

*Business Continuity Management Booklet  
for Small and Medium-Sized Enterprises*

***Asian Disaster Reduction Center***



# Business Continuity Management Booklet

## for Small and Medium-Sized Enterprises

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## **0. How to Use This Booklet**

This booklet is intended to help small and medium-sized enterprises (SME) introduce business continuity management (BCM). It presents 10 easy steps that SME readers can follow to develop their own BCM. In each step, forms have been prepared to assist readers. You should fill in those forms to suit the needs of your company. When you finish all the forms, you will have a complete business continuity plan for your company.

There is one important point you should remember: introducing BCM is not a simple matter of drafting a business continuity plan on paper. Adopting BCM is a decision making by a business owner to protect their company from various disasters and accidents and to enhance their company's ability to survive by carrying out planned continuity strategies. Let's proceed with this in mind.

## **1. Introduction**

Every business owner wants to expand their business, protect their employees, and contribute to society by supplying their products or services. You, as a business owner, have to protect your business not only on a fine day but also on a rainy day and even on a stormy day. You have to successfully compete in a tough market under ordinary circumstances, but also need resilience if you are to successfully survive a crisis such as a natural disaster or a fire. You do not want to see your business destroyed by a disaster, accident, terrorist attack, or other incident. Is your company prepared for disasters?

"Failing to prepare is preparing to fail" said Benjamin Franklin. If you have not prepared for such incidents, you are (unconsciously) preparing for failure when a disaster or accident strikes. Business continuity management (BCM) is the solution for protecting your business during a crisis.

## **2. Warm Up**

Consider the simple example of a traffic accident. Even if you always try to drive safely, there is no 100% guarantee that you will be able to avoid a traffic accident. What is the disaster (or worst-case) scenario for a traffic accident? One in which you, the driver, are killed or sustain a severe injury that causes permanent disability and keeps you from returning to life as you knew it before.

What is the disaster scenario for your company in a disaster? Your company would be fatally wounded if critical resources sustain devastating damage that would force you to give up on recovery (death scenario). Or your company might sustain severe damage that would cause an extensive disruption in your business. As a result, you might lose important customers and be forced to scale down your operations (permanent disability scenario). These are the worst-case scenarios that your company should avoid at all costs.

But if you are lucky and only sustain minor injuries in a traffic accident, you will be able to recover in a short period time and return to normal life. Likewise, the better scenario for your company is to keep damage contained to a low level such that it would be able to resume operations at a normal or higher level of functionality in a short

period of time. This is your survival scenario. BCM is all about your company’s ability to achieve its survival scenario.

Here are some warm-up questions to get you started!

Q1: What is your company's disaster scenario that might lead to bankruptcy?

Q2: How soon does your company have to recover to survive from a disaster-related disruption?

Q3: What are the critical resources whose availability determines the life or death of your company?

Q4: Within 5 to 10 years, what kinds of disasters and accidents are most likely to impact you, potentially triggering a worst-case scenario?

Were you able to answer the above questions easily? If not, don't worry, this booklet is here to help you. But if you were, you already have a mindset prepared for BCM. This booklet will guide you through 10 easy steps to build your company’s Business Continuity Management (BCM) program. These 10 steps are based on the International Standard ISO22301,for Business Continuity Management.

10 Steps for BCM

<i>Step 1</i>	<i>Determine BCM purpose, scope, and team</i>
<i>Step 2</i>	<i>Prioritized Activities (PA) and Recovery Time Objectives (RTO)</i>
<i>Step 3</i>	<i>What Do You Need to Resume Key Activities?</i>
<i>Step 4</i>	<i>Risk assessment – Know your disaster scenarios</i>
<i>Step 5</i>	<i>Do not forget pre-disaster protection and mitigation</i>
<i>Step 6</i>	<i>Emergency response</i>
<i>Step 7</i>	<i>BC strategies for early resumption</i>
<i>Step 8</i>	<i>Be financially prepared</i>
<i>Step 9</i>	<i>Exercises make your plan functional</i>
<i>Step 10</i>	<i>Ongoing Review and Improvement</i>

**3. BCM Framework**

When you start BCM planning, you need to create a solid foundation (or framework) for your company’s BCM program by addressing these three elements:

- 1) Purpose: Why is your company introducing BCM?
- 2) Scope: Which parts of your company will introduce BCM?
- 3) Leader: Who will serve as leader of your BCM activities?

It is very important that not only top management show visible strong leadership, but also that all employees are fully aware of the BCM framework (purpose, scope, and leader).

### **Step 1 Determine BCM purpose, scope, and team**

#### (1) Purpose

You should make it clear why your company is going to introduce BCM. The purpose of BCM is to protect your business operations from disasters and accidents. Having a clear purpose will be very important in determining the priorities of your key products or services and selecting your business continuity strategies. What is the purpose of your BCM? The first priority is to protect people, including employees and visitors to your premises. The second is to protect your business, ensuring that you will be able to fulfill your contractual obligations to your customers and users, fulfill your social responsibilities, and contribute to your local community and economy. It will help you secure employment for your employees and protect their livelihoods.

#### (2) Scope

Which parts of your company will introduce BCM? You can limit the scope to key departments. For example, you can select a main factory that manufactures your top brand product or the number one shop that has the highest sales. You can decide the BCM scope based on your business needs and specific circumstances, but you should be sure to include the core departments that are critical to your company's survival.

#### (3) Leader

You need to appoint a BCM leader who takes the initiative in company-wide BCM activities. The BCM leader should be given the authority necessary for carrying out his/her role. BCM consists of company-wide activities that require active participation and cooperation from the relevant departments. You should nominate a person who is widely trusted throughout the company. Support staff should be selected, if the company size requires, working under the BCM leader as the BCM Team. Management should ensure that this team has the resources it needs to operate, including a budget that the BCM leader and team can use to carry out their duties. The SME owner (top management) should demonstrate a visible commitment to BCM activities and should know that verbal instructions alone are not enough to get successful results.

Fill in **Form 1** regarding your company's BCM framework.

Form 1 BCM Framework

BCM Purpose	
Protect People	
Protect Business Activities	
Recover with Local Community	

BCM Scope	
Departments to introduce BCM	

BCM Leader and Team	
BCM Leader	
BCM Team Members	

#### 4. Your Lifeline Businesses and the threatening Risks

The purpose of BCM is to protect your company and business operations even when a disaster or accident occurs and disrupts operations. First, you will focus only on your company's operations. Of your various business activities, which are your company's lifeline (or critical) businesses? Which business activities should be given top priority for recovery if disrupted by a disaster? What resources are necessary to keep those lifeline businesses operating? Without those resources, the company's top priority activities will not be able to be resumed. Second, consider the risks to your company. What kinds of risks, such as natural disasters or accidents, are most likely to seriously damage the company's assets, businesses, and supporting resources? In this chapter, you will gain a renewed understanding of your company's operations by looking at these two elements: lifeline (critical) business activities and the risks that threaten them.

## **Step 2 Prioritized Activities (PA) and Recovery Time Objectives (RTO)**

In Step 2, you will think about your company's lifeline products or services. Which product or service should be recovered with the highest priority when a natural disaster (or accident) disrupts operations? Which business activity yields your top-selling product? Which shop in your company has the highest sales? These critically important business activities are called **Prioritized Activities**, and you have to identify which activities constitute Prioritized Activities for your company. Second, you have to think about how soon such Prioritized Activities have to be resumed if they are disrupted. Needless to say, those critical operations have to be resumed, at the latest, before the company goes bankrupt. Coming up with these answers is the task of Step 2.

The importance of this simple analysis is to focus only on the impacts of disruption, setting aside risk factors. By disregarding risk factors, such as occurrence probability and severity of damage, during the process of analyzing your business and identifying Prioritized Activities, you will gain a clearer understanding of how soon your company has to resume operations to avoid bankruptcy.

Start by assessing the impacts of your company's main business activities when those are disrupted by a natural disaster or accident. Enter your company's business activities (product/service lines) in the left column of **Form 2-1**. You will compare the importance of the activities listed. The level of importance of each business activity (product/service line) should be rated using two criteria: external and internal impacts. First rate the external impacts, those which might affect customers, users, and society at large. How seriously might your customers, users, the environment, or society at large be impacted if your product or service were to stop being delivered? How long will your customers willingly wait for you to resume operations? How soon might your key customers switch to another provider? If you deliver certain types of products, such as medical supplies, the disruption of such deliveries could threaten the lives of end users. Rate the degree of the external impact as large (L), medium (M) or small (S), using your subjective judgment to determine the relative differences between those three levels.

Internal impacts should be reviewed based on various criteria such as financial status (e.g., cash flow), operational problems, and the reputation of the company. When the production line of product A is shut down, how serious of an impact will it have, over time, on the company's revenue? If your top brand service is suspended, what level of impact might it have on the company's cash flow? Rate the degree of the internal impact as large (L), medium (M) or small (S).

