



“INTEGRATED BCM AND RISK EXPLAINED”

YOUR PRESENTERS

STEVE SIMMONDS – (DIRECTOR SYNERGYGRC)

JONATHAN CRISP – (DIRECTOR BARNOWL)



Session Overview

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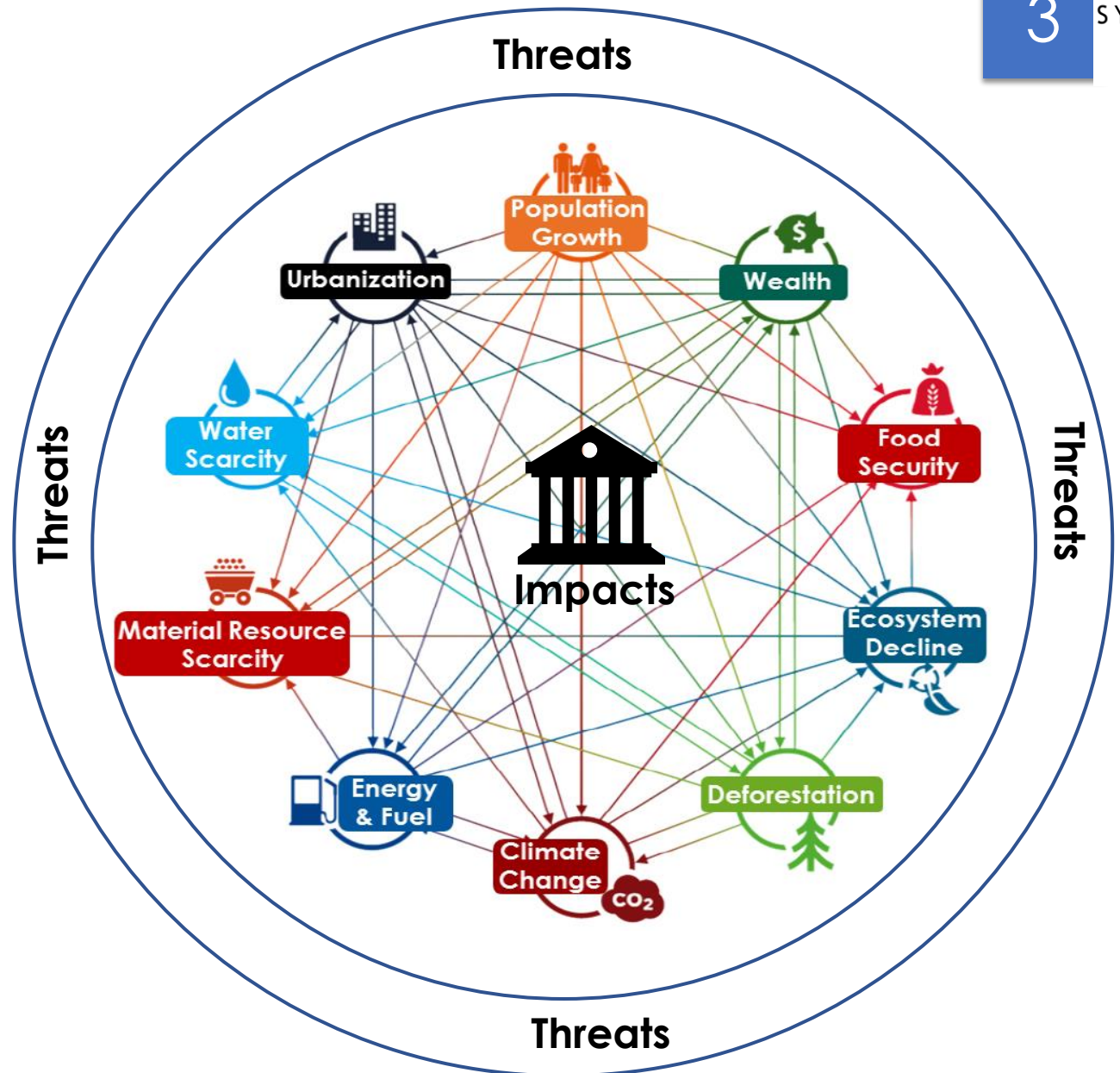
- ▶ Integrated BCM and Risk Explained
 - ▶ Agenda;
 - ▶ Planning for Potential Business Disruptions – Steve Simmonds
 - ▶ Integrating the BIA with Threat Risk Assessments using BarnOwl – Jonathan Crisp
 - ▶ Embedding the BIA and BCM Processes – Steve Simmonds
 - ▶ Questions



