WHITE PAPER

Preparing to Navigate the Unexpected

Leveraging Business Architecture for Better Business Continuity Planning

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The Best Made Plans…

Severe weather, power failure, and network outages are common business disruptions that generally have minimal impact on organizations. But larger events such as cyberattacks, natural disasters, terrorism, and most recently a global pandemic can have long lasting and potentially devastating effects on business operations and the personal lives of employees and their immediate families.

The US Small Business Administration (SBA) defines small business as organizations with up to 1,500 employees and annual revenue as high as 41.5M USD. Small businesses lose between 1,009 and 18,795 USD per minute during business disruption or work stoppage while large organizations see losses of up to 5M USD per hour.

Delloite & Touche estimates that 75% of all companies do not have a Business Continuity Plan (BCP) in place and will fail within three years of a major disruption. The SBA and Federal Emergency Management Agency (FEMA) have provided long term statistics indicating that 40%-60% of all businesses will never reopen after a disaster or work stoppage and another 25% will fail within the first year. In addition, 34% of all business continuity plans have never been tested.

MetLife Insurance and the US Chamber of Commerce recently released a joint report stating that 54% of all small businesses had closed due to the Coronavirus and 43% percent of those remaining open believe they have less than six months (including one in ten that say they have less than one month) until a *permanent* shutdown is unavoidable.

Organizations and their leadership that actively engage in business continuity planning and testing have greater insight into the unique structure of their enterprise, well defined strategies and executable plans to maintain or quickly resume business functions during times of disruption, and a much higher chance of successfully navigating black swan events than organizations who have no plan in place. Business architecture is uniquely positioned to provide an enterprise-wide blueprint as well as business related interactions and information critical to the development, testing, and implementation of a successful business continuity plan.

Business Preparedness and Recovery
Impacts of Major Business Disruption

75%	50%	25%	34%
Have no continuity plan in place and will fail within three years	Will never reopen after a disaster	Fail within the first year of reopening	Continuity plan has never been tested

Sources: The United States Small Business Administration, FEMA, Delloite & Touche

Opportunity in Crisis

Challenges can lead to new opportunities. Preparing an organization for a potential business disruption ensures continuity that is essential to customers and constituents, partners and employees. This means continued operation when the unexpected happens, which is particularly critical for organizations that provide products and services to customers and constituents related to healthcare, food production and distribution, protection, safety, and government functions. In addition, when an organization can continue operating during an incident or crisis, it also keeps its employees and partners working, thereby minimizing the ripple effect that can disrupt entire supply chains, industries or even economies. Considering the statistics shared earlier, organizations that are always prepared will also have a competitive advantage over others, not just in being able to survive after a disruption, but potentially even to thrive and gain new customers and loyalty as a result of it.

Further, the process of business continuity planning can even uncover creative opportunities to optimize or even reimagine the organization in new ways. This may include identifying new ways to innovate the value proposition and business model, new products and services or ways to deliver them, enhancements to experiences that will drive higher customer satisfaction and loyalty, approaches to a more efficient and agile workforce, or opportunities to leverage new technologies.

For example, Pluralsight, a well-known online education company, recognized the opportunity to introduce their product offerings and technical training platform to millions of new users when companies were unexpectedly shut down due to the Coronavirus. The business leaders of this organization made a decision to rapidly pivot from their paid membership model and offer their entire library of 7,000+ expert led technical training classes to the public for free during the month of April. They also extended *no charge* trials to businesses, nonprofits, and K-12 institutions, offering free technical assistance to these organizations.

The decision to close most US-based businesses and enable a remote workforce occurred on or around March 16th, 2020. The Directors of Pluralsight were immediately able to utilize their business continuity plan to evaluate the impact and risk of their decision and provide their operations, development, and support teams with the ability to transform the existing *paid* subscriber based business model by modifying membership acceptance criteria, adjusting and enhancing security protocols, ensuring hardware and software platforms would scale to meet network traffic demand, continuing to provide a high level of customer support, and a host of other critical issues. The *no charge* education platform was fully operational on April 1st, and this would not have been possible if the business continuity plan had not been thoroughly researched and embraced by the organization.

This business model change resulted in the enrollment of over 600,000 new individual members within the first three days of offering the Pluralsight technical training platform to the public at no charge. While the final results of this decision will take months to evaluate, millions of new individual users and a multitude of organizations were introduced to the company's technology training platform which facilitated continued learning, an opportunity for future product and subscriptions sales, and a real world enablement of the Pluralsight mantra of *stay safe, stay home, and skill up*.

Business Architecture: A Guide for Business Continuity Planning

An enterprise-wide business architecture blueprint includes value streams which describe how an organization delivers end-to-end value, and capabilities which provide an inventory of what the organization does. The capabilities can also be related to other components throughout the business, thereby creating an effective tool for impact analysis. For example, capabilities can be associated with the information they use, the people and customers who are involved or served, the products and services that are enabled, the policies that must be adhered to, the processes that are performed, and the technology that provides automation.

