

# UCAR Business Continuity Update

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Audit and Finance Committee

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# Brief History of Business Continuity at UCAR

Mid-1990's: Deloitte and Touche recommend  
Business Continuity Plan for UCAR

2000: UCAR develops first plan

2001: UCAR changes plan

2002: UCAR changes, changes to plan-response  
to 9/11

2003: UCAR Changes, changes to changes to  
plan-automated plan updates

Spring 2004: Plans tested, some worked/some  
failed

2005: Plans revised more test scheduled

2006: Third Party Audit

# Third Party Audit?

- 2004 test was the “disaster”
- A lot of internal motivation and resistance
- Previous consultant “indisposed”
- Cancelled 2005 tests at requests of plan holders
- Plans updated but not tested
- Decided to audit current program by third party
- Selected local firm with “hi-tech” background

# Audit Scope

- UCAR tasked Mercury with:
  - Evaluating the state of UCAR’s BC program.
  - Identifying improvement opportunities commensurate with UCAR’s preparedness needs.
  - Providing recommendations for implementing program improvements.
- All reviews focused on the following considerations—
  - UCAR program status vs. common practices.
  - Perceived program strengths & improvement opportunities.
  - Alignment of BC activities with organizational priorities.
  - Consistent program implementation across the organization.

# Summary Observations – The Good News

- UCAR has developed a sound foundation for its BC Program; improvements can be made, but the sky is not falling. UCAR can build on its successes rather than engaging in re-work.
- BC Program owners have demonstrated clear commitment beyond the minimal “keep the auditors happy” standard.
- UCAR Leadership is routinely informed of BC activities.
- BC is not a foreign concept to Division leaders and a viable BC Council is in place.
- UCAR understands its risks, priorities, and general risk tolerance.
- UCAR has avoided many common BC pitfalls...
  - UCAR recognizes that BC software programs aren't necessary.
  - UCAR realizes that large organizations can't plan for every possibility.
  - UCAR uses a simple and standard planning approach.

# Summary Observations – Opportunities

- BC training and testing can be enhanced to better confirm the viability of individual plans.
- Some plan owners struggle to keep plans current; UCAR can simplify plan maintenance through streamlining & guidance.
- UCAR can strengthen crisis management capabilities through the definition of roles, responsibilities, and standard processes.
- UCAR can implement distinct (but integrated) training and testing for crisis management.
- While UCAR is not a high-risk organization, some threats warrant crisis communications planning. (e.g., travel incidents, aviation incident)
- A measure of BC governance appears warranted (policy statement, standards).

# Preliminary Recommendations

- Transition from plan-focus to a program-focus including BC & Crisis Management planning, training, testing, maintenance, and crisis communications.
- Continue the use of text-based plans; planning software is not recommended.
- Perform a *limited* Risk Assessment to account for emerging global threats; a formal BIA is not recommended.
- Design a BC training/exercise program that escalates in complexity & scope according to the organization's level of BC maturity.
- Develop a cross-functional Crisis Management Plan that adds definition and structure to existing capabilities.
- Directly involve senior leadership in UCAR preparedness activities through training and targeted exercises.

# Next Steps

- Implement recommendations...