

Adviser

BS 25999:1 – The new BCM Code of Practice



A significant milestone in the business continuity industry was achieved in November 2006. The first part of the new British Standard for business continuity, BS 25999, was published by the British Standards Institution. By following BS 25999, clients will be able to implement business continuity in a way that meets best practice and delivers a number of business benefits.

In this Adviser, we introduce BS 25999-1:2006 and answer some of the questions clients might have about the new standard.

What is BS 25999:1?

Part one of BS 25999 explains what business continuity management (BCM) is and what organisations need to do to implement it effectively. As a code of practice, it takes the form of guidance and recommendations. Its purpose is to help organisations to minimise disruptions and demonstrate their ability to cope with major threats to their operations.

In the words of the Standard:

BS 25999:1 “establishes the process, principles and terminology of business continuity management (BCM). The purpose of this Standard is to provide a basis for understanding, developing and implementing business continuity within an organization and to provide confidence in the organization's dealings with customers and other organizations. It also enables the organization to measure its BCM capability in a consistent and recognized manner. This Standard provides a system based on BCM good practice.”

The new Standard is applicable to all sizes and types of organisation and places great importance on the need to capture best practice and for business continuity to be clearly aligned with the aims and objectives of the organisation.

Is BS 25999 mandatory?

Part one of BS 25999 is not mandatory but it is considered to be the single recognised benchmark in the UK against which business continuity best practice can be evaluated. The new standard will create a demand and expectation for compliance.

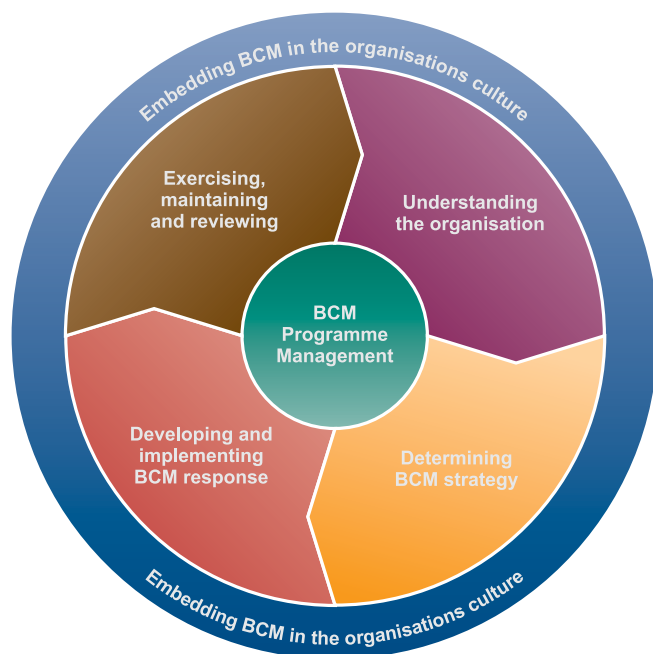
How does BS 25999 differ from PAS 56 and BCI's Good Practice Guidance?

As a full British Standard, BS 25999 has been through a full public consultation process to ensure that all BCM professionals and relevant stakeholders have the opportunity to influence its content. It is more robust than any other business continuity guidelines. As a Publicly Available Specification, PAS 56 was put together by a small number of practitioners, primarily from the finance sector, and was not suited to all industries and sizes of organisation. PAS 56, which has now been withdrawn, stimulated interest in business continuity and played an invaluable role in driving the development of the Standard. The Good Practice Guidelines, which have been updated and reissued in 2007 by the Business Continuity Institute (BCI), provide guidance on how the Standard can be implemented. Like PAS 56, it represents the views of a small number of practitioners and should not be viewed with the same regard as BS 25999.

How widely is BS 25999 being adopted?

