By Anthony Pizzitola

Business Continuity Management – The Key to Business Sustainability!

Business continuity management and planning are the keys to business sustainability. With disasters of all types and magnitudes occurring daily, organizations both small and large must have preparedness plans ready. Ideally, the facility-management and disaster-recovery departments of business organizations will work in unison to create a comprehensive plan to uncover and control threats before they stop revenue and production.

According to the International Facility Management Association (IFMA), facility management is "the profession that encompasses multiple disciplines to ensure functionality by integrating people, place, process, and technology." The Disaster Recovery Institute International (DRII) defines business continuity as "the holistic management process that identifies potential impacts that threaten the organization and provides a framework for building resilience with the capability of an effective response that safeguards the interests of the shareholders, reputation, and value-creating activities."

NBIZ is pleased to share this interview with business-continuity-management expert Anthony Pizzitola.

Q: Nationwide, you have been invited to deliver presentations on business continuity management (BCM) and its relationship to facility management. You have also written numerous articles on the subject. As someone with an MBA, what got you involved in BCM?

A: Hurricane Katrina signed me up for this role. My former employer (a Fortune 500 company) did not have a comprehensive disaster-preparedness and recovery plan. It was my immediate responsibility, as a regional facility professional, to implement an emergency plan and acquire a new skill set to save facilities valued in the millions, as well as protect and preserve the safety and livelihood of our team members.

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Q: So a devastating hurricane escalated your interest in BCM?

A: Yes, absolutely. However, my first introduction to BCM actually occurred in 2002, when the editors of IFMA's *Facility Management Journal* requested an article on the sequence of events that had resulted in the collapse of the World Trade Center. During my research, I learned that terrorism also falls under the BCM umbrella.

Q: What was the result of your emergency plan for Hurricane Katrina?

A: Even though I devised a last-minute, relatively simplistic plan, the results were favorable compared to the guaranteed adverse outcome had we had no plan at all. Only eight units out of 57 were completely destroyed. The balance required only marginal repairs. At that point, I realized that a comprehensive preparedness plan could fortify the vision I was strategically aiming to achieve, so I decided to strategically establish key performance indicators for the next inbound hurricanes.

Q: What were the measurable results of your plan in subsequent hurricanes?

A: They were impressive for Rita, Gustav, and Ike! Once I had obtained buy-in from executives, I implemented a detailed two-page shut-down plan that Operations and Facilities executed in two to three hours per unit. Once the hurricanes had passed, we were reopening units within two hours of regaining power and facing minimal issues. We recognized the win–win of working together for desired results.

Q: How did this acquired knowledge and experience advance you as a facility professional?

A: Typically, facility professionals inspect annually for capital improvements, service budgets, and benchmarking. My hurricane-induced epiphany added a new dimension to my inspections. Once I focused on the potential threats, I was able to focus on control and solutions.

Q: What other types of disasters should business owners and executives be concerned about beyond those caused by extreme weather conditions?

A: Disasters come in three aggregate forms: manmade, natural, and technological. Each has its own subset of incidents, and each has an applicable resilience-control process that either eliminates the threat or marginalizes the threat's impact. At the end of the day, the goal is to mitigate the damages and legal liability.

Q: Please elaborate.

A: The Disaster Recovery Institute International (DRII) has 10 professional practices, the second of which is Risks Analysis and Control. This practice involves surveying sites for the three dominant threats and determining the probability of their occurrence, the impact of their occurrence, and the most effective means of controlling the threat. The third practice is Business Impact Analysis, which involves ranking the probabilities of the threats to determine the impact quantifiably and qualitatively.

Q: Please provide a basic manmade example.

A: During a routine Risks Analysis inspection, a loose electrical connection is captured and considered a threat with a 100 percent probability of sparking and creating a fire. It's not a question of if, but when—a fire will at some point result. That threat may be controlled for less than $300. On the Business Impact Analysis side of the equation, the quantifiable exposure is high, with a three-alarm fire and destruction of a multimillion-dollar business. On the qualitative side of the equation, the business has now lost its dominant area-marketing position, while the competition has welcomed your customers, clients, key team members, and suppliers with open arms. In addition to this disaster, the company is now faced with insurance and FEMA negotiations and delays. This example may sound like a "Chicken Little" scenario, but it occurs daily—just ask any local fire department. It is both possible and wise to mitigate your risks with minimal outlay. You cannot negotiate with a disaster that has already left the station and is speeding in your direction for impact within seconds.

Q: So how can a business control the adverse affects of an imminent hurricane?