Next, you should know the timeline of the impact of a total disruption. How soon would a total disruption in those activities become unacceptable to your company? This period is called the **Maximum Tolerable Period of Disruption, or MTPD**. This is the very latest time at which your company would have to resume the listed activities before reaching a worst-case scenario that would end in bankruptcy.

Enter the listed activities in **Form 2-2** (left column). Consider the MTPD for each activity listed and select one of the five columns showing periods of time (3 days, 1 week, 2 weeks, 1 month, 2 months or more). Determine the period by which each listed activity has to be resumed. For example, if the first activity's MTPD is one month, place a checkmark (→) in the "1 month" column. If you have to restore delivery to a key customer within 2 weeks,

write "2 weeks" in the rightmost column entitled Recovery Time Objective (RTO). Repeat this process for all listed activities.

Now that you have analyzed and evaluated the internal and external impacts and identified the Recovery Time Objectives of the main activities of your company, you will select and identify your company's Prioritized Activities and set Recovery Time Objectives (RTO) from a company-wide perspective in **Form 2-3**. Your company may select one or more PA(s) depending on your business operations.

Form 2-1 Impact Level Comparison Chart

Departments Handling Each Product/Service	Impact Levels	
	External Impact	Internal Impact
Product / Service A	L : M : S	L : M : S
Product / Service B	L : M : S	L : M : S
Product / Service C	L : M : S	L : M : S
Product / Service D	L : M : S	L : M : S
Product / Service E	L : M : S	L : M : S

Form 2-2 Maximum Tolerable Period of Disruption

Departments Handling Each Product/Service	Time When Impact Becomes Unacceptable					Recovery Time Objective (RTO)
	MTPD					
Product / Service A	☐ 3 ds	☐ 1 wk	☐ 2 wks	☐ 1 mo	☐ 2 mos.	
Product / Service B	☐ 3 ds	☐ 1 wk	☐ 2 wks	☐ 1 mo	☐ 2 mos.	
Product / Service C	☐ 3 ds	☐ 1 wk	☐ 2 wks	☐ 1 mo	☐ 2 mos.	
	☐ 3 ds	☐ 1 wk	☐ 2 wks	☐ 1 mo	☐ 2 mos.	
	☐ 3 ds	☐ 1 wk	☐ 2 wks	☐ 1 mo	☐ 2 mos.	

Form 2-3 Prioritized Activities and RTOs

Prioritized Activity(ies)	
Recovery Time Objective(s) (RTO)	



### **Step 3 What Do You Need to Resume Key Activities?**

Prioritized Activities (PAs) are supported by various internal and external resources. When disrupted PAs are going to be resumed, those supporting resources must be available and ready. In Step 3, you will identify those necessary resources and list them in **Form 3-1**. In the subsequent steps, you will review risks to those listed resources and their vulnerabilities. You will consider what measures must be taken to protect and secure the availability of these resources, or identify the measures that must be taken to prepare alternate options. This list provides important information for your BCM planning.

List the necessary resources in **Form 3-1**, dividing them into three categories: (1) internal resources, (2) essential services, and (3) business partners. Internal resources are resources that are usually under your company's control, such as buildings, equipment, machinery, tools, inventory, materials, IT systems, documents, and drawings. Human resources should be reviewed from the perspective of the employees' special skills and expertise, as well.

Essential services include electricity, gas, fuel, water, and sewage. Communication networks (phone and Internet) and transportation networks (roads, railroads, and ports) are also included. These resources are provided by public entities. They are not usually under your control. Ordinary companies cannot afford to arrange alternate sources for these essential services due to the prohibitively high costs of doing so. Their availability would, therefore, become a basic condition for the resumption of PAs.

In the business partners section, include partners in both your upstream and downstream business chains. They are not only your suppliers, but also your customers. Your direct partners and indirect partners should be included. In two catastrophic natural disasters that occurred in 2011, the Great East Japan Earthquake and the Thailand Floods, many companies were seriously affected by disruptions to their supply chains even though they themselves were not directly affected.

Form 3-1 Necessary Resources for Prioritized Activities

Necessary Resources for Prioritized Activities	
Type of Resources	Contents
Internal Resources	Building
	Equipment / Machinery
	Inventory
	People
	IT System
	Fund
	(Other )
Essential Social Services	Electricity
	Gas
	Water
	Phone / Communication

	Traffic / Roads	
	(Other )	
Supplies	Direct supplier	
	2nd, 3rd Supplier	
	Customer	
	(Other )	

(Note: The processes of identifying Prioritized Activities, setting Recovery Time Objectives, and listing necessary resources constitute a **Business Impact Analysis (BIA)**. This term is commonly used in BCM.)

**Step 4 Risk assessment – Know your disaster scenarios**

In Step 4, you will clearly identify risks that may seriously threaten your company (or lead to a worst-case) scenario. You will identify the types of risks your company faces, and will analyze and evaluate those risks, identifying the high-priority risks against which your company needs to take action. You will also analyze and estimate the extent to which your critical resources might be damaged by such risks, and how long it would take to restore those damaged resources. You will compare the estimated restoration periods with your company’s Recovery Time Objectives (RTO) set in Step 2, and determine which resources will require that measures be taken if a worst-case scenario is to be avoided.

**Form 4-1** assists in the process of identifying, evaluating, and prioritizing risks. First, enter the risks your company is exposed to in the leftmost column. These are risks which could potentially cause a disruption in your business operations or could lead to a worst-case scenario (bankruptcy). For example, risks to your company might include natural disasters such as earthquakes, floods, and typhoons, or industrial disasters such as fire, explosion, blackout, leakage of chemical substances or intentional acts such as terrorist attacks, sabotage. The past history of such natural disasters, hazard maps, and risk information for your local area may be published by local governments and public organizations. If available, these can be very useful resources in conducting the risk assessment in this step.

Next, evaluate the “Impact” and “Likelihood” of each risk, marking each as either H (high), M (medium), or L (low) in the columns indicated. The criteria for rating these items are shown in Table 4-1.

Table 4-1 Risk - Likelihood/Impact Scoring Scale

Rank	Likelihood	Impact
High	Likely	Disastrous, Severe damage Threatening the company Death, multiple injuries
Middle	Moderate likely	Medium level damage Affecting operations,

		Multiple injuries
Low	Unlikely	Insignificant damage Minor injuries

After you have entered L, M or S in both the “Impact” and “Likelihood” columns of **Form 4-1**, assign them an order of priority in which measures need to be taken. Indicate the priority number in the rightmost “Priority” column.

Form 4-1 Risk Impact and Likelihood Comparison Chart (sample)

Risk	Impact	Likelihood	Priority
Earthquake	H M L	H M L	1
Flood	H M L	H M L	2
	H M L	H M L	
	H M L	H M L	

Next, select a top priority risk (e.g., earthquake) and estimate the level of damage and length of time needed for the restoration of resources should they be damaged as the result of an incident or a disaster. The estimated restoration period should be compared against your company’s Recovery Time Objectives (RTO), which was established in **Form 2-3**. Determine the resources for which measures need to be taken.

Proceed through the following eight steps and enter the appropriate data in the columns indicated (by arrows) in **Form 4-2**. Separate forms should be completed for each selected risk because the expected damage could vary widely by risk.

- 1) Enter the critical resources that were identified in Step 3
- 2) Enter the prioritized risk
- 3) Enter an outline of estimated damages to your facilities
- 4) Enter estimated levels of damage
- 5) Enter estimated periods for repair, restoration, or recovery
- 6) Mark the graph bars to correspond to the length indicated in item (5) above
- 7) Draw your RTO line (see your Form2-3)
- 8) Determine whether measures need to be taken for each listed resource to achieve RTO and place a mark in the column indicated

The resources for which measures may need to be taken may include both those whose restoration period exceeds your RTO and those that do not. If essential services such as electricity, water, and phone service take longer to get back online than your RTO, you may need to reconsider your RTO in consideration of the wait-time

needed for the restoration of those resources.

Form 4-2 Resource Damage Estimate Sheet (sample)

Risk		Earthquake	Assumed recovery period						Measures needed	
Assumed damage		○○○	Day (shown by graph)							
Necessary resources		Damage	Day	3 days	1 wk	2 wks	1 mo	2 mos		3 mos
Internal Resources	Building	○○○	7 ds	█						○
	Equipment / Machinery	○○○	30 ds	█						○
	Inventory	○○○	3 ds	█						
	People	○○○	3 ds	█						
	IT System	○○○	10 ds							○
	Fund	○○○								
	(Other )				█					
Essential Social Services	Electricity	○○○	3 ds	█						
	Gas	○○○	30 ds	█						○
	Water	○○○	15 ds	█						○
	Phone / Communication	○○○	10 ds	█						
	Traffic / Roads	○○○	8 ds							
	(Other )				█					
Supplies	Direct supplier	○○○	30 ds	█						○
	2nd, 3rd Supplier	○○○	20 ds							○
	Customer	○○○	10 ds	█						○
	(Other )									

1)
4)
5)
6)
7)
8)

The details regarding measures to be taken will be reviewed in Steps 5 to 7 below.

