BUILDING BUSINESS CONTINUITY PLANS
TO MAINTAIN OPERATIONS

DIANE BLAIR
DIRECTOR, FIELD OPERATIONS
Diane Blair
Director, Field Operations

Diane is responsible for overseeing Honeywell Intelligrated’s domestic and international contract services, including more than 400 technicians. In addition, she is in charge of Honeywell Intelligrated’s Lifecycle Services international operations.

With over 25 years of experience in the material handling and logistics industries, Diane is an expert in facilities management and systems maintenance. She is a member of the Project Management Institute, is PMP certified, and honorably served in the U.S. Army.

Diane earned a bachelor’s degree in industrial engineering from Auburn University.
CONTINUITY

A state of stability and the absence of disruption
WHAT IS A BUSINESS CONTINUITY PLAN (BCP)?

A set of strategies and preventive action plans to ensure the operation of essential functions during any kind of disruption.

<table>
<thead>
<tr>
<th>Prevention Strategies</th>
<th>Response Strategies</th>
<th>Recovery Strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actions and plans that must take place as a preventive measure BEFORE the disruption happens</td>
<td>Detailed response plan to address each identified risk</td>
<td>Plans that must happen AFTER the disruption has been stabilized to drive total recovery and adjust BCP</td>
</tr>
</tbody>
</table>
POLLING QUESTION

Which types of business continuity plans are defined in your organization? Please check all that apply.

• Prevention
• Response
• Recovery
• None of the above
# WHAT SHOULD BE INCLUDED IN YOUR BCP?

<table>
<thead>
<tr>
<th>Purpose and Scope</th>
<th>Goals</th>
<th>Risk Analysis</th>
<th>Business Impact Analysis</th>
<th>Response and Recovery Plan</th>
<th>Restoration Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Create norms and standards to continue and recover essential business functions and processes.</td>
<td>Protect safety of employees and others at facilities.</td>
<td>Identify areas of exposure.</td>
<td>Determine and evaluate the effects the identified risks would have on critical business functions should a disruption occur.</td>
<td>The “how” to maintain essential functions</td>
<td>Identify changes that must be made to process due to stabilization of disruption.</td>
</tr>
<tr>
<td></td>
<td>Maintain customer service by minimizing disruption of operations.</td>
<td>Identify potential weak areas.</td>
<td></td>
<td>Know what to do when.</td>
<td>Identify long-term changes required.</td>
</tr>
<tr>
<td></td>
<td>Protect physical assets, brand, image and reputation.</td>
<td>Identify dependencies.</td>
<td></td>
<td>Determine where help is coming from.</td>
<td></td>
</tr>
</tbody>
</table>

**Building Business Continuity Plans to Maintain Operations**

Honeywell Confidential - ©2020 by Honeywell International Inc. All rights reserved.
WHAT’S YOUR WHY?

Understand the purpose.
HOW FAR DO YOU GO?

Understand requirements.
POLLING QUESTION

How would you classify your organization's appetite for risk? What level of risk are they willing to accept?

- High
- Medium
- Low
WHAT’S THE END GAME?

Define your goals.

Protect safety of employees and others at facilities

Maintain customer service by minimizing disruption of operations

Protect physical assets, brand, image and reputation

?
RISK ANALYSIS — WHAT COULD HAPPEN?

Potential Threats

- Mechanical Failure
- Network Connectivity / Security
- Fire
- Supply Chain
- Power Loss
- Viral Outbreak
- Natural Disaster
- Human Error
- Storm
- Theft
WHAT TO CONSIDER IN RISK ANALYSIS

CRITICAL EQUIPMENT
Identify all critical equipment from operational equipment to facility equipment.

RESOURCES
Identify essential skill sets. Identify what cannot be done with a smaller staff. Identify additional budget needs.

SUPPLY CHAIN
Identify critical vendors or supplies that could be affected as a result of the threat.

OPERATIONS
Identify essential functions that must continue during any disruption to meet primary goals.
Updated CMMS
Updated inventory

SUBCONTRACTORS
Identify any at-risk subcontractors and secondary subcontractors. Identify value-add vendors.

SAFETY
Evaluate any changes that must be made to operate during the disruption.

What are your largest areas of risk?
POLLING QUESTION

What do you feel is your organization’s largest area of risk?

