



# Resiliency & Business Continuity

---

**A Handbook for Process-Centric Business Modeling**

By Ed Maddock, Co-Founder / CTO, iGrafx

- 02 Introduction
- 03 **Section 1**  
On Resiliency and Continuity
- 06 **Section 2**  
Data vs. Impact
- 07 **Section 3**  
Mitigating Major Disruption Events
- 08 **Section 4**  
Key Components of a Business Model
- 10 **Section 5**  
What About Technology?
- 11 **Section 6**  
Moving Forward
- 12 **Section 7**  
Assessment Tools
- 13 Conclusion



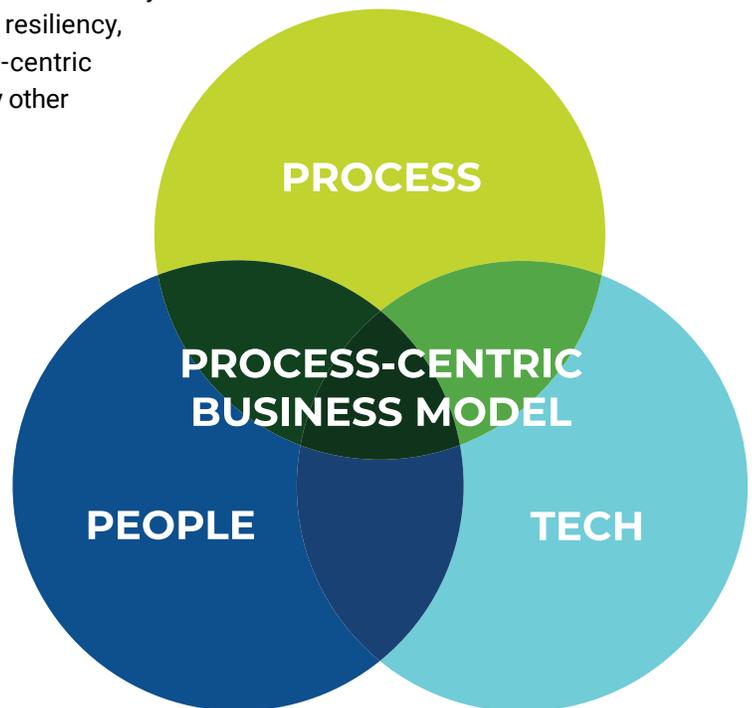
## About the Author

The insight provided in this handbook comes from iGrafx co-founder and CTO, Ed Maddock. Ed is responsible for the design, development and delivery of all iGrafx products. He has more than 30 years of experience supporting business process management solutions as well as delivering services that help companies optimize their business.

## Introduction

Over the past couple of months the entire globe has been thrown into a bit of chaos and uncertainty. Regardless of industry, many organizations are encountering production delays, supply chain failures, issues realigning their workforces, missed revenue projections and other mass business disruptions. This also means that people are starting to think more deeply about their core business processes.

For over 25 years, iGrafx has helped enterprises address a wide array of complex problems including business continuity and resiliency, and we always start by explaining that having a process-centric approach is a fundamental requirement. There are many other organizations that offer services in the area of business continuity and resiliency, but if those services are outside the context of the process-centric business model, the services will be lacking and will leave a variety of gaps that may be difficult to identify and report.



## On Resiliency and Continuity

In 2016, the International Organization for Standardization (ISO) published a report that examined perceived threats at that particular point in time, and the amount of time spent on each threat from an organizational perspective.

**85%**  
focused on  
cyber-attacks

**80%**  
focused on  
data breaches

Many focused on less-likely threats including various types of outages and even acts of terrorism. **Very little thought was offered to the idea of a pandemic** or other threats that affected humans more than systems.

The Business Continuity Institute published a document shortly before this current pandemic hit, saying that a non-occupational disease (like COVID-19) would have a very low level of impact. They apparently miscalculated. This is one of the things that clearly indicates how we missed the boat with regards to planning.

Why is that? When modeling a business, the model must include ALL the key objects, articulated effectively, so that complexity can be better understood. It seems pretty clear that many businesses tend to keep an IT-centric perspective and view threats from the standpoint of firms like Gartner. We at iGrafx agree wholeheartedly that IT is essential to business resiliency and continuity, but argue that the scope is too narrow. People and processes are also crucial. Once you look at business modeling from a pandemic perspective, it is obvious. People and processes have largely been ignored. Now we have no choice but to confront that.