Examples of such measures are as follows:

- 1) Protection (Prevention) and Mitigation - see Step 5
  - Anti-earthquake reinforcements to buildings
  - Installation of equipment restraints
- 2) Emergency Response (Incident Response) - see Step 6
  - Evacuation plan formulation
  - Development of safety confirmation procedures
- 3) Strategies for the Early Resumption of Prioritized Activities - see Step 7
  - Alternate site recovery
  - IT system back ups

The required measures differ depending on the type of disaster experienced since damage estimates can vary widely. This booklet guides you through a process in which you select one risk and then proceed to estimate the damage that would be sustained as a result. For SME owners, it might be difficult at first to prepare for multiple risks. We suggest starting with your top priority risk first, and then repeat the process for other risks if your company can afford to do so.

## 5. Your Survival Strategies

In this section, you are going to work on the core items of your company's BCM. You will plan and implement your company's Business Continuity (BC) Strategies to achieve the Recovery Time Objectives (RTO) you set in Step 2 (**Form 2-3**). There are three phases to a BC Strategy, all of which are important and necessary for achieving your RTOs. You will identify the necessary measures for your company in consideration of these three phases

### (1) Protection and mitigation (Step 5)

This phase involves the protection (prevention) or mitigation of the damage caused by an incident so that Prioritized Activities can be resumed quickly in accordance with their RTOs. Protection and mitigation measures primarily consist of pre-incident measures, but can also include important post-incident measures intended to contain and minimize damage.

### (2) Emergency response (Step 6)

When a disruption affects your company, you have to stabilize the situation by eliminating danger and protecting your people, assets, and business operations. This should be done immediately to prevent an emergency situation from becoming an uncontrollable crisis. The first priority of emergency response is to protect and rescue people. Subsequent priorities are to eliminate threats and secure safety, protect assets, and prevent further damage and secondary disasters.

(3) Continuity and recovery strategies (Step 7)

This phase involves planning and implementing strategies for continuing (or resuming) **Prioritized Activities** and then restoring normal operations. Continuity strategies focus on restarting **Prioritized Activities** immediately using alternative or temporary measures. Recovery strategies focus on restoring operations to pre-incident levels.

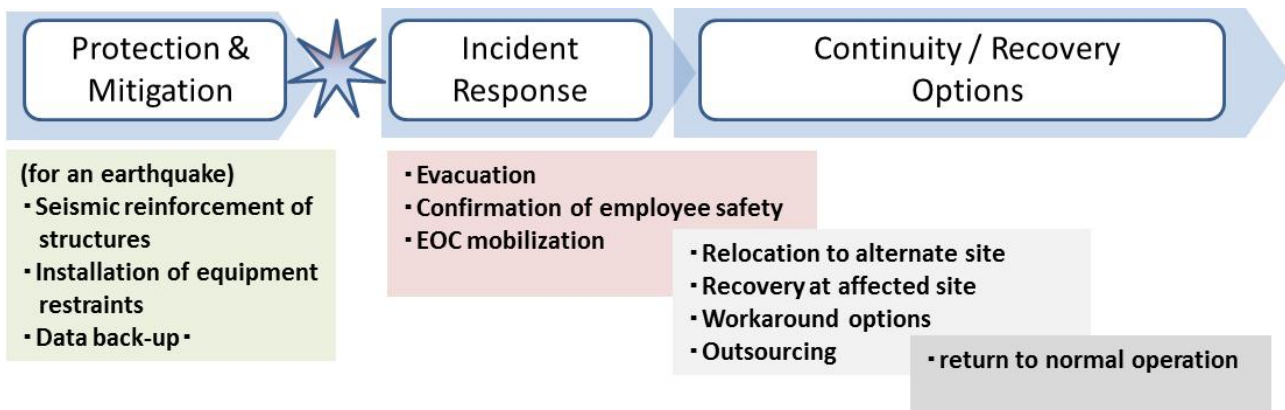


Figure 5-1 Three phases of a Business Continuity Strategy

**Step 5 Do not forget pre-disaster protection and mitigation**

To successfully resume operations as planned, the damage to supporting resources should be contained to an extent that makes early repair and restoration possible. If such important resources are severely damaged, your company may fall into a worst-case scenario, forcing you to either give up on recovery or shut down for a long period of time. This would be the end of the story! This is why pre-incident strategies for protection and mitigation are so important.

In Step 4 (**Form 4-2**) you identified which resources require that measures be taken to achieve your company’s Recovery Time Objectives (RTO). Those identified resources are vulnerable and might hinder the achievement of your RTO. In this step, you will select resources that require protection and mitigation measures and determine the details of those measures in order to avoid a level of damage that would make it impossible to recover your Prioritized Activities by the established RTOs.

In **Form 5-1**, enter (1) resources that require measures be taken, (2) objectives of those measures, (3) what measures to take, (4) specific plans for taking those measures, (5) implementation deadlines, and (6) the department in charge of implementation.

Form 5-1 Protection and Mitigation Measures for Key Resources (sample)

Resources	Objectives	What To Do	Your Plan	Implementation Deadlines			Department in Charge
				Immediately	Within 1 year	Mid to Long Term	
Personnel	Keep personnel safe	Provide instructions on evacuation safety	- Make an evacuation plan and disseminate it to employees - Conduct evacuation drills	○			General affairs dept.
Buildings	Protect/mitigate damage to buildings	Check earthquake-resistance of buildings	Check earthquake-resistance of the building in which the headquarters is located	○			General affairs dept.
		Make buildings earthquake-resistant	Make the headquarters building earthquake-resistant			○	General affairs dept.
Facilities	Protect/mitigate damage to facilities	Install restraints to prevent equipment from falling over	Fix machine tools to the factory floor	○			Manufacturing dept.
Systems	Protect/mitigate damage to buildings	Install restraints to prevent computers from falling over	Put servers at headquarters in a server rack	○			Information systems dept.



**Step 6 Emergency response**

In Step 6, you will consider the immediate response measures that need to be taken when an incident occurs in order to prevent an emergency situation from becoming an uncontrollable crisis. This is called **emergency response** or **incident response**. The first priority of emergency response is to protect and rescue people. Subsequent priorities are to eliminate threats and secure safety, protect assets, and prevent further damage and secondary disasters.

First, you should have a general understanding of the emergency response scenario. As shown in Figure 6-1, there are several activities that need to be undertaken during emergency response, and these must be carried out promptly, following the timeline shown. Evacuation and rescue activities should be undertaken immediately by individuals who are in the area. The **Emergency Operation Center (EOC)** should be mobilized, if necessary, so that coordinated measures can be taken under the unified command of your company. Activities (3) to (8) are performed by the Emergency Operation Center, if one is set up.

The main activities to be performed are (1) evacuation and rescue, (2) setting up an Emergency Operation Center, (3) confirmation of employee safety, (4) stabilization of the situation and prevention of secondary damage, (5) survey of damage, (6) asset protection, (7) confirmation of safe commuting conditions, and (8) compilation and sharing of incident/damage information.

These eight activities are described in further detail below.

