THE EFFECTS OF BUSINESS CONTINUITY PLAN IN THE INSURANCE INDUSTRY IN KENYA: A CASE OF THE AFRICAN TRADE INSURANCE AGENCY

BY

SHEILA ACHIENG ONGAS

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STUDENT'S DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the United States International University in Nairobi for academic credit.

Signed: __________________________ Date: 16/12/2013
Sheila Achieng Ongas (ID No. 635610)

This project has been presented for examination with my approval as the appointed supervisor.

Signed: __________________________ Date: 26 Feb 2014
Dr. Amos Njuguna

Signed: __________________________ Date: 26 Feb 2014
Dean, Chandaria School of Business
ABSTRACT

The purpose of the study was to determine the effects of the business continuity plan in the Insurance Industry in Kenya using the case of the African Trade Insurance Agency. The study was guided by the following research questions: to determine the components of business component plan, to determine the roles played by a business continuity plan in an organization, to determine the problems an organization may face in developing a business continuity plan, and to determine ways in which an organization can enhance the creation of a business continuity plan.

This study used a descriptive survey. The target group comprised of 40 of the management and the employees in the African Trade Insurance Agency and the sample size was 32. The study entailed data collection by use of questionnaires. Pre-testing was done by administering the questionnaire to 32 respondents who were selected randomly from the target population and data analysis has been done through SPSS software. The data collected was presented in through charts and tables for easy analysis.

On the components of a business plan, the study established that the main components include crisis management plan, ICT continuity plan, business continuity coordinator plan, business resumption plan for critical business units and the business recovery plan. Other components of the BCP identified from the study were; business continuity management policy, crisis management team, alternative location, common data section plan and business units’ continuity plan.

The study further established that the BCP leads to; prevention of business losses, restoration of business operations after disaster, protection of essential assets, prioritization of risk and recovery, reduction of downtime in operations and also allows for remote business operation. This therefore prevents mass exit of staff after a crisis and organizations can anticipate risks and mitigation of losses hence instil confidence in the stakeholders and other business partners.
The study established that the main problems encountered in developing business continuity plans were; timelines in developing the plan, identifying a cost effective solution, carrying out risk analysis, management of internal audits, implementing the plan, effectively testing the business continuity plan and carrying out monitoring and evaluation. Other problems that organizations faced in developing a business continuity plan as cited by respondents were difficulty in making the staff see the importance and urgency of the plan, creating adequate time for training and difficulty for some employees or managers to prioritize the process.

From the research, it was thus concluded that an organization requires a disaster management plan for continued operation during crises. Furthermore, a functional BCP plays four key roles that enable an organization to continue operating smoothly during and after a crisis. Despite the need of a BCP by an organization, its development was found to comprise of four problems. The last conclusion emphasized on the ways through which an organization can enhance the creation of a BCP, encouraging a culture of risk identification and mitigation.

These conclusions require formation of a BCP implementation team, coupled with investment in IT and employee training.
ACKNOWLEDGEMENT

I acknowledge my supervisor, Dr. Njuguna, for his assistance during the production of this project. I also acknowledge my colleagues who contributed to the success of my project and my studies.
DEDICATION

I dedicate this project to my husband and family for their support during this study. My colleagues and friends also deserve the credit for the moral support, more so intrinsically.
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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Problem

Business continuity planning is the state of business institutions ensuring they sustain their operations by recovering and normalizing their business services and products to customers, suppliers, regulators and other entities that must have access to them when confronted with adverse events such as catastrophe, failed technology, acts of terrorism and human imperfections (Light & Wheeler-Smith, 2008). To sustain the organizational systems in terms of input and output of quality products and services, there is need for a preplanned strategy. Businesses must show concern of changes in technology, terrorism and unpredictable catastrophes (Balaouras, 2008).

According to Makatian (2012), businesses are prone to both natural disasters and those that are instigated by humans. Natural events such as hurricanes, wild fires, flooding and earth quakes are a concern to the continuity of a business. Some of the problems that may be instigated with humans are organizational recession, political unrest, economic espionage and terrorism. These highly publicized and extremely damaging events including the 2008 post-election violence in Kenya, the 2011 Thailand floods and most recently Hurricane Sandy in the US have made it clear that business resilience and continuity planning is an essential concern for all enterprises, whatever their type, industry or region of operation.

Studies have shown that nearly 50 percent of businesses that operate without an effective resilience plan close their business operations within 12 months of a disaster (Feldman & Eves, 2007). Light & Wheeler-Smith (2008) also acknowledges that organizations with business continuity plan with poor implementation still suffer just as much as those without. Therefore there is need for testing the plan either by use of control models or organizational simulations. Most disasters cause downtime, which not only results in immediate loss of revenue and productivity, but also in lasting damage to corporate reputation. This in turn erodes customer confidence in the business brand. It is therefore critical for organisations to build an effective business resilience plan. A good resilience plan not only prepares the organization for disasters or disruptions but positions the organization against threats. Threats
have a great blow to financial business due to speculations and uncertainty (Banque de France, 2004).

Business continuity plan must be comprehensive enough to address business fears that go beyond finances. Businesses are concerned with their reputation, their market profiling and reliability in terms of service and product delivery, supplies and distribution. Businesses should also be concerned with their compliance with the law and the requirements of the regulators. These are an array of aspects that a business continuity plan should be able to address besides the financial issues (Balaouras, 2008). By considering all the tenets that define a business portfolio and risks in case of disruption, the company will set its priorities right. Timescales and priorities should be developed basing on an empirical analysis of each of the components in areas of concern and relevant data (Emerson, 2006).

The concept of timescale and priorities can be explained in terms of the pre-business continuity plan activities, implementation and post implementation. Additional aspects include makeshift operations in terms of mobile machinery, power supply and alternative location. The business should be able to maintain essential services and operations. For example, the administration should be able to meet its obligations in the process of recovery. The plan should stipulate an elaborate contingency plan that will cushion its operations from unexpected external destructions. An important aspect on contingencies is to ensure that in the process of recovery, the situation should not spiral out of control (Blendon, SteelFisher, Benson, Weldon & Herrmann, 2009).

The uncertainties and dynamics that characterize modern businesses are the driving factors of the development and implementation of the Business Continuity Plan. The Chief Executives, policy developers, employees and other regulatory bodies find it important to consider such plans (Feldman & Eves, 2007). Fegley and Victor (2005) showed that human resource professionals were slightly less likely to feel that their organizations were well or very well prepared for a disaster or crisis than the same survey conducted in prior years. The baseline study conducted by Envoy Worldwide in May 2004 and a follow-up survey in 2005, businesses reported a 73 percent increase in “the view that natural disasters are an extreme
threat to businesses.” The study revealed a number of perceptions on disruptions caused by disasters: employee productivity (cited by 62% of respondents), profits (40%) and damage to customer relationships (38%).

The Emerson poll (Emerson, 2006) found that 21 percent of large U.S. businesses (defined as those with more than $50 million in annual business revenue) have not made room in their budgets for BCP activities. The Semi-Annual BCS assessing Bay Area business disaster preparation and recovery (Feldman & Eves, 2007) found the concept of BCP was novel and yet to take root in organizations. Some organizations were in early stages of implementation while others were still in formulation stages. This limits the number of case studies that upcoming companies would borrow a leaf from. This affects both established brands and Small and Medium Sized companies. (Business Wire, 2008) found that 40 percent of respondents admit they are not ready for a disaster and one-third state that they have no current plans to begin preparedness activities.

Yet a comprehensive business continuity plan facilitates management to review the weaknesses and threats to their organizations from a detached perspective, while they focus on negative "what if" questions (Fegley & Victor, 2005). BCP enable the organization to establish specific areas to invest more both for normal operations and as a way of preparedness. It spells on the kind of quality of employees to hire, the nature of machinery or equipment to buy and the kind of consultancies to be put on board. The process of creating a continuity plan raise concerns about employee development, resource acquisition and utilisation and at the same time customer acquisition and retention. Tight business continuity plans give the assurance and confidence to the employees and company customers and other stakeholders that company management understand and is prepared to manage during challenging times (Light & Wheeler-Smith, 2008).

The degree of business disruption can be determined in terms of the affected units within the organization, individual employees, customers and other forms of social infrastructure. The other dimension of severity of the disruption is in terms of monetary value, product and service output, machine and equipment failure (Banque de France, 2004). From a corporate
perspective, resilience to operational disruptions has a clear commercial rationale – customers of organizations whose systems are prone to regular failure because of relatively common events will inevitably choose to do business with more resilient competitors (Wallace & Webber, 2004). Organizations ought to establish the costs and benefits of the plan and the costs in case there is disruption. Usually, this approach is appropriate in a plan that targets Microsystems of an organization or industry (Banque de France, 2004).

Most companies apply cost-benefit considerations to measures for improving a business system's resilience to operational disruptions (Fegley & Victor, 2005). The long term benefits of a BCP is the cohesion of the management, employee, customer and the related stakeholders. The relationship of the business chain is much stronger (Banque de France, 2004). A natural tension exists between the levels of resilience that the other players in the industry might consider reasonable for their own business purposes and the objectives of the industry stability and resilience as a whole (ibid). Recognising the shared interest in improving the resilience of the individual and industry business network, the high-level business continuity planning system represent an attempt to delineate a measured approach to business continuity that is sufficient in terms of its impact on the overall resilience of the industry or sector and at the same time, proportionate to the risks posed by individual companies in the industry (Balaouras, 2008).

Business continuity planning and management should be an integral part of the overall risk management programme of individual businesses and of the industry as a whole (Wallace & Webber, 2004). BCP can be implemented at the organizational level or basing on the units of the entity. Equally important is to make the employees play specific roles as individuals. This will ensure that the plan is understood from the personal level, interpersonal, interdepartmental and ultimately the entire organization (Light & Wheeler-Smith, 2008). A comprehensive plan should base on technical, structural and human dimensions. It should be able to consider employees and their customers, suppliers, distributors and ancillary entities such as consultancies. Technical aspects include the depth of expertise in an organization and machinery or equipment related to the business. It should look at the capacity of the supply chain and the ability of the rest of the stakeholders to sustain support in case of disruption. In
essence the social and physical infrastructure of the business must inform the plan (Banque de France, 2004).

