

# Successful Risk Management through Business Continuity Processes

**The importance of a good working risk management has become more than obvious in the example of the financial sector over the past months. But not only credit institutions must manage complex risks these days. Risk management is a major topic in other industries as well. The example of the AREVA Energietechnik GmbH demonstrates how a comprehensive business continuity management for all business processes helps companies to identify the weak points, to develop emergency plans, and thus to be best prepared for crises.**

Every year, companies undergo a thorough audit during which risk management is considered more and more as well. It is gaining importance for companies because on the one hand, the huge amount of laws and regulations becomes more complex and on the other hand, the awareness of emergencies through terrorist attacks has considerably increased. Thus, the risk is not only evaluated in the financial sector, but also in all other industries. Business continuity processes are developing towards an integral part of a state-of-the-art risk management.

## Integrated System for all Business Processes

The AREVA Energietechnik GmbH has identified this market trend early and opted for the implementation of a business continuity management (BCM). BCM is an integrated process by means of which companies can better manage their risks and the respective impacts. The energy technology company pursued various objectives when implementing the business continuity management: Firstly, it was necessary to define the processes and to create an operational risk plan. Secondly, a systematic handling of emergency situations should be planned. And thirdly, the employees' awareness of safety in case of risks should be raised. Moreover, the economic survival should be secured.

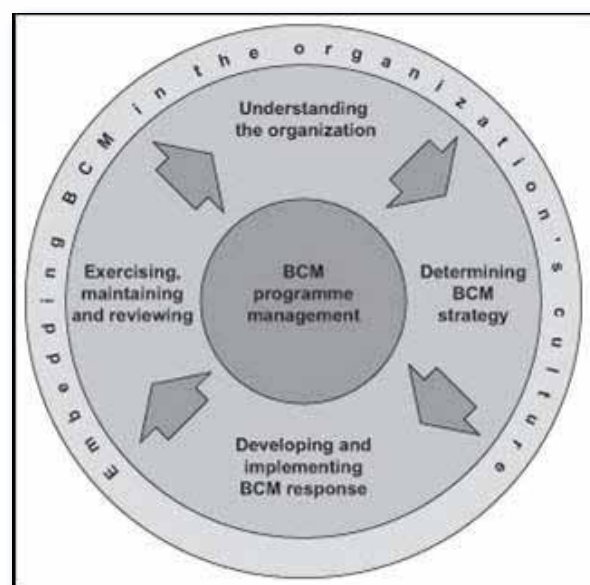
Since all sites of the energy technology company act autonomously, AREVA T&D decided to perform a test run of the business continuity program. The experience gained in Regensburg should work to the benefit of other sites and plants in Germany. AREVA T&D opted for Devoteam Danet as external service provider. In the request for proposal, the IT consulting company

made the grade among various other competitors. The reasons for this decision were manifold. "From the very beginning, Devoteam Danet impressed by its expertise", explains Stephan Bruse, Head of the IT Service Centre in Regensburg. The BCM certified and experienced consultants convincingly presented the standards and methods and determined how the possible results for AREVA T&D might look. Bruse continues: "The business processes in Regensburg are very specific. This is why we paid attention to an integrated business continuity program that suits our needs".

## Established Method accelerates the Project

The project lead from the very beginning relied on the Good Practice Guide of the Business Continuity Institute (BCI). Having decided to use an established method, the project could be launched very quickly. In a first step, the business continuity management program was aligned with the expectations and requirements of the AREVA T&D management. The Devoteam Danet consultants focused thereby on the first part of the lifecycle of a BCM program: "Understanding the Organisation".

They first identified the products and services and then extensively and at the same time deeply analysed AREVA T&D. In a next step, they studied the documentation of the existing business processes. Based on this, the consultants developed an individual questionnaire for the as-is situation and the risk assessment.



*Life cycle of a Business Continuity Management Program according to BS 25999*

# Business Continuity Management

## Interviews for a detailed Analysis

In a next step, the process owners received the detailed questionnaire and thus could systematically prepare themselves for the interviews. "I could gather the information and data from our monthly reporting and the marketing analyses", explains Thomas Semmelmann, Head Service of AREVA T&D in Regensburg. "In a targeted interview, we elaborated the incidents and interruptions that can arise and how fast they can get threatening for our existence. Thus, it is essential to be prepared for any risks." The Devoteam Danet consultants interviewed a total of ten process owners and then collected all information for a detailed analysis. Apart from the interviews, the collected data were incorporated in a business impact analysis and a risk assessment. In the business impact analysis, the business-critical processes were evaluated and determined. The Devoteam Danet consultants filtered them according to the importance within the value chain. In a next step, they performed within the scope of a risk assessment a risk analysis for these processes. Risks in the fields of business processes, processes related to information technology, behavioural risks, locations, traffic routes, neighbourhood as well as natural disasters were examined. For each risk, an occurrence probability and the business impacts were predicted and first recommendations for prevention measures were announced.

"Through the business impact analysis and the risk assessment, we know the potential risks and how they can impact our business", explains Thierry Tricot, Head of Site in Regensburg. The company now knows the weak points and thus can systematically prepare for emergency situations.



## Sustainable Benefit

This way, AREVA T&D can also better attend to our corporate due diligence. "It is important as well to increase our resilience and to become more robust. Our employees, customers, and business partners can rely on us even in adverse conditions", describes Tricot the benefit and the advantages of the business continuity management program for AREVA T&D.