BARNOWL

The World We Live In

A CLOSED AND CONNECTED COMPLEX SYSTEM

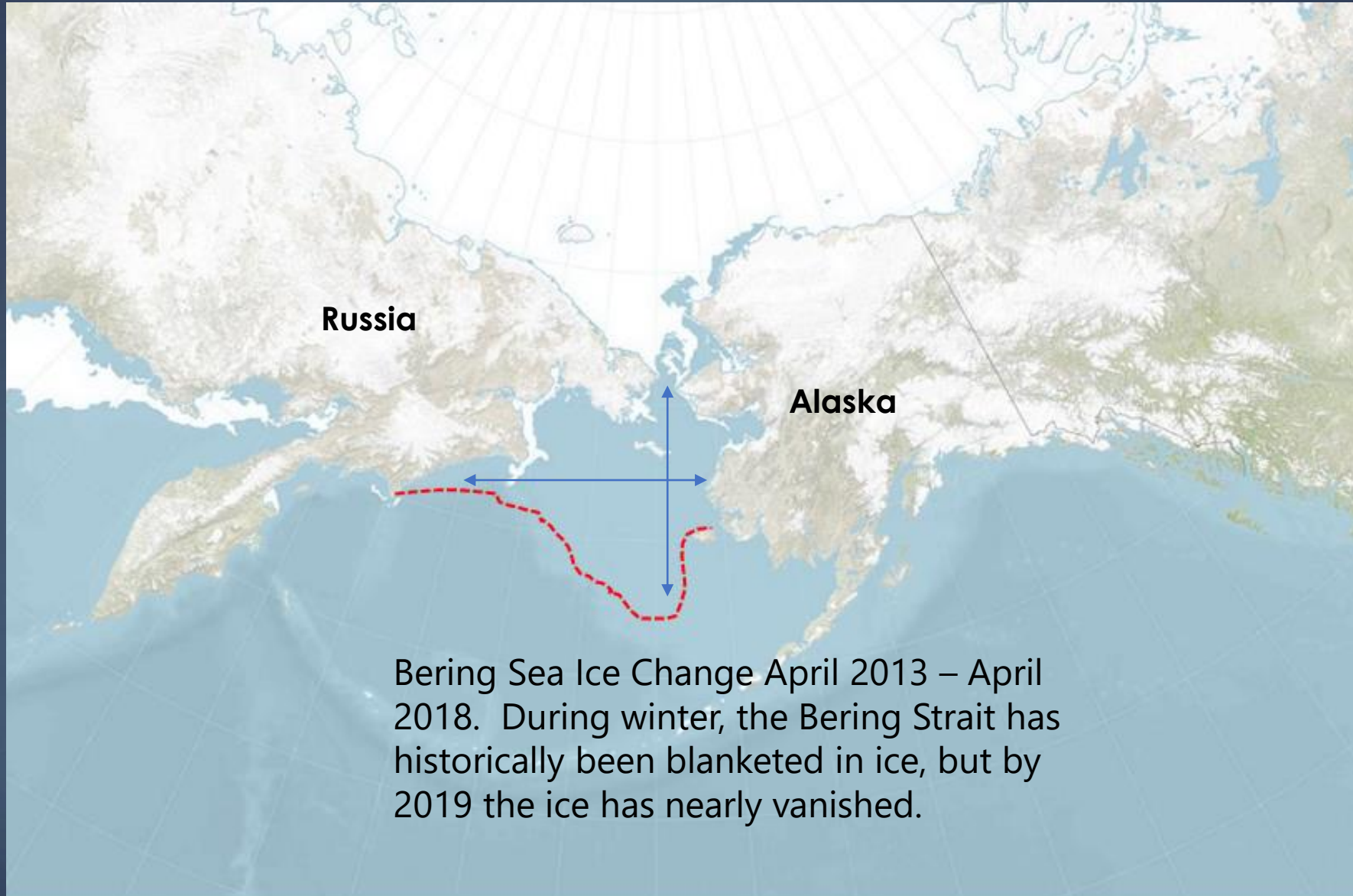


Climate Change – The Bering Sea

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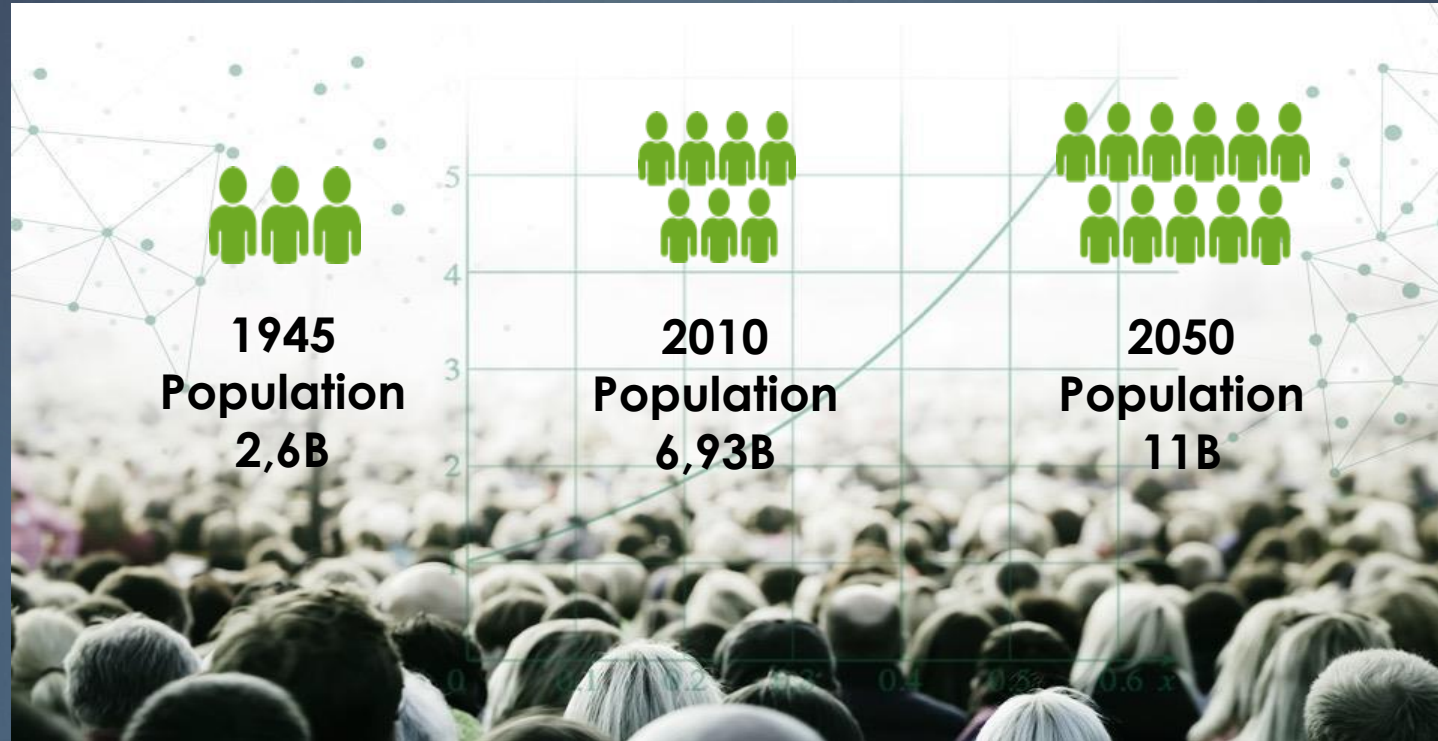


