Managing the Unexpected:

Best Practices in Continuity of Business Planning for Global Businesses

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Stability is Unreliable

Sovereign Debt  Market Uncertainty  Technology Sprawl  Corporate Solvency  Political Unease  Natural Disasters

Contingency is not enough

we must pursue

Natural Resilience across our entire Ecosystem.

...can’t survive in “the plan”...
...can’t be considered an IT problem...
...can’t be the job of one team or individual...
....isn’t something we get the luxury to test...

Contingency – (Event Focus)
• A provision for a possible event or circumstance
• From late Latin *contingentia* (in its medieval Latin sense 'circumstance'), from *contingere* 'befall'

Resilience - (Capability Focus)
• the ability of a substance or object to spring back into shape;
• The capacity to recover quickly from difficulties; toughness:
How Resilient Are We?

**Understand**
- Determine the internal ecosystem that facilitates client commitments.
- Inventory the resources that supports the ecosystem (Technology, Human, Physical, Intellectual).
- Determine the external dependencies to the ecosystem. (Process Vendor, Logistics, Communications, Transport etc...).

**Assess**
- What are the points of risk and aggregation?
- What threat scenarios each capability is open to?
- Where are the weaknesses across the ecosystem?
- What level of visibility or understanding is there on resilience of partners?
- What is the readiness to manage an event (technical & non technical)?

**Resource Factors**

**Time Factors**

**Prepare**
- Change management and pulse monitoring.
- Location strategy for dual location capabilities and concentration risk.
- Safeguarding and accessing knowledge base.
- Defined crisis management process and methodology.
- Data quality, management and availability.

**Execute**
- The playbook and methodology is often more important than the plan.
- Know who the A-Team are, “Aces in their places”
- The same risk dynamics that govern Business as Usual exist in the crisis in some form.
- Eliminate distractions.

**Resilience Program**
What Constitutes An Operating Ecosystem?

Some Questions to Consider
1. Is the entire network equally resilient and are there increased capabilities at points of aggregation?
2. Are there external dependencies and do we understand implications and have relevant agreements (Telco providers)?
3. Is our resilience based on requirement or capability (Feasible Vs Desirable)?
4. How often have non technical scenarios been tested?
5. How many issues of the last 12 months were considered in our plan?
6. Is the safety and security of our employees considered in our plans?

Popular Myths
1. Dynamic mirroring capabilities exist.
2. You can switch from one platform to a hot back up in a matter of seconds.
3. In the event of the “unthinkable” our processes will be last thing people are concerned about.
4. Partners and Markets must have better resilience than us as they are points of aggregation.
5. During an event the contingency guys will tell us what to do. Every event has been considered.
6. Technology will be the deciding factor during an event.
8. Procedures and processes equates to industrial strength belt and braces approach.
What Positive Actions That Can be Taken?

**Short Term – Best Practice**

- Recognise need and commit to a resilience program.
- Robust communication / transport / security plans for events.
- Establish Crisis Management disciplines.
- Create positive post mortem practices.
- Continually know you’re A-Team and how they would be utilised.
- Establish enterprise content and knowledge management practices.
- Use critical role succession planning as well as hierarchy.
- Create real training and awareness programs.
- Assess resilience of vendors.

**Medium Term - Tactical**

- Refocus contingency spend to a resilience program.
- Deploy data management tools and practices that will allow access to real time in flight data.
- Transition system configuration from hard code to controlled static data elements.
- Build resilience measures into partner agreements and vendor selection process.
- Recognise and value competencies in individuals that enable quality event management.

**Long Term - Strategic**

- Integrate concentration risk and location resilience as core factor of Right Placement strategy.
- Align directly to business strategy and look at opportunities to commercialise.
- Leverage industry best practice such as cloud computing & Enterprise Knowledge Mgmt.
- Instil a culture that values positive resilience and sustainability.
### And a Crisis Occurs…

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
<th>Recover to Business as Usual</th>
<th>Fulfil in flight client commitments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The Primary focus for the organisation is…</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>The crisis command centre is run by…</td>
<td>The Business Owner.</td>
<td>The subject matter expert.</td>
</tr>
<tr>
<td>3</td>
<td>Developments are escalated…</td>
<td>As soon as they are probable.</td>
<td>As soon as they are possible.</td>
</tr>
<tr>
<td>4</td>
<td>In assessing the issue or event…</td>
<td>“Why” things are happening is all that’s required to establish a plan.</td>
<td>Both “why” things are happening and “how” they started are critical to establishing a plan.</td>
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<tr>
<td>5</td>
<td>While managing the event you…</td>
<td>Must maintain the exact risk and control disciplines that exist in BAU.</td>
<td>Must continually make risk based decisions.</td>
</tr>
</tbody>
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When the Unexpected Happens?

**Be Ready to React….**

1. Establish communications and gather team.
2. Determine scope, scale and impacts.
3. Triage risks and desired outcomes.
4. Decide on focus; recovery Vs alternatives Vs both.
5. Continue communications.
6. Establish and agree execution needs, priority and sequence.
7. Use worst case scenario guides.
8. Do not post mortem.
9. Continue to communicate.
10. Watch for “the heroes”. Must be transparent activities.
11. Be conscious of the need to keep books and records.
12. Test as much as possible. Use UAT or low volume scenarios.
13. Continue to communicate.

**Be Ready to Adapt….**
Resilience Framework – Our ABCs

Objectives
1. Understand & mitigate risks.
3. Develop & validate viable recovery strategies.

Critical Services
2. Manage Risk.
4. Fund the Firm.
5. Communicate.

Recovery Risk
1. Technology, and work area segregation.
2. Support resiliency of critical financial markets.
4. Protect firms reputation.
5. Achieve contingency standards close to BA.

Components of Citi’s Business Continuity Plans
2. Reference to Crisis Management Plan.
5. Recovery Sites.
7. Vendor Information.
8. Staff and Technology.
10. Primary Site Return Procedures.
11. Call Trees.
13. Staff and Corp Communications.
15. Planning Assumptions.