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## The True Value and ROI of Business Continuity

# Agenda

- The Dreaded Question
- The Value on Investment (VOI) of Business Continuity
- Eight Ideas on Value on Investment (VOI)
- Communicating Value and Success
- Your Homework Assignment – Three Tasks

## The Dreaded Question

# The Dreaded Question

- What's the Return on Investment (ROI) of your continuity planning efforts?
  - “How much will you save the company?” **or**
  - “How much will you make for the company?” **or**
  - “What does this do to the company's bottom line?”
- Your likely response won't help you.



# One Likely Response

- You might say “Our plans will protect us from any downtime, which is projected to cost us <<*fill in the blank*>> dollars per second we are down.”
- Your execs will likely ask, “When did that happen last and how much did it cost us?”
- Net result: More than likely, you lose.



**Yikes!**

**We need to change the  
conversation!**

# Return on Investment

- Return on Investment (ROI) means – very literally – “return on investment.”
  - You need to prove that the company received the same amount of money back, or more, as it invested in your program.
- Is this the right metric?

# ROI and Your Program

- How do you demonstrate ROI in a business continuity program? Two ways...
  1. You can always point to your BIA, point to your planning efforts, correlate the two – and pray for the best.
  2. If an serious outage occurred, that's pretty easy.
- However...
  - Hard to do if you have had no disasters or plan activations.
  - Worse yet – you had an activation and it was easy... piece of cake!



# ROI and Risk Appetite

- As time passes from your last plan activation or perceived major threat or risk something begins to happen...
  - The risk appetite grows...

# ROI – A Misplaced Effort

- The effort to find the ROI of continuity planning or disaster recovery is misplaced...a bit of faulty logic.
  - ROI formulas provide a myopic and overly tactical view of BCP/DR initiatives.
  - ROI and cost-saving formulas may work well in a situation where dollars invested can be directly and unequivocally tied to sales of product or increases in market share.
    - Unfortunately, BCP/DR initiatives can't do that.

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# Soul Searching

- What if you stopped and thought about things differently?
- In other words, is there another, perhaps more meaningful way, to show value?
  - What is the value-add of business continuity?
  - Is the value-add only good in a disaster?
- *Is there a way to show value to the organization every day?*

# Furthermore...

- How could you think about recovery differently?
- How could you deliver similar results, but develop and/or deliver them differently?
- We can't keep doing the same thing...the world is changing.

# What are the Options?

- Shouldn't continuity professionals be asking if an even better alternative to ROI exists?
  - Is there a way to shift the question?
- Is it possible to tie dollars invested to desired **and** realistic company outcomes such as:
  - Increased resiliency.
  - Competitive advantage.
  - Effective staff training.
  - More thoughtful business processes.

# The Value on Investment of Business Continuity

# Value on Investment

- Value on Investment (VOI): Intangible assets that contribute heavily to an organization's performance.
  - These intangible assets include knowledge, processes, organizational structure, and ability to collaborate.
- VOI is the measure of the intangible benefits of a project or an activity.
  - VOI includes ROI.



# Shifting to Value on Investment

- Shifting to a VOI approach instead of an ROI approach provides the necessary forward-thinking framework for scoping, prioritizing, and initiating continuity projects. For example:
  - VOI seeks to measure the idea of creating company resilience and
    - Ties planning outcomes to increased employee skills
    - Creates value through collaborative planning and learning at every level of the organization.

# VOI Approach

- VOI measures the total value of “soft,” or intangible benefits derived from continuity initiatives, *in addition to* those “hard” benefits measured by ROI.
  - VOI is subjective and difficult to measure with the same precision as ROI.
  - Yet, a VOI approach is critical to encourage funding for continuity activities and the success of these efforts.

# BCP/DR Isn't Alone in This

- There are many other businesses and sectors working to reframe the discussion:
  - Higher education.
  - Technology.
  - Associations.
  - Think tanks.
  - NGOs.
  - Any organization that doesn't have tangible results to demonstrate value.