Threats and their Impacts



BARNOWL

The World We Live In



Threats

Impacts


Service
Delivery
Challenges


Rocketing
Care
Costs



Youth
Unemployment


Poverty &
Inequality


Conflict &
Unrest


Disease &
Malnutrition


Resource
Consumption


Food
Insecurity

Global Risks Landscape 2020 Prior to Covid 19

Threats and their Impacts



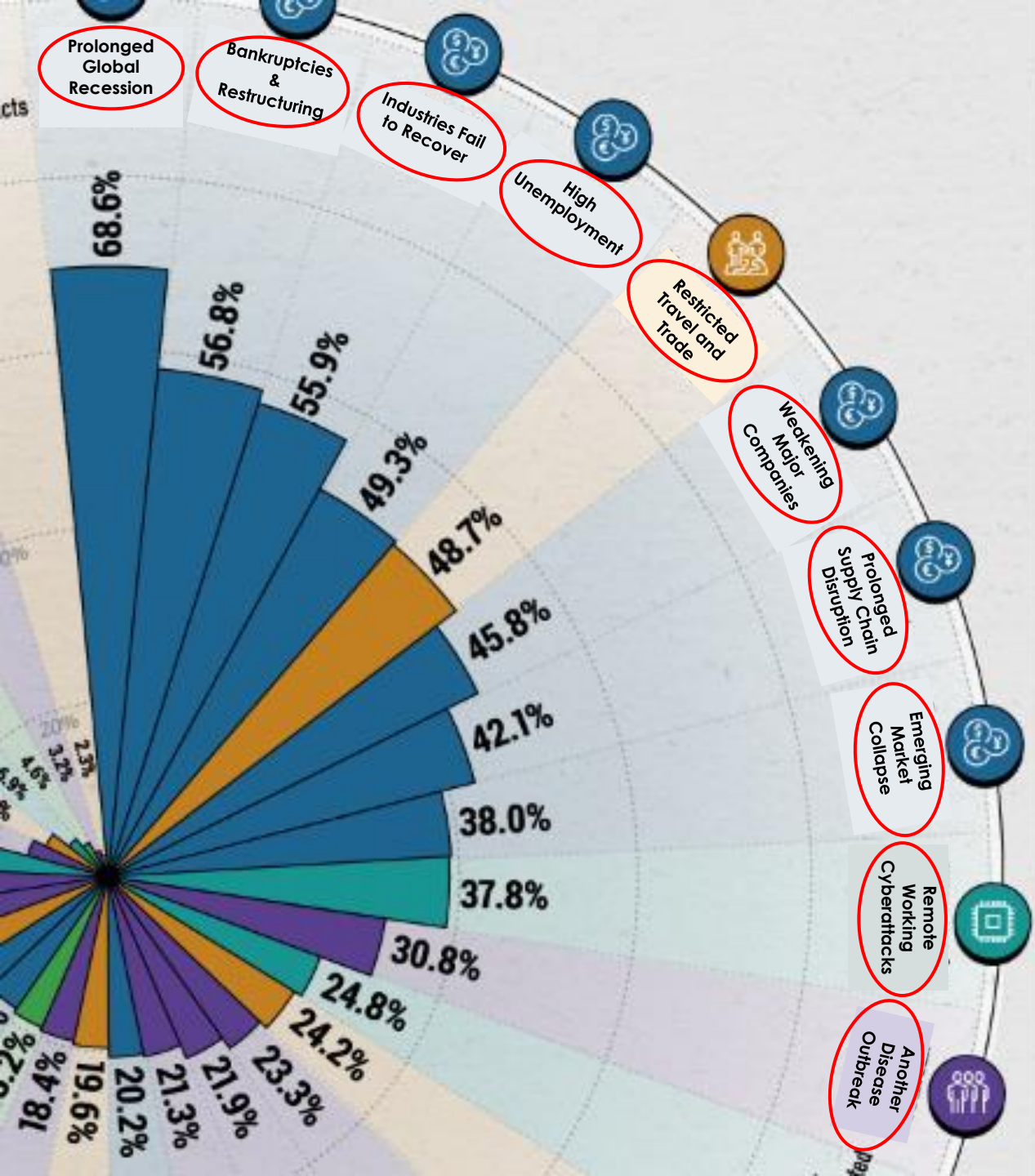
33% increase in Cyber Attacks in South Africa due to Covid 19



WEF 18 Month View of a Post COVID World

Calculated from the Opinions of 347 Senior Risk Analysts

On the bright side, many experts are also looking to this recovery trajectory as an opportunity for a “great reset” of our global systems





Another COVID-19 outbreak



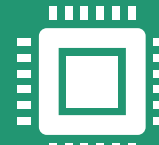
Human

Job Losses, Prolonged Recession



Economic

Technology Overload -
Cyberattacks and data fraud due to sustained shift in working patterns



Technical



THREATS

Higher risk of failing to invest enough in climate resilience and adaptation



Environment

Further restrictions on trade and travel movements



Geo/Political



What is Business Resilience?

“BUSINESS RESILIENCE: The ability to recover from setbacks, adapt well to change and keep going in the face of adversity”





Business Resilience

Business resilience planning is a governance and risk management responsibility that boards must address to enable them to survive and thrive in an increasingly hostile environment

Business Continuity



Systems and processes ensuring you can maintain essential operations and resumption in the event of crisis

Disaster Recovery

Subset of business continuity focusing on recovering IT & systems



Organizational Resilience



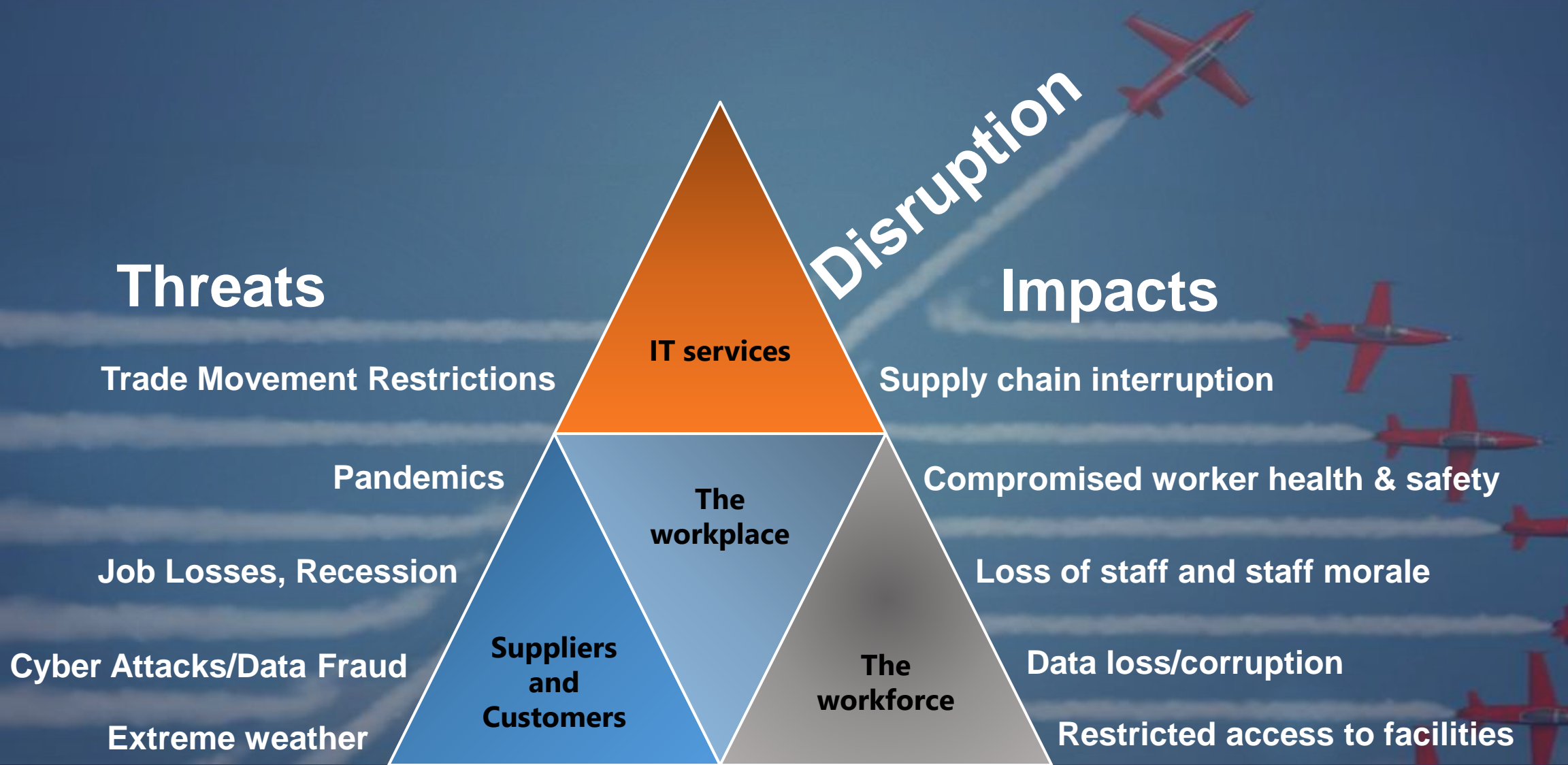
THE ICOR

THE INTERNATIONAL CONSORTIUM OF ORGANIZATIONAL RESILIENCE

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Business continuity management is a total business approach

Some Current Threats Facing Businesses and their Impacts



Why are impacts an important point of focus?

