

# **Why Test?**

## **An Introduction to Business Continuity Testing**

### **Association of Contingency Planners (ACP)**

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# Agenda

- I. Objectives of Session
- II. Consequences of Not Testing
- III. Testing Fundamentals
- IV. Case Studies
- V. Take-Aways
- VI. Questions

# **I. Objectives**

- I. Discuss Consequences of Not Testing**
- II. Describe Fundamentals of Testing**
- III. Share Highlights of Four Case Studies**
- IV. Explain Case Study Lessons Learned**
- V. Offer Several Practical Take-Aways**
- VI. Encourage Interactive Discussions**
- VII. Employ the Five Es**  
(Enlighten, Elevate, Engage, Energize, Entertain)

## **II. Impacts of Not Testing**

- **40% of businesses that suffer a disaster go out of business within two years** (source: KPMG)
- **90% of businesses that lose data from a disaster are forced to close within two years** (source: London Prepared)
- **At least 25% of businesses that temporarily close as a result of a disaster never reopen** (source: U.S. Small Business Administration)

# Causes of Sustained Outages

- **Natural Disasters**
  - **Earthquakes**
  - **Floods**
  - **Hurricanes**
  - **Ice Storms**
  - **Tornadoes**
  - **Wild Fires**

# Causes of Sustained Outages

- **Non-Natural Disasters**
  - **Disgruntled Workers**
  - **Pandemics**
  - **Utility Outages**
  - **Sabotage**
  - **Terrorism**
  - **Vandalism**

# **III. Testing Fundamentals**

- **Executive Support**
- **Business Impact Analysis**
- **Risk Assessment**
- **Recovery Strategies**
- **Business Continuity Plans**
- **Conduct Three Types of Testing**

# **III. Testing Fundamentals**

- **Validation Testing**
  - Contacts, hardware/software versions
  - Conduct every 3 to 6 months
- **Simulation Testing**
  - Desktop walk-through exercise
  - Conduct every 6 to 12 months
- **Operational Testing**
  - Restoration to recovery site
  - Conduct every 12 to 18 months

# Testing Plan Components

- What will be recovered?
- Where will you recover to?
- When will recovery commence?
- Who will be involved?
- How will recovery will be conducted?
- Which test scripts will be used?
- What resources will be required?
- How will the de-briefing be conducted?

# **CS#1- Disaster Movie**

- **Background**
  - TCF enters Home Entertainment business
  - Critical HE systems run on two AS400s
  - System required 24x7 high availability
- **Event**
  - Distribution transformer explodes
  - Sends spike down line into data center
  - Voltage spike destroys both AS400s

# **CS#1- Disaster Movie**

- **Lessons Learned**
  - **Most disasters are localized**
  - **Small local events cause more impact and urgency to IT than large regional events**
  - **Develop strong supplier relationships**
  - **Conduct thorough due diligence when selecting suppliers; contact customers**
  - **Solicit senior management commitment and involvement at outset of BC/DR efforts**

# **CS#2 - R2D2, RPO, RTO**

- **Background**
  - Option One Mortgage was growing rapidly
  - Expansion of databases was accelerating
  - Traditional backups too time constrained
- **Event**
  - Major replication project started
  - Customers offered RPO/RTO trade-offs
  - Exercises validated actual RPO/RTO

# **CS#2 - R2D2, RPO, RTO**

- **Lessons Learned**
  - **Monitor growth of data**
  - **Notify service provider of any upgrades**
  - **Minimizing RTO may not be user priority**
  - **Include replication schemes when conducting business continuity exercises**
  - **Foster close teamwork between IT and BC**

# **CS#3 - Winds of Change**

- **Background**
  - Fremont Investments, SoCal, nationwide
  - BIA and BC plans all up-to-date
  - Major processing center in Tampa
- **Event**
  - Hurricane Charley headed toward Tampa
  - FI initiates contingency planning
  - One significant aspect missing from plan

# **CS#3 - Winds of Change**

- **Lessons Learned**
  - **Provision staff with essential supplies**
  - **Arrange for readily-available petty cash**
  - **Know status of all hardcopy vital records**
  - **Exercise BC plans jointly with IT and users**
  - **Anticipate abrupt changes in contingencies**

# **CS#4 - Return of Rat Pack**

- **Background**
  - **Lionsgate Entertainment, Santa Monica, CA**
  - **Two small data centers in main office**
  - **No BC/DR plans had ever been considered**
- **Event**
  - **Rat chews through high voltage cables**
  - **Results in eight hour power outage**
  - **Audit Committee orders risk assessment**

# **CS#4 - Return of Rat Pack**

- **Lessons Learned**
  - **Schedule periodic risk assessments**
  - **Ensure the outsourced data warehouse is being backed up and tested for restores**
  - **Develop recovery strategies based on prioritized business processes**
  - **Identify immediate migration plans**
  - **Understand role of PDAs and cell phones**

# **V. Summary of Take-Aways**

- **Acquire senior management support**
- **Ensure IT support of BIA results**
- **Hand-off recovery plans to owners**
- **Use all three methods to test plans**
- **Develop strong relationships with vendors**
- **Exceed expectations of business users**
- **Revise plans to changing requirements**
- **Identify opportunities for improvements**

# *Questions?*

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***Thank You!***