MYTH #1

The plan is the promised land

Five myths of business continuity management (BCM)

About the series

Why is business continuity management (BCM) such a struggle, and what prevents companies from building sustainable programs?

As a BCM practitioner, I've spent my career pondering these questions. Trial and error, and years of experience in re-energizing BCM initiatives have taught me the perpetuation of certain industry myths prevents us from building successful programs.

The five myths of business continuity management (BCM) debunks the faulty beliefs that lead practitioners astray. In this series, we dispel the biggest myths of BCM and explore their dangerous implications for programs, and the businesses they aim to protect.

Changing behavior requires education. My hope is that through this series, more companies can move towards a more holistic, proactive approach to managing operational risk.

Read, learn, and enjoy. And if you have any questions or comments, please feel free to reach out to me at sean@lootok.com.

Cheers!

Sean Murphy

What are the 5 myths?

Myth #1
The plan is the promised land

Myth #2
You need a business impact analysis (BIA)

Myth #3
A risk matrix measures risk

Myth #4
It gets cheaper and easier

Myth #5
Best-in-class software exists

Introduction

Business continuity management (BCM) professionals have long believed in the myth that a documented plan can secure the fate of a company to recover during a disruption. The plan has been upheld in our industry as the "Promised Land," or the end game of managing operational risk.

The belief in the plan as our desired end-state is pervasive. It has defined our standards and regulations, how BCM is perceived internally within an organization, and has influenced how companies invest in their programs. Often, we hyper-focus on the plan as undeniable proof that the right actions will be taken in an incident. This is the worst possible approach.

Plans can be useful, but we need to change the way we traditionally approach planning. In this eBook, we'll explore why and how.

About the author

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Chief Executive Officer & President

Sean founded Lootok in 2006 with a vision: to do business continuity management differently. With more than 22 years of contingency experience, Sean oversees Lootok's quality assurance and serves an advisory role in program management, deliverable creativity and innovation, and leadership coaching. He is often seen at the helm of executive-level meetings providing guidance on brand reputation, system design, resiliency engineering, and crisis management.

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Who's actually using their plan?

Prepare for the unknown by studying how others in the past have coped with the unforeseeable and the unpredictable. George S. Patton

As a practitioner, my clients always ask if I know an example of a company that successfully used its plan to manage and respond to an incident. They want to hear a good story. But having helped manage risk for some of the largest companies for nearly the past 20 years, I can honestly say I don't know of one company that has used its plans to successfully respond to a disruption.

So, why are we here? Perhaps we are asking the wrong question. Instead, let's consider: does a business continuity management (BCM) program help organizations manage and respond to threats? Yes, it does.

The problem with asking how plans have been used to successfully respond to a disruption is inherent in the way we think about the plan and the risk environment. Think about what we are planning for: an unknown event. We don't know what exactly it will be like, when it will come, or what type of impact it will have on us. That's a lot of unknowns.

Breaking news: no one uses a plan

Consider this: in the 1970s and early 1980s, the U.S. government spent millions of dollars to find out how people make decisions; the army then used these findings to design and implement very expensive "decision aids" (or plans) for battle commanders in the field. Unfortunately, no one used them. What may have worked in the lab did not work in the field. After ten years of research and considerable expense, they were not much further along than when they started.

The military hired cognitive psychologist Gary Klein to find out why officers were not using plans. In his research, Klein realized plans and detailed procedures don't work well in crisis environments because conditions are constantly changing. Such instances require us to take the context of the situation into account and adapt to its dynamics accordingly.

Plans don't work the way we think they will

Standard procedures and plans work best in well-ordered domains, which describes the environment we normally live in. The environment of a well-ordered domain is relatively stable, predictable, and structured. There are orderly business processes, a structured chain-of-command, and defined goals and objectives. We can think systematically in a well-ordered domain because we know how it works. Because the environment of a well-ordered domain is familiar to us, we understand what causes the effects we desire, and we can make decisions with relative accuracy.

Unfortunately, incidents, crises, and disruptions do not occur in a well-ordered domain. Instead, the world of managing risk is a complex domain. Klein describes this environment as a situation burdened with time constraints, high stakes, inadequate information, dynamic and changing events, poorly defined goals and procedures, and unclear starting and ending points. The environment of a complex domain is filled with chaos and uncertainty. We have difficulty thinking systematically in this environment because we do not know how it works.

Quite often, plans are mistakenly developed with a well-ordered domain in mind, rather than the complex domain they should be designed for. The decision-making and planning we ordinarily do require different sets of assumptions and tools than that of complex environments. Because a complex environment is different from our day-to-day, it requires us to take the context of a situation into account. This is why we can't codify or blindly follow a set of procedures for a nonlinear event. It's just not possible. With so many unknowns and variables, we can only begin the real details of planning when an incident actually occurs.

