

Business Survival Newsletter™

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

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BUSINESS CONTINUITY: A DEARTH OF SHARED EXPERIENCES

I have observed repeatedly over the years that there is a great deal to learn from the experiences of organizations who have confronted disasters (or near-disasters) - whether successfully or not. Nevertheless, the business continuity and disaster recovery industry has always been characterized by a scarcity of documented and verifiable case studies.

From my own experience, I would speculate that considerably less than five percent of significant enterprise disaster recovery plan activations are ever documented outside the organization; probably, less than one percent.

What is it that has us hush up documenting or sharing incidents and lessons learned which could truly benefit the entire business continuity community?

A particularly relevant insight can be gained from Informationweek (December 17, 2001; www.informationweek.com), who surveyed 4,500 security professionals on the issue of "Compelling Excuses." In response to the question, "Why doesn't your company report security incidents?" respondents acknowledged (multiple responses allowed): - negative press and public embarrassment (30%) - personal reasons (25%) - policy (23%) - competitive vulnerability (19%) - legal liability (18%) - loss of shareholder value (10%) - other (25%)

In short, there appears to be every incentive to hush up awkward events, and little reason to share with the business - and business continuity - communities.

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Consider the implications. The most obvious, of course, is the thousands of business continuity practitioners who are reinventing the wheel - or spinning their wheels - in attempting to establish Business Continuity Management processes and structures with limited access to the industry,s hidden knowledge base of what does or does not work. How much more productive and effective would we be if we could plan and implement Business Continuity Management based on the collected knowledge and experiences of thousands of others who have struggled with the same issues and succeeded - or failed?

Another implication is the loss of valuable lessons about unique situations or responses. Given the presumption that the probability of any specific business continuity event is relatively low for any specific organization, learning to respond and recover from an event is going to be difficult to base on any experience from beyond their exercise program. If, on the other hand, similar experiences of other organizations could be reflected in that one,s programs, the ability of the organization to respond successfully will no doubt be greatly enhanced.

I see three related initiatives as critical to the growth and maturity of Business Continuity Management: 1. As a profession, business continuity strategies, practices and methodologies are poorly documented. A search at [www.Amazon.com](http://www.amazon.com) <<http://www.amazon.com/>> for books about "structural engineering" yielded 1,915 matches. A search on "Business Impact Assessment" yields thirteen, only three of which are really about business continuity [editor,s note: these three titles were all published by Rothstein Associates Inc.]. In my opinion, we've done a poor job as a profession of sharing our knowledge. Therefore, I propose that we make a concerted effort to improve the level of documentation of our professional practices - to build upon our common body of knowledge, whether in the form of books, articles or web postings - to act as professionals. 2. Case studies, anecdotal data about successes and failures, and verified impact information are critical to the maturity of our profession and must be collected, analyzed and shared. There is a wealth of valuable insights which never see the light of day, and which would go a long way toward transforming business continuity from an art to a science. 3. Professional education and certification programs must continue to grow and mature, and more aggressively than they have to date. Business Continuity Institute (BCI), Disaster Recovery Institute International (DRII) and other organizations have made some progress, but consistent, global development and recognition of business continuity practitioners is still a very long way from an appropriate level of credibility, awareness and consistency.

Since 1984, Rothstein Associates, mission has been to expand the business continuity industry,s knowledge base as well as access to that knowledge base, through our management consulting practice, education programs, and publishing division. My proposal to you is to provide a vehicle to grow the industry,s knowledge base, to make your experiences and insights available to the business continuity community, to establish a repository of industry knowledge which, in my opinion, has been held too close to the vest for far too long.

No individual or enterprise should be embarrassed by their success or failure at coping with a disruption - they should only be embarrassed by keeping secret their knowledge and insights which could benefit the business continuity community.