Highly regulated industries, and industries that must focus on regulatory changes, naturally tend toward business continuity and resiliency practices. They therefore have been able to react more quickly. And we know they are effective because they apply process-centric business models.

## Overcoming Complexity

A business is a complex organism. There are a lot of relationships across different parts of an organization, whether they be between people, strategies, goals, or capabilities. All these relationships are part of the dynamic of an organization and all come with their own risks and necessary controls. Add to that the applications, system infrastructure, and all the other critical parts of the entity, then realize that these are multiplied across many processes across many parts of the organization. That level of complexity is just not something you can fully understand through tribal knowledge. You need tools to be able to effectively manage this complexity. The most fundamental of which is a process-centric business model.

So, what is needed? Obviously processes. They are crucial, now more than ever, for the sake of business continuity and resiliency. You need to be able to maintain the operations of your business. Those critical processes are everything. And, when you are not in the middle of a key disruptive event like we are today, these kinds of tools are used for business transformation. A model focused on process shows opportunities to improve what you do.

Processes, when used in conjunction with automation and other tools, improve where you spend your money and how effectively you get ROI when making changes. A side benefit associated with this approach to business modeling is the ability to see impacts from major disruptions. It allows for clear understanding, focus and therefore quicker action to deal with problems.

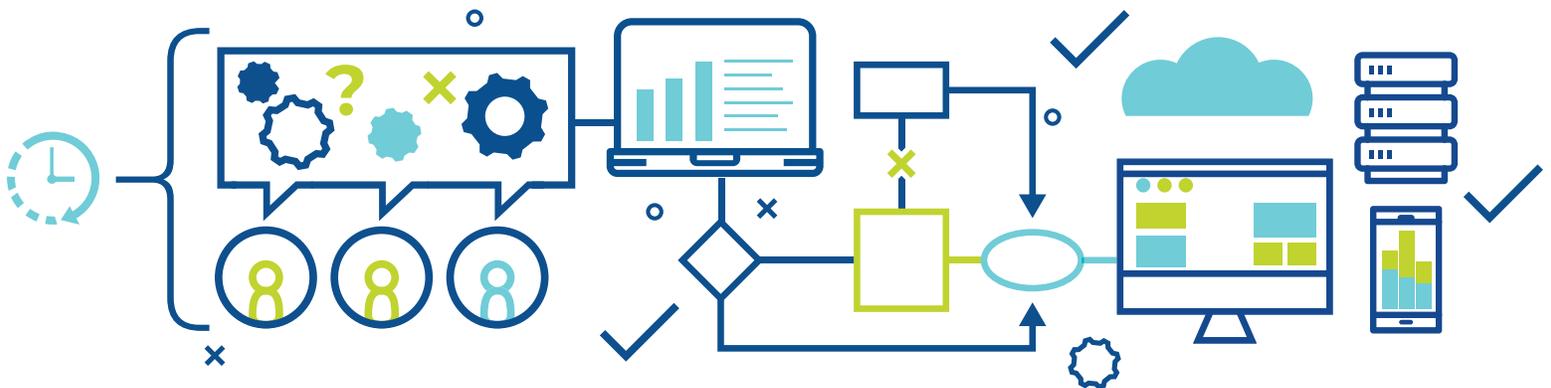


## Business Transformation Platform

To build these kinds of models you need a platform – what 451 Research refers to as a “strategic transformation platform” or what we call a “business transformation platform.” Regardless of name, the platform creates value because it has the context of the business model in place. It allows for better decision making as impact is clearly defined and easily understood.

In the world today the concept of modeling has been on the news a lot. When modeling the spread of COVID-19, for example, these models are incomplete without an effective denominator. We certainly know the importance of modeling but from a data model perspective it is important to have a complete set of data to be useful. Impact models are crucial for making better decisions as potential impacts can be understood and managed. In the case of COVID-19, what is the impact of shutting down the economy? How does that actually affect all of the different aspects of our day-to-day activity? Obviously, that is a highly complex set of circumstances. Businesses are on a smaller scale but are no less complex.

