Business Continuity Scorecard Builder

Metrics That Engage
Executives + Drive Action

Castellan

Business Continuity Scorecard Builder

We help organizations build strong business continuity programs.

The **Business Continuity Scorecard Builder** is designed to help you implement strong program metrics that enable you to:

- Clearly communicate program performance and progress

- Quickly increase meaningful engagement with key stakeholders

- Confidently discuss and document actions to close gaps in program performance and recoverability

The end result? You'll **get more done than ever** before. With more engagement than ever before.

If you're ready to accomplish more this year than you ever thoughts possible, let's get started!

70% of program managers **don't use metrics to track** continual improvement

SOURCE: BC MANAGEMENT PROGRAM MATURITY REPORT 2019

DOES THIS SOUND FAMILIAR?

- You struggle to articulate the value of your business continuity program

- You get questions about ROI and increased recoverability capabilities from your leadership team, but you don't have great answers

- You have a hard time getting the resources and buy-in you need to close program gaps

- You are being pushed to summarize the program on just one page

THE TRUTH IS...

The key to overcoming these common challenges centers around successfully leveraging metrics that align to your audience and drive decisions. Ineffective metrics, on the other hand, can cause more harm than good – especially with executives – if they aren't deliberately developed to align to their interests and fuel engagement.

SO, IF YOU ARE...

- Focusing solely on activity and compliance metrics

- Delivering the wrong measurables to the wrong stakeholder groups

- Presenting measurables that confuse executives rather than empower

You're never going to get the attention, discussion, or buy-in you need to drive real change.

Why? Because metrics are a bridge to drive continual improvement, not the other way around.

SO, IF YOU WANT...

An executive team that is well-positioned to provide feedback, process issues, and help quickly make informed decisions on how to prioritize and address known program gaps, then you're in the right place.

Let's dive in!

Business Continuity Scorecard Builder

Metrics That Engage Executives + Drive Action

Start with Activities	Connect Products + Services	Map Dependencies	Engage Executives	Automate to Elevate
01	02	03	04	05

01 Start with Activities

Activity + Compliance Metrics are straightforward and usually serve to ensure that program deliverables and outcomes are on track and consistent with expectations.

These metrics answer the question: **Are we doing the right things to prepare?**

Some organizations refer to this type of metric as a Key Performance Indicator, or KPI.

To get started, you need to define your key program milestones. We recommend that you reference your business continuity policy, any regulatory requirements or industry standards that your program aligns to, and any customer mandates or expectations.

Here's a few of the key major categories we often use:

• Business impact analyses completed, documented, and approved

• Risk assessments completed, documented, and approved

• Business continuity strategies documented, selected, and in place.

• Business continuity plans created and approved

• Exercises conducted, post-exercise reports produced and approved

• Management review completed within past year

• Corrective actions documented, approved, and completed

Once defined, you can establish a system to determine **who** owns each, **how** often they should be reviewed and approved, **when** they are due, and **what** the performance target is for each. There is no hard and fast rule for setting performance targets, but we generally recommend starting with the 80% strong rule.

We typically create scorecards for each major stakeholder group – including the core business continuity team, department coordinators – that are tracked, reviewed, and discussed during regular meetings (typically bi-weekly or monthly) with each respective group.

