Business Continuity Planning in Hospitality

What is business continuity?

Business Continuity involves identifying the key things your business or organisation cannot afford to lose - such as personnel, stock, data, facilities, technology and even brand image - and ensuring that, if a crisis occurs, the business and its services are minimally affected through business continuity management.

Does your hospitality business have the resilience to withstand the impact of a crisis? Consider, for example, the autumn 2009 floods in Cumbria, UK, which cost in excess of £200m. Over 60% of insurance claims were made by businesses. However, having insurance may not be enough because insurers may not cover every type of event.

Figures from the Tourism Industry Emergency Response Group estimate the 7/7 bombings in London may have resulted in a £3m loss to UK tourism. It notes that popular venues such as the Tower of London and Madame Tussauds saw a loss of up to 15% of visitors following 7/7. Many businesses may not be able to survive a significant loss of custom and income.

Who needs a business continuity plan (BCP)?

Although crises may be unexpected they are not usually unforeseen. Most managers understand the types of risk that can affect the running of their business. More importantly, many resources exist to help business owners develop a Business Continuity Plan (BCP) that creates organisational resiliency activities such as risk assessment, contingency planning, systems security, crisis management and recovery planning.

Businesses with regularly reviewed BCPs in place prior to an event are more likely to recover from the impact of an incident. Companies that fail to make contingency plans will find it difficult to sustain the business. For instance, over 600 businesses were affected following the 1996 bombing in Manchester, UK. Within six months 250 of the 600 had gone out of business.

Every small, medium or large business needs to have a BCP in place. A plan can ensure the least impact to a business’s staff, customers, property, company finances and perhaps even the community at large. BCPs create resilience within an organisation enabling it to maintain a smooth running service whilst continuing to provide its ‘deliverables’.

How do I create a BCP?

There are a number of different sources providing information, from basic to detailed, regarding establishing a BCP (see Further Resources). Some are fee-based companies specialising in business continuity management, however, there are also quality free guides and materials for those who wish to put together and manage their own BCP.

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1 http://news.bbc.co.uk/1/hi/uk/4706615.stm [accessed 13 July 2012]
The Business Continuity Institute offers an official standard, BS 25999, describing the framework and process for a Business Continuity Manager to use and offering good practice recommendations. It can also be used to assess an organisation’s ability to meet regulatory and other requirements. (See: http://www.bsigroup.hk/Assessment-and-certification-services/Management-systems/Standards-and-schemes/BS-25999/)

Some of the key points to consider when assessing risk and creating a BCP are:

- Identify and list potential events that pose a likely threat to the business.
- Analyse how to minimise the risk of these event(s) affecting the business by creating a Business Impact Analysis.
- Start a BCP as soon as possible. Having a draft in place during an emergency is better than having no plan at all.
- Assign roles, implement the BCP and make sure it is regularly revisited and updated as personnel change.

Individually, small to medium enterprises (SMEs) may consider their property less vulnerable to, for example, terrorists or rioters. However, the venue may be part of a crowded place and the risk is increased. For example, a boutique hotel located next to a busy shopping street, plaza or mall is part of a crowded place and will require resources to address these circumstances.

The UK’s National Counter Terrorism Security Office (NaCTSO) and the national network of CTSAs can support businesses of all sizes in performing an assessment of a venue’s contingency plans. NaCTSO offers a free Crowded Places Vulnerability Self Assessment Tool (VSAT) that informs owners, operators and security managers about the level of a facility’s vulnerability to attack.

Another initiative, Project Argus, explores how to prevent, handle and recover from a terrorist attack. A three hour training tool includes a simulation of an attack and can locate a business’s weaknesses.

A third option, created in partnership with Facewatch and the Metropolitan Police, is London Hotelwatch. The website provides a completely free and highly flexible communication portal for security information to be shared amongst participating hotel managers. In addition, information about crime is uploaded by the Metropolitan Police on a real time basis and also sent out to users by email.

Hotel operators outside London are encouraged to sign up to Hotelwatch and the plan is to develop the system for the whole of the UK with bespoke portals for cities and hotel groups using the same system e.g. Birmingham Hotelwatch, Holidayinnwatch, Portsmouth Hotelwatch.

### BCP in Information Technology (IT)

Rapid changes in technology have resulted in new solutions that may support companies and their BCPs. For example, ‘cloud computing’ allows businesses to hold data in a ‘cloud’ rather than in on- or off-site servers or other devices which are susceptible to damage, theft and attack. Should an emergency occur, employees can still access the company’s data and files held in the ‘cloud’ from any computer and location - allowing them to continue working with the least disruption. Learn more about cloud computing and creating a BCP focussed on IT at the UK’s Businesslink website.

### Ongoing management of business continuity

BCPs should be considered ‘living’ documents that require regular reviews and updates. According to a UK Cabinet Office publication on Emergency Preparedness, there are seven factors, or the ‘7 Ps’, to consider when managing business continuity:

1. **Programme** – proactively managing the process
2. **People** – roles and responsibilities, awareness and education
3. **Processes** – all organisational processes, including ICT (information and communication technologies)
4. **Premises** – buildings and facilities
5. **Providers** – supply chain, including outsourcing
6. **Profile** – brand, image and reputation
7. **Performance** – benchmarking, evaluation and audit

Source: Business Continuity Institute, 2003

### Conclusion

Companies with the foresight to create and incorporate a Business Continuity Plan are helping to ensure their continued existence in an uncertain environment. By preparing for the unexpected with an actively managed BCP, companies have the greatest chance of surviving a catastrophic event.
References

Association of British Insurers (ABI) - Insurance advice advice for protecting businesses:

Business Continuity Institute (BCI)
Access over 75 of the BCI’s free-upon-registration webinars covering all aspects of business continuity from supply chain and London2012 to communications strategies:
http://www.thebci.org/index.php?option=com_content&view =article&id=98&Itemid=331

BusinessLink – Cloud computing information. Available from:

BusinessLink – Support for businesses including a business continuity online planning tool:
http://www.businesslink.gov.uk/bdotg/action/layer?r.s=tl&r.l 1=10738587998&lc=en&rl2=1081627247&topicId=1074 458463 [accessed 22 June 2012]

CBI - Future proof: Preparing your business for a changing climate. (2009) Available from:

London Hotelwatch – Combined resources of Facewatch and London’s Metropolitan police, this portal informs hoteliers about incidents and provides current data regarding security issues: http://facewatchcli.destravel-002.vm.brightbox.net/

Project Argus - Training tool incorporating a simulation of a terrorist attack, this resource helps businesses avert, prepare for and respond to events:
http://www.nactso.gov.uk/OurServices/Argus.aspx

Vulnerability Self-Assessment Tool (VSAT) – A confidential online assessment determining whether a business’s security plans are adequate to address an incident:
http://www.nactso.gov.uk/OurServices/VSAT.aspx


Institute ebooks

Available on the Institute’s website:


Further resources

Home Office - counter-terrorism and prevention strategies.
www.homeoffice.gov.uk

www.londonprepared.gov.uk

National Counter Terrorism Security Office (NaCTSO) - contributes to the nation's counter terrorism strategy.
http://www.nactso.gov.uk/OurServices/VSAT.aspx

UK Resilience, Cabinet Office - emergency preparedness.
www.cabinetoffice.gov.uk/ukresilience/