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FEATURE ARTICLE: SERVICE LEVEL AGREEMENTS: A PRIMER

by Andrew Hiles, FBCI

Service Level Agreements have been around a long time. Essentially they are an agreement between the customer of a service and its supplier that quantifies the minimum acceptable level of service to meet the business need. Although the concept is not new, it has not been universally accepted. This feature is intended to introduce newcomers to the concepts of Service Level Agreements.

Any support service, whether in-house, contracted or outsourced, stands to be accused of being insensitive to the requirements of its customers (or users). Equally customers of a support service may have unrealistic expectations of what can be reasonably provided by it. To overcome these gulfs support services are increasingly turning to Service Level Agreements.

A Service Level Agreement (SLA) is simply an agreement between the support service and the user quantifying the minimum acceptable service to the user. SLAs are particularly valuable in time-critical processing - which includes many accounting areas.

A complete SLA covers:

- Purpose of the SLA
- Service hours and scheduled service outages
- Service description - overview
- Service ownership
- Service Definition, Catalogue of Services and Service Products
- Support hours
- Service levels for each service product
- Service level for varying time regimes (e.g. evenings, overnight, weekends, public holidays)
- Peak period details
- Customer and Supplier Responsibilities
- Points of Service Delivery
- Limits and boundaries of service
- Charging (if appropriate)
- Security requirements
- Impact of loss of service
- Output requirements
- Change control
- Customer support and help desk facilities
- Duration of Agreement
- Variation and Review
- Penalties / Bonuses
- Service level reporting
- Contacts - both in the user area and within the support service area
- Definitions.

Key service level indicators can be defined by application and these may include: - Availability; - Response time; - Reliability; - Deliverables.

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A SLA results from negotiation between the support service and the customer. The negotiation is in itself a worthwhile educational process. It helps the service provider to understand what are the real needs of the business and customer. It also helps customers to understand the cost of meeting those needs and perhaps to modify the requirement in order to reduce the cost.

However, before starting one needs to quantify the present situation. The dictum "what can't be measured doesn't exist" rules: the support service needs to quantify the capacity of its present hardware and network and the load upon it, both currently and forecast for the future in order that it can plan to provide the appropriate capacity to meet business needs as they evolve. Managers of Customer Departments therefore have to provide a utilization forecast for the SLA which, together with SLAs from other users, will form the basis on which to plan future capacity growth. One can see that the SLA is thus a two-way contract: it commits the customer as well and the support service provider.

Present availability of the service needs to be established in order that future targets can be set in terms of total availability.

Reliability is not quite the same as availability: one could meet the availability targets although suffering a large number of very short outages of the service. Clearly this would not be satisfactory so reliability targets need also to be set in terms of meantime between failure (MTBF) of the various service elements or indeed the total service. In order to do this one needs to know the serviceability of the component parts of the service - staff absence, equipment failure, plant failure etc. The support service provider needs therefore to know the meantime between failure and meantime to repair of all the components that are critical to the service.

Performance also needs to be measured so that present responsiveness is known and future response time can be measured for each service product. Thus targets can be set - for instance, for updating records, or calculation processes, or providing service or information. It is important also to establish where the response is to be measured: response measured at the supplier site may be totally different from the response experienced by the customer at a remote site. It is the time that the service is received by the customer, rather than the time at which the supplier completes it, which is key.

Contingency and backup arrangements can be included in a SLA since the SLA will have covered security and the impact of loss of service. This then gives the support service manager hard facts on which to justify provision of appropriate disaster recovery and contingency plans for the Customer Department.

One also needs to quantify whether existing support services are acceptable or not and this may be done by a user satisfaction questionnaire to establish the current qualitative starting point on which to base the SLA requirement.

It is important to quantify when the service is essential: on a Thursday each week? At the end of the month? At year-end? Clearly setting out what the critical time slots are enables the services manager to ensure a high service quality at those key times.

Having established the present state, one can then create a number of performance indicators by which the service can be measured. Equipment downtime or other reason for service failure can be measured by the day and hour and the number of customers impacted can be reported. The meantime between failure, time to fix and total percentage availability in normal

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working hours and outside normal working hours can be compared with the SLA. Problems can be similarly reviewed: the number of them, the severity of them and the time taken to rectify them. Response time can be reviewed against service objectives as can service completion in the various service product categories defined in the SLA.