Tracking these KPIs is a great start for developing metrics that matter, but what about KRIs? How do you present "actual recoverability" to leadership?
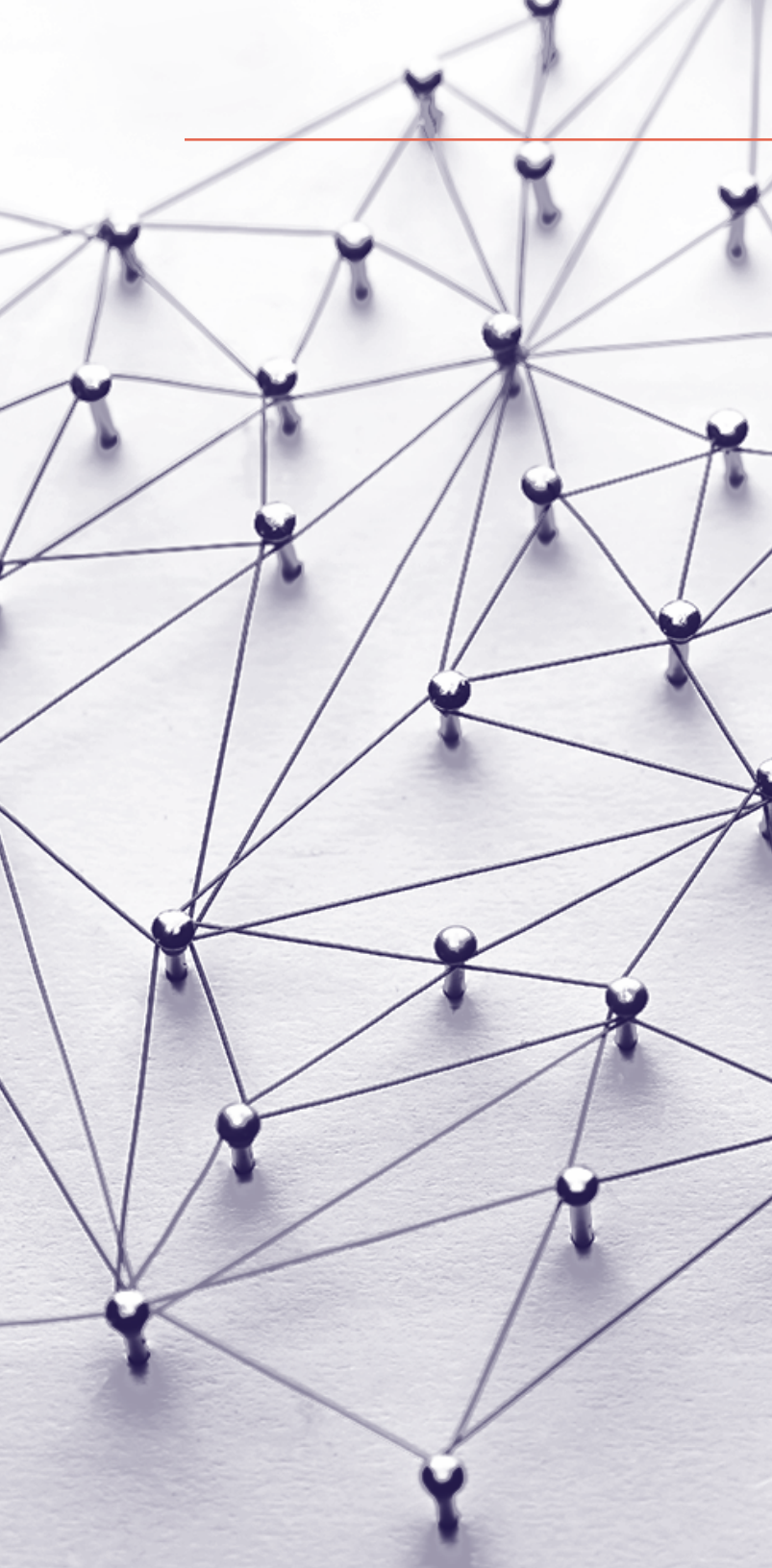
02 Connect Products + Services

Activity + Compliance Metrics help keep your business continuity team focused on the right things, but Product + Service Metrics are what executives crave to see the big picture.

Product + Service Metrics help executives focus on evaluating the organization's ability to continue or recover time-sensitive activities and resources that contribute to the delivery of critical products and services.

These metrics help answer the question: **Are we really prepared?** Is what we are doing effective, and can we recover in-line with our risk tolerance and stakeholder expectations?

Some organizations refer to this type of metric as a Key Risk Indicator, or KRI.

STOP: *Before you can build great Product + Service Metrics, you need an executive-approved list of critical products and services! If you don't have one, please check out our* *Executive Support Amplifier.*

At the end of the day, critical products and services are what executives really care about (and what aligns your business continuity efforts to the strategy of the business).

Here are a couple of the key criteria we often use to develop initial Product + Service Metrics:

- Product or service recovery capability measured against leadership's stated downtime tolerance

- Business process or activity recovery capability measured against the requested recovery objective, highlighting potential gaps

Leveraging this approach, you're well-positioned to clearly articulate the resources you need to close gaps.