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Impacts

- Are associated with the processes and/or assets key to the business



Impacts

- Can be assessed objectively



Impacts

- Knowing them assists in corporate strategy and policy development



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Why is it Important to do a Business Impact Analysis?

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It determines the **impact** on a business when processes are not functional or available

It is based on an **inability** to perform a process

It identifies how **quickly** the process must be available

It is concerned with when a process needs to be **available**

It determines what technology or planning is needed for **functional recovery**



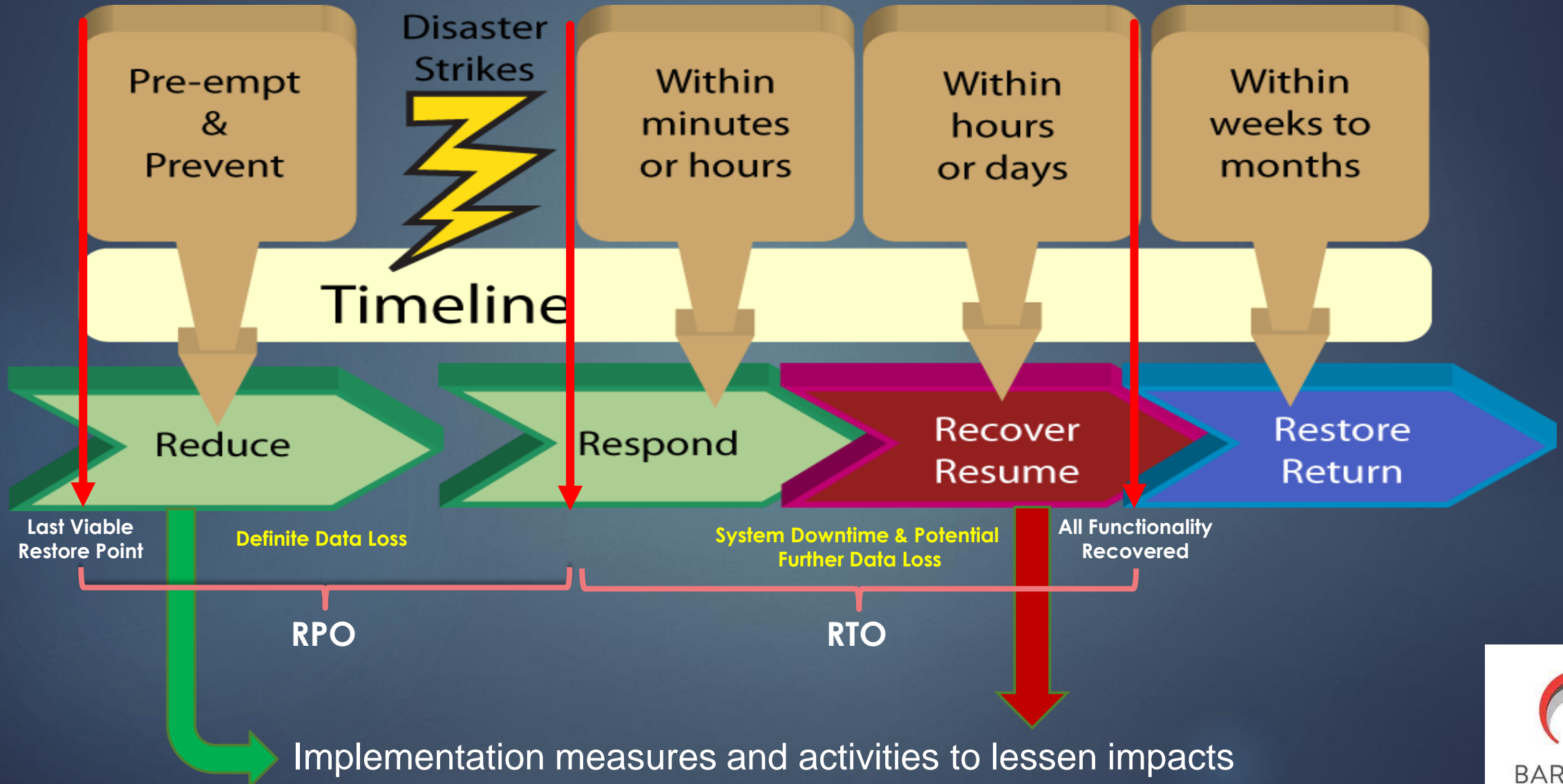
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BIA Assessment

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CRITICAL SUB PROCESS / ACTIVITY	BUSINESS DISRUPTION	PRIORITY	IMPACT	RECOVERY POINT OBJECTIVE (RPO) - Months	RECOVERY TIME OBJECTIVE (RTO) - Months Weeks Days	DEPENDENCIES	QUANTITATIVE IMPACT	QUALITATIVE IMPACT	TIME NEEDED TO RECOVER STAFF	RECOVERY STRATEGY	TIME NEEDED FOR RECOVERY (ks. > 2 weeks)	CONTINGENCY PLANS
Access Control	The potential effects of a disruption to critical business sub processes / activities as a result of a disaster, accident or emergency					Names of organizations and/or sub-processes / activities the critical sub process / activity depends on for normal operations	Financial amount associated with the critical sub process / activity, e.g., annual revenue generated by the process	Non-financial impact to the company, e.g., loss of reputation, loss of customers		Describes actions the business unit can take to recover to a "business almost as usual" state, e.g., work from home, relocate to an alternate area, recover to a hot site		Manual access document
Accounts payable												Unable to track payables
Salary Processing	Payment System											Verbal and written communication
CRM System	If CRM system products are											Verbal and written communication
Vendor Contract Management	Protection of confidential											Verbal and written communication
Assembly of medical devices	Unable to assemble due to no stock		BUSINESS DISRUPTION			DEPENDENCIES	QUANTITATIVE IMPACT	QUALITATIVE IMPACT				Ensure that buffer stock is managed to ensure continuity when delays occur
Customer sales calls	Unable to manage		Employees unable to swipe their access card at security.			Access system	R5 000,00	Time taken to sign people in manually				Look at option of providing all customer processing staff with mobile phones as back up when required
Control of component supplies to Manufacturing	Without the management cannot be		Unable to track receivables and payables			Sage Accounting System	R20 000,00	Delay in processing of documentation				Keep communication channels open at all times
Product Development	Product design CAD system											Look at the option of getting new CAD system due to dependency on provider being a 1 man business
Staging Orders for shipment	Orders cannot be shipped											Ensure all updates to the system have been installed

