

# Business Continuity Maturity Model

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## Executive Summary

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A category 3 hurricane is bearing down on one of your facilities. Do your employees know how to respond to the threat? Although your building will sustain damage, does your company have policies in place that will limit longer term losses caused by disruptions in accounting procedures, production, and supply chain operations? A truly effective business continuity program needs to address the recoverability of your business processes, regardless of the source of the threat.

You may have individuals in place to address specific aspects of business protection. Perhaps you have hired continuity professionals or an IT security team. The big question is:

“How effective is our enterprise business continuity *program*?”

In an attempt to answer that question, Virtual Corporation introduced—in October 2003—the Business Continuity Maturity Model.<sup>SM</sup>

The model is designed to help organizations determine:

- Where are we now in terms of business continuity?”
- “Where are we going?” and
- “Through what evolutionary path will we get there?”

## The Business Continuity Maturity Model<sup>SM</sup>

Compared to most other business disciplines, business continuity is relatively new. Born in the 1960’s as “disaster recovery,” this discipline has grown considerably, and is now regularly discussed in boardrooms across the global corporate landscape. And yet today, we still do not have any meaningful tools to

objectively and consistently measure the organization's disaster-readiness or state-of-preparedness.

Virtual Corporation's Business Continuity Maturity Model (BCMM<sup>SM</sup>) was developed in consultation with leading academic and industry experts. The purpose of BCMM<sup>SM</sup> is to:

- Provide a diagnostic tool for objective evaluation of business continuity program effectiveness.
- Generate consistent data from which meaningful benchmark analyses could be drawn.
- Answer, for senior management, the three key questions posed at the start of this article:
- Where are we now – what level of BC program maturity do we currently possess?
- What is the target we are shooting for – what level of BC program maturity is our ultimate goal?
- What evolutionary path do we follow to get there – how should we progress most effectively to the next Level (e.g., let's crawl, then walk, then run)?

The model focuses primarily on examining the core enterprise competencies that contribute to the development and maintenance of a comprehensive, sustainable business continuity program. Released into the public domain in late 2003, it can be used:

- To assess the effectiveness of the Business Continuity process;
- As a major component of a comprehensive internal audit;
- As a tool to evaluate business and supply chain partners; and
- To support corporate governance requirements.

An assessment component (added with version 1.2 in August 2004) enables the enterprise to consistently apply the model to an iterative self assessment program that will follow the development of the organization's business continuity process to the desired level, and provide assurance over the years that the process is appropriately maintained.

The Business Continuity Maturity Model<sup>SM</sup> was developed to provide the enterprise with a means of accurately assessing its progress towards reaching a desired level of program effectiveness. Differing from a typical "gap analysis" of business continuity detail, it focuses on the presence and evolution of the core competencies and skill sets that lead to the development and maintenance of effective process. The eight BCMM<sup>SM</sup> competencies are:

- Leadership;
- Employee Awareness;
- Program Structure;
- Program Pervasiveness;
- Metrics;
- Resource Commitment;
- External Coordination; and
- Program Content.

The competencies are mapped to six maturity levels:

- Self Governed;
- Supported Self Governed;
- Cooperatively Governed;
- Enterprise Awakening;
- Planned Growth; and
- Synergistic

The first two levels (Self Governed and Supported Self Governed) represent an enterprise that is still very much “at risk”

The second two (Cooperatively Self Governed and Enterprise Awakening) represent an enterprise that can be considered a “competent performer.”

The last two levels (Planned Growth and Synergistic) represent an enterprise that is “best of breed.”

The corporate competency of “Program Content” was added to address how an organization implements the four central disciplines of business continuity. The following definitions are not definitive, but are descriptive of the range of concepts, tasks, roles and responsibilities within each discipline:

- **Incident management** – addressing all activities involved in command, control and communications during an organizational crisis or disastrous event.
- **Security management** – protecting the confidentiality, integrity and availability of targeted information and resources.
- **Technology recovery** – ensuring that critical information systems hardware, software, networks, and applications are adequately recoverable within defined recovery time objectives.
- **Business recovery** – ensuring that critical business functions and resources are adequately recoverable within defined recovery time objectives.

After defining the basic core competencies the working team developed detailed definitions for how each of these core competencies is characterized at each level of the Model. Based on their collective experience, they summarized the “degree of engagement” of each corporate competency in terms of a “High”, “Medium”, “Low”, and “Very Low” rating resulting in the “Standard Development Chart” below. This provides a graphic representation of how a “typical” organization would progress through the evolutionary process and advance through the maturity levels. To illustrate, see Table 1.

