



Shipping & Mailing
Parcel & Mail Sorting

Creating a blueprint for sustainability, success and long-term survival

Business continuity planning is the best way to prepare for the worst, and it's essential to building a business-resilient organization. How can you get started?



Glossary of terms

- **Business resilience** is a holistic, proactive and enterprise-wide strategy that extends beyond crisis resolution to long-term business sustainability. Sponsored and supported by C-level management, it involves all functions and departments and embraces two tactical disciplines:
 - **Business continuity**, which seeks to ensure that critical functions continue to operate during and after an interruption
 - **Disaster recovery**, which often focuses on contingency planning for the post-disaster restoration of specific assets, like IT systems, applications and data
- **An incident** is an event that, if not detected and addressed, can disrupt an organization and create a crisis. A small incident, even a seemingly positive event, can interrupt service and damage customer confidence and corporate reputation.
- **A crisis** is an internal or external threat that can significantly damage customer service levels, or harm an organization's sustainability or long-term survival.
- **A disaster** is a large-scale event that disrupts an entire business, its supply chain and channel partners, rendering it unable to serve its customers. Major disasters like hurricanes, earthquakes or terrorist attacks can impact public safety and health, transportation or communication infrastructure (like the USPS®), and economic conditions.



Disasters happen. A business resilience strategy and sound business continuity planning can help you survive, and thrive.

When bad things happen to good companies

Almost every company is assured of facing an event that, unaddressed or poorly handled, can lead to a crisis. The crisis may be natural or man-made. It may come from a malicious source, or an indifferent or benign one. It may be inflicted by a catastrophe, or it may grow out of a seemingly trivial incident.

Consultants have suggested that how a company responds within the first 72 hours of a crisis can be critical to its long-term health. Studies by the American Red Cross show that 70% of time after a crisis is spent determining what to do, how, when and where.

Business resilience is a modern, strategic best practice for organizations that prepares them for catastrophe, disruption or sudden change. Business continuity is a fundamental tactical component of this approach. It focuses on enabling a company to prevent, prepare for, respond to and recover from a crisis; swiftly resume operations; and return services to an acceptable level.

Creating a resilient mailing operation is within your reach. But how do you start the planning process? How can you control its scope and cost? How can you account for a myriad of possible threats, known and unknown? How can you make sure that your plans will work?

Pitney Bowes powers billions of transactions across the world of commerce. We rely on contingency planning and rigorous best practices in business resilience to ensure that those physical and digital transactions reach the right destination at the right time. This white paper shares insights we've gained into business resilience and planning. Its goal: to help our clients and potential clients withstand crises, minimize their impact, or avoid them completely.