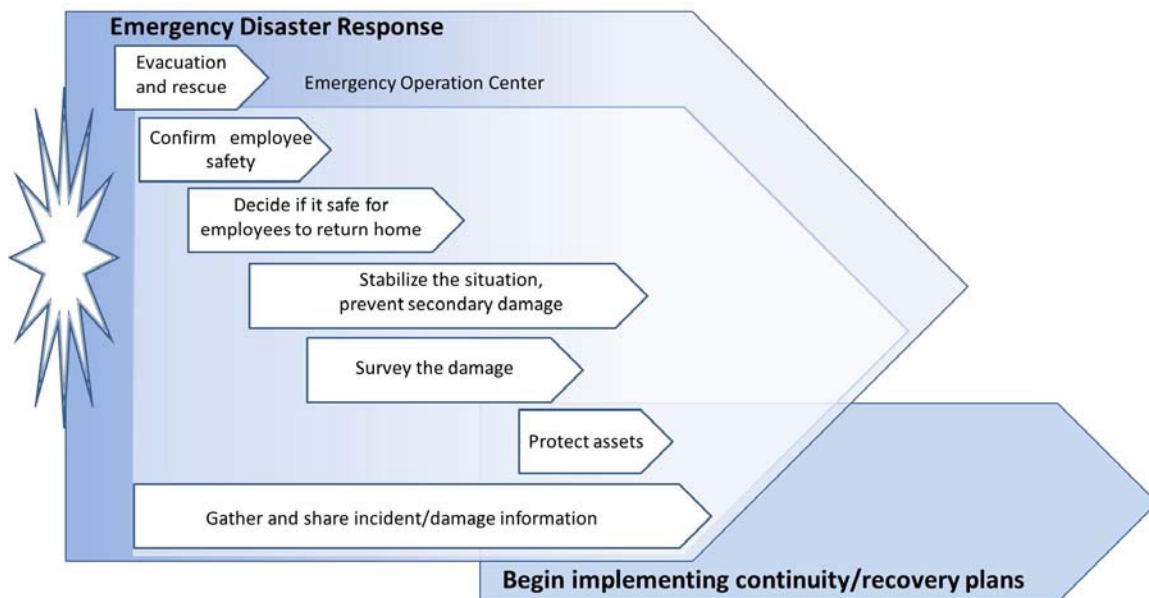


Figure 6-1 Emergency Response Activities

(1) Evacuation and rescue

First, your company should have a general evacuation plan, which includes evacuation procedures, evacuation sites, evacuee guidance procedures, and names of evacuation activity leaders. You will use **Form 6-1** to create your company’s evacuation plan. You need to make sure all employees understand the evacuation plan and are able to safely evacuate as planned. Many companies give all employees a small emergency card containing such key information as what actions to take, where to evacuate, and emergency contacts. Employees are asked to carry the card with them at all times so that they can refer to it whenever necessary. Such an emergency card is highly recommended.

Form 6-1 Evacuation and Rescue Plan (sample)

Office/Factory	Head office
Evacuation site (meeting place)	Parking lot in front of the head office building
Leader	Person in charge: Manager of the general affairs department Assistant: Deputy manager of general affairs department
Person in charge of rescue and medical care	Person in charge: Manager of general affairs department Assistant: Deputy manager of the general affairs department
Hospital	(name, address, telephone number) Name: ○○hospital Address: ○○○ Tel: **_****_****

In case of a natural disaster such as an earthquake or flood, the infrastructure (such as the traffic network) may be damaged. Your employees may not be able to get home and may have to stay on the company’s premises or at an emergency shelter. Your company needs to prepare food, water, and other supplies (e.g., blankets, radios) for employees, and it is recommended to store enough necessary supplies (e.g., food and water) to shelter them for 3 days (see **Appendix 6-1**).

(2) Setting up an Emergency Operation Center

When an incident occurs that could affect your business, the company has to respond immediately to protect its people and operations. It is critical not to succumb to panic or chaos, but to behave calmly and make the best decisions possible while taking the necessary measures under the circumstances. In order for the company to carry out those activities in a unified and coordinated manner, you should establish an Emergency Operation Center (EOC) that can serve as a central command center.

The EOC’s framework, members, duties, and procedures must be decided on in advance and put down on paper. **Form 6-2** will assist you in creating an EOC framework for your company.

a) EOC Leader

The leader is in charge of the overall activities of the EOC. The deputies must also be identified who will take over for the leader when he/she is absent. The order of succession for the authority and responsibilities of the leader should also be decided.

b) EOC members and roles

The members of the EOC should be appointed and a list of their names created and periodically updated. EOC members are required to convene at the EOC whenever the EOC is mobilized. EOC members must be selected from among those employees who would be able to convene on short notice. **Form 6-2** lists the four functions shown below. If the size of the company requires, a team can be formed to carry out each function. You should decide on your company's EOC framework and the functions that best suit your company's needs.

1. Analysis and planning
2. Information gathering
3. Site operations
  - Stabilization
  - Rescue and medical care
  - Confirmation of employee safety
  - Sanitation
  - Logistics
4. Public relations

This function is for keeping internal and external stakeholders informed about the status of the company.

c) EOC mobilization criteria

When should an EOC be mobilized? You must decide the thresholds that must be met for the EOC to be mobilized and its members called to duty. You can establish these criteria by incident type and magnitude, such as "an earthquake measuring 6 on the Richter scale" or "a flood warning is issued."

d) EOC locations

The location where EOC members are to convene must be decided in advance. You should prepare for a situation in which your first choice location (e.g., the head office building) is unusable by selecting alternate EOC locations as well. EOC centers (including alternate sites) should be prepared for mobilization at any time, and thus equipped with communication equipment, IT and office equipment, and other supporting resources.

Form 6-2 Emergency Operation Center (sample)

Members	Roles	department~ name		Tel
	Leaders (including deputies)	CEO~ ○○○○		**_****_****
		Director~ ○○○○		**_****_****
		Director~ ○○○○		**_****_****
	Analysis and planning	○○dept.~ ○○○○		**_****_****
	Information function	○○dept.~ ○○○○		**_****_****
	Site operation function (stabilization, rescue and medical care, confirmation of employee safety, sanitation, logistics)	○○dept.~ ○○○○		**_****_****
○○dept.~ ○○○○		**_****_****		
○○dept.~ ○○○○		**_****_****		
○○dept.~ ○○○○		**_****_****		
Public relations	○○dept.~ ○○○○		**_****_****	
Mobilization thresholds	<p>- Earthquake measuring 6 on the Richter scale</p> <p>- Flood warning is issued</p>			
Meeting place (including alternate locations)	Order of priority	Workplace	Address	Tel
	1	Head office	○○○○	**_****_****
	2	A office	○○○○	**_****_****
	3	B factory	○○○○	**_****_****

(3) Confirmation of employee safety

You must establish procedures for confirming the safety of your employees in advance. You will have to make sure that all employees promptly follow the established procedures in the event of a disaster. Your company should test its procedures by conducting drills, as these show how well employees follow the established instructions and how long it takes to complete a confirmation of the safety of all employees. Your safety confirmation procedures should include a way for employees to contact the company. Multiple means of communication should be identified (e.g., phone calls, e-mail, and Internet bulletin board) so that redundancies are built in. Remember the lesson learned from the catastrophic Great East Japan Earthquake of March 2011 (M9.0), after which the mobile phone network was non-operational across a wide area due to extensive damage and congestion. Since such risks are inherent when relying on a single mode of communication that utilizes the mobile phone network, backup methods must be identified.

**Form 6-3** is an employee contact list with columns for each employee's department, name, telephone number, and e-mail address. This form can also be used as a checklist when confirming employee safety.

Form 6-3 Emergency Contact list (sample)

Department	Name	Telephone number	E-mail address	Safety status (to be entered in an emergency)
○○dept.	○○○○	**_***_***	****@***.***.***	
○○dept.	○○○○	**_***_***	****@***.***.***	
○○dept.	○○○○	**_***_***	****@***.***.***	

(4) Confirmation of safe commuting conditions

When a disaster affects a widespread area across an entire region, the social infrastructure may be damaged. Your company has to decide whether it is safe to let employees go home or whether they will need to stay on the premises. You can do this by monitoring disaster and traffic information.

(5) Stabilization of the situation and prevention of secondary damage

When an incident occurs and creates a dangerous situation, you must work on stabilizing the situation to ensure employee safety and prevent secondary damage. This may include efforts to fight fires or prevent the spread of harmful substances.

(6) Survey of damage

Once the situation has been stabilized and safety has been secured, the damage to your company should be immediately surveyed. Your company will have to decide on any necessary repair and recovery plans, and must start on its recovery process as soon as possible. A sample survey form is shown in **Appendix 6-2**.

(7) Asset protection

Based on the damage survey results, you must protect and preserve your facilities and equipment. For example, you will want to take measures to prevent the damage from spreading and to secure your assets against theft.

(8) Compilation and sharing of information

When a disaster hits your region, it is critical that you gather the following information using various media, including television, radio, and the Internet:

- Disaster details
- Damage to the region (including the status of essential services and traffic conditions)
- Alerts and warnings from central/local government authorities

Your company should maintain communication with stakeholders such as suppliers, customers, public agencies, and financial institutions by gathering and sharing relevant disaster information. It is important to give your business partners status updates and information on your recovery plans so as to maintain your business relationships while you are engaged in recovery efforts. **Form 6-4** is a sample External Contact List.