According to a survey conducted on behalf of the Chartered Management Institute during January 2007, awareness of the new standard is high. Of the 1,257 Institute members who responded to the survey, 32% have a business continuity plan, and 22% of all respondents are aware of the Standard. 38% plan to use it for guidance and 15% plan to achieve third party certification. The new Standard has also broken all BSI records for the number of sales in the first few months of publication and the launch conference was a sell out. This probably reflects the intense interests of small and medium sized enterprises (SMEs) in the new Standard and its broad appeal across all industries and sizes of organisation. Moreover, stakeholders such as investors and insurers are already showing signs that they will expect clients to be able to demonstrate that their business continuity management is in line with the Standard.

A snapshot of BS 25999



My organisation has been practising BCM for several years. Does the advent of BS 25999 mean we need to start again?

If your organisation has been developing and implementing BCM practice, BS 25999 is likely to be more of a useful assurance document. Different elements of a BCM programme can be refined and improved to add value and ensure best practice. Use of the Standard may also identify areas that have been overlooked, for example, supply chain and incident management. Reference to compliance with BS 25999 may also provide competitive advantage.

My organisation is PAS 56 compliant, what does this mean for us?

If yours is one of the very few organisations that has fully implemented its business continuity in line with PAS 56, it will undoubtedly comply with BS 25999. There may be savings to be made by identifying areas of 'over-compliance' with BS 25999 and cutting down on the administrative effort of maintaining it.

What is Part 2 of BS 25999 and when will it be released?

BS 25999-2 will be a specification Standard against which an organisation will be able to have its business continuity management certified by an independent certification body. Part 2 is likely to be issued in the middle of 2007 or at the latest during 2008.

How does BS 25999 affect my organisation and what benefits will I see?

BS 25999 provides a single reference point for defining business continuity management. The impact and benefits for different sizes of organisation will vary:

Large enterprises

Large organisations should have already worked on business continuity and have a reasonable level of understanding. The complex layered structure with multiple sites may mean that your BCM capabilities are not fully integrated or consistent. BS 25999 can provide the opportunity for organisations that have not been able to implement complex BCM programmes to review them. For those organisations that did not attempt to implement PAS 56, they can compare the programmes they established with the new standard. If your organisation has multiple sites and/or multiple operating companies, you will need to ensure all sites are BS 25999 compliant in order to meet the requirements.

BS 25999 also ensures suppliers in the whole chain comply with the Standard and demonstrate best practice. For organisations with supply chains, this will help you to manage the risk exposure and measure the effectiveness of your business continuity.

Medium-sized enterprises

The issue facing medium-sized organisations is to implement business continuity in the right way. Adopting a risk-based approach not only contradicts BS 25999, it also leaves your organisation open to threats that it has not specifically catered for. Therefore your organisation needs to apply the business impact-based approach set out in BS 25999 to provide better resilience and run effective exercises. Both initiatives are fraught with pitfalls and benefit significantly from experience of having taken them before.

Medium-sized organisations should seize the opportunity to use the standard to implement business continuity in the right way using an appropriate level of investment. Those that opt out are likely to lose competitive advantage over their competitors.

Small enterprises

Small organisations recognise that they ought to have business continuity and are often pressurised by major customers, financial investors and other external stakeholders. Business owners and managers in this sector need to understand the issues in a way that enables them to do what is necessary to satisfy these external parties without spending too much money to make it happen. By implementing BS 25999 in the right way, your organisation can use it to support the business aims and objectives at an appropriate cost.

Does the business continuity advice offered by Marsh consultants meet BS 25999 requirements?

Yes. Marsh BCM consultants were involved closely in the development of both PAS 56 and BS 25999. We are also involved in the development of Part 2.