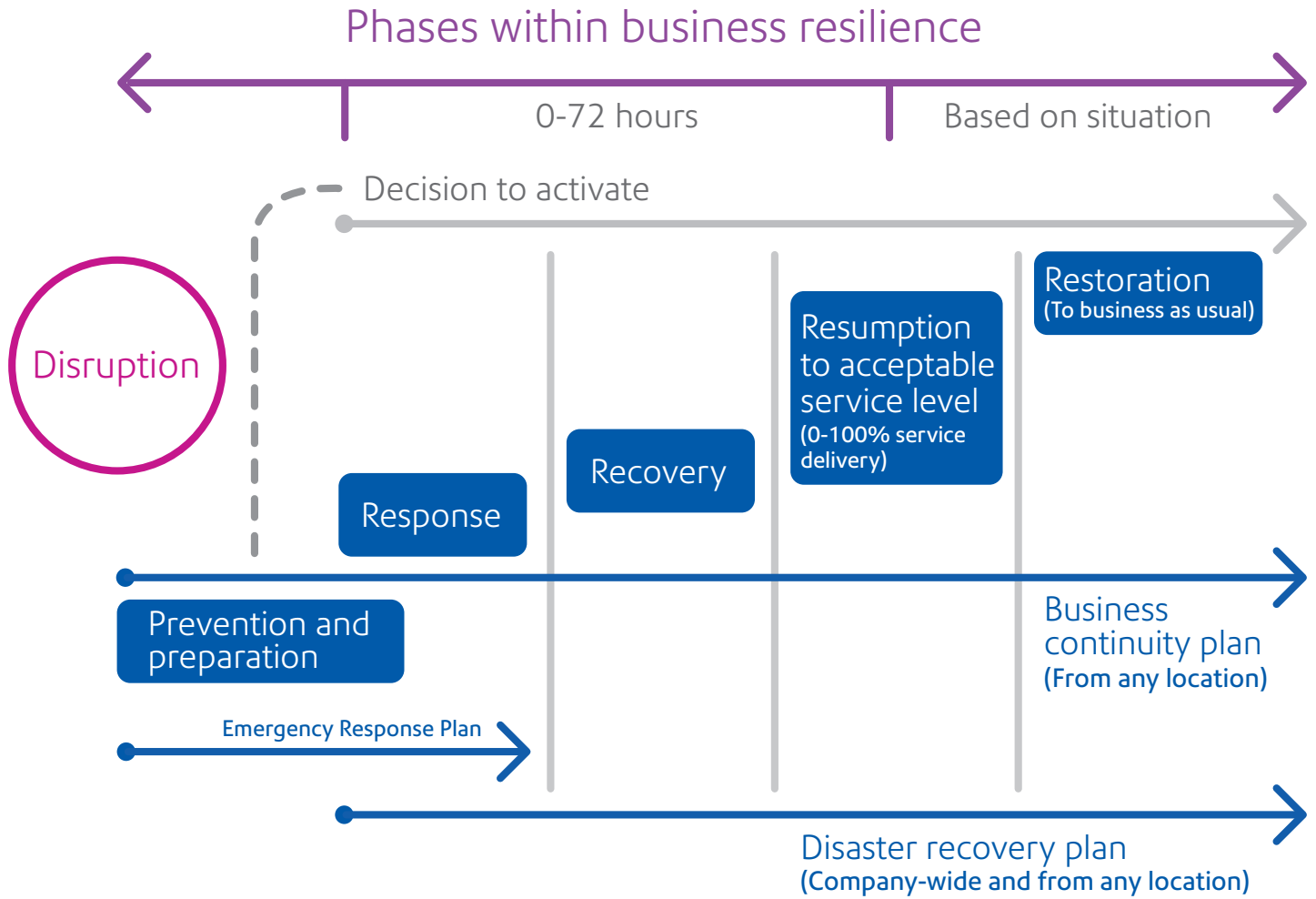
Take a 21st century approach to sustainability.

Business resilience reflects today's reality, in which assets come in all forms (buildings, people, systems, data and Intellectual Property) and where organizations are connected across geographies and continents through IT systems, supply chains and channel partnerships. Because it can preserve customer loyalty, business resilience is a strategic advantage in an intense competitive environment.

That's especially true for mailers. Success hinges on predictable, reliable delivery and satisfying service level agreements. A resilient organization understands that interruptions to work processes, performance levels, communications and "business as usual" are inevitable. Its goal is long term survival no matter what challenge (anticipated or unanticipated) may arise.

Planning and preparing for the degrees of disruption they may cause demands a business resilience strategy and a business continuity plan sponsored by a top management and supported by all levels of an organization. Creating or drastically revising this plan can appear to be a huge task for smaller companies. But resources, ranging from this primer to information from public and non-governmental agencies (like FEMA, the Small Business Administration or the International Standards Organization), can simplify the process and offer insights for entities of all sizes.

Preparation matters. It's easier and cheaper to thwart a crisis than to recover from one.



A methodical approach to business resiliency planning

A business resilience strategy encompasses multiple plans that are executed in parallel: for emergency response, disaster recovery (to restart or continue IT services and infrastructure) and business continuity (a tactical approach to resuming or restoring full capabilities after a disaster).

It supports multiple phases: preparation and prevention, swift response to the immediate crisis, recovery of basic business functions, resumption of service to acceptable levels, and full restoration. The task of developing the business resilience strategy and its supporting plans can be greatly simplified by following a five-step process.

01. Assume a risk-based approach

Analysis of your operations and appetite for risk is the best way to begin the planning process. List your regular business functions and identify potential risks that arise from its day-to-day operations. What's your company's risk tolerance? If it's zero, your resiliency planning will probably be more extensive. It may well demand more resources (budget and overall staff commitment) than a plan might for a risk-neutral or risk-friendly environment.