Form 6-4 External Contact List (sample)

External Partners	Name	Tel.	E-mail address	Status (complete when an incident occurs)
Materials & Parts Suppliers	○○○○	**_****_****	****@****.****.****	
	○○○○	**_****_****	****@****.****.****	
	○○○○	**_****_****	****@****.****.****	
Logistics Service Providers	○○○○	**_****_****	****@****.****.****	
	○○○○	**_****_****	****@****.****.****	
	○○○○	**_****_****	****@****.****.****	
Equipment Maintenance Co.	○○○○	**_****_****	****@****.****.****	
	○○○○	**_****_****	****@****.****.****	
	○○○○	**_****_****	****@****.****.****	
Customers	○○○○	**_****_****	****@****.****.****	
	○○○○	**_****_****	****@****.****.****	
	○○○○	**_****_****	****@****.****.****	
Financial Institutions	○○○○	**_****_****	****@****.****.****	
	○○○○	**_****_****	****@****.****.****	
	○○○○	**_****_****	****@****.****.****	
Public Agencies, Local Government Offices	○○○○	**_****_****	****@****.****.****	
	○○○○	**_****_****	****@****.****.****	
	○○○○	**_****_****	****@****.****.****	
Essential Service Providers	○○○○	**_****_****	****@****.****.****	
	○○○○	**_****_****	****@****.****.****	
	○○○○	**_****_****	****@****.****.****	

Appendix 6-1 Storage List for Disasters

Categories	Items	Numbers of items to prepare
Food / Water	Drinking water	3 liters/person for 3 days
	Emergency food	3 day supply/person
Living supplies	Sanitation supplies (tissues, wet tissues, toilet paper, etc.)	3 days
	Utensils	Necessary numbers for people
	Portable toilets	3 days
	Plastic bags, tape	Equal to the number of people
	Blankets, sleeping bags	Equal to the number of people
	Portable gas and stoves	3 days
	Pots and kettles	3 each
	Pocket warmers	3 day supply/person
	Oil heaters, oil	Fuel for 3 days
Medical supplies	First aid kits	Equal to the number of people
	Folding stretcher	3
Tools	Tools (crow bar, pliers, hammer, shovel, cloth tape, stepladder)	3 each
	Helmet and gloves	Equal to the number of people
	Plastic sheets, tarps	3 sheets (10m×10m)
	Garbage cans, buckets	3 each
Support for getting people home	Rainwear	Equal to the number of people
	Maps	Equal to the number of people
Information gathering, communication	Radios, dry batteries	3 each
	Cell phone chargers	3 units per each model
	Loudspeakers	3 units
Other	Generators, generator fuel	2 units of fuel for 3 days

Appendix 6-2 Damage Survey Form

Surveyed location		
Employee injuries	Injured employees	Names:
Damage to buildings	Appearance	Large ☹ Medium ☹ Small ☹ None
	Inside	Large ☹ Medium ☹ Small ☹ None
	Safe entry	Yes ☹ No
Damage to assets	Equipment	(Damaged equipment / number of items)
	Communication equipment	(Damaged equipment / number of items)
	IT apparatus	(Damaged equipment / number of items)
	Fixtures and fittings	(Damaged items / number of items)
	Vehicles	(Damaged vehicles / number of items)
Damage to essential services	Electricity	Available ☹ Not Available
	Gas	Available ☹ Not Available
	Water	Available ☹ Not Available
	Landline phone service	Available ☹ Not Available
	Mobile phone service	Available ☹ Not Available
	Internet	Available ☹ Not Available
Neighboring situations	Fire	Available ☹ Not Available
	Other	
Business continuity		Disrupted ☹ Not Disrupted
Visitors		(Injured people)
Others		



## **Step 7 BC strategies for early resumption**

In Step 7, you will create your company's Business Continuity (BC) Strategies for the resumption of Prioritized Activities (PAs) within the Recovery Time Objectives (RTOs). To do this, you must identify and prepare the internal and external supporting resources that are necessary for the resumption of those activities.

There are three key concepts to consider in planning your BC Strategies for the resumption of your Prioritized Activities (PAs). You are going to take these concepts into consideration in developing your own BC Strategies for achieving the RTOs of your PAs.

Concept 1: Resume PA at the damaged/affected site.

Concept 2: Resume PA at an alternate site (either in-house or external facility)

Concept 3: Resume PA by alternate methods (or workaround methods)

Your BC Strategies might contain a combination of the above three concepts.

In the very early stages of your recovery planning, you have to decide where your company will restart its critical operations (or PAs). One option is to resume operations at a damaged or affected site; another is to resume at an alternate site. You should have plans for both options. Your company should be prepared for a scenario in which your main facilities, such as your headquarters or main factory, becomes unusable. For an SME that has limited resources, it might be difficult to prepare an alternate site. An SME may only have the option of preparing a BC Strategy for restarting operations at an affected site. Still, you should remember in this case that your company will be defenseless if your key facility is damaged to the point of being unusable. Over the mid to long term, you should consider ways to address this risk. This requires more than mere paperwork. The business owner (top management) has to make a business decision about how and where to recover prioritized activities in the event of a disruption.

**Form 7-1** summarizes the BC Strategies for your company, and should be completed based on the concepts listed above. Enter your selected BC Strategy into the appropriate column of the form.

Concept 1: Let's start with a BC Strategy for resuming operations at a damaged/affected site. You have to start by restoring damaged resources. The buildings and equipment/machinery may be damaged such that assistance by an outside expert from a construction company or machinery manufacturer may be necessary. Essential services such as electricity, gas, and water are necessary for resuming disrupted operations. The recovery of such essential services to your company may become an essential condition of business resumption. You should therefore estimate how soon those public utilities will be able to resume services and review/adapt your BC Strategy accordingly.

Concept 2: The next option is to resume operations at an alternate site. The alternate site should be far enough away to be undamaged by the same disaster. You should make sure that the essential services your company needs would be unaffected and available at this site. This option requires that all necessary resources, such as buildings, equipment, and machinery be available at this site. You also need to consider how to transport your workforce, as

well as your materials and parts, to this location, and you will need cooperation from external partners to make all of this happen.

Concept 3: This concept focuses on resuming PAs using alternate methods. This option can be combined with both concepts 1 and 2 above. For example, older spare equipment can be used to replace damaged newer equipment. Manual labor can replace the use of a disrupted IT system. Your company must select the alternate methods best suited to your operations. You need also identify what kind of assistance might be needed from external partners.

Form 7-1 Continuity Strategy Summary

Continuity Strategy Summary				
Priority	Strategy Outline	Activities to Resume	Key Resources (bottleneck resources)	Necessary External Partners
Strategy 1: Resume at the damaged/affected site				
	(ex.) Restore damaged buildings and equipment and resume PA			
Strategy 2: Resume at an alternate site				
	(ex.) Start up an alternate factory/ office / shop			
	(ex) Activate back-up IT center			
Strategy 3: Resume using alternate methods				
	(ex) Start up using older methods, using spare (old) equipment			
Strategy: Other				

Now that you have decided on your company’s BC Strategy using **Form 7-1**, you need to identify the resources necessary for executing this strategy. Complete **Form 7-2** to identify the necessary resources for each BC Strategy listed in **Form 7-1**. You will prepare **Form 7-2** for each BC Strategy. At the top of **Form 7-2**, enter the Prioritized Activity and strategy outline you are going to consider. There are columns of resources categorized into three

groups: internal resources, essential social services, and external partners (same as **Form 3-1**).

Form 7-2 BC Strategy Planning sheet

Prioritized Activity		Strategy Outline				
Categories	Resources	What's to be done / needed	Details of Measures	To be done by when		Department in charge
				Short Term	Mid-! Long Term	
Internal Resources	Building					
	Equipment / Machinery					
	Stock					
	People					
	IT System					
	(others )					
Essential Social Services	Electricity/Gas/Water					
	Phone/Communication					
	Traffic / Roads					
	(others )					
Outside! Partners	Suppliers					
	Customer					
	(others )					

Next, enter the necessary measures in the relevant column for each resource. In this process, you should check your review results in **Form 4-2**, the Resource Damage Estimate Sheet (see column 8 where you identified which resources are needed for achieving the RTO). For the resources identified, decide what measures should be taken from the perspective of preventing and/or minimizing damage and expediting restoration.

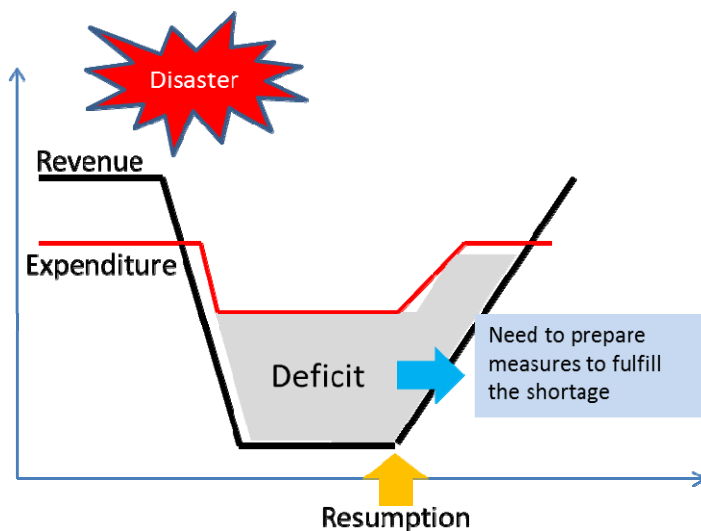
The resources that are critical in determining the restoration period required (or bottleneck resources) should

be carefully reviewed. Particular attention should be paid to finding out how soon those resources that are not under your control will become available to you. You may need to flexibly revise your RTO and BC Strategy based on that review. Enter the deadline for implementing each measure, indicating whether it must be implemented in the short term (within 1 year) or the mid to long term (2 to 3 years or more). Also enter the departments in charge of those measures. Once **Form 7-2** has been completed with the designated departments and deadlines, you can use the form for managing progress on the implementation of measures. As stated above, this process takes more than mere paperwork; it requires management decisions to be made by the business owner (or top management) in cooperation with their BCM Team. It is very important that top management exercise its leadership in implementing BC Strategies.