Moreover, the business impact analysis has demonstrated to AREVA T&D how the temporary course of a damage event can impact the financial situation or the reputation of a company. In addition, it illustrated how strong the dependency of the individual processes and the common resources such as the information technology (IT) really is. Thanks to the business impact analysis and the risk assessment, it will be possible to deploy the IT budgets more targetedly than in the past in order to secure the vital business processes. Last but not least, the results of the business impact analysis and the risk assessment report - by applying internationally recognised standards (Good Practice Guideline, BS25999) - are as well fully accepted for internal audits and annual audits performed by external companies.

## About AREVA Energietechnik GmbH

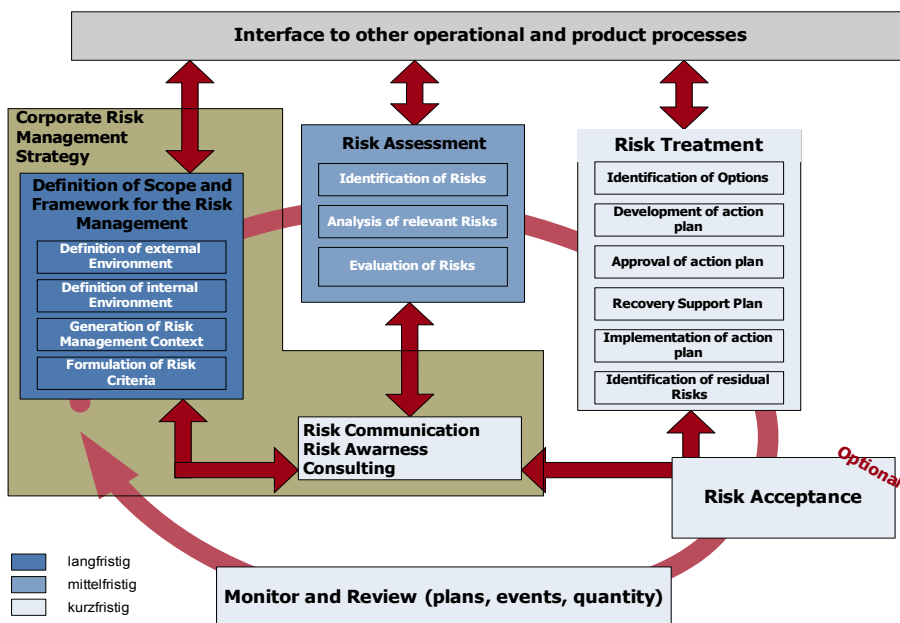
The AREVA Energietechnik GmbH, Sachsenwerk Mittelspannung Regensburg, provides technologically sophisticated substations and switch devices for medium voltage of up to 52 kilovolts as well as the corresponding protection and automation technology. The portfolio ranges from acquisition and proposal management to planning, development, project planning, production, testing, and mounting of the products to their commissioning as well as maintenance and servicing. The Regensburg location is a competency centre for power switches and power substations of up to 52 kilovolts, being the largest medium voltage manufacturer worldwide in the Transmission & Distribution (T&D) industry. AREVA T&D provides technological solutions for the CO<sub>2</sub>-free power generation as well as for the power transmission and distribution. Headquartered in Paris, the AREVA group has about 65,000 employees worldwide and had a revenue of 11,9 billion euros in the fiscal year 2007.

# Business Continuity Management

## High Security or low Risk

With the first project milestone, AREVA T&D has paved the way for a continuous business continuity management. At its site in Regensburg, the company is now able to adequately protect against manifold risks. In the business impact analysis, first recommendations were already given. Moreover, the business impact analysis and the

risk assessment should be spread throughout Germany in the near future. In addition, it is planned to continue the path towards a comprehensive BCM program. Within this scope, the already existing emergency plans at AREVA T&D are extended with the insights gained in the BCM, thus allowing a more determined and faster reaction to crises. By integrating the project into the existing quality management, AREVA T&D makes sure that the practised crisis intervention is deployed as a continuous process, thus adapting to quickly changing conditions as well.



Risk Management Process according to ENISA  
(European Network and Information Security Agency)

## Business Continuity Management

Business Continuity Management (BCM) is an integrated management process that is defined in the Good Practice Guidelines of the Business Continuity Institute. It allows identification of potential damage that can result in a survival threat to the organisation. BCM on the one hand provides a basic structure for more stability. On the other hand, it empowers organisations to react more efficiently when it comes to protecting the interests of the major shareholders, the reputation, the brand name, and the added value activities.

## About Devoteam

Devoteam is a leading IT consulting group in Europe and was created in 1995. Combining consulting and technical solutions offers enables Devoteam to provide its customers with independent advisory services and effective solutions that meet their industrial objectives. Headquartered in Levallois-Perret (Paris, France), the Group counts more than 4,500 employees in 23 countries. Devoteam achieved in 2008 a turnover of 460M Euro.

In January 2009 Devoteam Danet was integrated into Devoteam. The company offers business and IT consulting, IT solutions and IT services – especially in the sectors automotive industry, financial services, telecommunications & medias and transport & logistics. Devoteam Danet counts 390 employees and achieved in 2008 a turnover of 42.5 M Euro in Germany.

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This project was realised by