Could you imagine an enterprise today running their finance organization without some kind of spreadsheet or other base financial model? It is comical to imagine. So why would you try to run the complex operations of a business without an operational or a process-centric business model? Without understanding the intricate interplay of impacts caused by changes to those operations, decisions are uninformed. A business transformation platform is essential to build and understand the complexities of a given model.

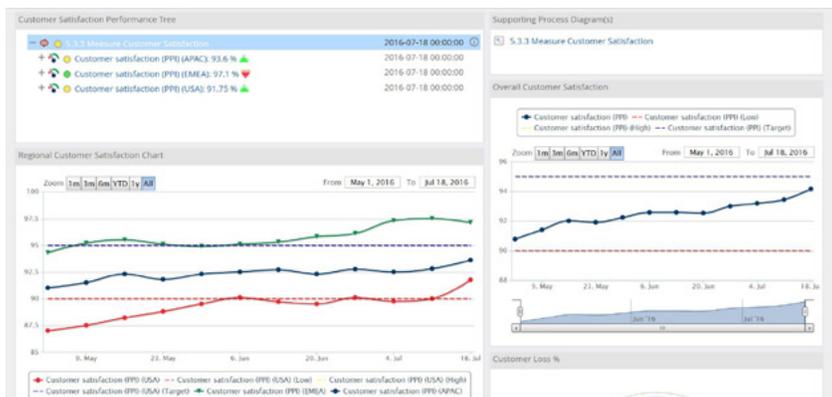


## Data vs. Impact

It is also important to know the distinction between data and impact. Key performance indicators (KPIs) are useful to see what has happened, but they are kind of a rear-view mirror. It helps you visualize things that have occurred up until now. Risk assessment is a little bit different. It allows you to visualize what might happen next. But risk assessment is typically informed by things that have happened before. It relies on precedent.

Impact is about understanding the relationships. So, when something happens, you know what downstream impact is going to occur. A process-centric business model gives you both the impact, as well as the place to apply the data in the context of these processes. While data and risk assessment are extremely important, they must be viewed together to fully grasp impact.

### DATA



### IMPACT

Object	Accountable	Has Risk	Risk Category	Controlled By	Current Risk Data			
	Resource				Impact	Likelihood	Inherent Risk	Residual Risk
C.1 Develop and manage goods and services	Director - Research + Development	Ambiguous customer requirements	Operational	Perform permanent customer requirement analysis	High	Low	5	5
		Delayed "time-to-market"	Operational	Definition of project sprints	Medium	Medium	5	10
C.3.1 Create offer	Director - Sales	Wrong price calculation	Operational	Use of Price Calculation tool	High	Low	5	5
C.3.1.3 Create offer submission	Key Account Manager	Price for product is set wrong	Financial, Operational		High	Medium	10	10
C.3.1.4 Negotiate contract	Director - Sales	MOQ too low	Financial, Regulatory		High	Low	5	5
C.3.2.1 Create leads	Director - Marketing	SOP too early			Very high	Low	10	10
C.3.2.2 Manage customers	Director - Sales	Lead creation low			Very high	High	10	10
		Missing effort			Very high	Low	10	10
C.3.2.3 Manage sales	Director - Sales	Inaccurate customer communication			Low	High	5	5
		Inaccurate			Very high	Very high	10	10



## Mitigating Major Disruption Events

The current pandemic is as significant a disruption event as we could experience. When mitigating disruption events and ensuring business resiliency and continuity, it is helpful to consider three main categories. There are more than three, but these are a great start for a process-centric model.

### IDENTIFY CRITICAL PROCESSES

No surprise here. With a process-centric model you must identify critical processes. It is important to look not only at risks from a high, strategic level, but also an operational, process level. If inherent risk goes up, are the current controls adequately effective? When an interruption occurs, good risk management systems identify control efficacy, but usually not to the detail of operation. For that level of detailed control, you need a process-centric business model. It allows you to mitigate quickly and continue operations.

