



**THE
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The Ottawa AFCEAN is published by:

AFCEA Ottawa Chapter
1 Stafford Rd., East
Suite 197
Nepean, On
K2H 1B9

Tel: (613) 721-6031

Fax: (613) 721-0092

email:

info@afceaottawa.org

Editor:

Bill Hawken

Tel: (613) 841-2912

e-mail:

hawkenw@hotmail.com

Art Pelletier, Client Services Manager Export Development Canada Business Continuity Planning

January PD Meeting Presentation, reported by Bill Hawken

PD Presentation Report

Mr. Pelletier opened his presentation with the title "Business Continuity – Are you sure you are ready?" He explained that his intent was to share some real-life experiences regarding what Export Development Corporation (EDC) has seen with respect to Business Continuity Planning (BCP) after six or seven years in the business.

He then outlined his presentation, including: an overview of EDC; why and how EDC built its BCP; why testing is necessary and how to do it; and lessons learned through experience.

Mr. Pelletier explained that EDC is a Crown Corporation whose mandate is to facilitate Canadian export trade by providing Canadian customers with a variety of risk management services. He stated that EDC operates on commercial principles and has been profitably in business for over 60 years. With over 1,000 employees, EDC has its Head Office in Ottawa and smaller regional offices in 12 locations across Canada. There are seven representative offices in five countries overseas. Business volume is more than \$54.9 Billion. EDC has served nearly 7,000 customers, of which over 90% are Small and Medium Enterprises. EDC has supported business in over 170 countries. Net Income is over \$1.2 Billion with total retained earnings of \$7.1 Billion. With no Parliamentary appropriations, dividend to Canada in 2002 was \$95 million. EDC has earned the Auditor General of Canada Award for Excellence in Annual Reporting on seven occasions, the latest for the year 2004. 2005 was the fifth consecutive year that EDC has made the list of Canada's top 100 employers.

He used EDC as an example, by explaining why the corporation had decided to build a BCP capability. He said that EDC had (continued on page 2)

Upcoming Events

Luncheons:

March 7th, 2006, Army Officers' Mess

Speaker: Nancy Desormeau, PWGSC

April 4th, 2006, Army Officers' Mess

Speaker: Pierre Boucher, Treasury Board

Chapter website: www.afceaottawa.ca

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Business Continuity Planning

(continued from page 1) had a computer disaster recovery plan for some time. In 1988, EDC made use of a “Cold” site, i.e. after a disaster, it would take 2 - 3 weeks to return to operations (RTO), and involved only mainframe computer facilities. By 1992, the recovery capability had evolved to what he described as a “Not as Cold” site, with a 24 – 72 hour RTO, but again dealing only with mainframe. By 1994, there was growing concern about the scope of facilities recovery and by 1995, EDC still had a plan of sorts, but it had not been tested in several years, the business had grown and processes had evolved, many new facilities had been added and there was little appreciation for the “people” aspect of the business. Then, a fire occurred in the electrical room, forcing everyone out of the building in a matter of minutes due to possibility of poisonous fumes and the loss of electrical power to the entire EDC building. Following some scrambling and late night appeals for assistance, the mainframe computer and a handful of computer terminals were made functional enough to limp through the next day; over the weekend, facilities were completely restored. Management realized this was a “shot across the bow” and that the corporation would not be able to get away with such a lack of readiness the next time; this potentially disastrous incident had forced a sudden focus on BCP.

Mr. Pelletier then described the steps EDC followed to build its BCP, leading to the BCP process used today. The steps were as follows:

- Engage senior management (a crucial step which is not always straightforward)
- Assess and reduce threats and risks
- Carry out a Business Impact Analysis (in parallel with the threat/risk work)
- Develop alternatives and select a course of action
- Build the recovery infrastructure/develop business recovery plans
- Test – Test – Test (continual testing)

He emphasized the importance of ensuring that BCP becomes “the way of doing business”, not an extra/add-on. He then explained that a viable BCP includes a lot of infrastructure. Recovery requirements include:

- the platforms to be recovered, including, recovery timeframe, degree of availability needed (on demand? first come, first served?), complexity (recover all or only some?)
- communications, including redirection of telephone lines, wide area network (WAN) considerations and external connectivity (Internet, data sources, etc)
- Hot Site, including considerations regarding location, facilities and robustness
- deciding whether to scale up to a larger capacity and determining how the capability will be maintained

He said that BCP requires planning and commitment from the business (i.e. what if you build it and they don’t come?). Each business area must have a viable recovery plan, covering the following:

- Do staff know where to meet?
- Home phone numbers available?
- Do staff know what to say to customers?
- Are roles / responsibilities clearly defined and backed up?
- Who goes to the hot site?
- Can staff work from home?