Recovery Strategy

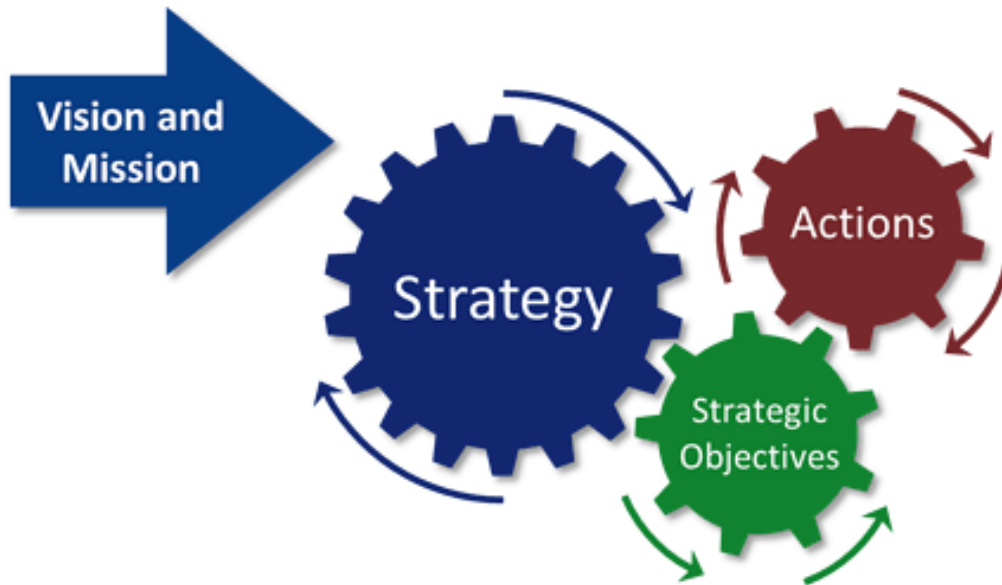


BIA is the “what” is impacted, and Risk Assessments are the “how” impacts occur

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▶ Strategic Objectives (Examples)

- ▶ Constructive board engagement
- ▶ Effective threat, impact and risk positioning
- ▶ Strong risk culture
- ▶ Commitment to policy implementation
- ▶ Desire to embed BCM in the organisations culture

Risk Assessment

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		BIA BUSINESS DISRUPTION		BIA QUALITATIVE IMPACT								Risk Score	Residual Risk Level		
		BIA BUSINESS DISRUPTION		BIA QUALITATIVE IMPACT											
Potential Threats	Potential Impact (Business Disruption)	Describe Business Function Impact (Qualitative Impact)	Information Type(s) Impacted/	Inherent Risk Level	Risk Decision										
Power Outage (Regional Blackout)	Employees unable to swipe their access card at security.	Time taken to sign people in manually	Security clearance/check information	MODERATE	Reduce							6	MODERATE		
IT System crash	Unable to track receivables and payables	Delay in processing of documentation	Accounting records - invoices, bills, accounts	HIGH	Develop a BCP							4	LOW		
Product Development	Control Systems Failure	Product design cannot be improved if CAD system is not available	Unable to meet product design deadlines	Design		2	2	4	LOW	Reduce		3	3	9	MODERATE
Staging Orders for shipment	Power Outage (Regional Blackout)	Orders cannot be shipped if shipment cannot be picked and packed	Unable to meet customer delivery requirements	Stock		4	3	12	HIGH	Avoid	Purchase Generator	3	3	9	MODERATE

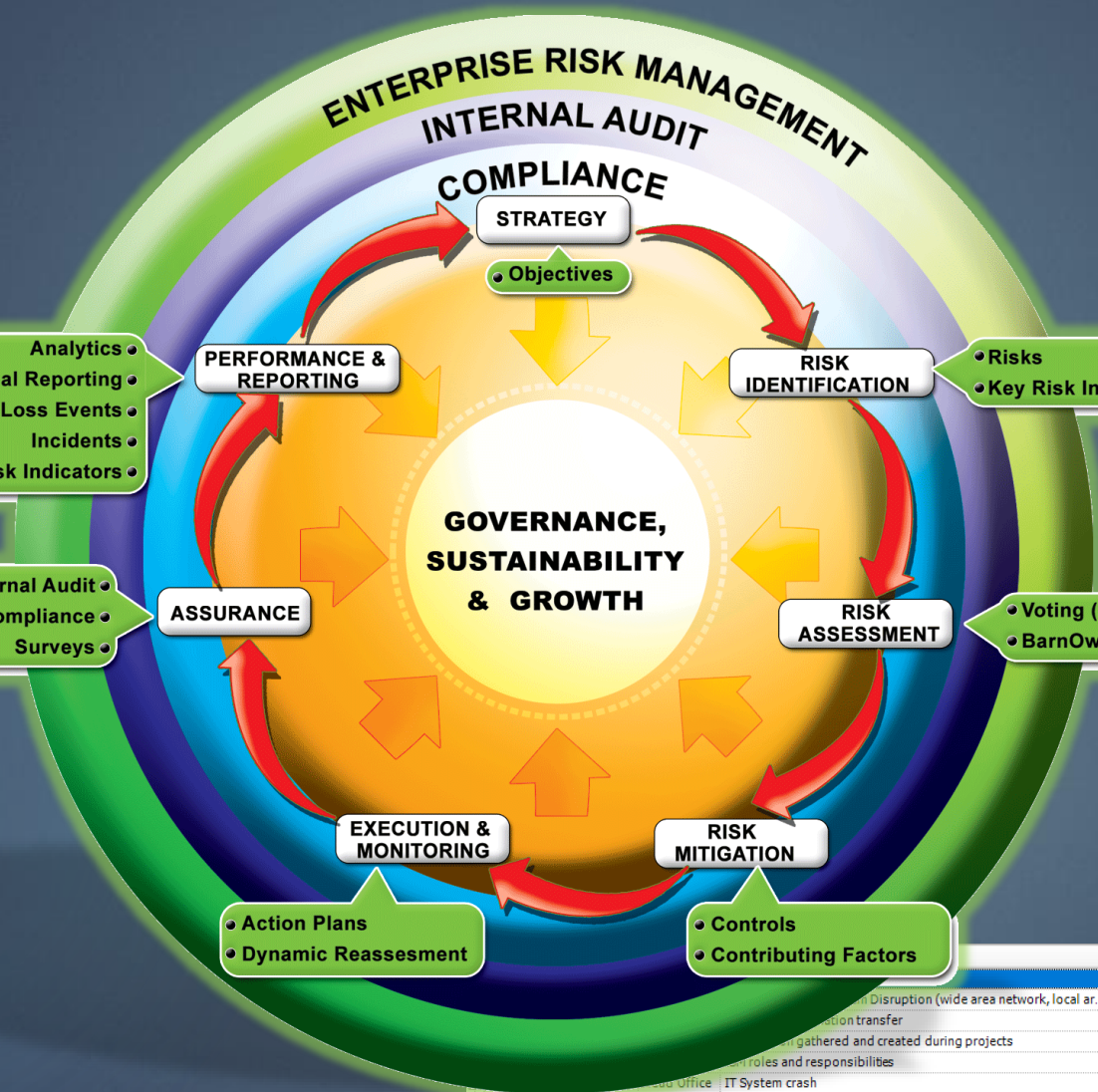
Integrating the BIA with Threat Risk Assessments using BarnOwl

Process Tree

- Process Root
 - ABC Cobit
 - BCM Standard
 - BIA
 - Contracts
 - Customer Order Processing
 - Design
 - Facility Management
 - Final Assembly
 - Human Resources
 - Internal Infrastructure
 - Internal IT Infrastructure
 - Inventory Control
 - Payroll
 - Procurement
 - Product Shipment
 - Project Management
 - BS25999
 - COBIT