Business continuity planning requires a holistic approach when assessing the impacts to customers or constituents and other stakeholders as well as all aspects of the business and technology environment when developing contingency plans. Business architecture provides *the* business framework and communication platform where multidimensional scenarios can be viewed, analyzed, discussed, and implemented with a high degree of confidence. It provides a clear, unbiased, highly actionable and measurable tool for impact analysis and development of business continuity plans for unexpected events. Simply said, business architecture helps organizations to make decisions that are better informed, more holistic and faster to implement.

Below are a few examples describing how business architecture can be leveraged to help provide context for, inform and accelerate decision-making when creating and evaluating business continuity plans.

- **Decision Making and Impact Analysis** – Business architecture provides an accurate and comprehensive view of the current *as is* state of an organization (including interaction with customers or constituents and partners) as well as the connections to operations and infrastructure (e.g., facilities, security, IT and communication systems, customer service, and capital assets and equipment). As a result, it is can be leveraged for performing *what if* analysis when assessing the impacts of potential disruption scenarios, mitigation strategies, and business continuity plans.

- **Response Strategies and Plans** – Business architecture helps to identify and track critical business capabilities for which continuity is necessary along with the business and technology aspects required to continue operation. It also highlights strengths and weaknesses in preparation such as gaps in remote workforce enablement requiring employee succession plans (in the event of death, illness or extended leave), managing effects of isolation on employees, minimized staffing due to economic conditions and other considerations.

- **Business Continuity Planning** – Business architecture helps identify stakeholders with whom to communicate during an incident. It also facilitates options and scenarios for business enablement and continued customer or constituent interaction when developing business continuity plans.

- **Business Streamlining and Innovating** – Business architecture helps uncover optimization opportunities from a big picture perspective, such as how to make customer or constituent value delivery more consistent and cohesive, or how to leverage shared capabilities and solutions. It may also be used to identify and represent innovation opportunities related to the overall business model or how to leverage existing capabilities to deliver new value propositions, products and services.

What About the People

O rganizations invest in scenario planning, technology, redundant systems, and security measures to prepare for potential business disruption, but what about their people? Employees are one of the most important assets of most organizations. In many cases, a single employee is the external face of an organization who represents the values of a company and how that business is perceived by customers, partners, and the outside world at large. How individuals experience change varies broadly based on factors such as personality type, culture, communication technique, flexibility, and the need for social interaction. Establishing business continuity plans to support employees during disruption and times of crisis is a critical need that highly influences employee acceptance or rejection of change and directly impacts productivity, effectiveness, and customer satisfaction. Failing to plan for employees is the number one reason business continuity plans fail.

Trauma Related Events

As a business owner and survivor of a domestic terrorist attack, co-author Gary experienced first-hand how trauma can unexpectedly impact a business and its employees. He received a crash course on the importance of preserving business continuity, controlled transition, and the need to provide his employees, business partners, and clients with a sense of confidence and stability during a time of extreme chaos and uncertainty. This event exposed vulnerabilities and showed the importance of thinking and planning deeply for unforeseen events. It also provided insight and perspective on leadership, trust, accountability, communication, and the unique needs of each employee who also needed support during a time of crisis. This incident illustrated where unexpected change could result in disaster or in a more resilient and efficient organization.

Points to Consider

- **Leadership** – Choosing the right team to lead an organization during unexpected change is a critical and potentially game changing decision. Trust in leadership and their ability to manage effectively during uncertainty is a key factor in moving past an event and defining a *new normal*.

- **Terrorism and Trauma** – Incidents involving terrorism or trauma are becoming more frequent in our societies and require business continuity plans that attend to special needs. Shelter in place protocols, grief and wellness counseling, key employee succession plans, long and short term leaves of absence, and responsible messaging are a short list of policies and procedures that need to be addressed.

- **Communication** – Lack of communication and poor messaging are major contributors to confusion, anxiety, anger, and inefficiency. Increased frequency of personal and business level communication is recommended at all levels of an organization to inform, support, and assist during times of disruption and transition.

- **Flexibility** – Employees may be asked to work remotely, perform tasks within another department, assume new responsibilities or adopt a new working schedule. Employee education to increase awareness of flexibility, patience, and the increased need for teamwork when navigating unexpected events are valuable skills that pay high dividends to an organization.

- **Health and Nutrition** – The mental and physical health of employees can be affected during business disruption and are often overlooked. Unexpected change may cause anxiety and depression which can lead to decreased motivation, bad eating habits, and reduced exercise or activity. Implementing programs to keep your employees motivated and engaged during disruptive times – and programs that proactively target wellness *before* a disruption – can minimize these effects and help maintain efficiency. Examples include challenges to award people for exercise and activity, planned social networking events to remain connected, employee led classes on professional and personal skills, and games or contests that promote employee engagement.

