

# Business Continuity Planning

For Small to Medium-Sized Businesses  
and the Voluntary Organisations



Produced by  
Shropshire County Council, Emergency Planning Unit  
On behalf of the County District & Borough Councils in Shropshire  
With thanks to Norfolk County Council and NORMIT

# Business Continuity Planning for small to medium-sized businesses and the Voluntary Organisations

This information will guide you through some steps that could help your organization survive an emergency.

Developing a Business Continuity Plan will assist you to manage your risks to ensure that, at all times, your organisation can continue operating to at least a predetermined minimum level. This will enable you to continue service delivery during and beyond a crisis.

## Who is this advice for?

This advice is relevant to all Owners, Managers and Employees of small to medium sized businesses and those managing voluntary organisations in Shropshire.

In meeting the day-to-day challenges of the business, staff may already be working to near capacity. It may seem excessive to prepare and maintain a plan for the unexpected, but consider what would happen if **today** you lost your electricity supply or access to your premises for a week.

By following the template you can develop a simple Business Continuity plan that will be invaluable if your business suffers from an emergency.



*'90% of businesses  
that lose data from  
a disaster are  
forced to shut  
within 2 years'*  
(London Chamber of  
Commerce and Industry)

# What is Business Continuity Management?

Business Continuity Management is a process that can be applied to any business, small or large, that helps to manage the risks that threaten its survival.

These risks could be external to the business (such as power outages, severe weather) or internally (such as IT failure or loss of key staff)

The objective of business continuity management is to identify those hazards that may affect critical functions or activities and to ensure that these can be reduced or responded to in an effective way.

The process, as shown in the diagram below, is a continuing cycle of risk assessment and risk reduction. The plan is simply the written record of the process being applied to your business.

By following this guide and completing the Plan Template (can be downloaded into Word), you will be able to develop a Business Continuity Plan specific to your company.



## Why do we need a Business Continuity Plan?

- 80% of businesses affected by a major incident fail to reopen or close, within 12 months (AXA insurance plc)
- Nearly 1 in 5 businesses suffer a major disruption every year. (London First)
- It's good business sense

Experience has shown that organisations with business continuity measures in place are more likely to stay in business and recover quickly in the event of an emergency than those that do not.

Without a plan you could:

- suffer loss of revenue
- your reputation may suffer
- you may lose contracts and customers
- face legal penalties or even be forced to stop operating

# Plan Template Guide

Follow the guidance below to help you complete the Plan Template.

1. Know your Business
2. Assess the Risks
3. Formulate the Plan
4. Test the Plan



In the Plan Template, complete the information on the front page and in the Introduction Section.

Front Cover:	Add your logo, company name and the date the plan was last amended.
Distribution List:	List who has a copy of the plan and where each copy is held. This will ensure that when you update the plan you know who will need a copy.
'Any suggested changes' statement:	Add in the name of the person who is responsible for updating the plan.
References:	List any other plans, legislation, policy or guidance that may be relevant to your Business Continuity Plan – eg Fire Evacuation Plan
Aim and Objectives:	A generic Aim and Objective have been inserted here which can be amended if appropriate.

The guidance will help you fill in the rest of the Plan Template.

# **1. Know your Business**

In order to develop a Business Continuity Plan you need to have a thorough understanding of your business. This involves knowing the critical functions of your business, the effect of those functions being disrupted and the priority for recovery of those functions. This process is known as a 'Business Impact Analysis'.

To complete a Business Impact Analysis for each critical function follow the guidance below.

## **Critical Functions:**

You need to consider what the critical functions / activities are for your business - without which it would cease to operate?

Examples of Critical Functions, using a small manufacturing company as an example are:

- Staff Wages
- Call Centre
- IT Department
- Sales
- Goods in
- Distribution
- Manufacture

NB – You will need to complete a Business Impact Analysis for each of your Critical Functions / Teams. The Plan Template has 2 blank Business Impact Analysis tables in it. For additional Critical Functions for your business you will need to 'copy and paste' the table into the plan again.

## **Effect on Service:**

You should consider the importance of the function upon the survival of your business (percentage of income or work load, how critical the function is to other functions, etc.) and how quickly each function must be re-established.