In short, the service delivery can be regularly reviewed by the relevant customer manager with the support service to establish whether or not it is meeting the requirements agreed in the SLA. If it is not, action can be agreed. It might be, for instance, that there is insufficient resilience and more alternatives need to be provided.

Implementing a SLA involves commitment, a readiness to see the other's point of view and to explore alternative service levels, balancing cost against service. It assumes a preparedness to undertake the initial quantification of requirement and of present service levels and then to continue to take measurements of those performance indicators agreed upon. It needs regular reviews between the support service provider and Customer Managers.

Handled properly, however, SLAs are a powerful tool in making both the support service and the Customer Departments answerable for their service. They help to create a customer oriented attitude in the support service and awareness of cost and practical problems in Customer Departments. They may involve penalties: discounts or nil charge by the support service if they fail to meet the service levels and perhaps excess tariffs or degraded service if the Customer Department exceeds its utilization forecasts. Because the support service is itself reliant upon external suppliers, The SLA needs to be reflected by supporting agreements with those suppliers - for instance with maintenance companies, contract staff agencies and suppliers of consumables.

The commitment is substantial but worthwhile. The bottom line is that, by use of SLAs the provider of the support service can quite clearly be seen to be reflecting business objectives and the customers' wishes.

- Andrew Hiles, Kingswell, 2002

Andrew Hiles is the author of The Complete Guide to IT Service Level Agreements: Aligning IT Service to Business Needs; E-Business Service Level Agreements: Strategies for Service Providers, E-Commerce and Outsourcing; Service Level Agreements: Winning A Competitive Edge for Supply and Support Services; SLA Framework; and several other books published by Rothstein Associates Inc.

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THESE ARE A FEW OF OUR FAVORITE LINKS

We encourage you to visit the Links section of www.rothstein.com where you can submit recommended links as well as search our link database by over 30 categories. We've even implemented a new system which prevents dead links from showing up (those dreaded 404's!).

Sample Contingency Plans

Everybody asks about them, so we thought we would share a few. In some cases, you get that you pay for, but some decent examples can be found here.

http://www.linkbank.com/get_links/pjr/default/23/1/20/
<http://www.linksmanager.com/rothstein/links27.html>

Custom Hazard Maps:

Create custom hazard maps on the Web! Enter a location and select from several hazard types to help determine disaster risks in your community

<http://www.esri.com/hazards/index.html>

Maintaining QoS

How to Ensure that your Application and SLA Performance Doesn't Become an Afterthought in Disaster Recovery

By Ivan H. Shefrin

<http://www.internetworld.com/magazine.php?inc=040102/04.01.02tech3.html>

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Have Something Important to Say about Business Continuity? We welcome your contribution to the BUSINESS SURVIVAL™ Newsletter. Address your comments or articles to Newsletter@rothstein.com.

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ON A LIGHTER NOTE...

This from http://www.satirewire.com/news/0112/hate_crime.shtml:

COMPUTER VIRUS MAKING TO BE PROSECUTED AS HATE CRIME FOR TARGETING STUPID PEOPLE Systems Administrators Now On Front Lines of Bias Crime "Washington, D.C. (SatireWire.com) ~ With yet another email virus spreading across the globe, 41 U.S. states and

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six European countries today announced that the act of creating an attachment-based computer virus will now be considered a hate crime because it intentionally targets stupid people. "...In Moline, Ill., police have already made their first arrest under the expanded laws. Matthew Spere, a 17-year-old high school senior, was taken into custody this morning after police said he had created and propagated a variant of the "Goner" virus. In a phone interview, Spere denied the charges. "My virus wasn't targeting stupid computer users specifically, just anyone using Microsoft's Outlook Express or AOL," he said. "Oh... damn.""