• Critical equipment
• Supply chain
• Subcontractors
• Resources
• Operations
• Safety
## RISK MATRIX

<table>
<thead>
<tr>
<th>Likelihood Scale</th>
<th>Criteria</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rare</td>
<td>0–5%</td>
<td>Extremely unlikely or virtually impossible</td>
</tr>
<tr>
<td>Unlikely</td>
<td>6–25%</td>
<td>Unlikely to occur</td>
</tr>
<tr>
<td>Possible</td>
<td>26–50%</td>
<td>Fairly likely to occur</td>
</tr>
<tr>
<td>Likely</td>
<td>51–75%</td>
<td>More likely to occur</td>
</tr>
<tr>
<td>Almost certain</td>
<td>&gt;75%</td>
<td>Almost certain will occur</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Likelihood</th>
<th>Consequence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rare</td>
<td>Low Minor Medium High</td>
</tr>
<tr>
<td>Unlikely</td>
<td>Low Minor Medium Medium High</td>
</tr>
<tr>
<td>Possible</td>
<td>Low Medium Medium High High</td>
</tr>
<tr>
<td>Likely</td>
<td>Medium Medium High High Extreme</td>
</tr>
<tr>
<td>Almost Certain</td>
<td>Medium Medium High Extreme Extreme</td>
</tr>
</tbody>
</table>

Collaboration is the key.
A TAILORED APPROACH TO RISK MITIGATION

ANALYZING RISK
- Critical Equipment Assessments
- Full System Assessments
- Parts Assessments
- Operational Assessments
- Maintenance Assessments

REDUCING RISK
- Emergency Service Contracts
- Emergency Parts Replenishment
- Extended Technical Training
- Critical Path Optimization

INSURING AGAINST RISK
- Resident Services
- Technical Services
- Obsolescence Management
- Dedicated Parts Stock

Building Business Continuity Plans to Maintain Operations
**BUSINESS IMPACT ANALYSIS (BIA)**

Identify and prioritize critical functions and processes that support the purpose and goals of the organization.

Assess financial and operational impact of disruption on critical elements.

Identify critical functions to support the organization based on severity of impacts.

Estimate resources each critical function will require to maintain operations.

Estimate recovery time for each critical function.

Identify dependencies for critical functions.

Determine recovery point for critical functions.

Critical to define total impact of disruption
WHAT TO CONSIDER IN BIA

FINANCIAL IMPACTS
Lost sales and income
Delayed sales or income
Increased expenses

RESOURCE IMPACTS
Effect and cost of absenteeism
Loss of required skill sets
Added workload due to absenteeism

MARKET IMPACTS
Loss of market share
Customer dissatisfaction
Customer defection

SUPPLY CHAIN
Missing critical components or product
Late or stoppage of shipment to customers

OPERATIONS
Large swings in volume
Changing operational models to meet requirements and demand

SUBCONTRACTORS
Reduced capacity due to demand
Reduced available skill sets

What has the biggest impact on your business?
## BIA DATA SAMPLE

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Critical path operation</td>
<td>10</td>
<td>Extreme</td>
<td>Extreme</td>
<td>High</td>
<td>Medium</td>
<td>30 mins.</td>
<td>2 hours</td>
<td>2</td>
</tr>
<tr>
<td>IT network</td>
<td>20</td>
<td>Extreme</td>
<td>Extreme</td>
<td>Medium</td>
<td>Medium</td>
<td>15 mins.</td>
<td>30 mins.</td>
<td>1</td>
</tr>
</tbody>
</table>

- **Business Function**: Can you service your customer without it?
- **Total Dependencies**: What other business processes do you require to restore the process to full operational capacity, including vendors, IT systems and other business processes?
- **Customer Impact**: What happens to the customer if you are down?
- **Financial Impact**: How much does it cost to be down?
- **Resource Impact**: What will downtime do to the rest of the resources?
- **Legal Impact**: Are there any legal ramifications, SLAs, regulations, etc.?
- **Recovery Time Objective**: How long can you operate without this function?
- **Maximum Allowable Downtime**: How long can you be down before there is severe impact to your business?
- **Overall Priority**: What functions are deemed to be the most critical?
RESPONSE AND RECOVERY PLAN

Response Plan

• Short term

• What has to happen immediately?

Recovery Plan

• Long term

• What is needed for a marathon?
WHAT TO CONSIDER IN BUSINESS CONTINUITY RESPONSE AND RECOVERY PLAN

**RESOURCES**
- Absenteeism
- Loss of critical personnel

**SUPPLY CHAIN**
- Alternate supply of critical needs
- Activate established emergency stock plans

**SAFETY**
- Deploy any additional safety materials.
- Deploy training to meet temp labor demands.

**SUBCONTRACTORS**
- Activate established emergency service contracts.
- Activate temp labor arrangements.

What is the first priority?
RESTORATION: IS THERE A NEW NORMAL?

ASSESSMENT

ANALYSIS (INSIGHT)

BUILDING BLOCKS

IMPLEMENTATION

OUTCOMES

Building Business Continuity Plans to Maintain Operations