A: Hurricanes are not discriminatory with their targets, picking one structure and not another. If a business is in the path of destruction, facility managers and owners simply need to create and follow preparedness shut-down procedures and determine an offsite location where operations can continue. This way, business continuity can progress without a glitch. This alternate location can be rental space in a neighboring town. I've seen businesses continuing to operate in small warehouses. Enforcing a comprehensive business-continuity plan can outsmart a hurricane.

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Q: How well are facility practitioners partnering with BCM practitioners to plan and prepare for disasters or mitigate the effects of real disasters?

A: According to conferences I have attended, the overall consensus is "not good." Although boardroom meetings are taking place to encourage collaboration, facility-management departments and business-continuity departments are considered "siloed"—in other words, independent and territorial. Each has its own protected agendas, language, and culture. Emotions are contagious, especially after a disaster—when practitioners don't work together, the inevitable finger-pointing occurs, and frustration goes into high gear. The organization needs to know who's on first.

Q: So how can businesses be protected by the synergies of both the facilities and BCM departments?

A: Education, training, and communication mitigate most problems. Facility practitioners need to be indoctrinated into BCM; however, they point out that their plates are already full with facility-management initiatives. But if you don't take time to swallow the aspirin, the headache continues. A four-step process will get businesses there:

First: The organization's key business-continuity practitioner can attend a basic facility-management course, available through the International Facility Management Association (check with your local IFMA Chapter).

Second: A key facility practitioner can attend DRII's basic disaster-recovery course.

Third: These key individuals can cascade their newly acquired knowledge to engage their individual departments and strategize with the other departments on the best process going forward.

Fourth: Most importantly, upper management must provide visible support for this initiative.

Q: What's the outcome of this synergy?

A: It's being done now in very large manufacturing environments for which serious losses would be devastating. On a medium to smaller scale, once facilities departments and BCM departments understand the language and culture of each discipline, they can simply inspect a facility to gather the top ten screaming threats for each of the three major disaster types: manmade, natural, and technological. They can team up to solve for and correct the majority of the issues and develop a preparedness plan that will make the facility more resilient to numerous disasters. The power of leverage goes a long way to dramatically reduce unfavorable outcomes.

Q: So what do you say to CEOs and business owners about the costs of this resilience?

A: CEOs and business owners are focused on maximizing margins to fulfill their obligations to lenders and to the street. Close does not count in these economic times. But there is no safe harbor without preparation. The cost of implementing safeguards will vary from building to building and industry to industry, and that cost is contingent on exactly how resilient the company elects to become based on the available cash. But no initial financial outlay, no matter how large, can ever equal the total destruction of the balance sheet that results from zero-plan implementation.

Q: In our initial conversation you mentioned a new law, "PS-Prep." What is PS-Prep?

A: PS-Prep is the Private Sector Preparedness Act, which was signed into law in 2007. It is a mandate from the 9/11 Commission that directs the Department of Homeland Security to develop and implement a certification program that audits businesses to ascertain their level of preparedness. It is similar in principal to the ISO 9000 quality standard, but the focus is on safeguarding people and facilities. While we're on the topic, I should point out that it is greatly beneficial for businesses to ask their vendors and supply chains about their preparedness plans. A business may be a fortress, but if product is destroyed or cannot be transported, you have a big problem. You can't do business with an empty wagon.

Q: So what was the effect of the latest unexpected disaster?

A: The recent drought created some electricity issues. Electrical power line drops from telephone poles are connected to electrical-service riser feeders exiting the weather heads at rooftops. Typically, the wires are connected mechanically or by compression and then wrapped with black tape to prevent contact and moisture penetration. If the tape becomes brittle due to prolonged atmospheric heat, it deteriorates and permits water penetration, which eventually leads to corrosion in the connecting wires. The power to the facility is then terminated. That can shut down a business for several hours, until the service provider has time to correct the problem. Take the time to check these kinds of items or have a professional check them out, before the business is closed and orders are piling up while customers call.

Q: What is your best advice to facility and disaster-recovery practitioners, executive management, and business owners?

A: Since 1994, natural disasters have increased by 40 percent, and manmade disasters are increasing exponentially on a daily basis. Facility professionals should become current in their education and experience to add value to their organizations by protecting the facilities their internal and external customers inhabit. Executive management and business owners should surround themselves with the best facility professionals, because these experts can protect facilities and organizations on multiple levels. Business is 24/7, and functional sustainability guarantees viability in the decades to come. **N**

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