Framework for organizational professional skill development and implementation for business continuity
- Implementation of BCM professional developments into HRM in organizations -

September 30th, 2014

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1. Research background and motivations

2. An approach for developing framework under considerations

3. Next steps and challenges
1. Research background and motivations
Broader and longer repercussions of recent large-scale-disasters

The increasing difficulties in intangible business impact analysis before disasters

Repercussions are getting wider and broader especially in intangibles

3.11 Great East Japan Earthquake

- Loss of people
- Loss of facilities
- Loss of local governments
- Loss of critical infrastructures

- Tsunami
- Nuclear power plant accidents

- Disruption of nationwide and global supply chains
- Loss of hidden "single point of failures"
- Transportations (roads, railroads, ports)
- Lifelines (water, gas, electricity)
- Telecommunications (voice, data)
- Financial services (bank ATM, insurance payments)
- Reputational damages in agriculture
- Reputational damages in exports
- Reputational damages in tourism
- Business disruption by the evacuation of orders
- Blackout in metropolitan areas
- Requirements for planned power outages

- Traffic disturbance in the Tokyo metropolitan area
- A series of aftershocks

- Wide-area land liquetation
- Sand boiling
- Sagged buildings

- Major disruption of commute in Tokyo metropolitan area
- Lack of HR
- Slacked logistics
- Disruptions in nationwide and global supply chains

- Abandon of business continuity
- Leaksage of underground water and sewerage pipelines
- Explosions of chemical complex caused by leakage of fuel pipelines
- Sunken facilities and inventories
- Disruption of factory operations

- Slow down economy resulting in stock prices and ratings on JGB
Emerging interdependencies among social functionalities
Increasing needs for analyzing interdependencies in the “networked” society

Interdependencies among organizations

Interdependencies among societal layers

Our daily like and business operation
Critical infrastructures
Governmental services
Needs for interoperability in disaster management

Inconsistencies among organization will cause inefficiencies and unnecessary conflicts in response and recovery activities.

- Large Company A: Guideline A
- SME B: Guideline B
- Large Company C: ISO 22301
- Local Government A: Governmental requirements

- Inconsistent info.
- Lack of resources
- Conflicts in coordination
- Delayed decisions
- Delayed recoveries
Professionals with a common language are keys for success
Emerging needs for professional developments for PPP (Public-Private Partnerships)-based BCM

Common framework for professional skill development and networking
The initial observations
The difficulties for professional developments in BCM and needs for a comprehensive framework

Difficulties in developing BCM (or Societal Security) – related skills in organizations
- No well-defined career-paths for the professionals in this field.
- Many external training courses are available but with relatively narrow focuses.
- As a result, the professionals tend to be isolated especially from management itself and limited contributions.

Difficulties for individual professionals to maintain certifications
- Many professionals in BCM maintain several BCM certifications and others.
- This situation sometimes causes inefficiencies in maintaining the certifications and professional networks.

Needs for a comprehensive framework for professional skill sets
- A comprehensive framework for the professional skill sets with criteria, levels may contribute in skill development & implementation in organizations.
Many responsibilities are assigned to the professionals

The difficulties for individual professionals skill definitions
Many options are available for professionals in BCM

The difficulties for individual professionals to maintain certifications and professional networks
2. An approach for developing framework under considerations
Developing and implementing professional skills in organizations
Several input will be discussed ISO Study Group in November (TC292-Security)
Expected outcomes from the framework

Mid-long term professional developments in organizational HRM (Human Resource Management) operations along with organizational strategy.
10 shared criteria for BCM professional development
Agreed criteria between BCI* and DRII** in the past is still worth to be a starting points

① Initiation and Management
② Business Impact Analysis
③ Risk Evaluation and Control
④ Developing Business Continuity Management Strategies
⑤ Emergency Response and Operations
⑥ Developing and Implementing Business and Crisis Management Plans
⑦ Awareness and Training Programmes
⑧ Maintaining and Exercising Continuity and Crisis Management Plans
⑨ Crisis Communications
⑩ Co-ordination with External Agencies

*BCI (Business Continuity Institute - UK)  **DRII (Disaster Recovery Institute International – US)
Ideal assignments of the 10 criteria in an organization and reality

The inconsistency between BCM strategy and HRM operations is resulted in lack of preparedness

<table>
<thead>
<tr>
<th>Criteria</th>
<th>TO BE</th>
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</thead>
<tbody>
<tr>
<td>①Initiation and Management</td>
<td>Corporate Planning</td>
</tr>
<tr>
<td>②Business Impact Analysis</td>
<td>Risk Management</td>
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<tr>
<td>③Risk Evaluation and Control</td>
<td>Corporate Planning</td>
</tr>
<tr>
<td>④Developing Business Continuity Management Strategies</td>
<td>Information Systems</td>
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<tr>
<td>⑤Emergency Response and Operations</td>
<td>Corporate Security</td>
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<tr>
<td>⑥Developing and Implementing Business and Crisis Management Plans</td>
<td>CERT</td>
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<tr>
<td>⑦Awareness and Training Programmes</td>
<td>HR(Human Resources)</td>
</tr>
<tr>
<td>⑧Maintaining and Exercising Continuity and Crisis Management Plans</td>
<td>Education &amp; Training</td>
</tr>
<tr>
<td>⑨Crisis Communications</td>
<td>Risk Management</td>
</tr>
<tr>
<td>⑩Co-ordination with External Agencies</td>
<td>General Affairs</td>
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<td>Public Relations</td>
</tr>
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<td></td>
<td>C-level Executives</td>
</tr>
<tr>
<td></td>
<td>General Affairs</td>
</tr>
</tbody>
</table>