Your outside business partners have a significant impact on your business operations and BC Strategies. Since you cannot control your business partners, what role do they play in your BC Strategies? It depends on your business relationship you have with them, but you can start by checking into their preparedness levels by asking about their disaster management and BCM programs. Are they aware of such matters or uninterested? If they are interested, both parties would be well served by sharing what they are doing in terms of their disaster management and BCM activities. Ideally, you and your partners would hold regular meetings on this topic and plan joint meetings or exercises.

### **Step 8 Be financially prepared**

Can you survive financially if your operations are disrupted for one to two months? The objective of Step 8 is to recognize what the financial status of your company would be in case of business disruption and to take appropriate measures in advance to avoid bankruptcy even during a period of suspended income. If your company's operations are disrupted, you will be losing revenue while still having to pay expenses like payroll and rent. And if your facilities are damaged, you will need to pay the repair and restoration costs. In Step 8, you will estimate how much money you will need if your company sustains damage and consider any measures that need to be taken to make up any shortfalls. This financial analysis will help you:



- Understand how much your revenue will decrease as the result of a business disruption (Section 1)
- Estimate how much you will incur in recovery costs to resume your business operations (Section 2)
- Recognize how much in ordinary expenses you will incur during a disruption (Section 3)
- Calculate how much you need to meet any shortfall (Section 4)

From past experience, we recommend that your company maintains a reserve of cash and deposits equivalent to one month's worth of revenues.

You can assess your financial status by completing **Form 8-1**.

(1) Check your available funds

You should check the amount of funds that you have on hand in reserves or that would otherwise be available if needed during a business disruption. First, fill in the total amount of available funds in **Form 8-1**. Examples of available funds include cash, deposits, and short-term securities. Additionally, your company might be able to get private funding from an owner of the company. Next you should check your company's insurance policies. Find out what types of insurance policies your company has and whether such insurance policies cover the disaster or accident in question. Also find out how much coverage you have. You should be aware that in most cases, it takes some time for insurance payouts to be made due the time required for investigations and settlement negotiations.

Figure 8-1 Financial Status During Disruption

The bottom line of **Form 8-1** shows the total amount of available funds (A).

Form 8-1 Available Fund (sample)

Type	Amount	Other
Cash and Deposits	100,000	
Insurance	50,000	Fire / Flood /Earthquake
<b>Available Funds (A)</b>	<b>150,000</b>	

(2) Estimate recovery costs

Next you will assess the expenditures your company would incur as the result of a disaster and during the disruption period. You have already estimated damages and restoration periods for your important resources (Steps 4, 5, 6, and 7). Now you have to do some guesswork regarding how much it would cost to repair and restore the damaged resources that are essential to the resumption of your Prioritized Activities. Estimate the recovery cost for each main category of resources, as shown in **Form 8-2**. Buildings, equipment and machinery, fixtures and fittings, and inventory are listed as examples. Enter the expected total recovery cost for each category. The bottom line of **Form 8-2** shows the total amount of estimated recovery costs (B).

Form 8-2 Recovery Costs

Recovery Cost	Amount	Other
Building	10,000	
Equipment and machinery	5,000	

Fixtures and fittings	5,000	
Inventory	5,000	
<b>Total Recovery Costs (B)</b>	<b>25,000</b>	

(3) Summarize ordinary expenditures

There are ordinary expenditures that your company has to pay even during a disruption. These expenses include fixed costs such as payroll and rents on real estate and warehouses, as well as variable costs such as debt payments. You need to know the total monthly amount of your ordinary expenditures during a disruption period. Use **Form 8-3** to enter the expense items and total amounts. The bottom line shows the total ordinary expenditures (C).

Form 8-3 Ordinary Expenditures

Ordinary Expenditure	Amount	Other
Payroll		
Purchased supplies		
Rent		
Others		
<b>Total Ordinary Expenditures (C)</b>		

(4) Assess cash flow status

By completing processes (1), (2) and (3) above, you will have obtained the total amounts of your available funds (A), recovery costs (B), and ordinary expenditures (C). Enter those amounts in **Form 8-4** and calculate the balance (=A-B-C). If the balance is negative, your company will have a shortfall in necessary funds. If it is positive, your company is likely to have sufficient funds for weathering a disruption.

Form 8-4 Financial Status Sheet

Available Funds (A)	
Recovery Costs (B)	
Ordinary Expenditures (C)	
<b>Balance (=A-B-C)</b>	

(5) Financial measures

If the balance shown in **Form 8-4** is negative (indicating a fund shortage), your company needs to take

financial measures to make up for that shortfall. You may need to increase available funds by taking out a loan from your bank or by cutting down on redundant costs to decrease expenditures. In many cases, the national and local governments provide low interest disaster loans for SMEs that have been affected financially by a disaster. It is therefore important to research what kinds of financial support programs might be available to your company.

Form 8-5 Financial Measures (sample)

Financial Measures	Amount	Detail
(example) Borrow from bank	100,000	Check the amount every December
(example) Disaster loan	150,000	Apply when hit by a typhoon

**Step 9 Exercises make your plan functional**

In Steps 5, 6, and 7, your company planned out your BC Strategies. The next question relate to some of those plans. How confident are you that you can you answer "Yes" to the following questions?

- Can all employees (and visitors) evacuate promptly and safely, following your evacuation plan?
- Can all employees call your emergency phone number to confirm their safety status?
- Can EOC members gather immediately as instructed at the established meeting place and perform their designated duties?

Making a plan and executing a plan are different tasks. Your company’s business continuity plans need to work effectively as planned in the case of an emergency. The purpose of an exercise is to ensure that your company’s plans work effectively and can achieve their objectives. Exercises are intended not only to test how well your plan performs, but also to provide employees with education and training to enhance their knowledge and expertise, empowering them to act as instructed in a disaster.

Exercises can included the following:

- Evacuation drills: Test and practice safe and prompt evacuation to designated locations.
- Safety confirmation exercises: Test and practice emergency calls to employees to confirm their safety.
- EOC exercises: Test and practice the mobilization of the EOC and the performance of designated roles by EOC members.
- Backup data recovery exercise: Test and practice recovery using backup data.
- Operational restart exercise: Test and practice the resumption of operations after a disruption.
- Alternative site launch exercise: Test and practice starting up operations at an alternate site.

There are many types of exercises that can be conducted. It is recommended that you conduct any exercises

that your company thinks necessary and feasible. You can increase the level of complexity of your exercises and adopt different types of exercises to improve your company’s business continuity capabilities.

Use **Form 9-1** to create an exercise plan for your company. The post-exercise review is important for identifying any deficiencies or problems, so that your company can make any necessary improvements.

Form 9-1 Exercise Plan

Type of Exercise	Aim	Target Group	Date of Exercise	Post Review

## 6. PDCA: Continuous Improvement

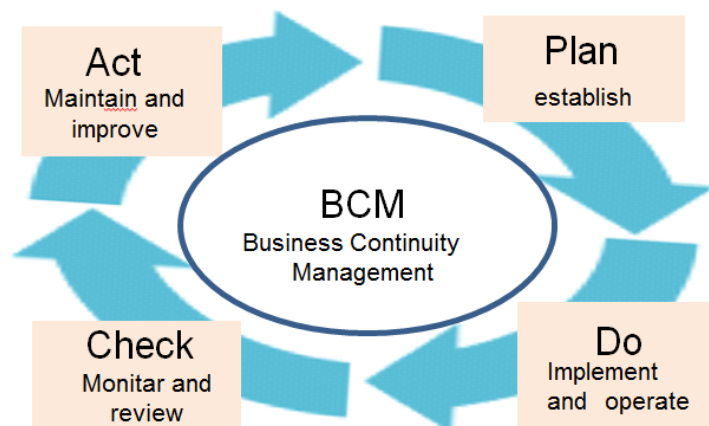
Business Continuity Management refers to your company-wide efforts to develop your capabilities for resuming critical operations (Prioritized Activities) after a disruption caused by a disaster. It is not easy to establish such capabilities in a short period of time, but it is essential to continuously improve and enhance them over time. We strongly recommend that you utilize the PDCA Cycle (Plan, Do, Check, Act) for your company’s continuous BCM improvement.

### Step 10 Ongoing Review and Improvement

You have already gone through the first two of the four phases (Plan and Do). In Step 10, you finish the remaining two steps: Check (monitor and review) and Act (maintain and improve).

