

The recovery trail

The summer floods of 2007 brought business continuity into sharp focus. In towns and cities up and down the country, some retailers found themselves submerged, stock bobbing around in stinking floodwater. Many of those have yet to recover. Alison Campbell-Boreham reports

Still more of these retailers were caught in the backlash, some without utilities, power and water, for weeks and unable to open for business. It made exciting headlines and great TV news footage. However, for retailers the less exciting effects are still biting. Suppliers and logistics businesses are refusing to replenish stock for all but the largest customers, leaving smaller retailers crippled.

One specialist electrical retailer in Moreton-in-Marsh is in the unenviable position of having to turn customers away. He has nothing to sell. Although not directly affected by the floodwater, his little shop on the High Street is an empty shell. "The insurance companies are buying what's available directly to settle customer claims," a spokesperson declared. "We could be making a fortune out of the aftermath but we can't because we can't get anyone to supply us!" he added. The shop has been part of the local community for decades but now its future hangs in the balance. Unfortunately, it is not alone.

At the other end of the scale, for supermarket giant Sainsbury's business in Gloucestershire is booming. Steve Mellish, head of business continuity, describes the consequences of those fateful weeks. "We're here to serve customers and anything that impacts our ability to deliver that customer experience is a real problem."

Several of the chain's stores in Gloucestershire were affected in the aftermath: "Many of them had no mains water for days as rising floods closed down local treatment works, but we had to keep the stores open because customers still needed to buy food. It became less of a commercial operation and one of

community service."

Emergency water bowsers were sent to stores in Oakley, Barnwood, Tewkesbury Road and Sainsbury's Central in Gloucester. Open counters such as bakeries and deli counters had to close but the four stores, between them, supplied in excess of

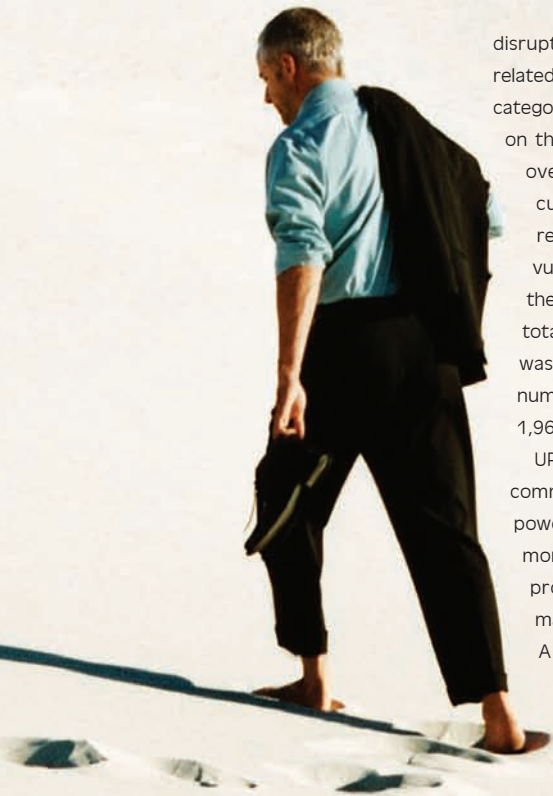
500 per cent more bottled water in those few days. "We even sent clean uniforms for the staff, many of whom didn't have domestic water available for washing clothes," declares Mellish.

In Sainsbury's case, the company has a dedicated business continuity team at its

head office in Holborn, London supported by business continuity management teams at regional and in-store levels. It chose SunCard as its business continuity partner and relies on back-up and emergency operational facilities from the business continuity supplier in London and around the UK.

The human aspect

Mellish stresses the importance of the human aspect of business continuity: "I think, when businesses say they have a business continuity solution in place what they are talking about is a technology system. What's often missing is the management capability to get them back up to speed. The bottom line is it cannot be done with technology alone or with people alone, it's a combination of both but you should never underestimate the people element."



disruption to business in 2006. Power related disruption was the fastest growing category, showing a 350 per cent increase on the previous year and accounting for over a quarter (26 per cent) of customer disaster declarations. A recent DTI report reveals the vulnerabilities of the National Grid: over the year April 2005 to March 2006, the total number of customer interruptions was around 21 million. The total number of customer minutes lost was 1,966 million.