For example, if executives require that [Critical Product/Service 1] can be recovered in 4 hours, but it's current-state capability is only within 24 hours, that gap is easier to discuss, address, and solve!

> **At the end of the day, critical products and services are what executives really care about...**

03 Map Dependencies

Armed with your list of executive-approved critical products and services and acceptable downtime tolerances, you now have a roadmap to work back from.

As you complete BIAs, you'll start to get clarity around your organization's ability to achieve those downtime tolerances and where gaps exist across all the various dependencies that are needed to deliver your critical products and services – spanning People, Technology, Facilities, and Suppliers.

NOTE: *This is what gives you a clear picture of program capabilities and gaps that directly tie back to what your executives care about – the recoverability of critical products and services. This is where you begin to show the link between your business continuity efforts and value to the organization.*

Now, there's some 'touch and feel' here. As a program manager, you'll need to weigh out the actual risk presented by each dependency against likelihood. A numerical risk assessment helps, but there's some critical thinking involved. This process is a balance of art and science to some degree.

Once complete, you can now update your Product + Service Metrics with a rating. We recommend using a simple scale that rates each critical product and service as red, yellow, or green, which helps prioritize your discussion with executives.

So, what comes next?

04 Engage Executives

Program reviews are your venue to present the key risks you identified while conducting BIAs. Leverage your Product + Service Metrics to present the key dependencies that lack resiliency capabilities.

This positions executives to clearly understand what critical products and services are impacted, ask questions, discuss possible mitigation strategies, and then help quickly make informed decisions on how to prioritize and close known gaps.

Your job is to facilitate the discussion and drive to a decision – either accepting the risk or funding mitigation strategies. This process generates engagement, obtains buy-in, and justifies resources!

We recommend that you review Product + Service Metrics on a quarterly basis with your executives.

This may seem like a lot to take in – especially if you're in the 70% of programs that don't actively track these things. So, how do you make it much easier?

05 Automate to Elevate

Manually gathering and tracking all the data we discussed is time consuming. And, trying to keep it up to date as the organization changes is tedious and error-prone.

Modern business continuity software tools automate this process and can generate the relevant metrics for you. This is a major time-saver – especially for larger organizations!

But, regardless of the platform you choose, business continuity software should make your life easier – maximizing the time you spend on high-value program improvement activities and automating the rest.

NOTE: *If you'd like help building the business case for buying business continuity software, please check out our* **Business Continuity Automation Guide.**

Or, if you're ready to explore leveraging software, **book a meeting** with our team today.

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ACTIVITY + COMPLIANCE METRICS

Activity + Compliance Metrics – also known as Key Performance Indicators (KPIs) – are straightforward and serve to ensure that program deliverables and outcomes are on track and consistent with expectations. These metrics are typically reviewed and discussed with the core business continuity team during regular meetings (bi-weekly or monthly).

DEPARTMENT	BIA	PLAN	EXERCISE	RECOMMENDATION
	○ APPROVED ○ DRAFTED ○ OVERDUE	○ APPROVED ○ DRAFTED ○ OVERDUE	○ APPROVED ○ DRAFTED ○ OVERDUE	
	○ APPROVED ○ DRAFTED ○ OVERDUE	○ APPROVED ○ DRAFTED ○ OVERDUE	○ APPROVED ○ DRAFTED ○ OVERDUE	
	○ APPROVED ○ DRAFTED ○ OVERDUE	○ APPROVED ○ DRAFTED ○ OVERDUE	○ APPROVED ○ DRAFTED ○ OVERDUE	
	○ APPROVED ○ DRAFTED ○ OVERDUE	○ APPROVED ○ DRAFTED ○ OVERDUE	○ APPROVED ○ DRAFTED ○ OVERDUE	
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PRODUCTS + SERVICES METRICS

Products + Services Metrics – also known as Key Risk Indicators (KRIs) – help executives understand, evaluate, and make decisions related to the organization's ability to continue or recover time-sensitive activities and resources that contribute to the delivery of critical products and services. These metrics help answer the questions: Are we really prepared? Is what we are doing effective? And, can we recover in-line with our risk tolerance and stakeholder expectations? These metrics are what increase executive engagement and drive action!