In the process of coming up with the resilience plan, a good team of management should be able to consider the input of individual workers and organizational units. The employees who are significant in implementation must feel to be part of the plan. In fact, this also instills trust in the organization. Instead of the senior managers owning the program, teamwork will offer the plan critical dimensions that may not be seen at the managerial level. The management should take part in moderation, monitoring and resolves related to the plan. There is need for both internal and external evaluation of the plan to seal all the loopholes. In this case, consultancies deem necessary (Fegley & Victor, 2005).

Employees should own the process and take responsibility in its success. Collective development will enable the administration to endorse plans from an informed perspective while at the same time building a culture of trust and responsibility. Formulation, implementation and management of the plan should be comprehensive enough considering leadership and the rest of the organization. The management will also know where to improve on human resources and financial allocation with regard to the plan (Fegley & Victor, 2005).

An organization ought to develop a continuity a plan based on the indicators from within its operations and units. Complete foreign concept to the organization may be difficult to implement or fail in case of a disaster. Therefore creating a plan based on the organizational experiences from departments and past disruptions establishes a robust plan that is more tailored to a specific organization. Alternatively if the plan is adopted from a different organization, there must be an expertise analysis and strategic tailoring of the plan to suit the organizational uniqueness. The two approaches are significant for organizational priorities and timescales for recovery (Banque de France, 2004). Subsequently, the company can identify its preferred options for achieving organizational recovery in the event of each different type of failure. This involves compiling data on all possible scenarios and then
using it to simulate adverse effects on the organization's people, processes, technology, communications, services and locations (Balaouras, 2008).

A number of studies and discussions have been done by a number of authors on the subject of business continuity planning, for instance Makatian (2012) discussed Disaster Recovery (DR) and Business Continuity and the role of Information Technology (Thiga, 2009). This shows how the concept of the continuity plan is integrated in related industries such as Banking, Information Technology, Insurance and Real Estate. If for instance banking suffers discontinuity, insurance and other sectors that take directly related will also suffer. In case of insurance, organizations that rely on it will not get their services in case of disruption. Africa’s sole multilateral trade credit and investment insurer was created in 2001 by African countries to provide insurance against political risks faced by investors and cross border traders. The business continuity plan is essential for the organization and thus the insurance industry at large.

1.2 Statement of the Problem

The concept of business continuity plan is still remote to many organisations. Some are implemented but the process of implementation is flawed. Some of the plans are incomplete and not established on corporate best practices. There are also gaps within the concept and between the units or organs that ought to implement. Lloyd’s of London and the Economist Intelligence Unit of board-level executives (2009) depict this in challenge that cuts across all regions and industries. Lack or flawed business continuity plan subjects the organization to risks such as insolvency, unsecured credit, loss of customer orders, cancellation of orders, unreliability and unpredictability. Susceptibility of the company to disruptions is a function of many risks. Some are of foremost concern are others are least. For instance financial disruptions ranked far much ahead of disasters. The ranking of preparedness to risk revealed that cyber-attacks were most likely to occur followed by flooding, terrorism and other forms of catastrophe. The ranking shows that most businesses are more strategic in financial preparedness than what in natural sense would cause greater disruption to organizational operations.
According to Sussex Local Authority Emergency Planning Group (2007), nearly 1 in 5 businesses suffer a major disruption every year and more than half of companies, who do not have a Business Continuity Plan and are hit by a disaster, go out of business within 12 months. The post-election violence and the terrorist attacks here in Kenya can very well attest to this fact. Disasters impact all parts of the world, Kenya, which has also faced El-nino – defined as the warming of the surface water of the Pacific Ocean that causes unusual global weather patterns, famine, fuel crisis and even the recent credit crunch, included (Thiga, 2009).

The components, roles and challenges in developing a BCP and ways in which organizations enhanced the creation and importance of BCP had not been fully explored. Thus, this research sought to examine the effect of business continuity plan in the insurance industry in Kenya.

1.3 Purpose of the Study
The purpose of the study was to investigate the effect of business continuity plan in the African Trade Insurance Agency.

1.4 Research Questions
The study was guided by the following research questions:
1.4.1 What are the Components of a Business Continuity Plan?
1.4.2 What role does a Business Continuity Plan play in an Organization?
1.4.3 What Problems can an Organization face in Developing a Business Continuity Plan?
1.4.4 In what ways can an Organization enhance the Creation of a Business Continuity Plan?

1.5 Significance of the Study
1.5.1 African Trade Insurance Agency
The management and staff of the African Trade Insurance Agency will be able to understand the importance of business continuity plans to the effective and profitable operation of the company.
1.5.2 Insurance Sector
The study will provide an insight into the importance of business continuity planning and nudge the regulatory authority and the insurance association to encourage their membership to develop and implement them for the efficient operation of the sector.

1.5.3 Government
The study will provide necessary information to the policy makers on the importance of BCP and encourage them to formulate and implement regulations and policies to encourage the culture of business continuity planning.

1.5.4 Academicians
The study will provide the background information to research organizations and scholars who will want to carry out further research in this area.

1.6 Scope of the study
This research was limited to investigating the effect of business continuity plan in the insurance industry in Kenya with a particular reference to the African Trade Insurance Agency. The geographical scope of the study was limited to Nairobi County because the company’s head office is in Nairobi. The study covered issues relating to the components of a Business Continuity Plan, role of a Business Continuity Plan in an organization, problems that an organization can face in developing a business continuity plan and ways in which an organization can enhance the creation of a business continuity plan in the insurance industry in Kenya. The data was collected through July 2013.

1.7 Definition of Terms
1.7.1 Business Continuity Planning
The process whereby business institutions ensure the maintenance or recovery and availability of business services and products to customers, suppliers, regulators and other entities that must have access to them when confronted with adverse events (Light & Wheeler-Smith, 2008).
1.7.2 Risk
Exposure to uncertainty or threat (Kannan and Thangavel, 2008).

1.7.3 Business Impact Analysis
The BIA measures the potential quantifiable and qualifiable impact that could occur if any business function was unable to operate for a period of time for any reason. That measurement becomes the basis on which we prioritize our efforts in building an efficient Business Continuity Plan (Cardoza, 2007).

1.8 Chapter Summary
The chapter examined the background of the study and the purpose of the study will be to investigate the effect of business continuity plan in the insurance industry in Kenya with particular reference to the African Trade Insurance Agency. The research questions will address issues relating to the components of a Business Continuity Plan, Role of a Business Continuity Plan in an organization, Problems that an organization can face in developing a business continuity plan and ways in which an organization can enhance the creation of a business continuity plan in the insurance industry in Kenya. The study will be significant to the African Trade Insurance Agency, the insurance sector, other researchers and the Government who will be able to understand and appreciate the importance of business continuity plans to the effective and profitable operation of the company, the insurance sector and the country as a whole.

The next chapter (Chapter Two) reviews literature on business continuity plans. Chapter three focuses on the research methodology. Chapter Four reports the analysis of the data while chapter five provides a discussion of the findings, giving a conclusion of the research and details the recommendations emanating from the research findings.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

This chapter determines the effects of Business Continuity Planning on the Insurance Industry in Kenya, with a focus on the African Trade Insurance Agency. The review is based on the following research questions: What are the components of a Business Continuity Plan? What role does a Business Continuity Plan play in an organization? What problems can an organization face in developing a business continuity plan? In what ways can an organization enhance the creation of a business continuity plan? The literature review is done through an evaluation of literature that has been conducted in the past.

2.2 Components of a Business Continuity Plan

2.2.1 Crisis Management Plan

Businesses are prone to disruption depending on the prevailing circumstances and some unforeseen instigations. Both natural and human instigations can affect business operations. General causes of disruption include: floods, theft or vandalism, fire, power cut, outbreak of disease or infection, IT system failure, terrorist attack and crises affecting the reputation of the business (Jim, 2012).

The institutional management monitors and oversees the development, implementation and evaluation of the business continuity plan. It works in conjunction with relevant organizational units such as the Crisis Management Team (CMT). The CMT works with reference to the responsibilities stipulated in the BCP. However it also plays other roles within the jurisdiction of its establishment and functionalities. Some of the responsibilities related to CMT may be stipulated in the Incident Management Plan (IMP). IMP may contain roles that go beyond a single organizational unit. It cuts across departments and may include employees from different expertise. This is the reason for the plan to be under the control of the senior organizational management. The scope of an IMP is thus wider (Tony, 2008).

Crisis management planning is essential to protect a company from the effects of potential crises. This process is even more vital for small businesses as they lack adequate resources to
cope easily in the event of a crisis. It is disastrous to fail to plan. A well thought-out business continuity plan should make coping in a crisis much easier and minimize disruption of customers and the business. It is a precautionary measure that proves to investors and customers that the business is robust enough to handle anything that could be thrown to the business (Jim, 2012).

2.2.2 ICT Continuity Plan

Most organizations, regardless of size or sector, rely on their ICT services to deliver and support their core "front line" business processes. ICT has become one of the organizational definitive aspects. It facilitates processes and services. Disruption of the business ICT systems can affect both the internal and external operations of the company. It may not carry out communication, transactions and machines that are interfaced with the computer systems may not function. The bigger picture of failed ICT is loss of revenue and putting the reputation of the organization at risk (Philip, 2012).

ICT relies on three vital components; the hardware, the software and the network. Malfunction on any of these components affects the organization directly. Failure of the ICT system will disrupt communication, transactions and processes in making some products. Organizations rely more and more on effective and secure ICT infrastructures because of the internet, system capabilities and electronic networking services. ICT disruption may be due to systems intrusion, network-wide malware infection and disasters like fire. Critical business functions are always dependent on ICT (Philip, 2012).

Disruptions of ICT constitute strategic risks to the organization’s reputation and its ability to function. It is thus essential to come up with and implement a readiness ICT continuity plan to help ensure continuity of business. The key principles in ICT continuity plan include incident prevention where ICT services are protected from threats, incident detection, response, recovery and improvement. The processes and tasks involved in ICT continuity plan are setting policy, resource training, understanding critical ICT services, identifying gaps in capabilities, determining strategies in relation to internal systems and external
systems, strategy of implementation, monitoring of the input and output of data and system process, testing, exercising and reviewing (Philip, 2012).

2.2.3 Business Continuity Coordinator Plan

The position of Business Continuity Coordinator entails directing or assisting in the development of Business Continuity plans and providing regular status updates to the Business Continuity Steering Committee (Rittinghouse, 2011).