For each of the time spans detailed, identify what the effect of the loss of the Critical Function would be (see illustration),

For example, disruption to the Goods-In function could have the following effect:

### **First 24 hrs**

- Lack of stock causing orders not completed on time
- Storage space for part processed goods causing concern

### **24 – 48 hrs**

- Manufacturing hours cut due to lack of stock
- Company reputation damaged

### **Up to one week**

- Financial implications of missed deadlines
- Need to outsource work to maintain market share

### **Up to 2 weeks**

- Loss of customers to competitors
- Temporary or permanent reduction in staff numbers

Illustration of disruption to 'Goods In' function

### **Resources required for recovery:**

This section will help you identify what resources you need and when you need them. When completing this section you need to consider the affects of loss of function/ service, per time span, as detailed in the illustration.

### **Number of staff:**

You will probably not need all your staff to be present immediately after an emergency.

For each time span, detail how many staff you would need.

For example, if you had a problem with a key supplier and no stock was available, you may not need your fork lift truck drivers, stock controllers, quality checkers, etc. to all be working to full capacity within the first 24 hours.

### **Relocation:**

Could the function be carried out by your staff anywhere else?

For example, working from home, in another branch office, mutual aid with another organisation, etc.

### **Equipment Required:**

For each time span, list what resources are required e.g.

- Computers (hardware and software)
- Vehicles
- Machinery
- Communication equipment (landlines / mobiles)

### **Data Required:**

List what data is essential to the delivery of the service/ critical function. e.g.

- Customer contact details
- Supplier contact details
- Service / maintenance contacts and contract numbers
- Insurance details
- Costing
- Work in progress

The completed Business Impact Analysis will assist you to prioritise what function or service you need to reinstate first during an emergency.

Using your Business Impact Analyses, complete the Critical Function Priority List in the Plan Template.

## **2. Assess the risks**

Risk is a statement of the chance of something happening that will impact on your business objectives. Risk is normally considered in terms of impact and likelihood of a hazard affecting your business. By assessing your risks you will be able to prioritise your risk reduction activities.

There are many hazards that may disrupt your business, these include:

- Flooding
- IT failure / loss of data
- Utility failure
- Fire or explosion
- Transport accident
- Extreme weather
- Loss of premises
- Staffing issues

These hazards will affect different businesses, and the critical functions within them, to varying degrees.

The Hazard Analysis Table lists the hazards to your business, the impact of each hazard, any mitigation in place or possible and the Risk Matrix Score.

<b>Hazard:</b>	<b>In this column list the hazards faced by your organisation.</b>
<b>Hazard Impact:</b>	List the physical disruption that may be caused List the financial implications of this disruption List people affected by the disruption (staff, clients, partners) e.g. Flooding <ul style="list-style-type: none"> <li>• Loss of access and utilities (electricity, phones, etc.)</li> <li>• Water damage to equipment and stock</li> <li>• Cost of damage and or fines for pollution</li> <li>• Teams working on ground floor</li> <li>• Customers and suppliers</li> </ul>
<b>Mitigation in Place</b>	List what you <b>currently</b> do that prevents or reduces the likelihood and or the impact of the hazard on your business? e.g. Flooding <ul style="list-style-type: none"> <li>• Monitor Flood Warnings issued by Environment Agency</li> <li>• Insurance to cover damage to equipment and premises</li> </ul>
<b>Mitigation Possible:</b>	List what <b>additional</b> actions can be taken to prevent or reduce the likelihood or the impact of the hazard on your business? e.g. Flooding <ul style="list-style-type: none"> <li>• Relocate premises to higher ground</li> <li>• Floodgates / sandbags stored ready for use</li> </ul>
<b>Risk Matrix Score:</b>	As described below.

The Risk Matrix, shown below, helps you identify the higher priority risks for your business. When considering the score you should think about any mitigation currently in place.

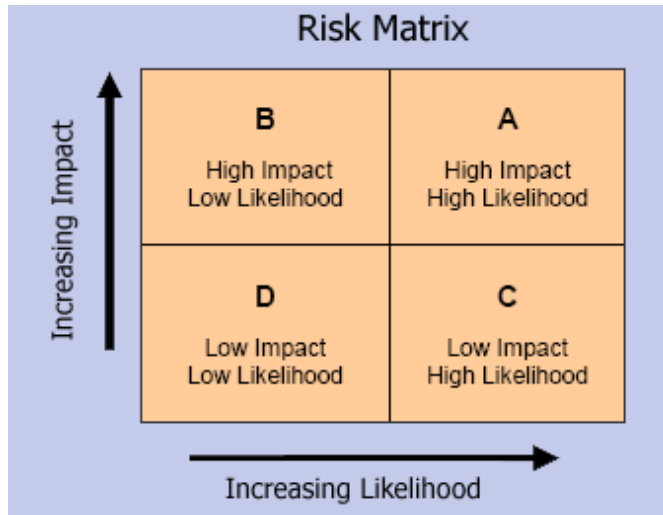
By determining the likelihood of the hazard occurring (either high or low), then determining the impact that hazard has on your business, it is possible to rate the risk as A, B, C, or D.