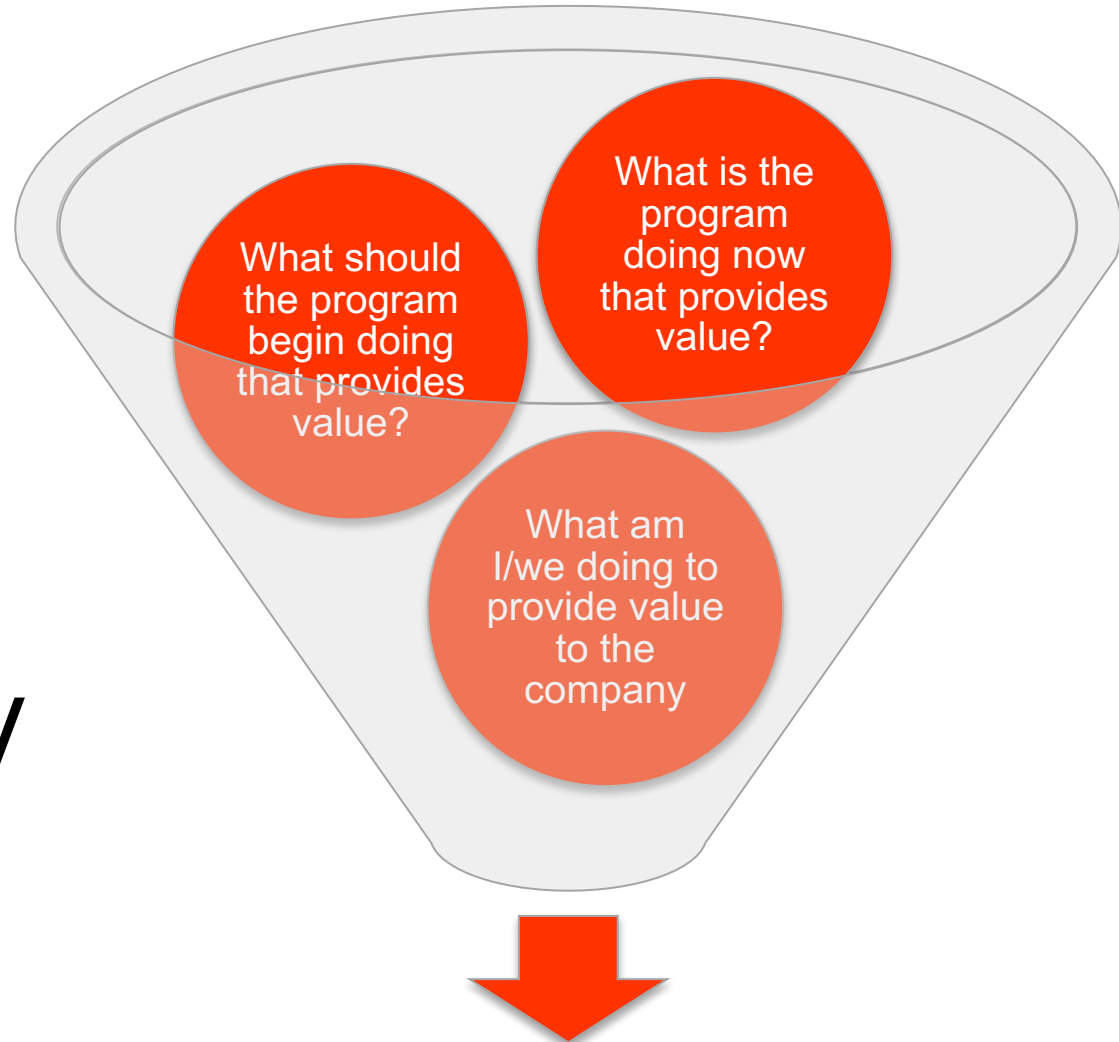
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**CHANGE**  
*the Conversation*

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# VOI of Business Continuity



Value on Investment (VOI) =  
Increased Company Resilience

# VOI of Business Continuity



- This is a great whiteboard activity to expand your thinking and deepen your message.
- Your session may look like this!

# Whiteboard Activity

- Establish goals for the whiteboard session.
- Set a timeline for the session.
- Give everyone on your team a homework assignment:
  - Bring to the session at least ten ways that the program provides value.
- Create the environment for success.
  - Be prepared at the start of the meeting with sketchpads, sticky notes, colored markers, or a large amount of whiteboard space for everyone involved.
- Write down and/or sketch out every idea