The plan is also responsible for change management in which they assess the business continuity implications of proposed technological or organizational changes and coordinating any revisions to existing business continuity plans or procedures necessitated by such changes. In-house training is one of the best ways to build organizational capacity. This is especially strategic for organisations implementing business continuity plan. Training the staff on specific details of the plan is critical. This may further involve assigning specific responsibilities to departments on the business plan. A good continuity plan should be introduced to the organization both at individual and unit level (Rittinghouse, 2011).

The Business Continuity Coordinator Plan is responsible for administration in which it coordinates routine updates to the detailed information supporting the Business Continuity procedures (e.g. contact lists, personnel assignments, hardware and software specifications, network diagrams, vital records inventory lists, off-site backup schedules). It also coordinates electronic access and hard copy distribution of the Business Continuity plans and procedures. Once administration is done, testing and exercising ensures that all technical components of the Business Continuity plans are successfully tested at least annually or whenever significant changes are made to those components. Preparedness of the organization also entails trials on the plan at a unit level or the entire organizational system. Instead of pre-post testing the plan in an independent system or case organization, it is preferable to use BCP simulations. Planning and coordinating should have at least one simulation exercise a year, involving all critical business units (Rittinghouse, 2011).
2.2.4 Business Resumption Plan for Critical Business Units

Business resumption plan details how an organization can continue with its normal operations after recovery of their critical processes. They are the units that facilitate essential services of the business. They may be in terms of specific services or products. In some businesses, the administration is always considered as the critical business unit. Business continuity plan will revolve around adopting temporary measures such as reduction of working hours or office relocation whereas business redemption is the makeup plans for the lost time, services or products that were not delivered. It also revolves around restoring the operations to normal levels as much as possible (Syong, 2001).

In the insurance industry, the following business units must be covered in this plan:

2.2.4.1 Underwriting

The level of disruption may be so high to ground the business completely. Since few organizations can afford to pay the full costs of a recovery, insurance cover may help in full or partial recovery. When considering insurance options, decide what threats to cover. It is important to use the Business Impact Analysis (BIA) to help decide both what needs insurance coverage and the corresponding level of coverage. Some aspects of an operation may be over insured or underinsured. Minimize the possibility of overlooking a scenario and to ensure coverage for all eventualities as part of the business resumption plan in the BCP (Wang, 2009).

2.2.4.2 Marketing

Marketing constitute an important aspect of business resumption plan for critical business units. Marketing can be done through proper communication. While understanding the needs and the concerns of the market, marketing also focuses on the objectives and qualities of the business. Communications management is essential to control rumors, maintain contact with the media, emergency services and vendors and assure employees, the public and other affected stakeholders (Myers, 2006).
For effective communication, the organization must be able invest in alternative channels. Communication online, offline and effective courier services must be envisaged in the plan. Equipment, devices and structure of communication is vital in BCP (Greene, 2008).

2.2.4.3 Risk and Claims

The claims handlers play a role in investigating and processing of insurance claims that relate to customers’ policies. Risks and claims cover a wider scope ranging from the employees, the products, property and unquantifiable aspects of the brand and business environment. A robust actuarial approach to risk and claims is vital for mega business entities. This may involve coordinating with colleagues, the policy holder and other professionals in a bid to validate the claims. Therefore, claim handlers simply process the insurance claim of the customer right from the time it was reported to the final payment or even rejection. Generally, the claim holder exchanges several documents with both the client and other professionals that may help to process the customer's claim. Back up documents for related accidents, risks and property is important in enhancing the claims. Fortunately, a business continuity plan will enhance the resumption of the claim department’s duties if a risk takes place (Babbie, 2011).

2.2.4.4 Credit Department

The credit department of an insurance company comprises of credit analysts charged with the responsibility of collecting and analyzing financial data that relates to clients such as paying history or habits, savings and earnings information as well as purchase activities. The collected data is analyzed objectively and contextually. This enables the analysts give recommendations that specify the quantitative and conditional considerations of the business. Therefore, credit analysis involves dealing with varied types of data that affects the way the company conducts transactions with its customers. It also follows details emanating from conditions of operations and relates it to what the data presents (Hiles, 2010).

The data should be stored securely because the company will refer to it in future when making decisions such as compensating clients or giving them certain credit services. Therefore, if these essentials relating to clients disappear because of any risk such as cyber-
crime, computer malware or theft, the organization’s operations will be disrupted. BCP should be able to state back up strategies that relate to specific business dealing. Data backup will enable the company to retrieve vital information that is needed for business resumption. Some of the backup strategies will include storage of information in multiple formats such as both print and soft copies. Soft copies can also be stored in different hard disks or external servers (Hiles, 2010).

2.2.4.5 Information Communication Technology (ICT)

The ICT issues that should be addressed in an effective business resumption plan include hardware-mid-range, mainframe, network, servers, software-applications, utilities, operating systems, office equipment, data files and vital records and operations processing equipment. These issues play a critical role in the resumption process; thus, comprehensive inventories should be maintained to make sure that all applicable components are considered during plan development. The process of planning should encompass identification of critical business unit data that may only reside on individual workstations, which may or may not adhere to proper back-up schedules. Moreover, the plan should address vital records, necessary back-up methods and appropriate back up schedules for these records (FFIEC IT Examination Handbook Inforase, 2007).

2.2.5 Business Recovery Plan

The business continuity plan should contain a plan for setting up the business operations at an alternate location if the building is rendered unusable or destroyed by a disaster. The best practice is to have ready access to an empty facility that your business can relocate. Another more practical and less expensive practice would be to move the operations of the business to a branch office in case you have more than one physical site. The BCP need also to take into consideration the estimated costs of moving, setup and ongoing operations in the new facility (Debra, 2007).

The BCP should be able to address aftermath of disasters. This is by establishing specific stages that the organization will undergo in order to regain its original position. Sustaining market confidence requires the BCP to consider aspects of supply so that right after recovery
the company should be able to feed internal systems with materials used to generate the
goods. In case of consultative aspects the company should be able to sustain its operations
with the consulting agencies. Sustainability also incorporates insurance services, transitional
and disaster management agencies. Supplies and consultancies are strategic for the services
and the products of the organization in terms of repairs, replacements and adjusting of the
entire unit of production. The BCP should lay out how the equipment or its functions will be
replaced (for instance, you may switch to a Web hosting or e-mail hosting service until you
are able to replace your servers and get them operational again) (Debra, 2007).

2.3 The Role of a Business Continuity Plan

2.3.1 Prevention of Business Losses

The best time to plan for the management and response to a crisis is not at the time of
occurrence of the incident. You should plan for it long before, when everything is normal. It
has been established that organizations with no BCP apply crisis measures when a disaster
strikes. Some of the undefined methods used are costly and may affect the business for a long
time (Travellers Insurance In-synch, 2013).

Unless firms prepare in advance, disasters inevitably shut down business operations.
Businesses should not take long to resume normal operations. The longer they take in
recession the harder it will take them to gain their market position. This is due to market
forces like competition, credibility and reliability (Webber and Wallace, 2009). The
importance of business continuity planning has grown significantly over the past few years.
Most business entities are shifting from domestic economy to global economy. This explains
why a disruption in one region of the world may also affect businesses far away. Businesses
are interrelated in terms of ICT, supplies, distribution and in financial markets (Hiles, 2010;
Estall, 2012).

The explosion of online commerce has also changed the business landscape. Just a few years
ago, customers were willing to tolerate 24 hours of downtime. Today, with intense
competition and increased customer demands, most companies need to recover within hours
—at worst— and maintain their capabilities, even amid disaster conditions. The organization
should be able to see loses in monetary terms, physically by destruction of property and affectively by denting on the business reputation. The business can redeem itself by quick recovery from the disruption (Brody and Schmitten, 2012).

BCP has myriad benefits to the organization ranging from averting loss of life, destruction of property, financial losses in compensations and lawsuits and disruption of processes. Proactive measures will sustain the momentum of the business and enhance aggressive market expansion and capacity building. This is mainly for makeup and outlooks purposes (Livingstone, 2010).

It is important to understand exactly how the business operations and supply chains function, plus the business relationships that exist in the process. This is essential in order for the business to avoid contingent losses. Contingent losses are a type of risk that catastrophes can create for companies. Comprehensive BCP provide for structures that will withstand disruptions from unpredictable causes. This calls for test on extensiveness and the depth of the plan. This is a loss area that can catch the company by surprise, since many business continuity plans are structured to respond to a loss to the company, rather than to one or more of its vendors or customers (Melton and Trahan, 2009).

One way of getting compensation for a loss that may occur is through business interruption coverage. Zurich Risk Insurance notes that BCP should have an interruption coverage strategy. When a catastrophe strikes, the business may not make revenue therefore the BCP should address how the business will recover lost income and developmental opportunity. A good plan not only helps the business to regain its original position but enables the business recover losses and put in place mechanism to prevent losses from similar situations. Coverage strategies should be able to place the company abreast competitors while at the same time empowering it to greater level of sustainability (Brody and Schmitten, 2012).

When operations and risk management understand and discuss the risks to the organization, they can collectively determine what measures are needed to mitigate the risks and assess whether insurance should be part of the solution. This highlights the importance of
coordination between operations and risk management in the drafting and execution of the business continuity plan. Such coordination will help the organization physically, operationally and financially recover from a loss in a timely fashion (Melton and Trahan, 2009).

2.3.2 Restoration of Business Operations after Disaster
The goal of recovery and restoration operations is to ensure that essential services and products are delivered and fundamental operations of the business continue. The business should be able to re-establish destroyed machineries or equipment, re-deploy workers and reconnect the channels of communication. The company has options of either operating in a makeshift location before going back to the original location. Otherwise if the destruction is grounding the business may choose to relocate and do a total overhaul on facility related physical infrastructure (Kroll, 2011).

2.3.2.1 Communication
Indeed, in the immediate aftermath of a disaster, communication typically is interrupted. All individual actors are doing what they need to do without knowledge of what others are doing. Any disaster plan should assume that some workers would be unable to get to the office. If companies do not decide ahead of time who will be a source of information and who can make decisions, the risk of mistakes increases. External communication is key, particularly to large organizations. Suppliers, customers and competitors want to be confident that you have the situation under control and what it takes for the business to remain stable during the crisis (Kroll, 2011).