The good and bad of plans

Everyone has a plan 'til they get punched in the mouth. Mike Tyson

Plans can be dangerous because they can create a "wait-for-impact" type of company culture. In such a situation, planners spend their time by collecting information around "what-ifs," developing numerous tasks and processes to address an event (usually a singular, worst-case type of scenario), and packaging this information in a plan. Then, they stick it on a shelf and simply wait for the event to occur. If something does happen, the plan gets dusted off and is expected to solve the problem. The problem with this is that in most instances, a fixed plan will fail because reality doesn't follow a script.

So, are plans worthless? Not at all. A plan itself may not save your company, but it can help guide your team in navigating an incident. The objective of planning is not to eliminate uncertainty, but to develop a framework for action in the midst of it. A good plan is one that's simple and flexible—with enough information to understand what's required, while still allowing for improvisation. Here's what you can expect a plan to do:

Serve as a handrail

Under the extreme stress of an incident, we lose cognitive capabilities and forget information we might not ordinarily. In such an instance, a plan can be an invaluable reference point. Critical information in plans may include guidelines for assigning roles and responsibilities, allocating resources, and directing activities.

Get you to the starting line

A plan is not a prescriptive script to follow for every single event — it's nothing more than a starting point to give us preliminary information and initial points of contact. The real planning starts at time of event, or when an incident actually occurs. From that point, the plan should be adjusted as the situation presents itself and unfolds.

Reflect the planning process

Keep in mind that a plan is only a by-product of planning. The real value lies in the planning process, which is an opportunity to bring attention to BCM, facilitate team discussions, and define options before an event. Thinking through the decisions you will have to make while you are not under the stress of the incident helps ensure that you are thinking rationally and making well thought out decisions.

Planning errors to beware of

> # "The planning fallacy is that you make a plan, which is usually a best-case scenario. Then you assume that the outcome will follow your plan, even when you should know better.
> Daniel Kahneman

There are certain planning traps even the best of planners may find themselves falling into. These pitfalls generally stem from a common cause, which is the failure to appreciate the unpredictability of business operations and uncertainty of future events. Common pitfalls in planning include:

- Attempting to forecast and control events that are too far in the future

- Waiting too long to make a decision; for example, waiting to have every piece of information before taking action

- Trying to eliminate human error by blindly following sequential steps

- Applying prescriptive planning techniques and expecting the plan to work for all cases

We're wired for imperfect planning

The fundamental challenge we run into is that humans are not good at planning for failure. Even with a barrage of skills, methods, processes, and technologies, plans still fall short and, in some cases, fail. We are also naturally optimistic planners. We inherently have positive illusions, which lead us to plan for success, instead of for failure. Positive illusions are helpful for overcoming difficult, uncontrollable events, but they also cause us to be overly optimistic.

Research psychologist Daniel Kahneman coined the term "planning fallacy," which basically means wishful thinking. Uncertainty is a breeding ground for wishful thinking. Even when we try thinking about worst-case scenarios, most plans are still best case scenarios and overly optimistic. You can probably recall plans with concepts, protocols, and procedures about what people "should" do in an event — it's a basic wish list in a document.

Many company cultures perceive planning for failure as a self-fulfilling prophecy, while some argue that purchasing insurance is a form of failure planning. This is false, however, because we typically purchase insurance and forget about it until a disaster occurs. Insurance, although necessary, does not change the way people think or behave, nor does it change the company culture. Insurance is a wait-for-impact strategy and does nothing to help us manage or respond to the risk environment.

Positive illusions and planning fallacy can easily creep into our planning and lead to faulty projections and decisions. By increasing our knowledge about what drives faulty planning, however, we can begin to spot distortions in thinking and improve training around these elements to become better prepared to react.

Tips for improving your planning process

Let our advance worrying become advance thinking and planning. Winston Churchill

When the plan is seen as the "be-all and end-all," the goal becomes to fill out the plan template as fast and cheaply as possible to just be done with it. This leads to poor results for practitioners, and little awareness among participants about how to actually manage risk. Here's how your organization can enhance its approach to the planning process:

Plan for failure

How often do you hear executives actively plan for failure? When we plan for success, we need to equally plan for failure. Consider and prepare for worst-case scenarios with a pre-mortem exercise, an activity that involves determining what could potentially lead to the failure of a project or organization. Gary Klein proposes imagining a crystal ball that shows the outcome of your plan, which is a failure — "Not just any failure, but a complete, total, embarrassing, failure."