### IDENTIFY CRITICAL SUPPLY CHAIN

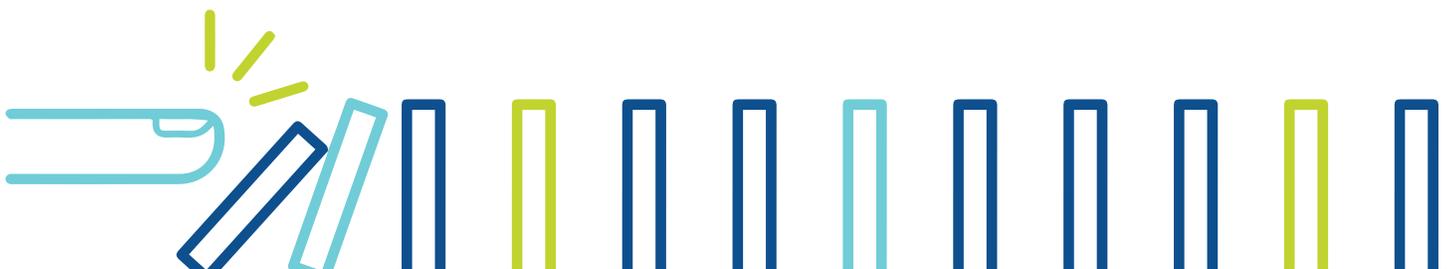
Knowing the locations of the components of your supply chain is crucial and ties directly to the operational processes and people affected. This allows you to analyze your operations impacted by regional issues and global interruptions. Restoration is a major component in this area as parts of the world start to come back online. What processes can now be affected positively by coming back online?

### IDENTIFY CRITICAL PEOPLE

This one is especially important in our current case of pandemic. Implement a backup responsibility strategy to make sure that key processes are always covered. In the case of large populations of individuals being out sick, you must be able to support things like positive customer experience and operational continuity. These are crucial steps that you need to be able to take.

You will reduce lost time by identifying who can address issues as they arise. It also highlights the importance of documenting processes. Having inherent knowledge readily available enables people to step in and do their jobs effectively. This training element is extremely important and should extend to supporting systems like remote workers.

Another key aspect is restoration. How do you bring people back online? You may have buildings or manufacturing in zones that are affected. Understanding the level of impact is extremely important when planning to bring operations back up to speed.



## Key Components of a Business Model

**The first and most obvious component is creating the process landscape itself.** Are they end-to-end flows like order to cash? Are they ownership related so you know what organizations owned what processes? Are they customer journey related? Whatever the nature of the process landscape, you want to make sure it is captured in the business model.

**Organizational elements are also key.** You must be able to understand the roles, the people who fill those roles, and their location. Here is an example. There are often times when a role is responsible for a process. If you have multiple people who are capable of filling that role, you now have the ability to implement a backup process. You can plug in people appropriately based on their effective location and ability to perform.

You must be able to **represent your suppliers and partners.** This is crucial in the case of a pandemic. Understand the location of these suppliers and partners and understand how their business continuity is actually going. So assessing them using one of the many tools out there for third party risk assessment. Keep an eye on them in case they suddenly, unexpected go offline.

**And then of course the IT landscape.** Applications, relative locations, data infrastructure, buildings all fall into this infrastructure category. Understanding the effect your IT landscape has on your processes is very important. If your IT systems or buildings are no longer available, that impact should be brought into focus so you can adequately mitigate.

At the center of all this is **a repository for the model and the process documentation.** You need storage for the actual procedural documentation and diagrams that go with those processes. What these processes are, down to the activity level, must be accessible. All of these are referenceable materials within a repository to look through when modeling your business.

**And of course the metadata is crucial here.** What are the key relationships between these objects? Are you able to understand where gaps might be and the impact associated with them? Each organization has key sets of properties they want to track and report on. The ability to have custom properties assigned to objects makes them referenceable and reportable. It also allows for effective decisions based on something that is very specific to their core efficiency.



## Key Components of a Business Model

### DISCIPLINED CHANGE MANAGEMENT

Once you are committed to building this process-centric business model, committing also to a disciplined change management process is vital. You must make sure that you keep it up to date. Schedule reviews, drive model updates and make sure they are effective. Monitoring your processes through KPIs may require process change as well. And through all these changes they need to remain auditable. You cannot rely on tribal knowledge. It must be articulated in the model. Above all though, meaningful change requires disciplined management.