(1) Review and check your BCM  
In order to make your company’s BCM as

### Business Continuity Management System



PDCA cycle



effective as possible, you should monitor and review your company’s BCM activities. All phases of your BCM activities – before, during, and after an incident - should be reviewed.

Use **Form 10-1** to assist in this process, proceeding through each of the 10 steps outlined in this booklet.

Ask yourself the following questions as you review each step.

- Are the BCM activities that have been established being performed effectively ?
- Are there any tasks or problems that require improvement?
- Are there any changes in internal or external circumstances that need to be considered?
- Are there any areas or items which were not included in the BCM but need to be added?

Form 10-1: BCM Review Form

Step	Items to Review and Check	Related Forms	Currently Effective	Changes in Business Environment	Issues to Review
1	BCM Framework Purpose, scope, BCM leaders and team members	1-1, 1-2, 1-3	Y/ N		
2	Prioritized activities, recovery time objectives				
3	Supporting resources Bottleneck resources				
4	Surrounding risks Expected damages				
5	Protection and mitigation measures				
6	Emergency response, EOC, safety confirmation, risk communication				
7	Continuity and recovery measures				
8	Exercises, training				
9	Cash flow for emergencies Financial measures				
10	Monitor, review, and improvement				

This review process should be conducted periodically, at least once a year. If there are any changes in the business environment surrounding your company, such as a change in partner companies (suppliers or vendors), core business operations (products or services), IT systems, location changes, or changes due to a merger or acquisition, you should pay attention to their potential effects on your BCM. Those factors may not have been taken into consideration or may have been omitted in your reviews and you may have to reconsider and make changes to your BCM program. It is important that you conduct periodic reviews so as not to miss a chance to update your BCM. These internal reviews are usually performed by the BCM Team, the departments in charge, and your internal audit department.

(2) Management review

In addition to the above review and check processes, top management has to proactively initiate a review of the company's BCM at least annually, ensuring that it is being managed effectively and that the PDCA cycle is working. **Form 10-2** is for management review. The input items to and output items from top management during management review should be determined. It should be understood that the management review serves as a strong motivator for closing the loop on the PDCA cycle.

Form 10-2 Management Review Sheet

Check & Review Items	Person in Charge	Due Date	Top Management

## **Appendix**

### 1. Blank Forms

- Form 1 BCM Framework
- Form 2-1 Impact Level Comparison Chart
- Form 2-2 Maximum Tolerable Period of Disruption
- Form 2-3 Prioritized Activities and RTOs
- Form 3-1 Necessary Resources for Prioritized Activities
- Form 4-1 Risk Impact and Likelihood Comparison Chart
- Form 4-2 Resource Damage Estimate Sheet
- Form 5-1 Protection and Mitigation Measures for Key Resources
- Form 6-1 Evacuation and Rescue Plan
- Form 6-2 Emergency Operation Center
- Form 6-3 Emergency Contact List
- Form 6-4 External Contact List
- Form 6-5 Storage List for Disasters
- Form 6-6 Damage Survey Form
- Form 7-1 Continuity Strategy Summary
- Form 7-2 BC Strategy Planning Sheet
- Form 8-1 Available Funds
- Form 8-2 Recovery Costs
- Form 8-3 Ordinary Expenditures
- Form 8-4 Financial Status Sheet
- Form 8-5 Financial Measures
- Form 9-1 Exercise Plan
- Form 10-1 BCM Review Form
- Form 10-2 Management Review Sheet

### 2. BCM Checklist

## 1. Blank Forms

### Form 1

#### BCM Framework

BCM Purpose	
Protect People	
Protect Business Activities	
Recover with Local Community	

BCM Scope	
Departments to introduce BCM	

BCM Leader and Team	
BCM Leader	
BCM Team Members	

Form 2-1

Impact Level Comparison Chart

Department Handling Each Product/ Service	Impact Levels	
	External! Impact	Internal! Impact
	L : M : S	L : M : S
	L : M : S	L : M : S
	L : M : S	L : M : S
	L : M : S	L : M : S
	L : M : S	L : M : S
	L : M : S	L : M : S
	L : M : S	L : M : S
	L : M : S	L : M : S
	L : M : S	L : M : S

Form 2-2

Maximum Tolerable Period of Disruption

Departments Handling Each Product/Service	Time When Impact Becomes Unacceptable					Recovery Time Objective (RTO)
	MTPD					
Product / Service A	<input type="checkbox"/> 3 ds	<input type="checkbox"/> 1 wk	<input type="checkbox"/> 2 wks	<input type="checkbox"/> 1 mo	<input type="checkbox"/> 2 mos.	
Product / Service B	<input type="checkbox"/> 3 ds	<input type="checkbox"/> 1 wk	<input type="checkbox"/> 2 wks	<input type="checkbox"/> 1 mo	<input type="checkbox"/> 2 mos.	
Product / Service C	<input type="checkbox"/> 3 ds	<input type="checkbox"/> 1 wk	<input type="checkbox"/> 2 wks	<input type="checkbox"/> 1 mo	<input type="checkbox"/> 2 mos.	
	<input type="checkbox"/> 3 ds	<input type="checkbox"/> 1 wk	<input type="checkbox"/> 2 wks	<input type="checkbox"/> 1 mo	<input type="checkbox"/> 2 mos.	
	<input type="checkbox"/> 3 ds	<input type="checkbox"/> 1 wk	<input type="checkbox"/> 2 wks	<input type="checkbox"/> 1 mo	<input type="checkbox"/> 2 mos.	

Form 2-3

Prioritized Activities and RTOs

Prioritized Activity(ies)	
Recovery Time Objective(s) (RTO)	

Form 3-1

Necessary Resources for Prioritized Activities

Type of Resources		Contents
Internal Resources	Building	
	Equipment / Machinery	
	Inventory	
	People	
	IT System	
	Fund	
	(Other )	
Essential Social Services	Electricity	
	Gas	
	Water	
	Phone / Communication	
	Traffic / Roads	
	(Other )	
Supplies	Direct supplier	
	2nd, 3rd Supplier	
	Customer	
	(Other )	

Form 4-1

Risk Impact and Likelihood Comparison Chart

Risk	Impact	Likelihood	Priority
	H! ! M! ! L	H! ! M! ! L	
	H! ! M! ! L	H! ! M! ! L	
	H! ! M! ! L	H! ! M! ! L	
	H! ! M! ! L	H! ! M! ! L	
	H! ! M! ! L	H! ! M! ! L	
	H! ! M! ! L	H! ! M! ! L	
	H! ! M! ! L	H! ! M! ! L	
	H! ! M! ! L	H! ! M! ! L	
	H! ! M! ! L	H! ! M! ! L	
	H! ! M! ! L	H! ! M! ! L	
	H! ! M! ! L	H! ! M! ! L	
	H! ! M! ! L	H! ! M! ! L	
	H! ! M! ! L	H! ! M! ! L	
	H! ! M! ! L	H! ! M! ! L	
	H! ! M! ! L	H! ! M! ! L	



Form 4-2

Resource Damage Estimate Sheet

Risk			Assumed recovery period						Need measures
Assumed damage			Day	Day (shown by graph)					
Necessary resources		Damage		3ds	1wk	2wks	1mo	2mos	
Internal Resources	Building								
	Equipment / Machinery								
	Inventory								
	People								
	IT System								
	Fund								
	(other )								
Essential Social Services	Electricity								
	Gas								
	Water								
	Phone / Communication								
	Traffic / Roads								
	(other )								
Supply	Direct supplier								
	2nd, 3rd Supplier								
	Customer								
	(other )								

Form5-1

Protection and Mitigation Measures for Key Resources

Resources	Objectives	What To Do	Your Plan	Implementation Deadlines			Department in Charge
				Immediately	Within 1 year	Mid to Long Term	

Form6-1

Evacuation and Rescue Plan

Office/Factory	
Evacuation Site (meeting place)	
Leader	Person in charge;  Assistant;
Person in charge of rescue and medical care	Person in charge;  Assistant;
Hospital	(name, address, telephone number)

Form6-2

Emergency Operation Center

Members	Roles		department name	Tel
	Leaders (including deputies)			
	Analysis and planning			
	Information function			
	Site operation function (stabilization, rescue and medical care, confirmation of employee safety, sanitation, logistics)			
	Public relations			
Mobilization thresholds	-			
Meeting place (including alternate locations)	Order of priority	Workplace	Address	Tel
	1			
	2			
	3			

Form6-3

Emergency Contact List

Department	Name	Tel	E-mail address	Safety status to be entered in an emegeency

Form 6-4

External Contact List

External Partners	Name	Tel.	E-mail address	Status (complete when an incident occurs)