BCP should enable the business gain a substantial affective domain. This is because, disasters are unpredictable and they can befall any business. How the organization reacts to it matters a lot, not only to the business but to the customers. Accurate communication and successful handling of a crisis at the “golden hour” creates respect among the peers, customers and the employees. Stakeholders gain the confidence by the fact that a disaster struck, but it was overcome straight away. Customers, employees and suppliers remain loyal to the business (Reuvid, 2008).
2.3.2.2 Records and Information Management

An organization may need to plan for sustained continuity relations for a given time frame, depending on the resources, support relationships and the respective continuity strategy adopted. A documented and established vital records program is essential for the protection and recovery of mission critical records and for identifying those records required during a disruptive event. A business continuity plan for records and information must include clearly identified vital records to best allocate resources for their protection and recovery. Accurate identification of vital information is critical because this information establishes the legal status of the organization as a business entity, documents the assets and liabilities of an organization from a financial perspective and documents the operations of the organization, which enable production processes or other work to be accomplished (Jones 2011).

Disasters can result not only in wide-ranging damage to a company’s physical facilities, but also in compromised infrastructure, transportation and supply chains. They frequently damage communication systems, hamper emergency response units and strain civil support services. They impede the supply of parts and materials and complicate the job of rebuilding and recovery. In their wake, the paper trail documenting what was lost or destroyed – and what is required for the organization to recover its losses through insurance - often gets lost in the shuffle, making recovery even more difficult. As a result, it is critical that an organization take steps to track and preserve information (Melton and Trahan, 2009).

2.3.2.3 Arrangements for Backup Power

Different kinds of physical disasters such as hail and severe thunderstorms can lead to loss of electric power. Alternatively, power outage may be a disaster on its own, as it can destroy the circuit operating your drives or cause a huge loss of data in the computer memory (Kizza, 2009; Oja and Parsons, 2012).

For the continuity of business, the BCP should address what to do in case a long-term outage arises. If the organization has backup generators, it is good to confirm that whoever is in charge knows the fuel requirements and can easily switch the generator power, among other important issues. Besides, the planning should consist of the cost factors that should explain
the duration of running the generators. Since the cost of using generators to offer full electrical energy to an organization can exceed the one of using a power grid, the BCP should clarify when it is necessary to turn off the generator and close down other operations instead of running on generator power. The plan should also state the personnel mandated to make such a decision (Rittinghouse and Ransome, 2011).

2.3.3 Prioritization of Risk and Recovery
Organizations are leveraging competitive advantage by assessing their risks and managing them effectively. The first step towards a consistent recovery plan is to understand the risks that a business is exposed to (Anderson, 2005). A company must identify what the risks are, not only catastrophic events such as firestorms or earthquakes, but also of other risk such as operational disruptions or contingent impacts to significant vendors or customers in the supply chain. This will help the company to plan and design an appropriate recovery strategy (Greene, 2008; Snedaker, 2011). Past losses and claims are helpful indicators, but the largest losses affecting an organization often stem from events that management had not envisioned (Melton and Trahan, 2009).

Once the risks have been identified, there is need to analyze information and evaluate each potential risk as being high risk, moderate risk or low risk. That means you examine how each of your exposures is modified by other factors (Coetzee and Eloff, 2005). The factors include: the extent to which the impact of risk has been minimized by loss-prevention measures, the extent to which the impact of a risk has been reduced by contingency planning; what impact a loss in a particular area would have on the rest of the business; what priority the area at risk is given by senior management in their strategic plan (Njeru, 2008).

Since it is very expensive and resource draining to recover everything, the organization must decide what they cannot be fully protect, duplicate or save, following an event. The cost of mitigating the risk of records and information loss must be weighed against the value of information to the organization. This is done by determining the vulnerability of the records and by comparing the costs associated with the loss of the information against the cost of protecting or reconstructing them (Jones, 2011).
2.3.4 Protection of Essential Assets

The organization should be able to institute measures that will protect its assets from damages. Some of the assets include; Computers, equipment, machines power sources and distributors. Natural disasters such as earthquakes affect infrastructure such that they may cause the company to start new constructions. However, adhering to standard procedures of construction is a fundamental way of reducing the effects of such catastrophes. Some standards may provide for specifications that withstand fire, floods or earthquakes to a given degree. Infrastructural planning is critical, for instance in case of a collapse of a floor in a story building, one ought to establish the effect to other parts of the building and possible effects on electricity lines, on drainage and on communication system. Generally, BCP should be able to project on possibilities of impact and the spillover effects. Cyber insecurity due to hacking may also cause damage to information and machinery that function on the interface with the machines. Power disruptions may easily damage electronic facilities such as computers. In addition, this may lead to loss of important data (Calder, 2005).

Cyber-attacks may easily compromise important company information and jeopardize the privacy and operations of the organization. To ensure that not all these risks damage the business assets, a business continuity plan will outline all the measures that enhance protection of buildings against the risks caused by fire, for instance. Organizations try to protect their premises by training their employees in a bid to equip them with effective skills for curbing and fighting fires. Most organizations invest in backing up their data for the sake of enhancing continuity in case of a loss. Thus, business continuity planning ensures that information saved on electronic files and papers is also saved in other places so that should an incident arise and cause a loss, they will still recover important data (Calder, 2005).

2.3.5 Reduces Downtime in Operations

When business cannot deliver critical services and products to its customers, then the consequences can be severe. A Business Continuity Plan is a tool that allows institutions to not only to moderate risk, but also to continuously deliver products and services despite disruption. They thus reduce the downtime in operations and allow businesses to continue offering critical services and products to their customers. Whenever an organization fails to
take proper measures in planning for business continuity, especially in the face of risks or disasters, chances are a disastrous incident may cripple the business operations for good. For example, a business that has not invested in insurance for its assets risks losing them and it will be hard to reinstate its initial position (Kidow, 2011).

This means after disruption hits the company, the operations will come to a standstill and customers will be unable to get the required products or services. This is enough to push a company out of business because customers prefer fast services and any delay may just trigger them to visit the competitors, especially if no proper communication is made to inform them of the disruption and the approximate duration the organization is likely to resume business. Fortunately, a business continuity plan details every strategy such as operating at an alternative place, backing up important information, maintaining communication with suppliers and clients and generally ensuring that a business continues to operate despite the incident. This plan reduces downtime in the operations of the business (Kidow, 2011).

2.3.6 Allows for Remote Business Operation

Remote Business Operations regard to the unit based or departmental operation at a time when there is no complete inter-linkages of the business components. This allows the business components function in a form of tacit independence. However, they are all controlled at the managerial level. In essence, these modes of crisis operations rely on the management for communication and coordination with the rest of the units or the members. Remote Business Operations are not meant to discredit teamwork. The BCP should provide for mechanisms of ensuring that employees of a given unit work as a team. On normalcy the management sets coherence procedures which encompass all the units and communication channels. At this point, contacting external business parties is vital. It ensures that all the components related to the entity work as a unit (Hiles, 2010).

Even if the physical building no longer exists because of a disaster, employees and managers can still coordinate important business matters and keep in touch through phones, emails, text messaging and so on, from different locations. This will ensure that everything continues to
operate as usual, as they try to get back everything on track. However, without a business continuity plan, this will be difficult if not impossible (Hiles, 2010).

2.4 Problems Faced in Developing a Business Continuity Plan

2.4.1 Timeline in Developing the Plan

Business continuity plan constitutes a number of components that relate to the units of the organization and their relation to external and support systems. One of the approaches that BCP may take involves focusing on specific flagship products and services. It may also consider equipment and machinery. Others ensure that the BCP guarantees a safe landing after disruption on physical infrastructure. BCP should include empirical components such as the Business Impact Analysis (BIA), and Crisis Management Team (CMT). The design of the BCP will help the developers to know how long the process may take, when to include certain components and so on. It will also help in knowing how to go about on various components. For instance, the purpose of the Business Impact Analysis (BIA) is to identify the organization's mandate and critical services or products; rank the order of priority of services or products for continuous delivery or rapid recovery; and identify internal and external impacts of disruptions (Greene, 2008).

In its bid to develop the BCP, the senior management is supposed to organize for relevant workshops where experts can train the employees on critical aspects of the business continuity program such as emergency response, disaster recovery, risk mitigation and other relevant areas in order to enlighten them more about the process. Developing the plan also involves creating time so that the audits department can test the possible risks and crises and report back to the board for evaluation purposes. All these procedures require adequate time to plan, train, coordinate, test and implement. Besides, managers and employees are busy professionals and some of them may need additional time to perform their regular duties. Therefore, setting aside time to embark on the business continuity process may become challenging for most organizations (Babbie, 2011).
2.4.2 Identifying a Cost Effective Solution

Identification of a cost effective solution cannot be ignored during the exercise of BCP. Several things must be observed to find a cost effective solution. Opportunity losses and revenue losses directly affect the time taken for recovery. The cost of a recovery strategy is inversely proportional to the time permitted for recovery. It is essential to compare the cost of the possible recovery strategy with the actual loss due to outage before accepting the strategy. If the proposed solution costs much higher than the projected losses then it will not be possible to justify the investment to the management. With many providers in the market claiming to provide quality business continuity services, it takes research and consideration to find a cost effective solution to the organization’s business continuity planning needs (Myers, 2006).

Most organizations find it hard to identify quality but cost effective strategies. It is worth noting that continuity of a business takes effect after a major loss caused by a risk or disaster. Therefore, any strategy to enhance continuity should not be too costly to the business. When deciding on the suitable solutions, proper research is imperative and companies should know the value of their assets and then select solutions that will have a lower cost than the cost required to restore the business loss. In addition, an education and awareness program should be the initial step in trying to set the stage such that when people ask questions regarding impact on business, the response will be useful in arriving at a cost effective solution (Myers, 2006).

2.4.3 Carrying out Risk Analysis

You need to carry out an analysis of the probability and repercussions of crises that could affect your business. Risk analysis involves assessing the likelihood of a specific crisis occurring and its possible frequency. It also involves determination of the possible impact of crises on the operations of your business. This analysis should be able to help you identify the business functions that are essential to the daily operations of the business. This analysis will tell you the roles within your business that are not critical in the event of a disaster. Assessing the likelihood of occurrence of risks will help you grade the probability of a specific crisis-taking place, perhaps on a high, medium or low on a numerical scale. This will
assist to shape the attitude of your business towards each risk. It is important to analyse risks from the customer’s perspective (Broder and Tucker, 2011).