UPS (uninterruptible power supply) is commonly associated with protecting power sources to IT equipment but more often units are being utilised to protect supplies to building management and payment systems. A UPS sits between the load (equipment and systems that need electrical power) and an alternative source of back-up power, diesel generator or rack-mount batteries.

There is usually a delayed start with back-up power sources, such as generators. So, when there's a power outage, the UPS immediately starts to power critical loads whilst the generator or back-up alternative kicks in. Riello's Koffler sees power continuity as essential for retailers. "It all boils down to what the cost is to the business of downtime."

Generators can save a lot of space when compared with comparatively-sized battery racks but they need to be housed externally because of exhaust emissions, noise pollution and the need to store fuel. More often than not they will require planning permission. Battery racks can be housed inside a building, often next to or in the same room as the IT equipment they are protecting but like most IT equipment they generate heat and require ventilation and cooling.

Fuel Cells are an emerging alternative. Running on hydrogen, LPG gas or other alternative fuel, they can provide longer runtime than equivalently-sized batteries or generators because of the way they utilise fuel. As their emissions are confined to water vapour only, they can also be housed inside a building in battery or server racks making them an ideal alternative back-up energy source in towns and cities where planning restrictions may be tight.

Brad Bolton, IT manager for global handbag supplier, The SAK, identifies three key aspects to business continuity: firstly, system uptime and availability and how this is ensured. "I compare it to babysitting: secure, monitor, develop. It doesn't matter what technology you choose you need a back-up and storage strategy, security – anti virus, firewalls, spam filters and a good recovery plan."

Andy Bailey, availability consultant, Stratus Technologies, thinks it's important to distinguish between disaster recovery, business continuity and system availability. Disaster recovery is about ensuring recovery processes and procedures are the most efficient and robust they can be. Business continuity is about working with partners to ensure the continuous running of the business and system availability means that IT equipment can ride through most events without being compromised.

Stratus supplies fault tolerant servers. PayPoint, the payments processor that handles mobile phone top-ups, utility bill payments and TV license renewals, is a customer.

"Fault tolerance is about having two of everything, running in 'lock-step' so that if one is compromised the application can still be kept running. It is more expensive because of the duplication of components so the acquisition costs are higher but over time it pays for itself in terms of availability," Bailey explains.

Of course, none of this is any help to our man in Moreton-in-Marsh who, no matter how good his IT, security, payment or building management systems are, cannot function because he has found to his cost that he is completely and utterly at the mercy of his suppliers.

"All good business continuity plans must include suppliers. Not only do we insist on supplier compliance to our own standards (as well as BS 25999) but we also test them as part of our overall business continuity strategy," explains Sainsbury's Mellish.

So, in terms of business continuity, larger retailers' chances of surviving disaster are greater as they have more resources at their disposal – including loyal suppliers. However, large businesses are less nimble. Smaller ones can and should be able to turn around and implement changes quickly to stay in business.

IT continuity should determine the most important processes to the business and how quickly they need to be recovered. It should also cover data replication and how this will be handled.

The debate as to whether or not to outsource IT systems or provide them through an in-house model is never more strongly debated than when it comes to business continuity. The worry is that outsourcing takes control away from the retailer, and therefore presents another risk. Poorly managed and inadequately resourced in-house systems present a far greater risk in terms. Richard Jones, principle consultant – professional services – SunGard has another alternative. "Many retailers forget that an ideal location for a back-up site is a spare development facility. They don't necessarily have to outsource to a third-party."

Part of a business continuity strategy has to be power continuity. "Without power there is no business!" points out Robin Koffler, general manager, Riello UPS. "It's not just a matter of protecting data centres or IT systems but the whole building including payment systems, security, door entry systems, management systems and so on."

Interestingly, in April 2007, SunGard revealed findings of major causes of