A crisis can temporarily alter the importance and nature of individual business activities. Analyzing its business impact is an effective way to prioritize your daily operations and processes. Activities essential in the aftermath of a crisis go to the top of your priority list. But the urgency level and nature of other normally important processes can often change.

Analyze your vulnerability to hazards because of proximity to potential natural disasters or man-made events. Identify external sources of risk inherent in your channel partners, from your supply chain partners to the USPS.

Design for the effects of a crisis, not the causes, to manage the scale of your plan. There may be dozens of potentially troublesome incidents or root causes. But because the net results are fewer in number, develop plans for dealing with effects like:

- Impact on your workforce and overall human resources
- Loss of buildings and physical facilities
- Failure of IT systems
- Data security breaches or data integrity issues
- Interruption of customer communications channels
- Disruption of your supply chain, distribution or logistics

02. Build the right foundation

After identifying potential sources of risk, begin risk treatment and contingency planning. Start with prevention: can you make immediate changes to your processes and operations that reduce risk? How can you keep a small incident from becoming a crisis?

For assistance, you can download business continuity best-practices information and plan templates. If your organization has multiple locations, create business continuity plans for each facility that will help local teams more directly drive response and recovery activities.

03. Identify resources and interdependences

Before any crisis, identify people, processes, places and technologies you may need to call on, inside and outside your organization. Build an internal team of department heads, shift managers, people who operate well under pressure, and other motivated employees. Create strategies for engaging your whole workforce, and transferring your key business operations during the early hours of a crisis.

Externally, build a relationship with local law enforcement agencies, fire departments and other first responders. Keeping key channel partners and customers informed or engaging their response can maintain their confidence in your organization, and perhaps accelerate its recovery.

04. Give your plan regular "exercise"

Your internal response team must understand roles and responsibilities, identify potential incidents quickly and know whom to contact when the need arises.

Schedule rehearsals or update sessions to help you determine whether your business continuity and disaster recovery plans work, or if they need revisions. Exercise strengthens your plan. Sessions should occur in a calm, non-threatening environment and happen at least once a year, and after any major changes to the business or personnel.



05. Maintain and update it

Your business resiliency strategy is a living thing. Your business continuity and disaster recovery plans should be reviewed and updated:

- Frequently, if the plans are new, and then on a regular basis.
- After each exercise or actual event.
- After major company milestones, like mergers and acquisitions, new locations or branches, an influx of new employees, etc.

Summary: Resilience is everyone's business

A crisis can happen to any organization, and business resilience demands a concerted effort from a company's board to management to employees. Make the case for resilience at all levels of your organization. Your strategy and planning should be cross-functional; if it operates vertically, within a business silo, it won't be effective. Bake it into your operational planning, company culture and DNA.

Business continuity planning doesn't have to be complex to be effective. Identify sources of risk in your operations, treat them and focus on effects (not root causes) to keep your plan manageable and in the proper scale. Update your plans, and exercise your response team, regularly.

To mitigate risk, you may also work with partners with established organization-wide resilience strategy and site-specific business continuity plans. Business-resilient companies like Pitney Bowes and its Presort Services organization can offload mail processing and induction, and reduce risk exposure for mailers.

To manage scale and cost, design your plan for the effects of a disruption, not the possible causes.

Practicing what we preach: our commitment to business resilience

Pitney Bowes Presort Services has in place a regularly monitored, exercised and updated business resilience program that includes both business continuity and disaster recovery planning.

Each presort operating center's business continuity plan is based upon an annual impact analysis that defines critical services, the support processes for each service and benchmarks for recovering those services within a specific timeframe. To best mitigate potential impact to clients, our plans are designed so that the most urgent processes are addressed first.

Pitney Bowes Presort Services use business-resilience best practices every day, and our operating centers exercise their business continuity plans at least once a year. In the event of a crisis, a response team made up of senior-level representatives manages the response and recovery efforts, leveraging resources from throughout Pitney Bowes and any necessary external sources.

Our diverse geographic operational footprint enables us to shift client mail processing from one operating center to another if there's a crisis. Each center's business continuity plan includes both in- and out-of-region alternate Pitney Bowes Presort Services sites for mail processing, to accommodate both regional and local crises. A recovery strategy is fundamental to our operating processes.

Our Information Technology department's disaster recovery plan covers all IT systems, applications and components, and includes contingencies like using a continuously available back-up data center.

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