2.4.4 Managing Internal Audits
Internal audits are able to point out areas of weakness in the plan and suggest adjustments where necessary. The process may involve testing various units, processes, products and services of the business. There must be clarity on how they affect each other. The audit process should be able get firsthand information from the employees and related sub-units that carry responsibilities related to the BCP. An example of such sub-unit is the CMT. There may be need to discuss the recommendations from the auditors at different levels and finally with the management so that there is decisive actions on the plan. Recommendations stipulate strengths and weakness of the plan and the best practices that will see its success (Business Continuity Planning, 2003).

It is recommended that organizations review their BCP on a scheduled basis (annually or bi-annually). This will help the organization to make necessary adjustments either to the BCP or the business operations. It is also an opportunity to figure out how best new aspects can be introduced in the plan so that they are verified before the next review. Review may entail a specific aspect or component of the plan or the entire plan. Other forms of review may include use of the plan in a peer organization on case basis or hiring an independent consultancy (Myers, 2006).

2.4.5 Effectively Testing the Business Continuity Plan
Once your plan is ready, it needs testing to determine how well it can perform in case of an emergency. Simulation of crises is difficult task due to their nature, but you can rehearse and assess the plan against several possible scenarios in a paper-based exercise. You have to think of things that would cause most interruption and their probability of happening to your business are high. It is important to ensure that the plan covers each of the risks. In testing, you will need to ask yourself the following questions: Does the plan clearly set out the role of each employee in case of an emergency? Have the steps to take been set out? Is the order of the plan right so that priority actions will take place immediately after an incident to
minimize damage? You also need to make several phone calls to ascertain that the major contacts and phone numbers you were given are correct. Your plan should also be tested regularly even when your business has not gone through appreciable changes (Hiles, 2010).

Testing a BCP is a challenging process owing to the fact that it may not have a frame of reference. Testing is thus done with the set objectives within the plan as the frame of reference. That means that if the benchmarks within the plan are flawed, the testing will not meet its objectives. The other challenge on testing is how to find an appropriate case and context upon which to carry out the testing. Most of test cases are usually artificial or applied to another organization, but disasters remain unpredictable, thus the case testing may not work perfectly. However, once the organization decides to go for BCP testing, it ought to find a technical swing test from secondary to primary work locations; Application test; and Business process test. At minimum, testing is conducted on a biannual schedule (British Standards Institution, 2012).

2.4.6 Implementing the Plan
The process of implementing the plan should conclude the planning process and sets up a process to make sure that the plan continues to be relevant to the organization on an on-going basis. This process involves training your staff on how and when to use the plan, rehearse or exercise the plan to make sure that the staff are indeed able to execute the plan and lastly putting in place a maintenance process to keep the plan relevant and current. To make sure that the business continuity plan capability continues to reflect the scale, nature and complexity of the organization it supports, it is essential that all stakeholders and staff have full understanding of its contents. The process of implementing this plan is thus a challenge as all the staff must be made to understand its importance and be aware of the responsibilities and roles during a crisis or an emergency (Hiles, 2010).

2.4.7 Carrying out Monitoring and Evaluation
A BCP is a “living” document; changing in concert with changes in the business activities it supports. Senior management, the planning team or coordinator, team members, internal audit and the board of directors should review the plan at least annually. As part of that
review process, the team or coordinator should contact business unit managers throughout the financial institution at regular intervals to assess the nature and scope of any changes to the institution’s business, structure, systems, software, hardware, personnel or facilities. It is to be expected that some changes will have occurred since the last plan update. Software applications are commercially available to assist the BCP coordinator in identifying and tracking these organizational changes so that the BCP can be updated. All such organizational changes should be analysed to determine how they may affect the existing continuity plan and what revisions to the plan may be necessary to accommodate these changes. Lastly, the financial institution should ensure the revised BCP is distributed throughout the organization (Business Continuity Planning, 2003).

2.5 Measures to Enhance Business Continuity Planning in an Organization

2.5.1 Cultures of Risk Identification and Mitigation

Threats and risks are identified in the BIA or in a full-threat-and-risk assessment. Moderating risk is an on-going process and should be performed even when the BCP is not activated. Infrastructure that relies on external factors such as communication network, electricity supply and water systems should have alternatives. Solar power, wind power and generators may be of help in mitigating external effects on the business operations. Water can be stored in the business reservoirs and communication channels can be diversified. The company may communicate via the internet, telecommunication lines and the use of mobile phones (Myers, 2006).

Risk assessment should be conducted to develop response strategies which identify the events and the likelihood of those that could cause interruptions to the business services and processes, assess the impacts from loss of information and services from both the external and internal sources, assess criticality of all the business areas; and identify and prioritize, operations, and personnel provided by the external and service providers (Broder and Tucker, 2011).

Before preparing the business continuity plan, criticality of the information resources (data, applications, system software, networks, facilities) which support an organization’s critical
business process, both information systems processing and the end user personnel should also participate in the analysis (Broder and Tucker, 2011).

2.5.2 Create a Culture of Business Continuity
One of the things that the organization should consider as a long term strategy is the culture on BCP. This entails the organizational activities, management structures, the mindset of the staff and other support systems such as distribution, supplies and consultancies. Establishing an organizational culture is probably the most difficult and arduous requirement of any business continuity program but it is an essential element. An organization’s ability to respond to and its capacity to recover from a business disruption is directly linked to the level of business continuity understanding and experience within the organization (Myers, 2006).

Achieving the business objectives, setting an outlook and expansion of the business require number things in place. First is the internal factors of continuity plan, second is the external factors and the third is the regulatory and audit systems. It is important for both internal and external mechanisms of regulation and evaluation to be effected on the plan (Hile, 2010).

2.5.3 Invest in Business Resilience
There is evidence for the rationale that underpins the business case for resilience with research generally supporting the view that a business is prepared to cope strategically with disasters and the cries that follow, the better its chances for long term survival and preservation of value. Majority of the workers lack confidence that their employer is well prepared for a disaster or can recover quickly from one. Employees may also not feel safe in their workplace during a disaster (Hile, 2010).

Companies, institutions and governments use the results of BIA to establish a continuity plan related to their services or products. The plan has to be strategic so that it can withstand both social and physical challenges that may affect the operations. The architectural designs of their buildings, installations, accessories and the robustness of the product are some of the critical aspects to be considered in the plan. For instance, if there is flooding that hinders
operations on the floor of the premise, the business may relocate or use alternative drainage mechanisms such as hydraulic expunging or water diversions (Gartner Research, 2001).

2.5.4 Setting Realistic Recovery Objectives
A business effect and impact analysis should inform recovery objectives. Practical worries and fears that relate to the business should be given priority. Learning from previous incidents in the same organization or peer organizations can help in building a practical plan. Data from the resource centre relating to the nature of products and the strength of the physical infrastructure is also vital in formulating recovery objectives (Gartner Research, 2001).

A recovery strategy should indicate the level of services that the company is able to provide at various stages during and after operational disruptions. In formulating a recovery strategy, insurance companies should assess the results of the business impact analysis as well as the interdependency among critical services, as these are key factors in determining the recovery priority of individual services and operations. This involves the determination of an alternate recovery site, total number of recovery personnel and the related workspace, applications and technology requirements, office facilities and vital records required for the provision of such levels of service (Gartner Research, 2001).

2.5.5 Understanding the Organization
According to Daft (2005), an organization is a legal entity with functional internal system of components and support components in the external system. It is objective and goal oriented. According to this definition, organizations are social entities -organizations are made up of people. They are goal-directed – they exist for a specified purpose. As an entity the organization entails interaction with external support systems. Therefore one has to envisage an organization in terms of closed or open system and their relation. The structure should be able to accommodate inter organizational operations while at the same time sustaining the organizational identity. It also shows that organizations are deliberately structured and coordinated activity systems - activity systems are clusters of work activities performed by designated units or departments within an organization (Gartner Research, 2001).
The more your staff (at all levels of the organization) know and understand your BC arrangements, the more efficient their response, and thus your recovery will be. If individuals are aware of what a disruption might feel like and the discomfort it can create, they may be more able to adapt if a real disruption occurs. An informed team of employees on the BCP will save the business from unnecessary damages. Employees understand the physical infrastructure of the business, this enables them undertake rescue activities with ease. Even more, they will be able to contribute vital and novel ideas on the plan long before any disruptions (Hile, 2010).

2.5.6 Providing a Budget for the BCP with a Strong Committee to Implement the Plan
Organizational crisis require personnel, expertise and financial capacity. Good planning requires some financial reserves in the budget for not only emergencies but as a component within the continuity plan budget. The organization must institute measures that will match capacity in terms of its staff, finance and physical assets. The three areas are the pillars upon which the committee of the recovery plan will rely. The monetary investment and the number of staff that deal with organization's recovery and continuity plan vary depending on organization's size, function and structure (Greene, 2008).

Organizational structure can help in the implementation of the continuity plan. This happens when departments are informed of the plan and inculcate it at the departmental level. The organization may also constitute a monitoring and evaluation team drawn from all departments. This will guide on interdepartmental coordination. At the top level, the management may assign one of the directors the responsibly related to the continuity plan. For the teams to function in spite of personnel loss or availability, it may be necessary to multitask teams and provide cross-team training (Livingstone, 2010).

2.6 Chapter Summary
This chapter looked at the literature written regarding Business Continuity Plan. It has been divided on the basis of each research objective. The next chapter is on the research methodology.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction
This chapter explains the methods and procedures that were used to carry out the research. The discussion on the research design helped to identify, define and justify the design used and its suitability to the study. The chapter explains the population and sampling design, the methods used to collect data, research procedure, the data collection procedure and the data analysis.

3.2 Research Design
Research design is a strategy, plan or structure for conducting a research project. The purpose of the research design is to ensure that the evidence obtained enables you to give a response to the initial question without ambiguity. Obtaining the right evidence simply means specifying the type of evidence needed to answer the research question, assessing a program, testing a theory or accurately describing a certain phenomenon. In other words, the research design requires a researcher to ask: from the given research question or theory, what type of evidence will be sufficient to test a theory or answer a given question convincingly? There is no connection between research design and the data collection method; you can use the research design with any data collection method. Besides, you can use either quantitative or qualitative data (Mitchell & Jolley, 2012).

This research adopted a descriptive survey. The design was suitable because it involved answering essential fact finding questions like Who, Where, How, When, Which, and How much (Cooper and Schindler, 2001). The use of descriptive study was essential for this study because, usually, the study entailed observing subjects within their natural setting and such observation can lead to use of reliable and accurate information (Britt, 2006).

