

Business Survival Newsletter“

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BUSINESS SURVIVAL:
A BUSINESS CONTINUITY NEWSLETTER FOR DECISION MAKERS
FROM ROTHSTEIN ASSOCIATES INC.

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A MOVING EXPERIENCE

Moving A Business can be a harrowing experience. As we moved recently from Ossining, New York, home of Sing Sing Penitentiary, to Brookfield, Connecticut, the quintessence of suburbia, it occurred to me that this would be a good time to share some of my own experiences having moved over fifty business operations and data centers in the course of my career (as well as having managed as many construction projects).

1. Allow sufficient time, ideally 12-18 months: Moving a business or a data center is a complex process involving dozens or even hundreds of participants.
2. Commit dedicated staff: especially a project leader. Part-time staffing will result in failure.
3. Avoid or circumvent critical-path tasks: By either resolving items well in advance of the cutover window or deferring them until well after the cutover, you will be more likely to be able to maintain a semblance of sanity. The lower the level of activity during the cutover window, the more likely you will be successful.
4. Check early for "drop-dead" dates: Construction schedules, equipment or communications availability, leases, business cycles, depreciation schedules, other business or technology changes can either trip up or enhance the relocation.
5. Use financial techniques to minimize cutover risk: such as lease swaps of aging equipment.
6. Treat a relocation like a disaster recovery: some of the most successful relocation plans have been built around customized variants of business resumption or disaster recovery plans.
7. Don't underestimate the complexity: a typical data center or business relocation may involve well over a thousand discrete tasks, any of which could be painful or fatal if botched or overlooked.
8. Move functions, not stuff: the least amount of physical relocation at the time of cutover, the more likely you will be successful.

If you are embarking on a relocation, I would be pleased to share my thoughts and experience. I view a consultant's role as having already experienced the most costly mistakes -- at someone else's expense!

Call me at 203.740.7400.

Philip Jan Rothstein, FBCI

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THE NOR'EASTER OF APRIL, 1997

For many residents of the northeastern United States, April Fool's Day was a practical joke from Mother Nature. 1 to 3 feet of heavy, wet snow, and 55+-mph winds dropped trees by the hundreds, not to mention power lines, telephone lines and (worst of all for many) cable TV service.

Having survived sixty hours without electricity in my home and office, I offer these recommendations from personal experience:

1. do not assume battery backups are adequate. Calculate how many hours they can be expected to run, test the batteries periodically and replace them when they become marginal
2. protect all electronic equipment. VCR's, televisions, answering machines, not just office equipment -- with at least good-quality surge suppressors, if not battery backups. The electrical surges, dips, sags and spikes can fry them. If in doubt, pull the plugs.
3. When all else fails, stimulating conversation really can be a worthwhile substitute for television!

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FEATURED WEB SITE: FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA)

In each issue, we will highlight a recommended site on the World-Wide Web valuable to the Business Continuity community.

The Federal Emergency Management Agency provides a wealth of valuable information in a superbly organized and produced site at:
www.fema.gov

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CRITICAL MASS

MIS Disaster Recovery has a tendency to become more complex with increasingly complex technology environments. On the other hand, Business Continuity and Business Resumption Planning do not always follow this rule.

In analyzing trends among our larger clients (predominantly service or financial organizations) we have come to the conclusion that, at least for these environments bigger does not always imply harder. Some examples include:

1. an insurance organization which routinely moves hundreds of employees between locations could handle many types of disruptions which would cripple other companies, without breaking a sweat.
2. A bank which handled a fire in one building by commandeering office space which had recently been vacated for renovation in another building, along with a few dozen computers which were in transit or on the loading dock awaiting installation. Over seventy network and PC support staff were mobilized.
3. A telemarketing company which redirected call traffic to another facility when one of four call centers encountered an extended power outage.

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Each of these companies had a business resumption plan which did not fully address the scope of the disruptions they suffered. Yet, the 'brute force' method proved reasonably effective for them.