**Table 1. Business Continuity Standard Reference Chart**

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Corporate Competencies	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6
<b>Athletic Analogy</b>	Able to Crawl	Able to Walk	Able to Run	Fit Runner	Competitive Runner	Olympic Runner
<b>Leadership</b>	VL	L	M	H	H	H
<b>Employee Awareness</b>	VL	L	L	M	H	H

<b>BC Program Structure</b>	<b>VL</b>	<b>L</b>	<b>L</b>	<b>M</b>	<b>H</b>	<b>H</b>
<b>Program Pervasiveness</b>	<b>VL</b>	<b>L</b>	<b>L</b>	<b>L</b>	<b>M</b>	<b>H</b>
<b>Metrics</b>	<b>VL</b>	<b>L</b>	<b>M</b>	<b>M</b>	<b>H</b>	<b>H</b>
<b>Resource Commitment</b>	<b>VL</b>	<b>L</b>	<b>M</b>	<b>H</b>	<b>H</b>	<b>H</b>
<b>External Coordination</b>	<b>VL</b>	<b>L</b>	<b>L</b>	<b>M</b>	<b>H</b>	<b>H</b>
<b>BC Program Content</b>	<b>VL</b>	<b>L</b>	<b>M</b>	<b>H</b>	<b>H</b>	<b>H</b>

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Increasing Business Continuity Competency Maturity

- Level 1: Self-Governed
- Level 2: Supported Self-Governed
- Level 3: Cooperatively Governed
- Level 4: Enterprise Awakening
- Level 5: Planned Growth
- Level 6: Synergistic

## Risks

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Today's businesses are faced with an increasing number of potential disasters, both natural and man-made. These potential disasters, should they occur, have far reaching economic consequences for the business, its stakeholders, employees, stockholders, claimholders, customers and suppliers, even the community at large.

In the past, business continuity efforts have focused primarily on information technology recovery. Often neglected were issues involving:

- Non-technology-related business disruptions;
- Crisis response; and
- Risk Mitigation.

A comprehensive—and sustainable—business continuity program addresses more than IT recovery. It addresses, among other priorities:

- Life safety issues;
- Information and physical security; and
- Supply chain continuity.

Until now, there has been little available to provide an accurate measure of an enterprise business continuity program, short of a post-mortem review following an actual disaster. There has been no effective benchmark against which to measure an enterprise program.

An enterprise may have failed to:

- Prepare for a major event;
- Make a substantial commitment to—and investment in—business continuity;
- Allocate adequate staff resources; or
- Involve the appropriate stakeholders—both internal and external.

As a result, an enterprise may risk loss of:

- Revenue;
- Market share;
- Critical assets;
- Reputation.

In the end, even an enterprise, itself, may be lost.

## Recommendations

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While there can never be absolute certainty about an organization's survival, there can, with the appropriate amount of management commitment and enterprise investment, be reasonable assurance that the organization has developed and is maintaining an appropriate degree of resilience. But the uncertainty that confronts us is in determining the correct degree of commitment, and size and form of the investment. As previously stated, the BCMM<sup>SM</sup> was developed to assist management to make decisions regarding the current status and future direction of the enterprise business continuity program.

### 1. Determine Current Business Continuity Maturity Level

Conduct a BCMM<sup>SM</sup> self-assessment analysis. The BCMM<sup>SM</sup> Public Domain Model, including a Self-Assessment procedure which provides you with a consistent and repeatable methodology for conducting self-assessments, is downloadable free of charge from the Virtual Corporation website.

### 2. Establish Organizational Commitment to Higher Maturity

Present the Business Continuity Maturity Model to senior executives. Describe the organization's current level of business continuity maturity, and secure support for initiatives designed to raise the maturity level to Level 6.

Be prepared to offer concrete proposals, complete with cost estimates.

### 3. Pursue Business Continuity Maturity Enhancement Efforts

Pursue efforts to raise business continuity maturity. Take it "one step at a time," from Level 1 to Level 2, for example, or Level 4 to Level 5. As a new level is achieved, don't be shy about promoting the accomplishment. This will help maintain improvement momentum.

**Table 2. Action Plan for CSOs**

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Action	Purpose
Determine Current Business Continuity Maturity Level	To measure the current level of business continuity preparedness.
Establish Organizational Commitment to Higher Maturity	To gain management support--and dollars--for maturity enhancement initiatives.
Pursue Business Continuity Maturity Enhancement Efforts	To raise--often gradually--the level of business continuity preparedness. To improve the organization's disaster resilience. To expedite recovery in the event of a disaster. To lower recovery costs.

## Resource File

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Business Continuity Institute: <http://www.thebci.org/>

Contingency Planning Exchange: <http://www.cpeworld.com/>

DRI International: <http://www.drii.org/>

Virtual Corporation: <http://www.virtual-corp.net/>

## About the Author

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Larry Kalmis is an internationally accredited hands-on business continuity professional. He has been a senior executive with responsibilities for the development and operation of several highly successful corporate business continuity organizations. A certified Fellow of the Business Continuity Institute, Mr. Kalmis currently serves as Chair of the Board of Directors.