Organisational Structure

- Root
 - ABC Corporation
 - Cape Town
 - Assets
 - Compliance
 - CT HR
 - Finance
 - Inventory
 - Materials Management
 - Procurement
 - Durban
 - East London
 - Johannesburg
 - Port Elizabeth



Process vs Unit Score Card - BIA

Processes	TOTAL	1	2
BIA	8.42	8.42	0.00
- Contracts	4.00	4.00	0.00
- - Vendor Contract Management	4.00	4.00	0.00
- Customer Order Processing	9.00	9.00	0.00
- - Customer Sales Calls	9.00	9.00	0.00
- Design	0.00	0.00	0.00
- - Product Development	0.00	0.00	0.00
- Facility Management	6.00	6.00	0.00
- - Access Control	6.00	6.00	0.00
- Final Assembly	9.00	9.00	0.00
- - Assembly of medical devices	9.00	9.00	0.00
- Human Resources	9.00	9.00	0.00
- Internal Infrastructure	9.00	9.00	0.00
- - CRM System	9.00	9.00	0.00
- Internal IT Infrastructure	7.00	7.00	0.00
- Inventory Control	0.00	0.00	0.00
- - Control of component supplies to Manufacturing	0.00	0.00	0.00
- Payroll	16.00	16.00	0.00
- - Salary Processing	16.00	16.00	0.00
- Procurement	12.00	12.00	0.00
- - Accounts Payable	12.00	12.00	0.00
- Product Shipment	0.00	0.00	0.00
- - Staging Orders for shipment	0.00	0.00	0.00
- Project Management	4.00	4.00	0.00

	II	IL	IR	RI	RL	RR	Risk ResponseD...	Potential Impact (Busines...	Business Function Impact...	Information Type(s) I
	3.00	4.00	12.00	3.00	3.00	9.00		Unable to make customer...	Unable to manage custom...	Telephone services
	4.00	4.00	16.00	4.00	4.00	16.00		Payment System not oper...	Delays in paying employe...	Payroll information, in
	4.00	4.00	16.00	4.00	2.00	8.00		No system in place for mo...	Information confidentiality	N/A
	4.00	3.00	12.00	4.00	1.00	4.00				N/A
	3.00	5.00	15.00	3.00	2.00	6.00		Lack of accountability and...	Lack of accountability	N/A
	4.00	4.00	16.00	4.00	3.00	12.00		Unable to track receivable...	Delay in processing of doc...	Accounting records - it
	3.00	4.00	12.00	3.00	3.00	9.00	Mitigate	IF CRM system is not oper...	Delays in processing of cu...	Customer correspond
	2.00	3.00	6.00	2.00	2.00	4.00		Protection of private and...	Loss of access to contract...	Supplier contracts
	3.00	2.00	6.00	3.00	2.00	6.00	Develop BCP	Employees unable to swip...	Time taken to sign people...	Security clearance/che
	4.00	4.00	16.00	4.00	3.00	12.00		Fraud and reputation	Fraud	N/A
	3.00	4.00	12.00	3.00	3.00	9.00	Mitigate	Unable to assemble medic...	Delay in provision of final...	Machinery
	2.00	4.00	8.00	2.00	3.00	6.00		No ?security measures hav...	Loss of confidential informa...	N/A

BIA Assessment in BarnOwl

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BarnOwl ERM

BarnOwl Dashboard - Head Office | Process Register - Head Office

Lock Register Refresh Expand Register Unwrap Text Print Export Register Favourite View Show Filter Close

Drag a column header here to group by that column.

Parent Process	Process	Process Title	Head count	Priority Ranking	Impact Category	Recovery Point Objectiv...	Recovery Time Objective (...)	Business Disruption	Dependencies
Facilities and Security	Facility Management	Access Control	10.00	2 - Vital—13–24 hours	INFRASTRUCTURE - Restricted access to facilities	16.00	6.00	Employees unable to swipe their access card at security.	Access Systems
Finance	Procurement	Accounts Payable	5.00	3 - Important—1–3 days	FINANCIAL - Increased expenses	4.00	12.00	Unable to track receivables and payables	Sage Accounting System
Human Resources	Human Resources	Business Disruption			Quantitative Impact			Loss of ability to deliver services	
Human Resources	Payment	Employees unable to swipe their access card at security.			Access Systems	5 000.00		Payment System not operational	Sage Payroll System
Information Technology	Internal IT Infrastructure	Unable to track receivables and payables			Sage Accounting System	20 000.00		If CRM system is not operational products cannot be sold	CRM System
Information Technology	Internal IT Infrastructure							Delay in processing of documentation	
Legal/Compliance	Contracts	Vendor Contract Management	4.00	3 - Important—1–3 days	LEGAL - Failure to fulfill contracts	16.00	8.00	Protection of private and confidential data compromised	Sharepoint
Manufacturing (Assembly)	Final Assembly	Assembly of medical devices	30.00	3 - Important—1–3 days	QUALITY AND SAFETY - Ability to maintain product/service standards	3.00	12.00	Unable to assemble medical devices due to no supply of components	Automated inventory management system
Marketing and Sales	Customer Order Processing	Customer Sales Calls	5.00	1 - Mission-Critical—0–12 hours	INTANGIBLE - Decreased customer satisfaction	3.00	12.00	Unable to make customer sales calls	PABX System
Operations	Inventory Control	Control of component supplies to Manufacturing	4.00	1 - Mission-Critical—0–12 hours	RESOURCE - Supply chain interruption	3.00	12.00	Without the automated inventory management system products cannot be assembled	Automated inventory management system
Project Management	Project Management	Project Management	2.00	4 - Minor—more than 3 days	LEGAL - Breach of warranties	0.00	0.00	Client service degradation	
Research and Development	Design	Product Development	3.00	4 - Minor—more than 3 days	INTANGIBLE - Diminished value of intellectual property	16.00	8.00	Product design cannot be improved if CAD system is not available	CAD System

Organisational Structure

- Root
 - 2019
 - ABC Corporation
 - CLIENT ABC
 - Head Office
 - Manufacturing
 - Operations
 - Warehousing
 - Client xyz

Organisational Struc... | Process Tree | Regulatory Universe | Risk Category Tree | Key Indicator Library | Templates

Impact Risk Assessment using BarnOwl (BIA focus)

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BarnOwl ERM

File Edit Create/Link View Reports My Favourite Reports Window Help

BarnOwl Dashboard - Head Office Process Register - Head Office Risk Register [Current] - Head Office

Lock Register Refresh Expand Register Unwrap Text Print Export Register Favourite View Show Filter Close