PRODUCT/SERVICE	BC OBJECTIVE	CURRENT STATE CAPABILITY	RATING	RECOMMENDATION
			○ PREPARED ○ SOMEWHAT PREPARED ○ NOT PREPARED	
			○ PREPARED ○ SOMEWHAT PREPARED ○ NOT PREPARED	
			○ PREPARED ○ SOMEWHAT PREPARED ○ NOT PREPARED	
			○ PREPARED ○ SOMEWHAT PREPARED ○ NOT PREPARED	
			○ PREPARED ○ SOMEWHAT PREPARED ○ NOT PREPARED	
			○ PREPARED ○ SOMEWHAT PREPARED ○ NOT PREPARED	

This example scorecard primarily focuses on samples of Product + Service Metrics for your reference and context – it is not meant to be exhaustive. Please remember that there is some subjectivity when developing Product + Service Metrics, and the key is being prepared to justify your ratings and recommendations to executives to drive decisions and action!

ACTIVITY + COMPLIANCE METRICS

DEPARTMENT	BIA	PLAN	EXERCISE	RECOMMENDATION
Finance	APPROVED	APPROVED	DRAFTED	Follow-up with Finance plan owner to schedule exercise.
Information Technology	APPROVED	OVERDUE	OVERDUE	Follow-up with IT plan owner on overdue status and updates needed.

PRODUCTS + SERVICES METRICS

PRODUCT/SERVICE	BC OBJECTIVE	CURRENT STATE CAPABILITY	RATING	RECOMMENDATION
Perform Basic Customer Service (Voice Call)	Ensure no more than 4 hours downtime with less than a 90 second wait time	6 hours downtime, estimated 1-minute wait time at recovery	SOMEWHAT PREPARED	Invest in high-availability DR site for call center to increase "Customer Support" capability **Timeline:** 6-12 Months / **Relative Cost:** High
Pay Automated, Recurring Claims (STD + LTD)	Facilitate automated payments within 3 business days of request	Claims failover process complete and demonstrated – No Downtime	PREPARED	None
Pay Non-Recurring Claims	Respond to requests within 1 business day and pay claim within 3 business days	Responses completed within 4 hours of business disruption and claims paid within 2 days	PREPARED	None
Perform Intake of Claims	Log new claims in relevant systems within 1 business day	Significant personnel outage in May 2020 delayed claims by 2 business days	SOMEWHAT PREPARED	Develop cross-training for key employees to mitigate single points of failure **Timeline:** 1-2 Months / **Relative Cost:** Low
Adjudicate Claims	Perform research and make final determinations within 5 business days	All research completed within 3 business days over the last 12 months	PREPARED	None
Process Premiums	Collect payments and deposit within 3 business days	All systems are backed up and team members are actively cross-trained – Validated in May Exercise	PREPARED	None
Pay Suppliers	Process payments to key suppliers on or before payments deadlines	All recent payments have been completed on time, but systems backups and personnel cross-training are unknown	SOMEWHAT PREPARED	Conduct Business Continuity Exercise for Procurement Team **Timeline:** 1-2 Months / **Relative Cost:** Low
Pay Employees	Pay employees biweekly, regardless of disruption	Process relies on single-points of failure and payroll provider has no workarounds	NOT PREPARED	Cross train employees and source/onboard new payroll provider **Timeline:** 3-6 Months / **Relative Cost:** Medium

Next Steps

Skimming this guide and filing it away "for future use" **won't get you where you need to be.**

If you're struggling to clearly communicate the value of your business continuity program in a way that engages executives and drives action, promise that you'll invest some time here.

Make the time to map out how you can apply the **BC Scorecard Builder** to implement impactful metrics that better engage executives and drive real change.

Whether you're just getting started with business continuity, need a little extra help, or want to overhaul an under-performing program, we're ready to provide strategic guidance and hands-on help to get you where you need to be. Book a meeting with our team today!

BOOK A MEETING

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Now you're ready.™

As the largest provider of business continuity management solutions – spanning consulting, software, managed services, and staffing – Castellan is uniquely positioned to help clients find the right balance of risk tolerance and resilience to protect their employees, brand, and bottom-line. Leveraging a proprietary proven process for driving business continuity success, Castellan partners with clients to establish a clear vision, drive real results, and provide on-going support from their community of business continuity experts. Castellan helps clients replace uncertainty with confidence.

For more information, visit castellanbc.com.