## Form 6-5

## Storage List for Disasters

Categories	Items	Numbers of items to prepare
Food / Water	Drinking water	3 liters/person for 3 days
	Emergency food	3 day supply/person
Living supplies	Sanitation supplies (tissues, wet tissues, toilet paper, etc.)	3 days
	Utensils	Necessary numbers for people
	Portable toilets	3 days
	Plastic bags, tape	Equal to the number of people
	Blankets, sleeping bags	Equal to the number of people
	Portable gas and stoves	3 days
	Pots and kettles	3 each
	Pocket warmers	3 day supply/person
	Oil heaters, oil	Fuel for 3 days
Medical supplies	First aid kits	Equal to the number of people
	Folding stretcher	3
Tools	Tools (crow bar, pliers, hammer, shovel, cloth tape, stepladder)	3 each
	Helmet and gloves	Equal to the number of people
	Plastic sheets, tarps	3 sheets (10m×10m)
	Garbage cans, buckets	3 each
Support for getting people home	Rainwear	Equal to the number of people
	Maps	Equal to the number of people
Information gathering, communication	Radios, dry batteries	3 each
	Cell phone chargers	3 units per each model
	Loudspeakers	3 units
Other	Generators, generator fuel	2 units of fuel for 3 days

Form 6-6

Damage survey form

Surveyed location		
Employee injuries	Injured employees	Names:
Damage to buildings	Appearance	Large ☒ Medium ☒ Small ☒ None
	Inside	Large ☒ Medium ☒ Small ☒ None
	Safe entry	Yes ☒ No
Damage to assets	Equipment	(Damaged equipment / number of items)
	Communication equipment	(Damaged equipment / number of items)
	IT apparatus	(Damaged equipment / number of items)
	Fixtures and fittings	(Damaged items / number of items)
	Vehicles	(Damaged vehicles / number of items)
Damage to essential services	Electricity	Available ☒ Not Available
	Gas	Available ☒ Not Available
	Water	Available ☒ Not Available
	Landline phone service	Available ☒ Not Available
	Mobile phone service	Available ☒ Not Available
	Internet	Available ☒ Not Available
Neighboring situations	Fire	Available ☒ Not Available
	Other	
Business continuity		Disrupted ☒ Not Disrupted
Visitors		(Injured people)
Others		

Form 7-1



Continuity Strategy Summary

Priority	Strategy Outline	Activities to Resume	Key Resources (bottleneck resources)	Necessary External Partners
Strategy 1: Resume at the damaged/affected site				
Strategy 2: Resume at an alternate site				
Strategy 3: Resume using alternate methods				
Strategy: Other				

Form 7-2

BC Strategy Planning Sheet

Prioritized Activity		Strategy Outline				
Categories	Resources	What's to be done / needed	Details of Measures	To be done by when		Department in charge
				Short term	Mid-! Long Term	
Internal Resources	Building					
	Equipment / Machinery					
	Stock					
	People					
	IT System					
	(others )					
Essential Social Services	Electricity/Gas/Water					
	Phone/ Communication					
	Traffic / Roads					
	(others )					
Outside! Partners	Suppliers					
	Customer					
	(others )					

Form 8-1

Available Funds

Type	Amount	Other
! Available Funds ( A )		

Form 8-2

Recovery Costs

Recovery Cost	Amount	Other
! Total Recovery Costs( B )		

Form 8-3

Ordinary Expenditures

Ordinary Expenditure	Amount	Other
! Total Ordinary Expenditures (C)		

Form 8-4

Financial Status Sheet

Available Funds (A)	
Recovery Costs (B)	
Ordinary Expenditures (C)	
Balance ( =A-B-C )	

Form 8-5

Financial Measures

Financial Measures	Amount	Detail

Form 9-1

Exercise Plan

Type of Exercise	Aim	Target Group	Date of Exercise	Post Review



Form10-1

BCM Review Form

Step	Items to Review and Check	Related Forms	Currently Effective	Changes in Business Environment	Issues to Review
1	BCM Framework Purpose, scope, BCM leaders and team members	1-1,	Y/ N		
2	Prioritized activities, recovery time objectives	2-1 2-2 2-3	Y/ N Y/ N Y/ N		
3	Supporting resources Bottleneck resources	3-1	Y/ N		
4	Surrounding risks Expected damages	4-1 4-2	Y/ N Y/ N		
5	Protection and mitigation measures	5-1	Y/ N		
6	Emergency response, EOC, safety confirmation, risk communication	6-1 6-2 6-3 6-4	Y/ N Y/ N Y/ N Y/ N		
7	Continuity and recovery measures	7-1 7-2	Y/ N Y/ N		
8	Exercises, training	8-1 8-2 8-3 8-4 8-5	Y/ N Y/ N Y/ N Y/ N Y/ N		
9	Cash flow for emergencies Financial measures	9-1	Y/ N		
10	Monitor, review, and improvement	10-1 10-2	Y/ N Y/ N		

Form 10-2

Management Review Sheet

Check & Review Items	Persons in Charge	Due Date	Top Management

## 2.BCM Checklist

No.	Question	Steps	Answers		
			No	Yes- Partially	Yes! Done
1	Has a BCM Manager been appointed and has a budget for BCM activities been allocated?	1	0	2	4
2	Are the BCM purpose, scope and leader well known throughout your company?	1	0	2	4
3	Does upper management take a visible leadership role in BCM activities and show its commitment to BCM to employees?	1	0	2	4
4	Does your company understand what the impacts would be if the company's operations were to be disrupted for one week? One month?	2	0	2	4
5	Does your company understand how soon it would have to resume operations after a disruption to avoid severe impacts that would threaten the company's survival?	2	0	2	4
6	Has your company identified which businesses should be given top priority for the recovery and resumption of operations?	2	0	2	4
7	Has your company identified important internal resources or outside essential services that might create a bottleneck for business resumption efforts?	3	0	2	4
8	Has your company already identified necessary materials or parts which are supplied by a single supplier?	3	0	2	4
9	Has your company researched the disaster history or risk information (such as hazard maps) that have been published by your local government or other organization?	4	0	2	4
10	Is your company able to withstand the type of natural disaster (with extensive impacts) that has a higher probability of occurring than other disasters?	4	0	2	4
11	Has your company identified which necessary resources might sustain severe damage as a result of the natural disaster identified above (question 10), thus becoming an obstacle for early business resumption?	4	0	2	4
12	Has your company planned and implemented pre-disaster protection (prevention) and mitigation measures to protect the safety and welfare of your employees from expected disasters?	5	0	2	4
13	Has your company planned and implemented pre-disaster protection (prevention) and mitigation measures to protect your company's assets from disasters (earthquake, floods, typhoons) and accidents?	5	0	2	4
14	Has your company prepared an emergency contact list of employees?	6	0	2	4
15	Has your company decided on the framework for an Emergency Operation Center, such as where to gather, what members are to be called, and the criteria for mobilization?	6	0	2	4
16	Has your company made a contact list of customers, business partners, and authorities?	6	0	2	4

17	Does your company periodically backup its data?	7	0	2	4
18	Does your company have an alternate site in place in case its headquarters or main business location is shut down?	7	0	2	4
19	Does your company have alternate or temporary measures in place to replace main equipment (or other resources) in case primary equipment becomes unusable?	7	0	2	4
20	Does your company know the disaster management and business continuity status of suppliers that supply its essential materials and parts?	7	0	2	4
21	Do you know how much funding you would be short if your company's operations were to be totally disrupted for one month?	8	0	2	4
22	Have you checked into what kinds of disaster support programs are available through your local government or other public organizations?	8	0	2	4
23	Have you set aside a cash reserve equal to one month of revenue for disasters?	8	0	2	4
24	Does your company conduct periodic evacuation drills?	9	0	2	4
25	Does your company conduct exercises to test that data can be safely recovered from backup systems?	9	0	2	4
26	Does your company conduct exercises to practice mobilizing the Emergency Operation Center?	9	0	2	4
27	Does your company periodically review its disaster management and business continuity plans and implement improvement measures if necessary?	10	0	2	4
28	Does upper management proactively engage in the periodic review of BCM activities?	10	0	2	4
Total Score					

Your BCM Status Level	Your Total Score
Your company is defenseless against disasters and accidents. If a disaster strikes, your company is very likely to sustain severe damage which may cause long-term disruption. Your company needs to know the risks that threaten it and to start considering what can be done to minimize the potential damage that might be caused by such risks.	0 - 36
Your company is aware of the risks to which it is exposed and has taken some necessary preparatory measures. However, the expected results of those measures may be limited. Your company is still exposed to severe damage because of the weakness of your BCM activities. Be sure to prioritize BCM activities to make your BCM more effective.	37 - 74
Your company has almost established BCM and has implemented measures that would probably be effective if the risks are within your estimates. Continue following the PDCA cycle in your BCM activities to enhance your business continuity preparedness and ensure that you will be able to respond effectively to an unexpected incident or disaster.	75 - 112

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