He stressed that a viable BCP includes a robust Command and Control structure, capable of handling a crisis, with clear understanding of who is in charge. The Recovery Management Team is responsible to the corporate executive for three tasks in BCP:

- Assess damage and its impact
- Decide on a level of response and communicate
- Direct and support recovery efforts

For BCP to work, all of this effort and planning have to come together. Clearly, BCP is complex, involving many people and processes. BCP addresses a “potential, future event” while the business is focused on “real, current events”. He posed the question: “How can you be confident that it will all work when you need it?” and then explained the need to ensure that:

- BCP responsibilities are embedded in the organization, i.e. part of existing responsibilities, so that BCP becomes “the way we do things around here”, not something extra or different, and those normally responsible are still responsible in an emergency.
- New projects or enhancements include BCP considerations, beginning with project initiation and business cases
- New processes must work at the hot site before going into production
- Test and Acceptance processes recognize the need to be “BCP ready” first
- There is regular testing (which finds things you would never find otherwise) which is as realistic as possible; there is no substitute for comprehensive testing:
- Unit Testing, including each discrete area of the technical infrastructure as well as each recovery team and each business team
- Contractor / Supplier Testing, including access to facilities and execution of services to be supplied
- Command and Control Structure (continued on page 3)

AFCEA Membership Information

For information about joining AFCEA, or to make changes to your membership profile (e.g. change of address), visit the AFCEA International website at www.afcea.org - click on "Join/Renew" or check the Portal.

If you should encounter problems, call 703-631-6158 or email services@afcea.org.

March PD Meeting:

Tuesday, March 7th, 2006 at 12:00 noon

Army Officers' Mess, 149 Somerset Street, Ottawa

Speaker: Nancy Desormeau, PWGSC

Topic: IT Shared Services Update

Sponsor: Hewlett Packard

Nancy Desormeau, a DG at PWGSC will provide AFCEA with a timely update on one of the government's key IT restructuring initiatives: IT Shared Services.

Cost: \$5.00 for government; \$15 for industry.

To Register: Fill out the [Meeting Registration Form](#)

[Pay for Meetings with Credit Card](#) or by email at info@afceaottawa.org

or by calling 721-6031.

Deadline for registrations is Friday, March 3rd, 2006

For more information please call 721-6031.

Business Continuity Planning (continued from page 2)

- Integration Exercises, including cross functional tests between business units

He then offered tips for successful BCP testing:

- You are testing the plan, not the people
- The goal is to find the holes!
- Use subject matter experts to design meaningful tests
- For larger tests, have a plan and be up front about expectations
- Test Objectives
- Time requirements
- Deliverables
- Schedule (lots of advance notice)
- Involve your senior management
- "There is no reason why this can't be fun"

He informed the audience that EDC integration exercises have borne out these ideas in practice: by involving all areas of the business, simulating real business including Cross functional processes, and are actually fun!

Referring to actual experiences, he stressed that EDC has had two occasions to conduct real business in a BCP mode:

- June 2002, when EDC was identified as a prime target for the G8 "Take the Capital" protesters
- August 2003, during the province-wide power interruption

Speaking to the overall experience, he said that things went remarkably well: customer service levels were maintained; hundreds of staff accessed services from home each day; minor problems were encountered and quickly fixed; new business was conducted; and cash transfers and receipts were handled without incident. Nevertheless, there were a number of useful learnings:

The "G8" experience showed that:

- Unexpected problems "are to be expected" but almost all were identified and corrected in the first hour
- Hot Site operations were quieter and calmer than during tests, with a smooth flow of work throughout a two-shift day in a calm and relaxed atmosphere

Regarding working from home, staff were not prepared for the G8 event, and developing a verification process proved useful

Regarding the Power Blackout /State of Emergency:

- Critical services continued on generator power during the blackout
- There was extensive "work from home" to reduce power consumption
- There were over 38,000 phone calls (8,000 to the information line)
- Over 36% of business staff used remote computer services
- There was no loss of support to customers
- The telephone and voice mail were critical to effectiveness
- Emergency communications worked well
- Command and Control came together easily (continued on page 4)



Ottawa Chapter President Kelly Stewart-Belisle thanked Mr. Pelletier for his presentation

AFCEA Canada Executive Breakfast

AFCEA Canada was honoured to have Vice Admiral (VAdm) JY Forcier as its guest speaker at the most recent Executive Breakfast, held at the Rideau Club on 19 January 2006. The Admiral's topic was Canadian Forces (CF) Transformation, one to which he was well suited, having lead, under the direction of the Chief of the Defence Staff (CDS) General Rick Hillier, the study team to examine the restructuring of command and control in the CF. VAdm Forcier will assume command of Canada Command on 1 February 2006.

VAdm Forcier outlined the five pillars of the transformation: Canada Command; Canadian Expeditionary Forces Command; Canadian Special Operations Forces Command; General Support Force; and, the Military Strategic Staff. This transformation will result in the disbanding of the Deputy Chief of the Defence Staff (DCDS) organization with its strategic function migrating to the Strategic Joint Staff and its corporate files moving to the VCDS Group. In the conduct of the study for CF transformation, the CDS issued five principles to follow: build a CF culture; create a command-centric staff system; embrace mission philosophy; the primacy of operations; and, the use of regular, reserve and DND civilians to execute the mission.

VAdm Forcier spoke in some detail on Canada Command, whose mandate is to increase the CF's ability to respond to domestic requirements. Canada Command is an operational command, responsible for all routine and contingency domestic operations as well as continental defence in conjunction with US NorthCom and possible Mexico. NORAD, a bi-national arrangement with the United States, is not under VAdm Forcier's jurisdiction.

Canada will be viewed as a single operational integrated structure, in which the best available military resources from across Canada will be brought to bear on a crisis or contingency, where it occurs, nationwide. There will be one Commander to direct plan and execute operations in Canada and be the prime coordinator for support to governments, assistance to law enforcement agencies and consequent management.

Within Canada Command, six standing Joint Task Forces have been created to carry out the functions of force generation and the discharging of domestic functions. These are Atlantic, East (covering Quebec), Central (Ontario), West (covering the Prairies), Pacific and North. The Commander of 1 Canadian Air Division (CAD) has been appointed as the CF Air Component Commander and conducts the complete air planning process for Canada and issues national Air Tasking Orders on behalf of the Commander Canada Command.

The complete audio of VAdm Forcier's presentation can be heard on our web site at www.afcea.ca. We were very fortunate to have VAdm Forcier as our speaker to enhance our professional development as it relates to this very important transformation of the Canadian Forces.



VAdm JY Forcier, Commander Canada Command Speaking at AFCEA Canada Executive Breakfast, 19 Jan 06.

The AFCEA Ottawa Chapter would like to express its continuing gratitude to TIME ICR for providing its voice message system.

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AFCEA OTTAWA / EDUCATION FUND ANNUAL GOLF TOURNAMENT and DINNER

Thursday, May 18, 2006

The AFCEA Annual Golf Tournament is filling up quickly. Please avoid disappointment and register your teams as soon as possible. The registration forms and sponsorship forms are all available on our web site at

www.afceaottawa.ca.

If you have registered but have not received an e-mail confirmation, please contact us right away to ensure your reservation.

Business Continuity Planning (continued from page 3)

- Staff felt that the situation was managed and orderly

Mr. Pelletier concluded with a reiteration of lessons learned, highlighting that even the best planning cannot cover every possibility and the unexpected still happens, making it all the more important to deal as fully as possible with those contingencies that are understood.

He thanked the audience for the opportunity to speak to them and then took questions. Asked whether guidelines had been developed for businesses suggesting how much to spend, he replied that while some numbers have been developed, some business leaders question whether there is a reasonable "return on investment" in this area. He emphasized that there is no ROI as such for business continuity costs, and that while some businesses invest huge amounts in business continuity, others spend nothing at all. When asked whether EDC offers consultation on business continuity as a service, he replied that EDC does not offer such a service but can be approached with questions in this area.

[Mr Pelletier's presentation slides may be found at <http://www.afceaottawa.ca/presentations.htm>, Ottawa Chapter.]