Covid-19, A Business Lesson on the Unexpected

The Covid-19 pandemic has been a true lesson in the unexpected. This extreme situation revealed the depth of how unprepared businesses and governments were in the face of such a crisis – and how far-reaching the impacts could be on human life, economic activity and even the idea of what is normal.

Organizations are being tested and, in some cases, forced to evaluate their structures, operations, policies and procedures, personnel requirements, and entire business models as a result of the local and global business changes associated with the pandemic.

Evaluation of the pros and cons of remote work force efficiency, the potential to reduce real estate footprint size, new business models for retail brick and mortar shops, partnerships, technology infrastructure, warehousing, and shipping and transportation, are all being envisaged for future business models due to the unprecedented effects on organizations caused by the Coronavirus disruption. But how can these far reaching plans be evaluated without clear and decisive business continuity planning along with datapoints and analysis that are highly enhanced through the use of business architecture?

We can leverage this unforeseen opportunity to redefine how we prepare for the next disruptions, large or small, and build more resilient organizations that are ready for what the future will bring where change is the new normal. Building a solid business architecture should be a key part of organizations' go forward plans, so that it is in place to help guide and accelerate business continuity planning efforts.

Moving Into Action With Business Architecture

Where do you start if your organization does not have a business architecture? At a minimum, build a business architecture baseline which includes:

- A capability map that encompasses the whole scope of the organization and its ecosystem, and is based on agreed-upon business terminology

- A few key value streams, at least those which are customer- or constituent-facing, created at the ecosystem level without business unit or product specificity

- A cross-mapping relationship between capabilities and value stream stages to show where capabilities can be used

Additional business architecture content can be added over time as the organization has a need for it. Business architecture can be leveraged for many other purposes *beyond* business continuity planning as well, such as translating strategies into execution, business transformation, investment planning, mergers and acquisitions, business and technology optimization, compliance and risk management, and much more.

While anyone in an organization can and should leverage the business architecture, business architects also play a highly valuable role in facilitating its usage and gaining insights from it. The business architect is a strategic role which is also responsible for architecting new organizations or re-architecting aspects of existing ones in response to change. Ultimately, every organization should establish and mature an internal business architecture practice that supports business and technology decision-making, planning and design.

In closing, business architecture is still a new or evolving practice in many organizations, but its value in enabling and accelerating successful preparation for the unexpected is clear. The question is no longer *should we* leverage business architecture in business continuity planning, but rather how can we expect to be successful in business continuity planning *without* leveraging business architecture?

About the Authors

Gary Wright

Gary is a successful businessman and entrepreneur who has founded companies and held positions with key technology innovators in the computer hardware, software, biotechnology, and pharmaceutical industries. He is currently employed as a Business Architect with VSP Global.

In 1987 Gary was seriously injured and nearly killed when he picked up a bomb that was disguised and placed in the parking lot of his office complex by an anonymous domestic terrorist and serial bomber who authorities had named the Unabomber. He spent nine years waiting to discover the identity of his assailant and during that time learned how to successfully navigate the complexities unexpected change imposed on his business and personal life.

Gary has appeared on dozens of radio and television programs and been a featured guest speaker at many conferences, companies, and institutions including Netflix, US Senate, Good Morning America, NPR, Cornell University, and others. He is a lifetime skier and cyclist who is fascinated by fitness and nutrition, science, technology, automobiles, and travel. For more information visit gbwright.com.

Whynde Kuehn

Whynde Kuehn is the Founder and Managing Director of S2E Transformation Inc. (s2etransformation.com), and a long-time business architecture pioneer, practitioner, educator, author and recognized global thought leader. She is a Co-founder, Board Member, Editorial Board Chair and Academic Chair of the Business Architecture Guild®. She is also a Co-Founder and Partner of Business Architecture Associates, a Senior Consultant with Cutter Consortium and a Fellow with the Institute for Digital Transformation. Whynde has extensive experience in enterprise transformation and planning, and was a key architect and leader in one of the largest business transformations in the world. She also led one of the largest business architecture consulting practices. Whynde is known for helping clients build their own business architecture practices and mentoring those practices towards maturity and success. Among her contributions include creation of the online learning place Biz Arch Mastery (bizarchmastery.com), the StraightTalk business architecture blog, the Architecting For Good (A4G) initiative, and the development of community and advocacy for business architecture around the world. Leveraging her foundation of architecture, systems thinking and formal education in sustainability, Whynde focuses on architecting ecosystems that unlock new value and innovation, enabling thriving and sustainable societies. She is also passionate about applying solid business approaches and technology to enable non-profits, social enterprises and cross-sector social initiatives achieve their missions, with a focus on Africa and emerging nations.