### CONTROL ROOM

We see cases where organizations, especially in the financial services area, are looking to implement concepts like a control room to monitor their associated KPIs. These organizations seek to operate by strategy-based metrics in the context of a control room where processes and actions go through centralized validation. The key consideration is the context of the process that you are trying to measure. Having the business model gives you this context. You will see the framework in which to slot in a control room structure. The goal is not just about looking at data. The goal is to understand the impact of that data across your organization. Control rooms are another case where the process-centric business model is so important.



### MODE SWITCHING

Organizations need to start considering the idea of context switching. This means moving from “Normal Mode” into “Emergency mode” in the event of a major disruption. There are processes to switch and, once the event has passed, to switch back. Designing those switches upfront allows for quicker reactions to these kinds of problems. This is another form of control process, the utility and flexibility of which comes into focus when looking at a process-centric model.



## What About Technology?

### PROCESS MINING

Let us talk about applying technology, beginning with the idea of process mining. It is a fantastic tool that is great for discovery over and above whatever collaborative work you may be doing to collect process information within an organization. It is also fundamental to identifying key opportunities for process automation. As a result, process mining is also helpful for process documentation. If you identify a process that would benefit from automation, this technology can fill in the details of the activities that the process requires. However, process mining cannot predict the future. It depends on log files. In the event of an unprecedented industry upset, process mining loses its efficacy. But, if you layer this technology with a process-centric business model, then you strengthen the capabilities of both. You get an activity-level of understanding and documentation of your processes, paired with the high-level view of the relationships between processes.

### AUTOMATION

You cannot talk about business technology and not talk about automation. We have been hearing the term “hyper-automation” lately. This is the practice of applying automation as quickly as possible in an attempt to reduce the impact of people being out. We at iGrafX have always warned against implementing or automating a bad process, let alone at high speeds. Therefore, you really need a process-centric business model to help identify the ROI tied to your automation strategy. You also need to account for possible compliance issues later. If you rapidly automate, but have not thought through the impact of compliance, that will put you at risk for the future. We have upcoming RPA integration announcements to actually help with some of these compliance issues. We will show how important it is to merge business modeling with automation and RPA.



## Moving Forward

Next, we will discuss business modeling both during and after events like COVID-19. First, you can safely assume new regulations are going to come into play, especially after all the money that has been applied by governments around the world to stem economic bleeding. After COVID-19, it will be important that companies can represent that they are following the rules when it comes to business continuity and resiliency. We look to historical precedent surrounding events like the financial meltdown of 2008, and before that SOX which was extremely important in terms of managing risk in terms of data privacy. More recently, things like GDPR and other data privacy regulations have followed. We know there are going to be compliance requirements around business continuity coming up. Getting a business model in place will help you pass audits of the future.

### NOW IS THE TIME

Now is the time to really build and enhance your business model. Why? Because mitigation is already top of mind. It is very real for the people within your organization. They are feeling the need for it tremendously. They are naturally building up institutional knowledge about dealing with resiliency. What better time to capture it than when the motivation is clearly there. You have momentum. Acting now will also build confidence within the organization to get through these challenges and share fresh ideas and suggestions. One of the things we believe is informed leaders make good decisions. This builds confidence among the stakeholders within an organization whether they be employees, customers, or shareholders. It is so important to have the tools I have described at your fingertips because the downstream effects are so profound.