**Reality**

- General affairs and information systems divisions do “everything”
- Gap between corporate BCM strategy and HRM operations
- Sometimes BCM is positioned as operational matter
- Experience-based skill development has limitations for proactive BCM (lack of “connect the dots” activities)
- Higher turn-over ratios of professionals are recognized
3. Next steps and challenges
Next steps and challenges

Quick actions are key for success to establish interoperability among stakeholders at the human resource level for incoming large-scale disasters

Next Steps

- Start discussion more in details at ISO/TC292 (Security) in November*
- Analysis and integration of core competences required for BCM professionals based on the existing certifications and definitions
- Start communications with existing BCM-related organizations

*Argentina, Australia, China, Italy, Japan (L), Korea, Sweden

Challenges

- Confirmation of needs for the framework
- Conflict management with the existing players
- Maintenance of consistency with future requirement changes
Thank you

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Slides for Q&A
Spread damages through major supply chains
Visualized interdependencies in major supply chains as results of chained disruptions

Domestic and international impacts

Patterns of disruptions

Disrupted supplies of products and services in Tohoku and North-Kanto areas

Realization of “unmanaged “ concentration risks at 4th and under Tier suppliers and most of them are SMEs (Small Medium Enterprises) without BCP

Most of the final manufacturers do not have enough resources or systems for daily monitoring of 4th Tier and under suppliers)
Nissan’s two main factories in Kyushu and Kanagawa stopped for few days because of the disruption of their supply chain.

(April 21, 2011: Yomiuri News)

Emerging geopolitical risks:
anti-governmental demos, labor strikes, limitation of rare-earth exportation
Major flood in Thailand [Jul.-Nov., 2011]
“the another connected dots”

- Climate change as one of macro factors
- Concentration of and increasing interdependencies among urban functions
- Rapid growth of population in the large cities
- Delayed disaster information sharing among stakeholders
- Lack of synergies and interoperability among individual BCPs/BCMs
Bankruptcies with direct/indirect damages
The Great East Japan Earthquake still causing bankruptcies even after 3 years

- Approximately 90% of the earthquake-related bankruptcies have been damaged indirectly.
- In the case of the Kobe Earthquake in 1995, indirect bankruptcies were less than 50%.
- Related-bankruptcies are still on-going at the level of 25% of the peak. (approx. 20 by month)
- Approximately 70% of the bankrupted companies are SMEs.

(from analysis of TDB: Teikoku Data Bank)
Increasing interdependencies of our society

Interdependencies in the “networked” society

Interdependencies among organizations

Interdependencies among societal layers

Our daily life and business operation

Critical infrastructures

Governmental services
Stakeholders

Many stakeholders have started concerning vulnerability in business continuity

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Relationship</th>
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<tbody>
<tr>
<td>Direct buyers</td>
<td>commercial contract</td>
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<tr>
<td>Direct suppliers</td>
<td>commercial contract</td>
</tr>
<tr>
<td>Indirect buyers/suppliers (Supply Chain)</td>
<td>goods &amp; service supply</td>
</tr>
<tr>
<td>Corporate users/clients</td>
<td>commercial contract</td>
</tr>
<tr>
<td>Individual users/clients</td>
<td>contract</td>
</tr>
<tr>
<td>Investors</td>
<td>capital investment shareholding</td>
</tr>
<tr>
<td>Rating agencies</td>
<td>credit rating</td>
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<tr>
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<th>Relationship</th>
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<tbody>
<tr>
<td>Creditors (banks, trading companies)</td>
<td>credit agreement</td>
</tr>
<tr>
<td>Internal auditors</td>
<td>duty of auditing</td>
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<tr>
<td>External auditors</td>
<td>auditing contract</td>
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<tr>
<td>Employees and families</td>
<td>employment contract</td>
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<tr>
<td>Regulatory &amp; Supervisory agencies</td>
<td>permission &amp; authorization</td>
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<tr>
<td>Local governments</td>
<td>registration</td>
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<tr>
<td>Local communities</td>
<td>local resource sharing</td>
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</table>
Shared BCM with stakeholders (Public Sector)
Stand-alone BCM is insufficient – scope should be expanded
ISO/TC223 (Societal Security)
Organizational Structure (under restructuring as TC292-Security)

- **TC223 Societal Security**
  - **WG1**: Management Framework
    - Societal security – Framework & Roadmap
    - Exercise & testing
    - PPP (Public-Private Partnership)
  - **WG2**: Terminology
    - TC 223 terminology standards
    - Consistency with ISO/IEC Guide 73
  - **WG3**: Disaster Management
    - Command, control and coordination in emergency situations
    - Interoperability among organizations
    - Public warning, Color codes
  - **WG4**: Business Continuity Management
    - Requirements for business continuity management
    - Guidelines for business continuity management
    - Organizational Resilience
  - **WG5**: Video Surveillance
    - Best practice guideline for video surveillance
    - Interoperability among CCTV operators

