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TOPICS FOR TODAY

What’s happening in BCP?
Major issues being addressed
Expected issues and concerns
What does it mean for us in BCP?
Specific examples to take away
Open Forum

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WHAT’S HAPPENING IN BCP TODAY?

- Staffing reductions are still being seen all industries: Healthcare, Financial Services, Retail, Insurance, Consulting, Higher Education
- Reductions due to retirements are not being filled
- Use of external labor is being increased – no benefits, “temporary”, outsourced, off shore

- Planning software is **not loved**
- “Web everything,” is not as easy as it sounds
- “Cloud everything” is not the answer the leadership thinks it is
- Business impact analysis is getting a lot of pushback for refresh actions
- The whole process is too complicated
CURRENT SITUATION & TRENDS IN HEALTHCARE IT COMMUNITY

Increased Reliance and Dependency on IT Services
- 24/7 availability
- Integrated Records, Labs, Pharmacy
- Operational Effectiveness (there is no good “manual” way)

Generally IT investment has not created an infrastructure ready for the new demands

Wireless everything (I “need” to use that iPad)
Increased threats from external areas – hacking, penetrations, etc.
Too few staff

Infrastructure grew organically to meet demands, not planned
CURRENT TRENDS (OTHER THAN IT)

Aging workforce and few qualified replacements in the wings
More stress on Healthcare and hospital
- Increased demand for services
- Payment difficulties
- Rising costs
INTEGRATED CONTINUITY

Risk management actions/activities need to work together to provide an integrated solution set to:

- Lower overall cost
- Increase effectiveness
- Maintain compliance
- Minimize impact of an outage/event
- Provide the best healthcare solution regardless of what is happening around us

Includes traditional services of insurance, patient safety, information security and disaster response

Enhances with business continuity and consistent disaster processes
Contingency Planning
4 Lobe Approach

ERP: Emergency Response Plan
Event Driven Response
(Site Impact)
Contamination,
Bomb-threat,
Fire,
Earthquake,
Wind,
Etc.

IT-DRP: IT Disaster Recovery Plan
(Time - Voice & Data Impact)
Network Failure,
Sabotage,
Virus,
Physical Loss of Systems
Etc.

BCP: Business Continuity
Time Driven Response
(Site and Business and Image Impact)
Infrastructure Disruptions,
Hospital Unit Disruptions,
Department Disruptions
(Failure to deliver product or service)

CMP: Crisis Management Plan
Event Escalation Response
(Localized, system wide, etc.)
Non-physical or physical impacts,
Examples:
Drug or implant, Recall
On site violence
Facility Destruction - tornado

Depending on Event,
The integration of all Plans is Possible.
Enhanced Model

- Security: Information & Physical
- Customer Facing Processes – PCI/PHI compliant

IT systems Design
- IT-DRP
- Security: Information & Physical
- ERP

- BCP

Risk Management: Insurance, etc.

Depending on Event, the integration of all Plans is possible.
MAJOR ISSUES

- Aging workforce – you’ve heard me talk on it before, the time horizon is now down to 5 years or less in many places
- Lack of a middle – downsizing has removed the available pool to replace the aging workforce with experienced personnel
- Outsourced everything – including critical elements that you do not control
- Political Pressures and Regulatory changes, Laws, etc. The impact is being felt and the impact is currently negative – much to the “surprise” of the lawmakers: think healthcare
- Lack of accountability and finger-pointing
EXPECTED FUTURE ISSUES

- Increased Regulation and “deregulation:” Net Neutrality and approval of mergers that control media content and distribution are early indicators.
- Temporary employees and part-time employees mean no allegiance to the company – you will not have them for recovery activities as they all have multiple jobs.
- Consolidation in healthcare – the industries payment model is changed and the effects will be immediate.
- Topping out of tuition and decrease in college attendance.
WHAT DOES IT MEAN FOR BCP?

- Automation and over-simplification
- Resources limited, team coordination becomes critical
- Expect to do more with less – again
- “Rush” to BCP following a catastrophic event with widespread media and impact (think 9/11)
- BCP roles being consolidated into “other” areas of the enterprise
- The experienced BCP practitioner is leaving the building and fewer and fewer new generation BCP specialists are coming into the field.
OTHER AREAS TO WATCH
TRENDS FOR 2014 - 2016

Supply Chain focus (less manufacturers and suppliers)
Technology – virtualization & cloud (public and private) services (continues from the previous 3 years)
Outsourcing of functions (changes the dynamics and risks)
Broader communications
More single points of failure
Doing more with less
Crisis Management Issues
Customers pushing BCP planning down to suppliers

- Automotive industry has been doing this for some time
- Food industry has begun this as well
- HealthCare is poised

Unreasonable demands

- Partner with competitors
- Suppliers maintain all inventory
- Tier one suppliers bear the burden without the reward
TECHNOLOGY - VIRTUALIZATION

Most companies now looking at how to virtualize data center and recovery

- See lower operating cost
- Do not realize potential increase in risk
  - Fewer machines, not clustered
  - One breaks, many affected

Applications may not handle it well

Complex existing infrastructure may make it hard to achieve

Vendor dependence
OUTSOURCING OF FUNCTIONS

IT, HR, Data Centers

They are not employees – their contract specifies actions and responses

Critical functions may be outsourced

You may not be their only client, nor their highest priority

“In the same way people time-share vacation locations, companies will soon employee share.”
BROADER COMMUNICATIONS

To All employees; not just response teams
30 minute or less messaging
External and internal recipients
More forms
- Email
- Letters
- Printed materials
- Texts
- Media releases
MORE SINGLE POINTS OF FAILURE

Loss of personnel and shrinking headcount
- More gaps from senior to junior personnel
- Less staff = less cross-training
- Retirement disaster larger than ever

Less spend on technology and redundant systems
Outsourced functions
DOING MORE WITH LESS

Less staff
Less budget
Less testing
Less time with business
More capability
More responsibility
OPEN FORUM

It’s your turn to give input.
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