



In Case of Emergency: Anticipating the Unknown

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Presentation Overview

- Canadian Standards Association
- Business Continuity
- Anticipating the Unknown
 - ◆ A tale of three companies





Canadian Standards Association

- CSA Z1600-08
Emergency Management and Business Continuity Programs
 - ◆ Developed in coordination with Public Safety Canada
 - ◆ Harmonized with NFPA 1600, the US national standard
- CAN/CSA-Q850-97
Risk Management: Guideline for Decision Makers
 - ◆ Step-by-step guidance to the process of risk management





Business Continuity

- Program initiation
 - ◆ Project management
- Risk Analysis
- Business Impact Analysis
- Strategy Design
- Plan Development
 - ◆ Implementation
- Exercising
 - ◆ Training
 - ◆ Testing



Anticipating the Unknown:

A tale of three companies – Initial Situation



PHILIPS

sense and simplicity



- Small fire in IC fab plant in New Mexico (Friday night)
 - ◆ Expect to restart production within the week
- IC required for cell phone production
 - ◆ Two major customers notified (+~30 others) on Monday





Anticipating the Unknown:

A tale of three companies – Nokia Response

NOKIA
Connecting People

- Notification received
 - ◆ Executives notified immediately
 - ☞ Traveled to Philips HQ, Eindhoven
 - ☞ Requested, and received priority shipments
- Worked together with Philips to ensure continuity of supply chain
- Cell phone production continued





Anticipating the Unknown:

A tale of three companies – Ericsson Response

ERICSSON 
TAKING YOU FORWARD

- Notification received
 - ◆ Passed to production engineering
 - ☞ No problem – will resume IC production in two weeks
 - ☞ Ericsson has more than two weeks stock
- Cell phone production continued
 - ◆ While stock available





Anticipating the Unknown:

A tale of three companies - Restoration

- While the fire was minor
 - ◆ The soot was not
- It took six months to clean and re-certify the fab plant

PHILIPS
sense and simplicity

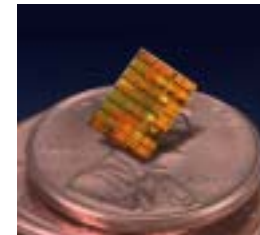


+



6 months

=





Anticipating the Unknown:

A tale of three companies – BCP program

PHILIPS
sense and simplicity

Under-estimated
fire's impact

Good notification

Reactive strategy

Limited plans

ERICSSON
TAKING YOU FORWARD

Under-estimated
fire's impact

Lacked escalation
procedures

No strategy

No plan

NOKIA
Connecting People

Understood
impact

Proactive
leadership

Proactive
strategy

Strong BCP



Anticipating the Unknown:

A tale of two companies - Results



NOKIA
Connecting People


Market Share +3%

ERICSSON 
TAKING YOU FORWARD



 Sony Ericsson

PHILIPS
sense and simplicity

- US\$ 40 million production loss
- Offset by €39 million in insurance





Anticipating the Unknown:

A tale of two companies – Lessons Learned

- BCP programs built to a standard would have helped
 - ◆ Risk based planning
 - ◆ Business impacts of risks understood
 - ◆ Possible strategies to mitigate the risks
 - ◆ Written procedures for
 - ☞ Damage estimation
 - ☞ Notification & Escalation
 - ☞ Response, Recovery, Restoration
 - ◆ Exercises to
 - ☞ Train personnel
 - ☞ Test procedures



Summary



We've learned a bit about:

- **Standards**
- **Business continuity**
- **How standardization of process can assist in**

Anticipating the Unknown





Websites - Contacts

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