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Business Continuity Planning

*Safeguarding against business disruptions
from minor to catastrophic events.*

NATURAL DISASTERS
TECHNICAL DISASTERS
MALICIOUS ACTIVITY



What are the odds of recovery

Untested Plan = Serious Risk : Effective Plan = Minimized Risk

- You can't control when and where a disaster will strike.
 - But, you can and should be prepared.

**Why
You
Need
A
Plan**

It takes 7 days to recover for each day an institution's systems are down.

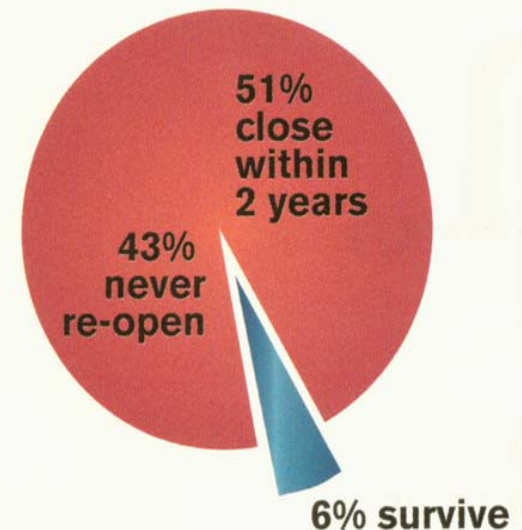
Source: American Banker

More than 40% of all companies that experience a disaster never reopen.

Source: US Department of Labor

THE FACTS

94% of businesses that suffer a large data loss go out of business within 2 years.



Source: Disaster Recovery Journal



The Real Risks

What can happen if your plan doesn't work?

- Bank Failure
 - Government Intervention - *Takeover*
- Insurance Loss
 - D&O – *Gone Immediately*
 - Contingency/Recovery – *Bank's Responsibility*
 - Depositors – *May Not Be Fully Protected by FDIC Insurance*
- Legal Consequences & Liabilities
 - Criminal Liability – *Could Happen*
 - Lawsuits – *Will Happen*
 - Personal Liability – *Directors & Officers*

When an institution
FAILS TO RECOVER
from a catastrophe, the
BOARD & SENIOR OFFICERS
are held
DIRECTLY RESPONSIBLE
both
LEGALLY & FINANCIALLY

AND

**DON'T COUNT ON
D&O INSURANCE**
to bail you out



What You Have To Do

New Regulations

2003 FFIEC Booklet

- Business Impact Analysis** - Define critical resources & functions, operational & customer impact, emergency procedures and technical resources required in the event of a contingency
- Risk Threat Assessment** - Determine, assess and rate the real disaster threats and risks for your institution
- Supporting Procedures** - Insure every functions is covered by written policies and procedures
- Evolving Plan** - Continually maintain and update your plan
- New Testing Requirements** - Your institution must perform these tests annually: Orientation/Walk-through, Tabletop/Mini-drill, Functional Testing, Full-scale Testing



Testing

Controlling Risks

FFIEC Annual Testing Requirements

- **Orientation/Walk-through** - An orientation/walk-through is the most basic type of test. Its primary objective is to ensure that critical personnel from all areas are familiar with the BCP and BIA's.
- **Tabletop/Mini-drill** - A tabletop/mini-drill is somewhat more involved than an orientation/walk-through because the participants choose a specific event scenario and apply the BCP to it.
- **Functional Testing** - Functional testing is the first type that involves the actual mobilization of personnel at other sites in an attempt to establish communications and coordination as set forth in the BCP.
- **Full-scale Testing** - Full-scale testing is the most comprehensive type of test. In a full-scale test, the institution implements all or portions of its BCP by processing data and transactions using back-up media at the recovery site.