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Parent Process	Process	Process Title	Head count	Priority Ranking	Impact Category	Recovery Point Objectiv...	Recovery Time Objective (...)	Business Disruption	Dependencies
Facilities and Security	Facility Management	Access Control	10.00	2 - Vital—13—24 hours	INFRASTRUCTURE - Restricted access to facilities	16.00	6.00	Employees unable to swipe their access card at security.	Access Systems
Risk Title				II	IL	IR	RI	RL	RR
Power Outage (Regional Blackout)				3.00	2.00	6.00	3.00	2.00	6.00
Parent Process	Process	Process Title	Head count	Priority Ranking	Impact Category	Recovery Point Objectiv...	Recovery Time Objective (...)	Business Disruption	Dependencies
Finance	Procurement	Accounts Payable	5.00	3 - Important—1—3 days	FINANCIAL - Increased expenses	4.00	12.00	Unable to track receivables and payables	Sage Accounting System
Risk Title				II	IL	IR	RI	RL	RR
IT System crash				4.00	4.00	16.00	4.00	3.00	12.00
Parent Process	Process	Process Title	Head count	Priority Ranking	Impact Category	Recovery Point Objectiv...	Recovery Time Objective (...)	Business Disruption	Dependencies
Human Resources	Human Resources	Human Resources	50.00	1 - Mission-Critical—0—12 hours	FINANCIAL - Lost sales or income	8.00	12.00	Loss of ability to deliver services	
Human Resources	Payroll	Salary Processing	6.00	1 - Mission-Critical—0—12 hours	INTANGIBLE - Loss of staff morale	4.00	12.00	Payment System not operational	Sage Payroll System
Information Technology	Internal Infrastructure	CRM System	3.00	1 - Mission-Critical—0—12 hours	FINANCIAL - Delayed sales or income	4.00	12.00	If CRM system is not operational products cannot be sold	CRM System
Internal IT Infrastructure	Internal IT Infrastructure	Internal IT Infrastructure	5.00	3 - Important—1—3 days	INFRASTRUCTURE - Machinery/equipment damage	5.00	6.00	Business interruption	
Legal/Compliance	Contracts	Vendor Contract Management	4.00	3 - Important—1—3 days	LEGAL - Failure to fulfill contracts	16.00	8.00	Protection of private and confidential data compromised	Sharepoint

Organisational Structure

- Root
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 - Manufacturing
 - Operations
 - Warehousing
 - Client xyz

Threat Risk Assessment using BarnOwl (risk focus)

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BarnOwl ERM

File Edit Create/Link View Reports My Favourite Reports Window Help

BarnOwl Dashboard - Head Office Process Register - Head Office Risk Register [Current] - Head Office

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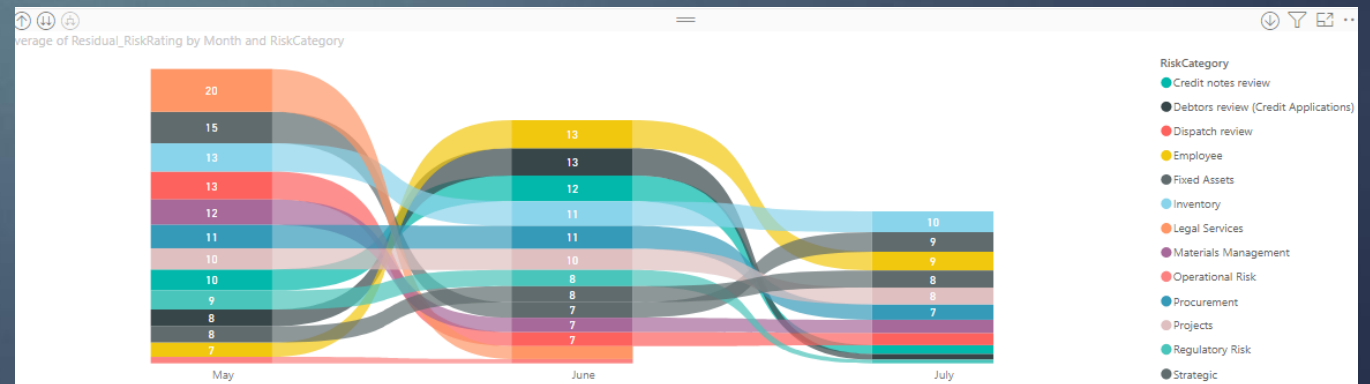
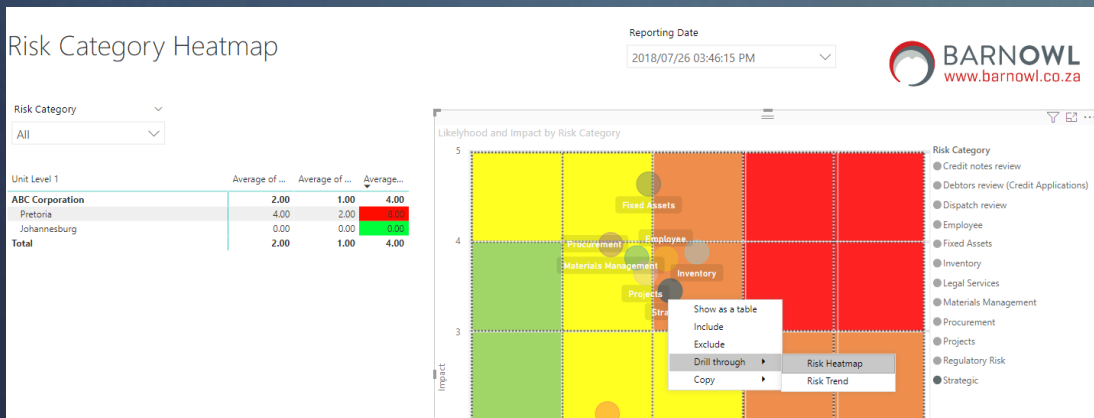
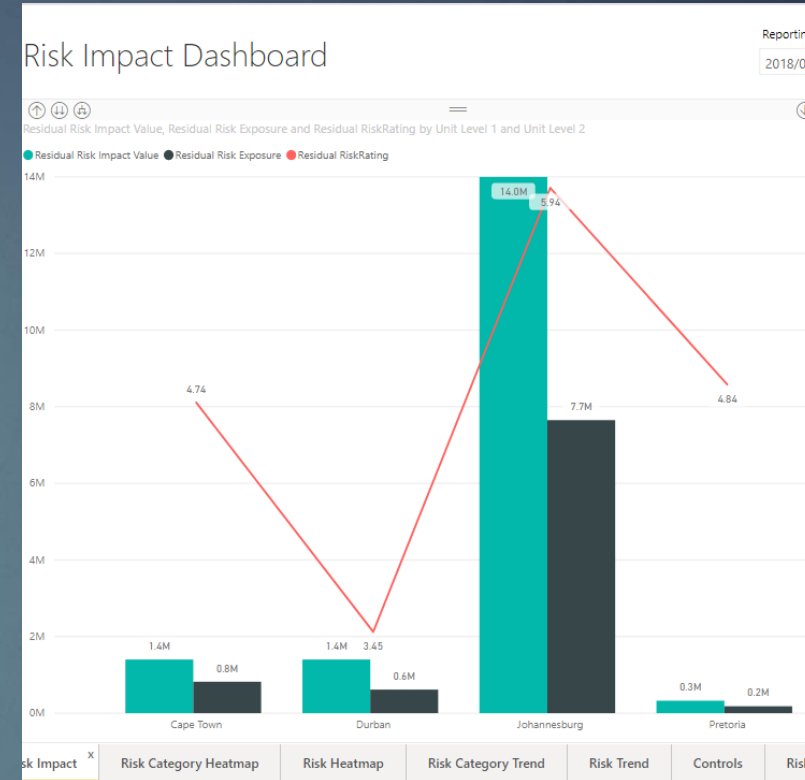
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RiskCategory	Risk Subcategory	Risk Title	II	IL	IR	RI	RL	RR	Risk Response Decision	Information Type(s) Impacted	
BIA - Facilities and Security	Facility Management	Power Outage (Regional Blackout)	3.00	2.00	6.00	3.00	2.00	6.00	Develop BCP	Security clearance/check information	
Control Title		Control Adequacy	Control Effectiveness								
Generator		Adequate	Effective								
Process Title	Head count	Business Disruption	Qualitative Impact		Quantitative Impact	Priority Ranking		Impact Category	Recovery Point Objecti...	Recovery Time Objecti...	Dependencies
Access Control	10.00	Employees unable to swipe their access card at security.	Time taken to sign people in manually		5 000.00	2 - Vital—13—24 hours		INFRASTRUCTURE - Restricted access to facilities	16.00	6.00	Access Systems
RiskCategory	Risk Subcategory	Risk Title	II	IL	IR	RI	RL	RR	Risk Response Decision	Information Type(s) Impacted	
BIA - Finance	Procurement	IT System crash	4.00	4.00	16.00	4.00	3.00	12.00		Accounting records - invoices, bills, accounts	
Control Title		Control Adequacy	Control Effectiveness								
BCP		Partially adequate	Ineffective								
Process Title	Head count	Business Disruption	Qualitative Impact		Quantitative Impact	Priority Ranking		Impact Category	Recovery Point Objecti...	Recovery Time Objecti...	Dependencies
Accounts Payable	5.00	Unable to track receivables and payables	Delay in processing of documentation		20 000.00	3 - Important—1—3 days		FINANCIAL - Increased expenses	4.00	12.00	Sage Accounting System
RiskCategory	Risk Subcategory	Risk Title	II	IL	IR	RI	RL	RR	Risk Response Decision	Information Type(s) Impacted	
BIA - Human Resources	Human Resources	ISM roles and responsibilities	3.00	5.00	15.00	3.00	2.00	6.00		N/A	
BIA - Human Resources	Human Resources	Segregation of duties	4.00	4.00	16.00	4.00	3.00	12.00		N/A	
BIA - Human Resources	Payroll	Communications System Disruption	3.00	4.00	12.00	3.00	3.00	9.00		Telephone services	
BIA - Information Technology	Internal Infrastructure	IT System Crash (CRM)	3.00	4.00	12.00	3.00	3.00	9.00	Mitigate	Customer correspondence and complaints	
BIA - Internal IT Infrastructure	Distributed Information	Control of information transfer	4.00	4.00	16.00	4.00	2.00	8.00		N/A	
BIA - Internal IT Infrastructure	Mobile Equipment	Use of unprotected mobile computing and communication facilities	2.00	4.00	8.00	2.00	3.00	6.00		N/A	
BIA - Legal/Compliance	Contracts	Loss of Data or Network Service Disruption	2.00	3.00	6.00	2.00	2.00	4.00		Supplier contracts	