The research assessed how business continuity plan affects the insurance industry in Kenya by focusing on the case of the African Trade Insurance Agency. To achieve this assessment, the researcher developed the study on four main research questions. Furthermore, the researcher administered questionnaires to various respondents.
Descriptive studies are usually based on previous understanding of a research problem (Zikmund, 2003). The researcher integrated this aspect by consulting a number of reputable and authoritative sources written by experts of business continuity planning, particularly in the insurance industry. This helped to find reliable information from secondary sources to help reinforce the understanding of the research problem.

Moreover, descriptive survey helps to identify and describe the variables which exist in a certain situation and to explain the correlation between those variables thus helping to portray a picture of a certain phenomenon. Examples of descriptive statistics are the measures of central tendency like mode, median, range, mean variance, standard deviation, measures of dispersion and frequency (Cooper and Schindler, 2003).

3.3 Population and Sampling
3.3.1 Population
Population is the total collection of elements with common observable characteristics that form the basis of making some inferences (Mugenda and Mugenda, 2003).

The target population for this study was managers and staff of the African Trade Insurance Agency. They were suitable respondents for the study because of their full involvement in the business continuity process for the organisation. The population size was 32 (27 staff and 5 managers) distributed as shown in the Table 3.1 below.

<table>
<thead>
<tr>
<th>Staff/Duration in the organization</th>
<th>0-2 years</th>
<th>2-3 years</th>
<th>3-5 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Staff</td>
<td>5</td>
<td>12</td>
<td>10</td>
<td>27</td>
</tr>
</tbody>
</table>

3.3.2 Sample Design
A sample design refers to a road map or framework that acts as a basis for selecting a survey sample. It affects several essential aspects of the survey too. Broadly speaking, survey researchers prefer obtaining some kind of information by conducting a survey for a certain
population of interest. One should define the sampling frame, which represents a population of interest and where the sample can be obtained. A sample design gives the methodology and basic plan for selecting a sample. The sample design may be complex or simple (Lohr, 2010).

3.3.2.1 Sampling Frame
The sampling frame can be part of a population or identical to that population. It may also relate to the population indirectly (Lohr, 2010). The sampling frame for this research was provided by the Human Resource Specialist and it included underwriters and managers from the African Trade Insurance Agency who were part of the entire population in the organization that embraced business continuity planning.

3.3.2.2 Sampling Technique
The sampling technique used in this study was non-probability sampling. Usually, researchers use non-probability sampling when the individual elements of a population lack the equal likelihood of being selected to be members of the same sample. The research used non-probability sampling because it generated samples easily and because it was less expensive.

There are two main types of probability sampling: quota sampling and convenience sampling. Convenience sampling entails getting the participants anywhere you can and typically in convenient places. Quota sampling is the second kind of non-probability sampling. Quota sampling uses convenience sampling to get its participants though it involves ensuring that a sample resembles the population on various characteristics (Mitchell & Jolley, 2012). Therefore, this research used the quota sampling because it ensured that the researcher only selected adequate participants with the appropriate characteristics – those who take part in the process of business continuity planning.

3.3.2.3 Sample Size
A sample size refers to the number of units within a population that has characteristics of interest that one should study. A sample is the scientifically drawn group, which has similar characteristics to the population if it’s drawn randomly.
In selecting the sample size, one should consider the method of data analysis to use. Thus, if a researcher uses descriptive methods like frequency, mean or median, then almost any sample size can apply (Saunders, 2006). Therefore, using the above methodology, this study used a sample size of 32, distributed as shown in Table 3.1 above.

### 3.4 Data Collection Methods

The method of data collection instruments uses primary data and secondary data. Primary data refers to the collection of data that is unique to the specific research and that has never been used by others before. There are different ways to collect primary data and some of the more common ones are through interviews, questionnaires and case-studies. Secondary data is the term used for data that has already been collected for a specific purpose and then is used again during other circumstances for other reasons (Saunders, 2006).

The Primary source of data collection method used in the study included the use of questionnaires. According to Sekaran (2003), a questionnaire presents a pre-formulated written set of questions to which respondents record their answers and can be administered and personally mailed to the respondents or electronically distributed. Primary data was used using a structured questionnaire that contained close-ended questions. Closed questions helped the respondents make fast decisions that were chosen among several alternatives while open-ended questions allowed the respondents to answer the questions in ways they found. The questionnaire had five sections, legibly presented in a good layout that included tables for ease of response from the participants.

### 3.5 Research Procedure

The questionnaire used in this research was pretested to establish how it would work in this research. Stressing on the importance of pre-testing a questionnaire, (Gill and Johnson, 2002) asserts that the researcher should carry out a pilot study. This helps to provide great feedback in terms of the focus, phraseology, clarity and intelligibility of the questions to the respondents. Pretesting allowed for error detection and is the best tool for training any research team prior to the actual data collection (Webber and Wallace, 2009). The questions were tested using 5 individuals randomly selected from the target population. The researcher
selected these participants for the pilot study and asked them to fill out the questionnaire. The pilot study helped to modify and remove any ambiguous items on the questionnaire used in the study. Blank spaces, inaccurate responses and lack of clarity were checked and corrections made when revising the instrument. After pretesting, the questionnaire was administered to the selected participants through their departmental secretaries. The research kept good communication with the secretaries to ensure that they had given out the questionnaires to the participants.

The questionnaire included a message at the end that coined the purpose, the information and treatment of the same information with confidentiality. This was meant to iron out any suspicions that the participants would have against the research. In addition, the researcher collected phone contacts participants for communication concerning filling and returning of the questionnaire.

3.6 Data Analysis Methods
The filled questionnaires were collected from the participants throughout the departmental managers. The response rate was 78% of the total 32 that was initially administered for filling. For ease of analysis, data from questionnaires was sorted, organized and presented through tables and charts. Eventually, organized data was analyzed using the Statistical Package for Social Sciences, SPSS.

3.7 Chapter Summary
The research design used was descriptive design. The population under study included management and underwriting staff from the African Trade Insurance. A sample size of 32 respondents was chosen. Primary data was collected from the sample through a questionnaire after pretesting the respondents. Data interpretation and analysis was done by utilizing the SPSS software.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction
This chapter highlights the analysis of data and discusses the research findings. The findings presented relate to the research questions which guided this study. The data was analyzed to specifically identify, explore and describe the effects of business continuity plan in the insurance industry in Kenya: A case study of the African Trade Insurance Agency. The researcher obtained data using self-administered questionnaires. The findings are based on a 78% response rate (25 respondents).

4.2 General Information
The general information is presented in the following way: education level, department of operation, work experience and other general questions.

4.2.1 Education Levels of the Respondents
Forty eight percent of the respondents had graduate level education, 16% (4) had college education 20 % (5) had university education while 16% (4) had doctoral level of education. This information is reflected in Table 4.1.

Table 4.1: Education Levels of the Respondents

<table>
<thead>
<tr>
<th>Level of Education</th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
</tr>
<tr>
<td>Secondary level</td>
<td>0</td>
</tr>
<tr>
<td>College level</td>
<td>4</td>
</tr>
<tr>
<td>University level</td>
<td>5</td>
</tr>
<tr>
<td>Graduate level</td>
<td>12</td>
</tr>
<tr>
<td>Doctorate level</td>
<td>4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>25</strong></td>
</tr>
</tbody>
</table>
4.2.2 The Department of Operation

In the questionnaire, the respondents were required to tick a specific department that they operate in. So far, underwriting had the highest number of respondents that is 7 of them comprising of 28% of the entire sample. Those in the management were 5 comprising of 20%. The risk or credit analysis department had 3 respondents (12%) and the Information Technology department had 2 respondents (8%). Those from the finance department were 4 (16%), only 1 person worked with the claims department (4%). Lastly, 3 respondents (12%) were from other departments that were not included in the questionnaire; that is procurement and administration as shown in Table 4.2.

<table>
<thead>
<tr>
<th>Department</th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
</tr>
<tr>
<td>Management</td>
<td>5</td>
</tr>
<tr>
<td>Underwriting</td>
<td>7</td>
</tr>
<tr>
<td>Claims</td>
<td>1</td>
</tr>
<tr>
<td>Risk/Credit Analysis</td>
<td>3</td>
</tr>
<tr>
<td>IT</td>
<td>2</td>
</tr>
<tr>
<td>Finance</td>
<td>4</td>
</tr>
<tr>
<td>Other Departments</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>25</strong></td>
</tr>
</tbody>
</table>

4.2.3 Working Experience

The results showed that 6 respondents (24%) have been in the organization for two years and below. Another 24% (6 in number) have been working at the organization for at least 5 years. Conversely, 13 respondents (52%) have a working duration of 3 - 5 years as shown in Table 4.3 below.
Table 4.3: Working Experience

<table>
<thead>
<tr>
<th>Working Experience</th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
</tr>
<tr>
<td>0-2 years</td>
<td>6</td>
</tr>
<tr>
<td>3-5 years</td>
<td>13</td>
</tr>
<tr>
<td>More than 5 years</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>25</td>
</tr>
</tbody>
</table>

4.2.4 Presence of a BCP in the Organization

The results show that 24 respondents (96%) said yes and only one of them (4%) was not sure. This indicates that nearly everyone has an understanding of the organization and knows that the organization has a business continuity plan as shown in Table 4.4.

Table 4.4: Presence of a BCP in the Organization

<table>
<thead>
<tr>
<th>Does the organization have a business continuity plan</th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
</tr>
<tr>
<td>Yes</td>
<td>24</td>
</tr>
<tr>
<td>No</td>
<td>0</td>
</tr>
<tr>
<td>Not Sure</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>25</td>
</tr>
</tbody>
</table>

4.2.5 The Importance of Business Continuity Planning for the Organization

The results show that 96% (24) confirmed that it is important. Only one respondent (4%) was not sure as shown in Table 4.5.
Table 4.5: The Importance of Business Continuity Planning for the Organization

<table>
<thead>
<tr>
<th>Importance of a BCP for your organization</th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
</tr>
<tr>
<td>Yes</td>
<td>24</td>
</tr>
<tr>
<td>No</td>
<td>0</td>
</tr>
<tr>
<td>Not sure</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>25</td>
</tr>
</tbody>
</table>

4.2.6 Existence of Documented Policies and Procedures

The results show that 100% of the respondents confirmed that the organization has documented policies and procedures. This is paramount as it helps to restore the services of a business in case there is any interruption in a section of the business.