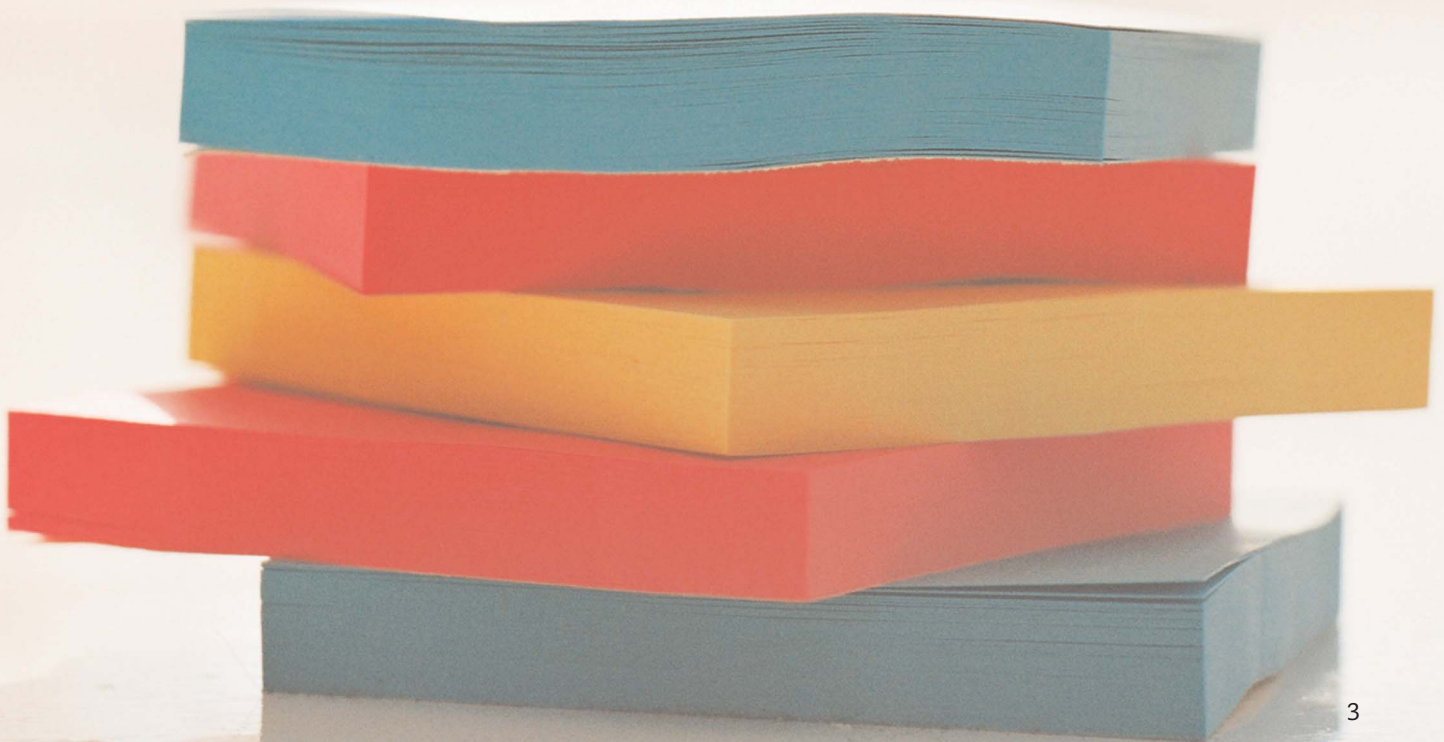
How can Marsh help my organisation implement BS 25999?

For organisations to succeed in implementing business continuity effectively and reaping the full benefits of doing so, it must be approached in the right way. Our approach and tailored solutions are based on the aims and objectives of the client; the importance of business continuity to achieving those aims; the time-sensitivity of the business operations; and the organisation's maturity level. Our range of core BCM solutions are also all aligned with BS 25999 for medium and small organisations. We are also in dialogue with a number of insurers to negotiate favourable terms for clients that can demonstrate adherence to BS 25999.

How can my organisation get hold of a copy of BS 25999:1?

Copies are available from the British Standards Institution. Orders can be placed with the BSI's customer services team by telephone +44 (0)20 8996 9001 or email orders@bsi-global.com. Standards are also available from the BSI website at: <http://www.bsi-global.com>.

For further advice and assistance on this issues, please contact your usual Marsh representative.



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Marsh Ltd, Tower Place, London, EC3R 5BU
www.marsh.co.uk
Tel: 020 7357 1000

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