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## Reflecting a Plan

4/2/2003 12:21:23 PM - Disaster recovery planning used to be about restoring IT systems. Now it's about ensuring the future of the business.

*by Jennifer Brown*

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It wasn't an earthquake that shook the foundation of Vancouver-based Family Insurance three years ago. Unlike the big events that scare some companies into creating a business continuance plan (BCP), it was a small component failure that brought the organization's system down one day two-and-a-half years ago and changed the way it looked at planning for a worse-case scenario.

While BCP used to be about loss and recovery of computer systems and telecommunications, the company realized the emphasis has changed from recovery to a focus on always-on availability to your customers — especially when downtime can also quickly translate into disastrous headlines in the business press.

"From a business perspective, a disaster can be a burst water pipe in the computer room or failure of a telecommunications provider," says David Johnson, manager, security and technology solutions with Ernst & Young LLP. "You have to ask yourself, 'In an emergency, what will your customers need? How will you meet those needs?'"

As a managing general agency that sells auto, property and personal lines of insurance in British Columbia, Family Insurance has been in the marketplace for 12 years and conducts more than \$50 million in business each year. The company employs an automated real-time point-of-sale policy issuance and maintenance system distributed to more than 100 brokers in B.C.

"If that system gets interrupted it has a very immediate and material impact on both our revenue generation — because we effectively shut down — and a huge impact on the credibility of our company," says Ian James, IT director. "It's so automated that when it goes down, we go down."

The possibility of an incident that would cause significant downtime had always been a concern to James, and when it actually happened, the reality came into sharp focus.

"We had a fairly significant business interruption. I think we were down for three-quarters of a day, and it definitely had marketing implications for us."

The cause was a simple component failure in one of the database servers. "You tend to look at all the catastrophic things, but it tends to be the mundane things — in this case anyway. As a result, we had to go through a complete rebuild of that server. At that time, we didn't have a step-by-step business continuity plan, so we ended up making some mistakes when we rebuilt this thing. What really should have been about a 45-60 minute downtime ended up being a seven-plus-hour downtime."

In hard costs, James says the incident probably cost the company in the neighbourhood of \$25,000 to \$50,000. But it was the unseen costs that weighed on his mind.

"It's the soft cost that worries me the most. The brokers look at the reliability of the system most and if they are ever given pause as to whether they should direct business to Family Insurance, then the long-term consequences tend to be far more significant because there is the perpetual value of that bus

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