For example:

The likelihood of a chemical spill at your business: **LOW (B or D)**

The impact a chemical spill would have on your business: **HIGH (A or B)**

The Risk Matrix Score would be: **B**



When completed, the Hazard Analysis Table shows which the highest risks to your business are. You can now make an informed decision as to whether to accept or treat the risk.

Accept – You may decide that you are happy to ‘live with’ the risk as the cost of implementing any risk reduction strategies may outweigh the benefits.

Treat - You want to treat the risk i.e. take steps to reduce the impact or reduce the likelihood (‘Possible Mitigation’) because the risk is too great for your business.

It is not possible to mitigate against all risks, this is why a plan is required.

### **3. Formulate the plan – To respond to an emergency**

Having completed the Business Impact Analysis and Hazard Analysis Table, you now need to develop a generic checklist of actions that may be appropriate when an emergency occurs. The checklist in the Plan Template is designed for you to adapt to suit your business. You may wish to add text into the plan to outline any arrangements you already have in place, including any specific actions you would take for specific hazards.

The checklist can be used during an emergency to ensure that no major tasks are forgotten.

<b>Start a log of actions taken:</b>	<p>It is essential to keep a log of the actions you have taken and the decisions you have made. Include a time with each entry.</p> <p>This information will be vital if you have to defend in court any actions you have taken.</p> <p>A blank copy of a log sheet is located at the end of the Plan Template for use during an emergency.</p>
<b>Liaise with Emergency Services:</b>	<p>If the Emergency Services are involved in the Incident you will need to appoint somebody from your organisation to act as a Liaison Officer. This person needs to pass information between the Emergency Services response and your Internal Response Team.</p>
<b>Identify any Damage:</b>	<p>As soon as possible, and only if safe to do so, an assessment must be made as to the extent of the damage caused by the emergency.</p> <p>Consider, and document, the following:</p> <ul style="list-style-type: none"><li>• Injury to staff, contractors, public</li><li>• Damage to building</li><li>• Damage to plant / equipment / vehicles</li><li>• Damage to stock</li><li>• Damage to reputation</li></ul>
<b>Identify Functions Disrupted:</b>	<p>Document which functions or areas have been disrupted and the extent of the disruption.</p>

<p><b>Convene your Business Recovery Team:</b></p>	<p>You need to pre-identify who, within your organisation, will make up the team that will manage the Response and Recovery of the emergency.</p> <p>If the emergency is such that you need to call the team together you need to do so as soon as possible.</p> <p>Hint –</p> <p>In the Contact Sheet at the back of the Plan Template identify and list the members of your Response and Recovery Team.</p>
<p><b>Provide information to staff:</b></p>	<p>It is essential to keep your staff informed regarding the emergency and the response actions being taken.</p> <p>Staff may be concerned about:</p> <ul style="list-style-type: none"> <li>• Colleagues who may be injured</li> <li>• What is expected of them today</li> <li>• Should they turn up for work tomorrow</li> <li>• Will there still be a job for them if the building has gone up in smoke, etc.</li> </ul> <p>Consider issuing a help-line number for staff to call in on or, depending on the scale and type of emergency, tannoy announcement, email, and intranet, poster in a reception area / canteen, local radio or phone call to all staff.</p> <p>Remember – providing information quickly will stop rumours!</p>
<p><b>Decide on course of action:</b></p>	<p>Decide what you need to do and produce an Action Plan. Use the Critical Function Priority List and the Business Impact Analysis to assist you.</p>
<p><b>Communicate decision to staff and business partners:</b></p>	<p>Let staff and business partners know what you have decided to do.</p>

<p><b>Provide public information to maintain reputation and business:</b></p>	<p>Appoint a member of staff to act as your Media Representative. This person should be trained in Media Response Techniques and be able to answer questions regarding the emergency and the business in general.</p> <p>Your Media Representative should work in collaboration with the Emergency Services Media Officer if possible.</p> <p>A Holding Statement could be pre-prepared for your business so you just have to 'fill in the blanks' at the time.</p>
<p><b>Arrange a Debrief:</b></p>	<p>After every emergency it is important to hold a debrief so that you can learn from the experience.</p> <p>Disseminate the lessons learnt to all concerned.</p>
<p><b>Review Business Continuity Plan:</b></p>	<p>Following an emergency you should review and amend your plan as necessary.</p>

The next page of the Plan Template has a Key Contact List.