4.2.7 Delayed Issuance of Policies and Payment of Claims

From the response, 84% (21) of the respondents answered yes, 8% (2) of them answered no and another 8% (2) said they were not aware as reflected in Figure 4.1.

Figure 4.1: Delayed Issuance of Policies and Payment of Claims
A greater percentage of the respondents understand the adverse impact that a business interruption would have to the business. Given that information pertaining to various policies and payment of claims is stored in electronic and paper form, an interruption may lead to the loss or damage of these documents thus making it hard for the business to pay claims to its clients. Therefore, by admitting that interruption of the business operations will delay issuance of policies and payment of claims, these respondents show that they understand the significance of business continuity planning because if the organization has a BCP, it will devise techniques to ensure that any disruption, because of a disaster or risk, won’t stall its operations such as payment of claims. For example, the management will train the employees on better ways to recover lost information and communicate with clients (Hiles, 2010).

4.2.8 Informing Clients and Partners in Case of a Downtime in Operations

The question asked the respondents whether they have a way of informing their clients and partners in case the organization experiences a downtime in operations. The results show that 17 of the respondents (68 percent) said yes, 2 of them (8 percent) said no and 6 of them (24 percent) were not sure as reflected in Figure 4.2.

![Figure 4.2: Informing Clients and Partners in Case of a Downtime in Operations](image)

From these results, a greater number of the respondents (68%) understand that it is essential to keep in touch with clients at all times, especially when there is an interruption to the operations of the business. An organization must have a BCP to keep in touch with its clients in case of an interruption or downtime. A downtime for just a few minutes may lead to a
massive loss of clients and jeopardize the survival of the business. However, an organization that invests in business continuity planning will set up alternative ways to inform the clients of the downtime and its cause, in addition to when the operations would resume. Once clients are informed, they will have trust in the organization and come back for more services after the downtime elapses (Kidow, 2011).

4.2.9: Types of Risks the Neighborhood Business May Pose
The question asked the respondents whether they had thought about the types of risks that the neighboring businesses could pose. From the results, 64% (16) of the respondents answered yes and only 9 of them (36%) answered no as shown in Figure 4.3.

![Risks from Neighboring Businesses](image)

**Figure 4.3: Risks from Neighboring Businesses**
Most of the respondents were aware of the fact that risks within the neighborhood could affect their business. This is consistent with research, which shows that a business is susceptible to risks that neighboring businesses may pose. Such risks may include fire and other natural disasters. By being aware of the possibility of such risks existing, an organization will develop a business continuity plan that will help to mitigate such risks because if there is no such a plan, the operations of the business will come to a halt because of risks from the neighborhood (Slater, 2012).
4.3 Components of a Business Continuity Plan

4.3.1 Crisis Management Plan
The researcher wanted to find out the major components of a business continuity plan. The results of the study showed that the respondents agreed that the crisis management plan is an essential element of the business continuity plan (mean = 4.48, standard deviation = 0.92) with a small variation of data (Cov = 0.21).

4.3.2 ICT Continuity Plan
The second component was the ICT continuity plan and the respondents agreed that the ICT continuity plan was a significant component of a business continuity plan (mean = 4.76, standard deviation = 0.44) with a small variation of data (Cov = 0.092).

4.3.3 Business Continuity Coordinator Plan
The respondents agreed that a business continuity coordinator plan is part of the business continuity plan (mean = 4.40, standard deviation = 0.65) with a small variation of data (Cov = 0.15).

4.3.4 Business Resumption Plan for Critical Business Units
The respondents agreed that a business resumption plan for critical business units was among the components of a business continuity plan (mean = 4.48, standard deviation = 0.71) with a small variation of data (Cov = 0.16).

4.3.5 Business Recovery Plan
Most of the respondents claimed that a business recovery plan was a component of the business continuity plan (mean = 4.44, standard deviation = 0.87) with a small data variation (Cov = 0.20).

4.3.6 Others
In addition to these components, other components of a business continuity plan, based on the open-ended questions, included; business continuity management policy, crisis
management team, alternative location, common data section plan and business units' continuity plan. The findings are shown in Table 4.6.

**Table 4.6: Components of a Business Continuity Plan**

<table>
<thead>
<tr>
<th>Components</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Index (Coefficient of variation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Crisis management plan</td>
<td>4.48</td>
<td>0.92</td>
<td>0.21</td>
</tr>
<tr>
<td>2. ICT continuity plan</td>
<td>4.76</td>
<td>0.44</td>
<td>0.092</td>
</tr>
<tr>
<td>3. Business continuity coordinator plan</td>
<td>4.40</td>
<td>0.65</td>
<td>0.15</td>
</tr>
<tr>
<td>4. Business resumption plan for critical business units</td>
<td>4.48</td>
<td>0.71</td>
<td>0.16</td>
</tr>
<tr>
<td>5. Business Recovery Plan</td>
<td>4.44</td>
<td>0.87</td>
<td>0.20</td>
</tr>
</tbody>
</table>

**4.4 Role of Business Continuity Plans**

**4.4.1 Prevention of Business Losses**

The majority of the respondents agreed that a business continuity plan helps in the prevention of losses (mean = 4.52, standard deviation = 0.77). The results for this section had a relatively small variation of data (Cov = 0.17).

**4.4.2 Restoration of Business Operations**

Most of the respondents agreed that a business continuity plan helps in the restoration of business operations after disaster (mean = 4.80, standard deviation = 0.41) with a small variation of data (Cov = 0.17).
4.4.3 Prioritization of Risk Recovery
From the results, a majority of the respondents agreed that a business continuity plan assists in prioritization of risk recovery (mean = 4.40, standard deviation = 0.64) with a small variation of data (Cov = 0.15).

4.4.4 Protection of Essential Assets
The study established that according to most respondents, a business continuity plan helps in the protection of essential assets (mean = 4.44, standard deviation = 0.77, cov = 0.17).

4.4.5 Reduce Downtime in Operations
On the other hand, a majority of the respondents agreed that a business continuity plan reduces downtime in operations, especially after crisis or disaster disrupts the business operations (mean = 4.52, standard deviation = 0.77, cov = 0.17).

4.4.6 Allow for Remote Business Operation
Many respondents agreed that a business continuity plan allows for remote business operation particularly after a business encounters a disaster or any other risk that may interfere with its normal operations (mean = 4.44, standard deviation = 0.92, cov = 0.21).

4.4.7 Others
In addition to the 6 closed questions, this section had one open-ended question that required respondents to include other roles played by a BCP in an organization. Only a few respondents answered this question. They suggested that a BCP plays the following roles: prevents mass exit of staff or staff lay off, it helps the organization to anticipate risks and put in place effective solutions, allows for succession and planning in case of loss of any staff members and gives confidence to the business stakeholders and other business partners.
Table 4.7: The Role Played by a Business Continuity Plan in an Organization

<table>
<thead>
<tr>
<th>Components</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Coefficient of variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Prevention of business losses</td>
<td>4.52</td>
<td>0.77</td>
<td>0.17</td>
</tr>
<tr>
<td>2. Restoration of business operations after disaster</td>
<td>4.80</td>
<td>0.41</td>
<td>0.085</td>
</tr>
<tr>
<td>3. Prioritization of risk recovery</td>
<td>4.40</td>
<td>0.64</td>
<td>0.15</td>
</tr>
<tr>
<td>4. Protection of essential assets</td>
<td>4.44</td>
<td>0.77</td>
<td>0.17</td>
</tr>
<tr>
<td>5. Reduce downtime in operations</td>
<td>4.52</td>
<td>0.77</td>
<td>0.17</td>
</tr>
<tr>
<td>6. Allow for remote business operation</td>
<td>4.44</td>
<td>0.92</td>
<td>0.21</td>
</tr>
</tbody>
</table>

4.5 Problems in Developing Business Continuity Plans

4.5.1 Timeline

Like all the other projects, developing a BCP will encounter a number of challenges. The researcher sought to find out the specific challenges that affect the Kenyan insurance industry during the creation of a business continuity plan. A majority of the respondents claimed that one of the challenges that organizations face while developing a business continuity plan is the timeline required to develop the plan (mean = 4.16, standard deviation = 0.62) and the data had a relatively small variation (Cov = 0.15).

4.5.2 Identifying a Cost Effective Solution

Apart from this, many respondents claimed that when developing a business continuity plan, organizations face the challenge of identifying a cost effective plan (mean = 4.36, standard deviation = 0.57).
4.5.3 Carrying Out the Risk Analysis
Carrying out risk analysis is one of the challenges that organizations do face when creating their BCP, and most of respondents suggested this as well (mean = 4.48, standard deviation = 0.59, cov = 0.13).

4.5.4 Management of Internal Audits
A few respondents agreed that management of internal audits is a problem faced in developing a business continuity plan (mean = 3.92, standard deviation = 0.20) with a slightly greater variation of data (Cov = 0.24). Other respondents either disagreed or were not aware.

4.5.5 Effectively testing the Business Continuity Plan
However, most participants claimed that effectively testing of the business continuity plan is a problem faced in most organizations (mean = 4.64, standard deviation = 0.49).

4.5.6 Implementing the Plan
A greater portion of the respondents claimed that implementing the plan is a major challenge for organizations (mean = 4.44, standard deviation = 0.51) and there was a relatively small variation of data here (Cov = 0.03).

4.5.7 Carrying out Monitoring and Evaluation
Moreover, many respondents agreed that carrying out monitoring and evaluation can be problematic during the development of a business development plan (mean = 4.48, standard deviation = 0.51, cov = 0.03).

4.5.8 Others
A few respondents answered the open-ended question that required them to give other problems faced in creating and implementing the BCP. The additional challenges given are: difficulty in convincing members of staff on the urgency and importance of the plan, creating time to train staff members and develop the plan and some people may not view business
continuity planning as a priority in the organization. All the three additional challenges seem to fall under implementing the plan as the major challenge.