The moral is not to ignore contingency planning -- nor is it to assume armies of people and piles of equipment will bail you out -- rather, it is to consider depth of resources as well as economies of scale as potential assets in developing your continuity strategy.

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AN EXCITING NEW SOURCE FOR LATE-BREAKING INDUSTRY HEADLINE NEWS!

Rothstein Associates Inc. and the Rothstein Catalog on Disaster Recovery announce a new service to the Business Continuity and Disaster Recovery Community:

INDUSTRY HEADLINE NEWS

Sourced from 400+ news providers, you can now access news stories as they develop, right from our WWW site. Focus areas include:

- Disaster Recovery Services
- Weather Events and Natural Disasters
- World Terrorism
- Risk Management and Insurance
- Information/Data Security
- Internet/Web Security
- Physical Security

You can access the top headline stories of the day or week in each of these subject areas (or retrieve other news headlines and stories, customized to reflect your own interests) on the Industry Headline News page at:

www.rothstein.com

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PROFESSIONAL STAFFING TRENDS

An analysis of hiring practices and candidate credentials by Rothstein Associates' Executive Search Division reveals some interesting trends which management should keep in mind in staffing the business continuity area:

1. Specific business as well as technical continuity and related skills are increasingly being required. No longer is "Disaster Recovery Planner" sufficient.
2. Experience with Resumption Planning software is helpful, but not particularly high on the priority list.

3. Strong specialization in such areas as: business continuity; workarea recovery; mainframe data center; client/server or LAN; voice or data telecommunications; or, trading floor continuity has been the norm in almost every case over the past year.
4. Certification, whether Business Continuity Institute or Disaster Recovery Institute, has been either a requirement or strong preference in over half of all recruitments since 1996, up from barely ten percent in 1994.
5. A 4-year college degree has been a requirement for the majority of positions; an MBA plus 4+ years solid business continuity experience is increasingly proving to be a winning combination.
6. A minimum of five years of 'hard' experience is expected.
7. Increasingly, business area line management experience is preferred over up-through-operations-ranks staff backgrounds.
8. MIS Disaster Recovery experience is given less and less weight in hiring decisions for business continuity positions.

Despite these increasingly stringent requirements, turnover has been brisk within the business continuity field over the past twelve months, with demand outstripping supply.

Most significant compromises: settling for three years business continuity experience if the candidate has solid business skills an MBA compensates for a multitude of shortcomings. Biggest hiring turnoff: job hoppers. Although being right-sized or victim of a merger, divestiture or consolidation does not cost candidates too many points, being naive or careless enough to join an organization shortly before the slaughter can badly damage the candidates chances.

Rothstein Associates Inc. provides executive search and recruiting services to many of our clients. In addition to business continuity positions, successful placements have included a CIO, various information technology positions such as directors of telecommunications, data centers, network services; vice presidents of finance and of marketing & sales.

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Y2K: CONTRACTUAL RECOURSE

The question was raised recently by a client of contractual or legal recourse if software vendors do not effectively address the Year 2000 issue. Home-grown or custom software is certainly an obvious, potential headache, but what about shrink-wrap or packaged software products? How, if at all, are you protected?

According to our experts, first order of business is to inventory purchased products and test them as thoroughly as practical, including by actually changing system dates -- as long as production data files are unaffected.

The next step is to examine software contracts or licenses to determine the extent of liability. Peter Frazza, an attorney in Short Hills, New Jersey, noted recently in a Computerworld article that "... most software licenses don't give users legal protection against year 2000 calamities. Users have limited legal recourse against their software vendors because the contracts don't provide an explicit warranty for the year 2000 date rollover," cautions Frazza.

Consider the Year 2000 issue in any software purchases or maintenance renewals. If Y2K is not explicitly addressed to your satisfaction, the best time to negotiate its' inclusion is before you sign the contract or extension!

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