By taking the time to think about what we want to happen, envisioning that our efforts failed, and then brainstorming reasons for failure, we can tease out our biggest concerns and strategize how to avoid or minimize them to change the outcome.

Document intent

Instead of focusing on detailed recovery procedures, capture the plan owner's overall intent. Start with a succinct, clear statement of what the planner wants to accomplish; what the team must do; and the conditions the teams must meet to succeed and manage the threat. The intent should also describe the final end state and key tasks that support the desired outcome.

Communicating this intent empowers team members to operate more independently in order to achieve success. When people understand the intent and reasoning behind a task, they require less supervision and are better able to adjust to and improvise in the specifics of an event.

The art of describing intent is to give as little information as possible, while taking into account the expertise of the person or team, the stability of the situation, and your ability to imagine what the outcome might look like.

Build tacit knowledge

Plans contain the critical information you need and a good deal of procedural knowledge, such as flow charts or tasks. But they cannot replace expertise, or tacit knowledge. Tacit knowledge is unwritten knowledge that is gained through experience and through applying your knowledge to different situations. It's a deep "knowing" about something that's gained from years of doing.

Tacit knowledge plays a large part in our ability to successfully respond to disruptions. Rather than trying to eliminate errors with recovery procedures and process details, focus on building tacit knowledge among team members, and institutionalizing lessons learned from previous incidents. The key to building tacit knowledge is experience, so facilitate

learning opportunities while training and exercising plans. This allows inexperienced team members to practice decision-making in a low-stakes environment.

Baseline your plans

When assessing a plan, you can almost guarantee the recovery time objectives (RTOs) and recovery strategies it contains are overly optimistic. Quite often, plan assumptions, expectations, and estimates underestimate the complexities of the business and its risk environment.

Daniel Kahneman advises consulting the statistics of similar cases to balance our positive and negative beliefs and avoid major errors in forecasting. An assessment of previous planning efforts and corresponding success rates can reveal where and why things are not on time, or on budget. Referencing this type of distributional information will better frame the problem and lead to more realistic, accurate estimates.

Expand your planning techniques

Going beyond traditional planning techniques such as risk assessments and business impact analyses allows you to account for the uniqueness of your company's DNA. One such approach is "nested concepts," which entails aligning your plans with the company's larger objectives and goals. When concepts are nested, each task fits within a larger purpose, which fits within an even larger objective, and so forth. This ensures that all supporting efforts are linked to the main effort, and that the priorities of your leadership team trickle down to the lowest levels of activity.

Make the planning process engaging

How you plan, or the way you facilitate planning, is a critical success factor for creating meaningful plans. Incorporate

gamification and friendly competition into your planning experiences to keep participants engaged and increase their learning and retention.

For example, consider using an activity to identify your company's top vulnerabilities and resiliency strategies in a workshop. Start by asking the leadership team to identify key parts of the value chain, imagine what could threaten them, and discuss how they would mitigate or respond to those threats. This allows you to share and validate critical data, and shows how BCM can strategically align with organizational objectives to encourage a holistic understanding of risk.

Use intelligence

A disruption requires leaders to apply their judgment, using the information they have available at any given moment. This, however, can only be successfully done by acquiring credible and timely intelligence. A critical component of managing incidents is the ability to be proactive—to predict and prepare for negative events before they happen.

Setting up a threat intelligence system can detect and monitor threats before they escalate into a crisis. This empowers leaders to make more informed decisions and act upon information in the most optimal way possible.

Assess your planning horizon

Assume a planning horizon, or a point in time to focus your planning efforts. You can do this by considering how clearly you can see the future environment in which you will be operating. Short-term planning horizons, for example, tend to be project plans with finite resource allocation and budgets. Mid-term planning horizons tend to be contingency plans with fairly accurate estimates and direction. Long-term planning horizons are plans for extreme uncertainty. These types of "concept plans" act as a conceptual structure to process information, and provide variables for escalation and triggers.

Resources

Resources

Check out a few of our popular posts:

- [Why don't plans work?](#)

- [Why spend time on business continuity? What you get out of planning for failure.](#)

- [What does ISO 22301 look for in a business continuity plan?](#)

Plans that are actionable

Need a hand with your planning process? Lootok can help you develop plans that are guidelines for decision-making, checklists for incident response, and strategy options for recovering the business. [Learn more](#).

Expertise at your service

Whether you've got to accelerate plan development or reenergize your annual exercise, Lootok's proven approach conducts activities in a way that's enjoyable and fast. Our interactive workshops get nearly 75% of the information needed for BIAs, plans, and resiliency strategies — within just a few hours. [Get in touch](#).

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Serious business play

EXPLORE MORE MYTHS

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