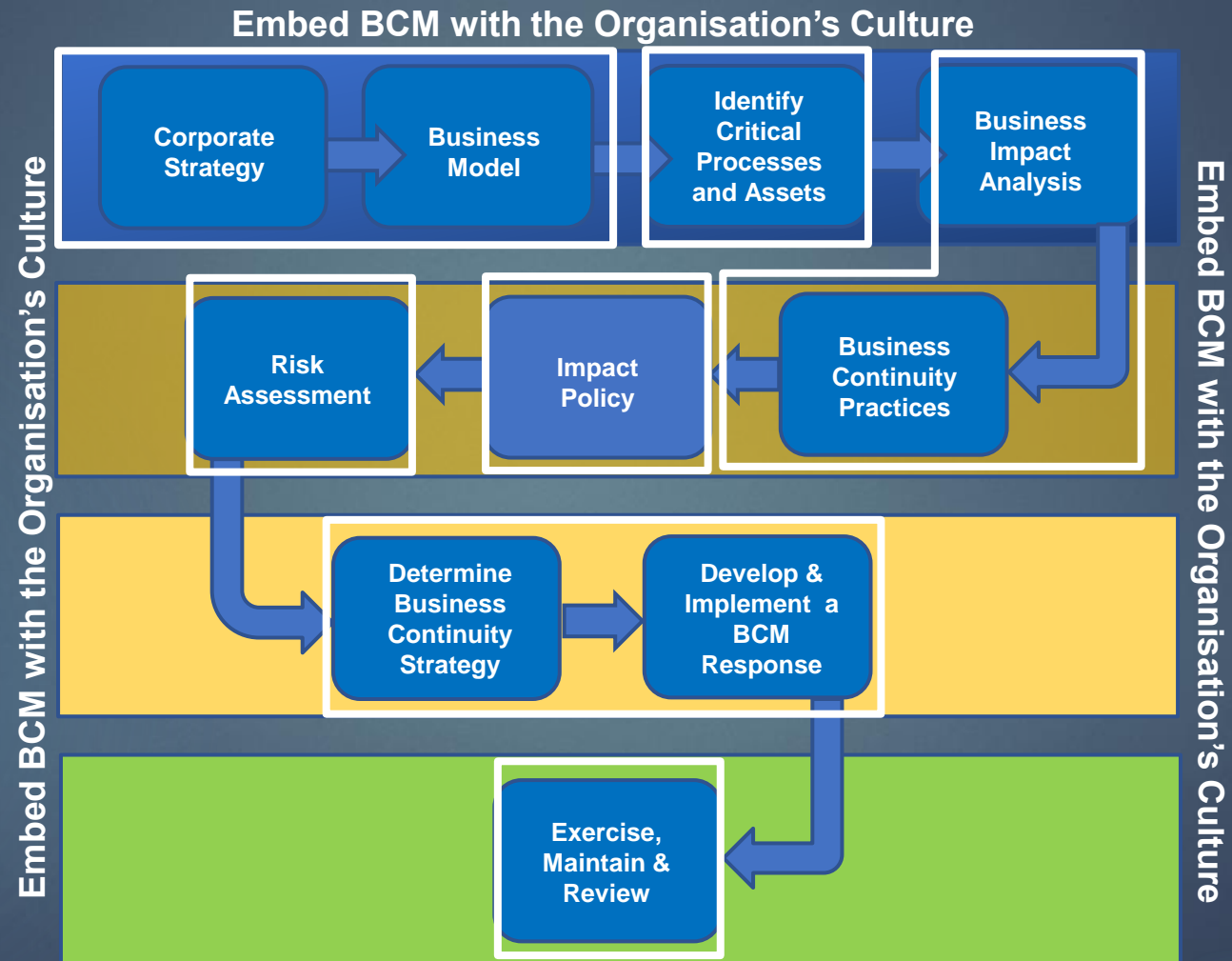
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Enhanced reporting using BarnOwl



Embedding the BIA and BCM Processes



Stakeholder Communication

An evolved Business Continuity Management Framework

Thank you for attending our Webinar

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