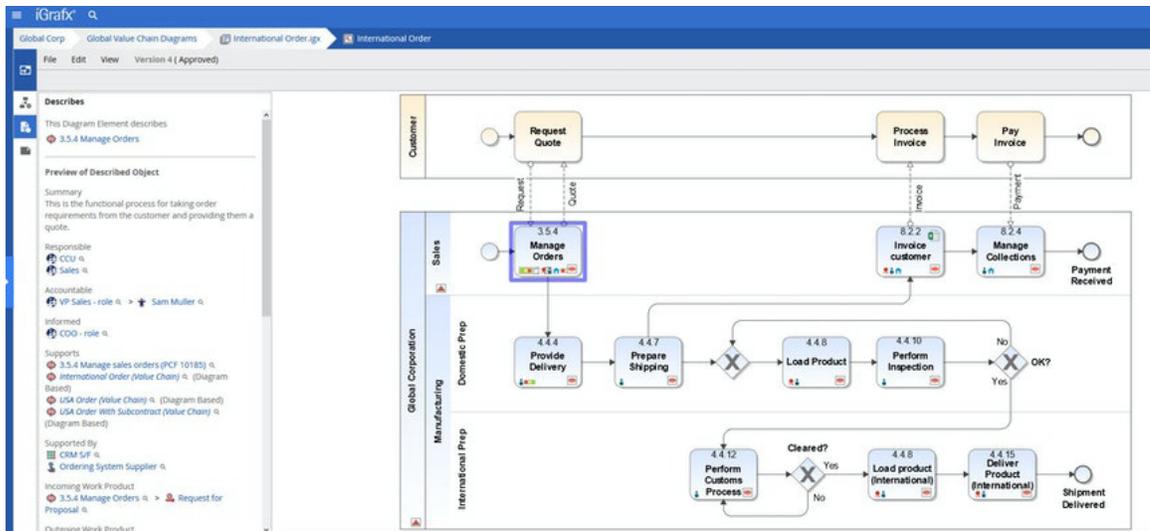
### PROCESS AS AN ASSET

The core concept is turning your processes into valuable assets. We have worked with various analysts over the years who share this idea, particularly 451 Research. It is such an important concept. Using the business model to enable business continuity and resiliency allows you to understand impact. You can then react quickly, shift gears, and move into “Emergency Mode”. You can then prioritize and focus on what is critical to keeping the operations of your business running. You can maintain a positive customer experience. Then augment your business model with technology like automation and mining to identify causes and monitor effects. Build the model you need and leverage it with a strategic transformation platform or business transformation platform.

The result is drawing processes out of that aforementioned hidden layer. We are so accustomed to examining systems and people, but often overlook the invisible processes. Using this process-centric business model and the other considerations described above, you can let those processes emerge. When they stand on an equal footing with people and systems, you allow true strategy to form. The result is quick, decisive action and flexibility in the face of major disruptions.

## Assessment Tools

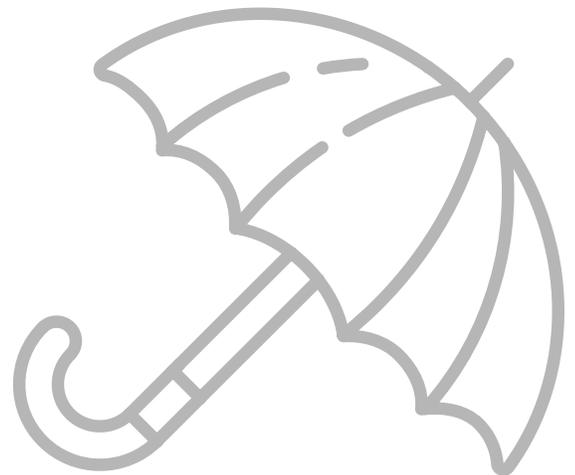
The process-centric business model and the other things examined here are intended to augment and help accelerate the transformation process. Assessment tools can help drill into these considerations. For example, understanding supply chain impact, resource coverage gaps, your risk analysis, performance monitoring, and the ability to react to regulatory change. Then they should provide some reporting templates and other helpful content. Look for tools that provide workflow solutions that are very targeted towards helping you understand impact, particularly around people and recovery services. Finding the right assessment tool means fully understanding the needs of your organization and reviewing service offers to determine a good fit.



## The Big Picture

Technology alone cannot solve a problem or address business continuity planning. The ability to identify our business critical processes, the roles and people that utilize them, and clear understanding as to how an interruption in my supply chain will impact my operations and ability to deliver services to the customer is vital.

At iGrafx we do believe that process is the center of everything you do. We deliver a business transformation platform that turns your processes into a portfolio of valuable assets. Whether you are currently involved in operational excellence, quality management, GRC, performance management, improving customer experience, digital or business transformation, iGrafx provides the most comprehensive platform to support that journey.





# Thank you

From our team to yours

---

## Contact us

If you would like more information  
please see our website  
[igrafx.com](http://igrafx.com)

or give us a call  
(503) 404-6050