The list should be adapted to be relevant for your business. Consider including details of key employees, utilities, insurance company, suppliers, customers, key holder, Security Company, partner organisations, members of your response team, etc.

In line with the Data Protection Act, you need to ensure you have permission to hold personal information such as home contact numbers of your staff.

The final page of the Plan Template is a sample Log Sheet for you to use during an emergency.

## **4. Test the plan**

It is important that, once your plan is written, you test the procedures you have put in place.

Before a plan can be tested, employers and employees need to be familiar with the content of the plan and their role in the response and recovery. This can be done by reading through the plan together and discussing how you would apply it to a fictional scenario.

When you are confident that your staff understands the plan, and their part in it, you should test the plan by acting out a scenario – this is called an Emergency Exercise.

The Business Continuity Management Process is a circular process; it is vital the planning does not end once the plan is written. It should be reviewed and tested regularly to ensure it remains up to date and effective.

## Further information and guidance

For further information about Business Continuity you may wish to look at the following websites:

**Business Continuity Institute**  
[www.thebci.org](http://www.thebci.org)

**The Department of Trade and Industry**  
[www.dti.gov.uk](http://www.dti.gov.uk)

**London First**  
[www.london-first.gov.uk](http://www.london-first.gov.uk)

**London Prepared**  
[www.londonprepared.gov.uk](http://www.londonprepared.gov.uk)

**UK Resilience**  
[www.ukresilience.info](http://www.ukresilience.info)

**The Institute of Risk Management**  
[www.theirm.org](http://www.theirm.org)

**MI5**  
[www.mi5.gov.uk](http://www.mi5.gov.uk)

PDF Documents available from the Business Continuity Institute include:

1. Good Practice Guide
2. Building a secure business
3. Business tips for survival
4. Expecting the unexpected

This Emergency Guidance is provided as general information about planning for emergencies. It is not intended to replace detailed guidance and planning specific to you and your business. You should consider whether you need to obtain this. To the extent permitted by law, the West Mercia Local Authorities excludes any liability arising from the use of the Emergency Guidance and plans.

*[Insert name of company  
and or logo]*

# Business Continuity Plan

Date: \_\_\_\_\_

# Introduction

## Distribution List

Copy Number	Name	Location
001		
002		
003		
004		
005		
006		

**If you have any suggested changes to this plan, please notify  
[NAME and CONTACT DETAILS]**

## References and related documents

Document Title

## Aim of this Plan

To prepare this business to cope with the effects of an emergency.

## Objectives

- To define and prioritise the Critical Functions of the business
- To analyse the emergency risks to the business
- To detail the agreed response to an emergency
- To identify Key Contacts during an emergency

## Business Impact Analysis

<b>Critical Function:</b>	
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**Effect on Service:**

Time	Effect on Service:
First 24 hours	
24 – 48 hours	
Up to 1 week	
Up to 2 weeks	

**Resource Requirements for Recovery:**

Time	No. of staff	Relocation?	Resources required	Data required
First 24 hours				
24 – 48 hours				
Up to 1 week				
Up to 2 weeks				

## Business Impact Analysis

<b>Critical Function:</b>	
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**Effect on Service:**

Time	Effect on Service:
First 24 hours	
24 – 48 hours	
Up to 1 week	
Up to 2 weeks	

**Resource Requirements for Recovery:**

Time	No. of staff	Relocation?	Resources required	Data required
First 24 hours				
24 – 48 hours				
Up to 1 week				
Up to 2 weeks				

## Critical Function Priority List

<b>Priority</b>	<b>Critical Function</b>
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

This list can be used during an emergency to assist your decision making when compiling an Action Plan as to which function needs to be reinstated first.



# Emergency Response Checklist

For use during an emergency

- Start a log of actions taken:
- Liaise with Emergency Services:
- Identify any damage:
- Identify Functions disrupted:
- Convene your Response / Recovery Team:
- Provide information to staff:
- Decide on course of action:
- Communicate decisions to staff and business partners:
- Provide public information to maintain reputation and business:
- Arrange a Debrief:
- Review Business Continuity Plan:





Shropshire County Council acknowledges the assistance of  
Norfolk County Council and Shropshire Fire & Rescue Service  
in preparing this publication

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