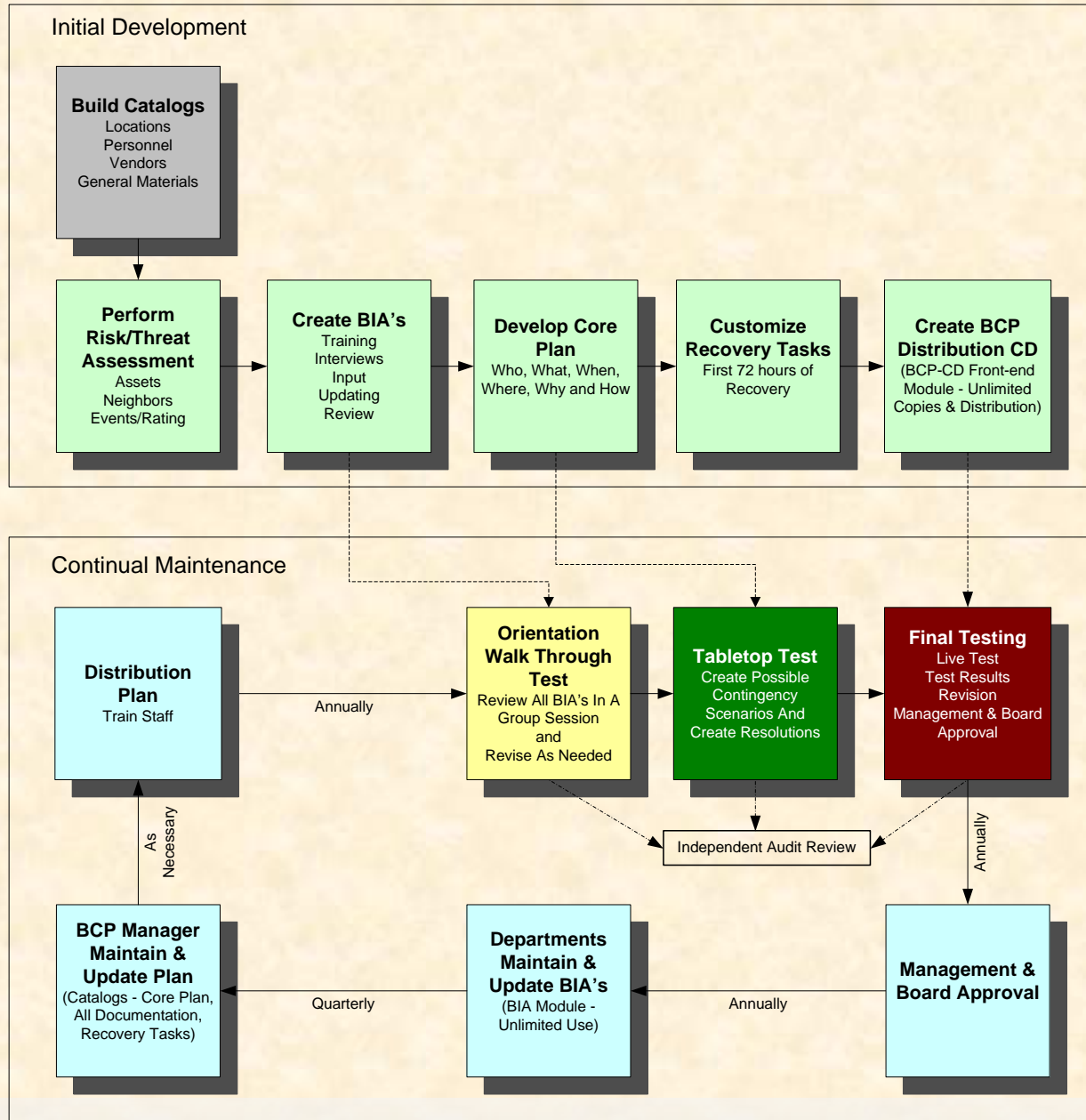
**Basic
Keys
To
Success**

Real Timing

- **Communications**
 - **Voice, Data, Internet - *In place now***
- **Hotsites**
 - **Command Center – *Immediate***
 - **Call Center - *Within an hour***
 - **Operational and IT Infrastructure – *Within 24 to 48 Hours.***
- **Who, What, When, Where, Why and How**
 - **Fully defined BIA's and Action Plans – *Immediately in place and fully maintained***



Develop Maintain Control





Security, Risk & Ease Of Use

**Why
We
Designed
an
Industry
Specific
Inhouse
Solution**

- **Security** (*Internal Control - Secure from external threats*)
- **Minimize Risk** (*GLBA, Information Security, Bank Secrecy*)
- **Ease Of Deployment** (*Core plan can be deployed via CD, Intranet, Client Website or the Internet when an emergency happens while maintaining internal control*)
- **Integration** (*Use the applications best suited for the task directly from a core application*)
- **Ease Of Use** (*Use the tools your already know and use*)
- **Cost** (*Less expensive to develop and deploy*)



Having It Available When You Need It

Centralizing Information (*Designing a solution that places all key information in one place*)

- Policies
- Procedures
- Diagrams
- Schematics
- Legal
- References
- Product Delivery
- Web Based Information Access
(*Emergency Activation*)

Organization
&
Centralization



What It Takes

To Develop A Plan That Works

- Commitment
 - *At all levels*
 - *Time*
 - *Financial*
- Resources
 - *People*
 - *Technology*
 - *Business Partner*
 - *Facilities*
- Conclusion
 - *A Plan That Works Will Satisfy Business, Fiduciary, Customer and Regulatory Requirements*