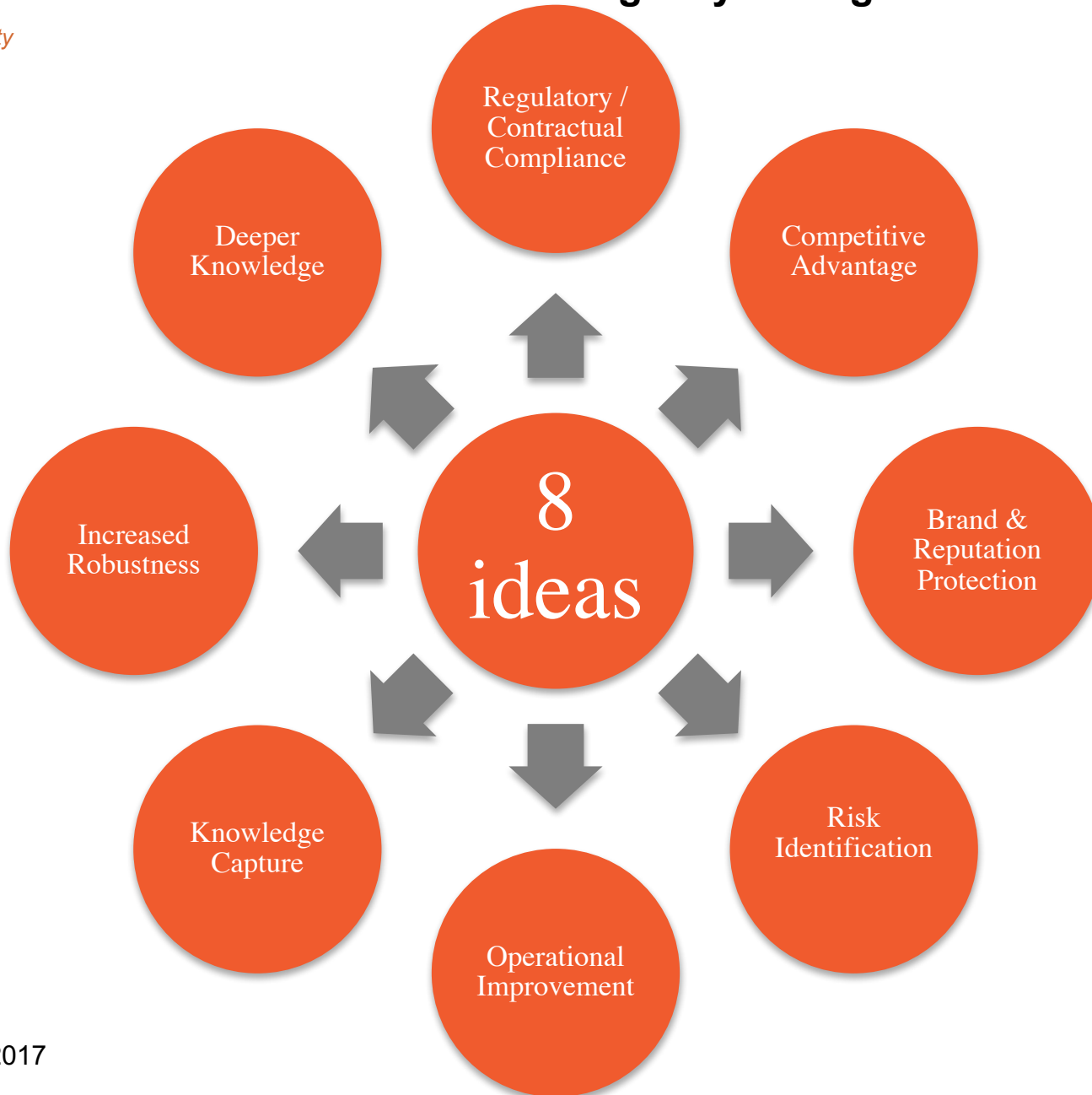
# Whiteboard Activity

- Don't judge.
  - Embrace the ridiculous! At the end of the day, it might be the best idea in the room.
- Start with general topics and then move towards the specific.
- Look for synergy among the ideas.
  - There is often potential for creating synergy among originally separate suggestions.
- Don't fall in love with your ideas.
  - Shop them around and see how they hold up.



## Eight Ideas on VOI

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# Regulatory/Contractual Compliance

- It could be a regulatory compliance matter thanks to one of your big customers.
  - I.e., FFIEC Appendix J: “Strengthening the Resilience of Outsourced Technology Services.”
- It may also be required in the contracts of one of your big clients.
- Even if your organization is not yet subject to requirements from external regulations, it may be in the future.
  - Many emerging government and international regulatory bodies have begun to mandate incorporation of Business Continuity Management into their policies and governance.