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RECOMMENDED READING

Subscribers to BUSINESS SURVIVAL™ are offered a free CD-ROM containing The Rothstein Catalog On Disaster Recovery, your source for hundreds of books, software tools, research reports and videos since 1989. E-mail your request to info@rothstein.com with your postal mail address.

Over 90 new book, software and video titles have been added in the past month. The new books described below are a small sampling of the resources available at www.DisasterRecoveryBooks.com <<http://www.disasterrecoverybooks.com/>> .

ENTERPRISE RISK ASSESSMENT AND BUSINESS IMPACT ANALYSIS: BEST PRACTICES

by Andrew N. Hiles
2002, 288 pages. Order #DR600.

This book is a guide to best practices in understanding risk and business impact. It provides essential guidance for the identification, management and control of risks confronting businesses ~ What might happen? How will our enterprise be affected? What will the impact be? Answering these questions accurately and objectively is essential to Business Continuity Management, business success - and even business survival.

The helpful examples all have their roots in real cases and come heavily laden with pragmatism. Over fifteen years experience in blue chip environments, large and small, public and private, has gone into developing the methods described. Others come with a respected pedigree from a variety of industries. Your own "right way" for risk management means picking, matching and tailoring from the cases, guidance and examples provided, and building on existing best practice within your organization.

E-BUSINESS SERVICE LEVEL AGREEMENTS: STRATEGIES FOR SERVICE PROVIDERS, E-COMMERCE AND OUTSOURCING

by Andrew Hiles
2001, 177 pages. Order #DR590.

Your customers don't care whether it is you, your ISP, ASP, or other outsourced provider who screws up - they just know they can't do business with you when they want to. All that mat-

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ters is that your e-business is failing to deliver - and that you need to hold someone accountable.

Meaningful Service Level Agreements (SLAs) are unambiguous, comprehensive, and enforceable. SLAs commit suppliers to a defined quality of service: failure to meet explicit service levels can result in penalties or even legal action.

Spectacular losses often follow e-business outages, particularly when SLAs are not in force. The biggest hit is not necessarily loss of income or profit, but impact on stock values - especially when markets are skittish. Some losses have exceeded \$40 million with stock values falling by 26%.

This new book offers the keys to effective SLAs with Internet Service Providers (ISPs) and Application Service Providers (ASPs), which can go a long way toward averting catastrophic losses as well as day-to-day headaches.

THE COMPLETE GUIDE TO IT SERVICE LEVEL AGREEMENTS:
ALIGNING IT SERVICE TO BUSINESS NEEDS
(THIRD EDITION)
by Andrew Hiles
2002, 278 pages. Order #DR595

Covering all aspects of Information Technology Service Level Agreements (SLA's), this essential manual is a step-by-step guide to designing, negotiating and implementing SLA,s into your organization. It reviews the disadvantages and advantages, gives clear guidance on what types are appropriate, how to set up SLA's and to control them.

An invaluable aid to IT managers, data center managers, computer services, systems and operations managers.

This unique, comprehensive guide is a major update of Andrew Hiles, landmark 1991 guide to Service Level Agreements, and the 2000 Second Edition.

TRANSPORTATION DISASTER RESPONSE HANDBOOK
By Jay Levinson, Israel National Police Headquarters, Division of Identification and Forensic Science, Jerusalem, Israel; and, Hayim Granot, Bar-Ilan University, Faculty of Social Sciences, Mass Emergency Project, Ramat Gan, Israel
2002, 290 pages. Order #DR617

"Airplane crashes, bus bombings, train accidents, and other transportation-related disasters can cause extensive damage to people and property. Despite the best preventative measures, transportation officials and emergency personnel need to know how to react if and when these types of events occur.

"Transportation Disaster Response Handbook presents information and strategies for dealing with all types of disasters and looks at the unique aspects of transportation-related incidents. It outlines how to prepare for emergencies, what to expect during a disaster, how individuals with-

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in the emergency agencies should respond, and how these agencies can quickly mobilize to minimize damage and provide assistance to victims."

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