrated by the gap in price fluctuation between those organizations with effective responses and those with ineffective responses.

Background on Standards

The National Fire Protection Association (NFPA) and the British Standards Institution (BSI) have both published standards on BC planning. The BSI's, Business Continuity Management - Part 1: Code of Practice (BS 25999-1:2006) and the NFPA's Standard on Disaster/Emergency Management and Business Continuity Programs (NFPA 1600: 2007 Edition) both establish basic elements of business continuity planning and were developed in conjunction with many representatives within the BC community.

The NFPA standard was first introduced in 1995. Since that time it has undergone periodic revisions. In its recent version (2007 Edition Table A.5.1) NFPA 1600 identifies links between the major portions of the standard and the "Professional Practices for the Business Continuity Planner", a document jointly developed by the Business Continuity Institute (BCI), a British based business continuity professional association and the Disaster Recovery Institute International (DRII), a United States based business continuity professional association and credentialing body. Both organizations have continued to collaborate on this document and continue to review and update it regularly.

The BSI standard was more recently introduced in 2006 and although the standard does not specifically state any relationship to the “Professional Practices for the Business Continuity Planner” it does recognize the BCI as a member organization of the development committee. It would appear that on some level the “Professional Practices...” document has significantly influenced both standards resulting in similar requirements.

While communication, style and structure of the documents are very different; the requirements of both the BS 25999 and the NFPA 1600 are quite similar with only minor discrepancies. A matrix comparing the components of the two standards is attached (Table 1) for your reference. The matrix identifies key elements of each standard and the location(s) of similar requirements in the opposing standard. The matrix is not intended to include comparisons of finite details in each standard, but the overall concept and intent of each of the sections.

Conclusion

An organization that has developed their business continuity process and plans in accordance with either the BS 25999 or the NFPA 1600 standards will, with only limited exceptions, also have met the intent of the opposing standard as well. Building your program to meet the requirements of either of the two standards is an effective way to ensure a firm foundation and that your program will have world class potential. While the standards help establish the foundation, the work beyond that foundation must be specific to your organization if it is to be effective.

Submitted by:



Mark A. Taylor, Senior Risk Analyst, CPCU, ARM, CSP, CBCP
704.577.6427
mtaylor@riskinternational.com