# Competitive Advantage

- Organizations prefer to do business with those who have a higher ability to deliver products and services on time.
- Having a comprehensive and tested Business Continuity program (one that includes IT recovery, business continuity, and supply-chain resiliency planning) assures customers of your ability to deliver on the mutually-agreed-upon SLA.
- Your competitors may not have a program, or as robust a program, and you can highlight that.

# Brand & Reputation Protection

- Having comprehensive Business Continuity and Crisis Management programs helps protect your organization from the negative publicity resulting from disruptions.
  - Being known for reliability is always good for business.
- If the “Bad Thing” happens, your communications and executive teams will have a story to tell – instead of an “Oops!” story.

# Risk Identification

- By conducting risk assessments across all physical locations and within each process or function, threats and vulnerabilities will be uncovered.
- These are all opportunities to make operational changes or physical enhancements that will reduce or eliminate the possibility of some organizational risks.

# Operational Improvement

- Often the greatest value of a comprehensive Business Continuity planning process is the awareness gained from examining the details of one's own business process, not just how to plan for a disruption.
- Planning can create awareness that results in opportunities to make operational improvements, especially in areas that had not previously been explored.

# Knowledge Capture

- Critical day-to-day business information is often scattered among spreadsheets, original documents, or in the heads of subject matter experts.
- Business Continuity planning becomes a perfect avenue to collect and organize that information for future use (including process improvements), and to prevent the information from being lost.



# Increased Robustness

- The Business Continuity planning process can strengthen the organization, not just by preparing for major disruptions, but also by giving employees the skills and knowledge to react more effectively to mitigate smaller everyday problems as they arise – and before they can become major disruptions.

# Deeper Knowledge

- When engaged in the planning process, we have had clients say that they actually learned even more about their current processes and how to do them more effectively.
- Even for a veteran employee, this process can lead to a deeper knowledge, which can help the day-to-day work.

## Communicating Value and Communicating Success

# Communicating Value

- Think of business continuity as a product that needs to be marketed strategically within your organization.
- What would your marketing approach be?
  - Overt efforts:
    - “September is National Preparedness month!”
  - Covert efforts:
    - Keep business leaders current on topics of the day.
    - Do analysis of contemporary events and share with appropriate individuals.

# Communicating Success

- How do you spread the word?
  - Know who needs to see this and find ways to get it to them.
- When events occur, find ways to leverage them:
  1. Prepare after-action reports for real activations or exercises. Outline lessons learned and next steps.
  2. Go back to your internal marketing plan. Whether it was a real activation or a great exercise, tell your story:
    - Internal communications – Articles, whitepapers, presentations.

# Your Homework Assignment

# Homework Assignment – Three Tasks



1. Get your own team together to “whiteboard” the value question.
2. Get your elevator speech ready!
  - Be ready to share the top five (at least) values on investment (VOI) that your continuity program provides to your company.
3. Start spreading the word!

# Thank you

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# Let the Conversation Begin!



# Panelists

- Cody Wright, Salesforce.com
- Chris Scheffler, Woodruff-Sawyer
- Stephen Fox, <<add>>
- Suzanne Gallie, Equinix, Inc.

# Format

- We have four questions to discuss with the panel.
  - Each panelist will have 3 minutes or less to discuss each question.
  - At the conclusion of each question, we will pause and ask the audience if they have any questions and then we will progress to the next question.

# Question #1

- Please give us the global view of your company / function:
  - What your company does (don't assume we know)
  - How many locations (roughly)
  - Staffing for the Business Continuity function? For expanded BCM organization?
  - What BCM elements are included in your program (such as ER response, Crisis/Incident Mgmt., BCP, DR, Crisis Comms.) and what group/team/department is responsible for each of those functions.
  - Lastly where does “business continuity” currently report in your org chart?

# Question #2

- What in the “value on investment” that your department provides to the organization?
  - In other words, what are doing that provides on-going value to the company?
  - List as many as you think applies Value on Investment (VOI): Intangible assets that contribute heavily to an organization’s performance.
  - These intangible assets include knowledge, processes, organizational structure, and ability to collaborate.

# Question #3

- What are the changes to your department that you have recently experienced if any, and what changes are you forecasting, if any?
  - This could include increase/decrease budget or staffing, additional/diminished responsibilities (note which ones), change in reporting structure, etc

# Question #4

- What are the changes that you think will happen to the BC industry and why?
  - Recommendations for your colleagues.