- **Sweden**
  - **Project Team 1**: ISO 22301
- **UK/Canada**
  - **Project Team 2**: ISO 22399
- **Germany**
  - **Project Team 3**: Organizational Resilience
ISO22301 and 223 series
Supporting guidelines to clear limitations of single BCMs

- Disaster information sharing & communication
- Interoperability
- Capability & Competency Assessment

NWIP (US): Business Impact Analysis
NWIP (UK): Supply Chain Risk Management

Study Groups for:
- Professional development (Japan)
- Information sharing (Sweden)
Conceptual coverage of financial products as incentives
Seamless implementation with lower rate and wider coverage

Operational Level

Normal

Disruption

Preparedness

Business disruption

Emergency Response

Service Recovery

Preparedness

Stage/Phase

Preparedness Finance

BC-related Financial Products

Including “before & after”

More promptly insurance payments

BC Commitment Line

Wider line coverage

BC Revenue Insurance

Resumption investment funds

Higher on-demand cash availability
BCM専門領域の10分野（その①）
かつて英米の専門資格組織が合意していた10分野の活用
①Initiation and Management
事業継続計画の立案に際し、脆弱性の抽出、及び想定事象に関する対応・リカバリーの能力、継続オペレーションに必要な経営資源配賦にかかわる選択肢の提示などを、重要な機能として提供できること。
②Business Impact Analysis
事業継続を脅かす諸要因のビジネス・オペレーション上の影響について定量的・定性的な分析・評価が行えること。またその過程において、強化対策の優先度の高い業務オペレーションの特定、更にRTO（Recovery Time Objective：復旧目標時間）設定などが実施できること。
③Risk Evaluation and Control
事業継続を脅かす諸要因について分析を行うと同時に、リスク対応策や選択肢に係る経済性分析が遂行できること。
④Developing Business Continuity Management Strategies
BCMに係る戦略立案において、RTO、RPO（Recovery Point Objective：復旧時点目標）を設定、重要オペレーションのレジリエンシー確保に貢献すること。
⑤Emergency Response and Operations
障害発生時とその後の復旧プロセスにおける段取りを、危機対応センターを中心とした体制で運用できるよう手配できること。
BCM専門領域の10分野（その2）
かつて英米の専門資格組織が合意していた10分野の活用

⑥ Developing and Implementing Business and Crisis Management Plans
事業継続計画及び危機対応計画の立案、導入、定着を支援し、RTOの達成確保を確実にできること。

⑦ Awareness and Training Programmes
BCMの社内浸透・定着のための研修や諸プログラムについて支援が行えること。

⑧ Maintaining and Exercising Continuity and Crisis Management Plans
事業継続計画の実効性を確保するための訓練の計画・実施に際し、必要となる機器・ファシリティの手配を行い、訓練後のフィードバックに対して必要な体制・組織の更改や新規導入の手配ができること。

⑨ Crisis Communications
社内のみならず顧客も含めたステークホルダー（株主、ベンダー、納入業者、地域など）とのコミュニケーションを確実にし、BCPやDRP（Disaster Recovery Plan: 災害復旧計画）の発動を確実にすること。

⑩ Co-ordination with External Agencies
監督当局や地方自治体などの行政とのコミュニケーション確保を通じて、BCMを確実にするための側面支援を得たり、コンプライアンス上の不必要な瑕疵発生を回避することに貢献できること。
### BCM専門領域の組織内配置
あるべき部署に実装できていない状況（部門不在、認識不足など）

<table>
<thead>
<tr>
<th>項目</th>
<th>部署</th>
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<tbody>
<tr>
<td>① Initiation and Management</td>
<td>経営企画部</td>
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<tr>
<td>② Business Impact Analysis</td>
<td>リスク管理部</td>
</tr>
<tr>
<td>③ Risk Evaluation and Control</td>
<td>経営企画部・リスク管理部</td>
</tr>
<tr>
<td>④ Developing Business Continuity Management Strategies</td>
<td>経営企画部・情報システム部</td>
</tr>
<tr>
<td>⑤ Emergency Response and Operations</td>
<td>危機管理部・リスク管理部</td>
</tr>
<tr>
<td>⑥ Developing and Implementing Business and Crisis Management Plans</td>
<td>危機管理部・人事部</td>
</tr>
<tr>
<td>⑦ Awareness and Training Programmes</td>
<td>人事部・研修部</td>
</tr>
<tr>
<td>⑧ Maintaining and Exercising Continuity and Crisis Management Plans</td>
<td>リスク管理部・総務部</td>
</tr>
<tr>
<td>⑨ Crisis Communications</td>
<td>広報部</td>
</tr>
<tr>
<td>⑩ Co-ordination with External Agencies</td>
<td>経営・総務部</td>
</tr>
</tbody>
</table>

実態は総務部門、情報システム部門などによる兼務