

GETTING AN ROI

FROM YOUR BCP...THE BP CHEMICALS STORY

BY RICK RANCHER AND RANDY COLEMAN

What began as a statement from our CEO at an investors meeting in 2000 resulted in a project that ultimately saved our company substantial money and helped position the Chemicals Group IT operations to be spun off a few years later.

At that meeting, Sir John Brown stated that all business units at BP either had a Business Continuity Plan (BCP), or they would have one by the end of the year. While we had hurricane preparedness plans at some sites, and a rock solid IT Disruption Recovery Plan, few of us had a true BCP and we did not know what it should look like.

As Director of Operations for the Americas and Asia, we had tested our IT DR plan regularly and I had been waiting for the “Big One” to show our stuff. But now it was time to venture out to the business sites and have serious conversations with them to prepare our BCP. We had 43 sites in over 30 countries, so this was no easy task. Chemical plants are not usually situated in the best part of town. “When your ride from the airport includes three armed bodyguards in a bullet proof Suburban, you have the sense this isn’t going to be your typical Business Impact Analysis,” said one of the consultants working with us!

With the difficulty reaching some of these locations, we wanted to gather



information as quickly as possible. The project was easier because we had just completed the Y2K initiative, which generated mountains of information for us to review. During this process, we were able to determine the Recovery Time Objectives (RTO) and the Recovery Time Capability (RTC). We also discovered that a majority of what the business needed to operate did not reside in our data centers. It was in spreadsheets on someone's desktop or in a pricing system that ran on a server in the chemical plant that was written by some teenage guru with no supporting documentation.

Rent vs. Own

BP was a company that tended to outsource certain operations. This philosophy would ultimately play a key role in our ability to get an ROI from our BCP. Upon completion of the business impact analysis process, we determined we would need 20 servers to recover and provide business continuity for our largest chemical plant. Those same 20 servers could also be used to recover four to five smaller facilities. We put together a cost/benefit analysis of our options.

Keep in mind we were a company that loved to outsource. What we discovered was that in many cases these outsourced projects were acquiring equipment for proof of concept, R&D and testing. Once the project was accepted into production, the equipment – perfectly good machines – used in the earlier stage was being sold for pennies on the dollar.

We decided if we were able to build our own recovery site and capture the equipment being sent to redemption, we could save substantial money and get an ROI within the first twelve months. But we needed at least 20 servers to support the BCP of our largest chemical plant by the end of the year, and we couldn't wait for throwaways to fill our soon-to-be-built recovery site. And so we re-wrote the SLAs of existing projects to house the proof of concept, R&D and test servers in our recovery site. This provided the various projects with unlimited access to these servers, with the understanding that in

the event of a declaration by one of the chemical plants, we would take over the machines since the disaster recovery process would be a higher priority than the R&D or testing projects. So before you know it, we had more than 20 servers available to us and we started looking for a suitable location to build our recovery site.

If you build it they will come

By bringing our recovery in-house, we also wanted to be able to "quick ship" equipment to our sites if necessary. This became an important consideration in our final choice and one that has paid big dividends over the years. We ultimately selected a site that already housed a data center for another company so the necessary infrastructure was already in place. In addition, we wanted it big enough to move equipment from our alternate site vendor that we owned. As part of our analysis of alternatives, we discovered that we could save over \$500,000 per year with this move alone. Soon after we opened and equipped our recovery site, the Refinery Group got wind of the progress we had made. How did you do it? Can we use your recovery site? All of a sudden my budget was starting to look really good! The Refinery Group provided 12 more servers for the recovery site to handle their requirements and they picked up a third of the operating/build cost.

By thinking outside the box, we saved substantial money and truly got an ROI from our BCP. In summary, we moved from very expensive real estate at our alternate site vendor to a very cost-effective site that we owned and controlled. We were able to equip it for pennies on the dollar and it put us in a position to quick ship to any of our North American facilities within 12 hours.

The hidden value of our BCP

Having a tested, workable BCP with a recovery site that you own and control is a tremendous value, but it wasn't until a few years later that I fully realized just how valuable it was. In our business, incidents happen all the time. Having a timely response to mitigate the disruption is simply prudent. However, in 2004 we were told that the company

was planning to spin off the Chemicals Group and take it public as a separate entity. We were tasked with identifying and dissecting all the corporate systems that our 12,000+ employees were utilizing.

This would have been a monumental task if it were not for the work we had done on the BCP. Everything you need to recover your business is the same as what you need to operate it. We already had the answers. Because we had the BCP, we were able to accomplish the separation from corporate in about 6 months.

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We never made it to Wall Street. Prior to going public another chemical company offered almost \$10 billion for BP Chemicals. But without the information and strategies we put together while creating our BCP, we would probably still be trying to figure out how to become a separate entity. And I wouldn't be retired!

ABOUT THE AUTHORS

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