Table 4.8: Problems in Developing BCP

<table>
<thead>
<tr>
<th>Components</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Coefficient of Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Timeline in developing the plan</td>
<td>4.16</td>
<td>0.62</td>
<td>0.15</td>
</tr>
<tr>
<td>2. Identifying a cost effective solution</td>
<td>4.36</td>
<td>0.57</td>
<td>0.13</td>
</tr>
<tr>
<td>3. Carrying out the risk analysis</td>
<td>4.48</td>
<td>0.59</td>
<td>0.13</td>
</tr>
<tr>
<td>4. Management of internal audits</td>
<td>3.92</td>
<td>0.20</td>
<td>0.24</td>
</tr>
<tr>
<td>5. Effectively testing the BCP</td>
<td>4.64</td>
<td>0.49</td>
<td>0.11</td>
</tr>
<tr>
<td>6. Implementing the plan</td>
<td>4.44</td>
<td>0.51</td>
<td>0.03</td>
</tr>
<tr>
<td>7. Carrying out monitoring and evaluation</td>
<td>4.48</td>
<td>0.51</td>
<td>0.11</td>
</tr>
</tbody>
</table>

4.6 Enhancing Creation of a Business Continuity Plan

4.6.1 Culture of Risk Mitigation and Identification

The researcher sought to find out the different ways through which an organization can enhance the creation of a business continuity plan. A majority of the respondents claimed that an organization can enhance the creation of a business continuity plan by instilling a culture of risk identification and mitigation (mean = 4.32, standard deviation = 0.85, Cov = 0.24).
4.6.2 Culture of Business Continuity
Most of the respondents agreed that creating a culture of business continuity is one of the ways in which an organization can enhance the development of a business continuity plan (mean = 4.48, standard deviation = 0.51).

4.6.3 Investing in Business Resilience
In addition to this, organizations enhance the creation of a business continuity plan by investing in business resilience (mean = 4.16, standard deviation = 0.75).

4.6.4 Setting Realistic Recovery Objectives
Furthermore, setting realistic recovery objectives is among the ways of enhancing the creation of a business continuity plan in an organization (mean = 4.36, standard deviation = 0.49).

4.6.5 Understanding the Organization’s Functions
Also, a great number of respondents confirmed that understanding the organization’s functions goes a long way to encourage the creation of the business continuity plan (mean = 4.24, standard deviation = 0.83).

4.6.6 Providing a Budget with a Strong Committee for Implementation
Moreover, most of respondents suggested that providing a budget for business continuity with a strong committee to implement the plan is another way through which an organization can enhance the development of the business continuity plan (mean = 4.36, standard deviation = 0.44) with a relatively small variation of data (Cov = 0.10).

Additionally, a few participants provided other ways for enhancing the creation of a BCP in an organization and these include involvement of all employees, appointing BCP team leaders to drive and maintain the plan for respective business units, investing in IT and investing in BCP training for the employees.
Table 4.9: Enhancing Creation of a Business Continuity Plan

<table>
<thead>
<tr>
<th>Components</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Coefficient of Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Instill a culture of risk identification and mitigation</td>
<td>4.32</td>
<td>0.85</td>
<td>0.20</td>
</tr>
<tr>
<td>2. Create culture of business continuity</td>
<td>4.48</td>
<td>0.51</td>
<td>0.11</td>
</tr>
<tr>
<td>3. Invest in business resilience</td>
<td>4.16</td>
<td>0.75</td>
<td>0.18</td>
</tr>
<tr>
<td>4. Setting realistic recovery objectives?</td>
<td>4.36</td>
<td>0.49</td>
<td>0.11</td>
</tr>
<tr>
<td>5. Understanding the organization’s functions</td>
<td>4.24</td>
<td>0.83</td>
<td>0.20</td>
</tr>
<tr>
<td>6. Providing a budget for the business continuity plan with a strong committee to implement the plan</td>
<td>4.36</td>
<td>0.44</td>
<td>0.10</td>
</tr>
</tbody>
</table>

4.7 Chapter Summary

On the components of a business continuity plan, most of the respondents agreed that the main components include a crisis management plan, ICT continuity plan, business continuity coordinator plan, business resumption plan for critical business units, and the business recovery plan. The general mean for this section is 4.512, which lies between the ‘agree’ and the ‘strongly agree’ sections of the likert-scale.

On the roles played by a business continuity plan in an organization, the study established that the main roles are prevention of business losses, restoration of business losses after disaster, prioritization of risk and recovery, protection of essential assets, reduction of downtime in operations and facilitation of remote business operation. The general mean for this section is 4.52 indicating that most of the respondents agreed with the section.

On the problems faced by organizations in developing a business continuity plan, the research established that the main problems include timeline in developing the plan,
identifying a cost effective solution, carrying out the risk analysis, management of internal audits, effectively testing the business continuity plan, implementing the plan and carrying out monitoring and evaluation. Many respondents agreed with all the parts except on the management of internal audits where most respondents were either unaware of or simply disagreed.

On the ways in which an organization enhances the creation of a business continuity plan, many respondents claimed that these ways are; instilling the culture of risk identification and mitigation, creating a culture of business continuity, investing in business resilience, setting realistic goals, understanding the functions of the organization and providing a budget for the business continuity plan with a strong committee to implement the plan.

Chapter five will discuss and draw conclusions and recommendations on the findings of the data analysis based on the specific objectives of the study and research questions.
CHAPTER FIVE

5.0 DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction
This chapter discusses the research findings and highlights the significant aspects of the findings while linking the same to literature review and the related research. It also highlights whether the research questions were answered as well as whether the objectives were met. Thus, the chapter looks at the discussion of the research findings, the conclusions made and recommendations for further research.

5.2 Summary
This research sought out to find out the effects of a business continuity plan in the insurance industry in Kenya – the case of African Trade Insurance Agency. The objectives of this study were identifying the components of a business continuity plan, outlining the roles played by a business continuity plan in an organization, explaining the problems faced by an organization in developing a business continuity plan and identifying ways used by an organization to enhance the creation of a business continuity plan.

As far as the methodology used in the study, descriptive analysis was used because of its reliability and accuracy in obtaining information. The population used in the study included the managers and staff of the African Trade Insurance Agency. The sample technique used was nonprobability sampling and particularly, quota sampling. The research used a sample size of 32 which is about 78% of the target population. A questionnaire was the main instrument of data collection and the researcher pretested the questionnaire on 5 individuals before the actual data collection. The researcher analysed data using descriptive statistics with the help of SPSS software.

From the demographic data results, the response rate to the questions was 78% for the closed questions and at least 36% for the open-ended questions. It is clear that the African Trade Insurance Agency has competent professionals who not only understand the significance of a business continuity plan, but also prepared to implement it within the organization. This is
because most of the staff have worked in the organization for over three years hence understand the common risks and crises that could affect the organization.

On the components of a business continuity plan, most of the respondents agreed that a crisis management plan was a component of the BCP (mean = 4.48, standard deviation = 0.92). On the ICT Continuity Plan, most of the respondents agreed with the fact that the BCP should comprise of an ICT continuity plan (mean = 4.76, standard deviation = 0.44). Regarding the Business Coordinator Continuity plan as a component of the BCP, the results showed that staff members were enlightened on business continuity and particularly the relevance of the coordinator (mean = 4.40, standard deviation = 0.65). From the results, most of the respondents claimed that a business resumption plan for critical business units should be part of the Business Continuity Plan (mean = 4.48, standard deviation = 0.71). Moreover, many respondents agreed that the other component of the BCP is the business recovery plan (mean = 4.44, standard deviation = 0.87).

On the role played by a business continuity plan, most of the respondents agreed that a BCP helps in prevention of business losses (mean = 4.52, standard deviation = 0.77). The results showed that almost all the respondents believed that a BCP can restore business operations following a disaster (mean = 4.80, standard deviation = 0.41). From these results, it was evident that most of the respondents appreciated the fact that a BCP helps to prioritize risk and recovery (mean = 4.40, standard deviation = 0.64). Clearly, a majority of the entire sample acknowledges that a BCP helps to protect business assets (mean = 4.44, standard deviation = 0.77). The respondents claimed that a business continuity plan helps to reduce downtime in operations (mean = 4.52, standard deviation = 0.77). In addition, most of the respondents agreed that a BCP allowed for remote business operation (mean = 4.44, standard deviation = 0.92) and a small variation in data (Cov = 0.21).

Most of the respondents claimed that the timeline required to develop the plan is a challenge (mean = 4.16, standard deviation = 0.62) with a smaller data variation (Cov = 0.15). A majority of the respondent stated that identifying a cost effective solution was a challenge in the development of a BCP (mean = 4.36, standard deviation = 0.57). Most of the respondents
mentioned that carrying out the risk analysis was a challenge that organizations face in developing a business continuity plan (mean = 4.48, standard deviation = 0.59).

A few of the respondents agreed with the fact that managing internal audits can be a challenge in developing a BCP (mean = 3.92, standard deviation = 0.20). The findings suggested that effectively testing the business continuity plan was a challenge for most organizations (mean = 4.64, standard deviation = 0.49). According to most respondents, implementing the plan was a challenge for most organizations (mean = 4.44, standard deviation = 0.51). The majority of the respondents agreed that carrying out monitoring and evaluation is challenging during the development of the BCP (mean = 4.48, standard deviation = 0.51).

From the feedback provided by the respondents, organizations should instill a culture of risk identification and mitigation to enhance the creation of a business continuity (mean = 4.32, standard deviation = 0.85) with a small variation of data (Cov = 0.20). Most respondents claimed that an organization should create a culture of business continuity as a way of enhancing the establishment of a business development plan (mean = 4.48, standard deviation = 0.51). A vast majority of the respondents acknowledges the fact that investing in business resilience will enhance the creation of a BCP (mean = 4.16, standard deviation = 0.75).

The results obtained showed that most of the participants in the sample population agrees with setting realistic recovery objectives (mean = 4.36, standard deviation = 0.49). Understanding the organization’s functions is one way that an organization can use to enhance the creation of its business development plan (mean = 4.24, standard deviation = 0.83). Providing a budget for the BCP with a strong committee to implement the plan is another step of enhancing the development of a continuity plan in a company according to the suggestions of most respondents (mean = 4.36, standard deviation = 0.44) though with a relatively small variation of data (Cov = 0.10).
5.3 Discussion

5.3.1 Components of a Business Continuity Plan

The findings showed that a crisis management plan is an essential component of a BCP. This should include actions that the organization will take in case of a disaster, steps the organization follows to ensure that its operation run smoothly in the time of the disaster and the long term programs of the organization after the resolution of the emergency (Barnes, 2004).

The management should understand the need for crisis planning, outline possible disasters, recognize the possible consequences, determine the level of risk in each crisis and identify the strategies to prevent the disaster and to cope with its occurrence and plan all the responsibilities. There should be a crisis manager to access the crisis, assess the damage, track the events, manage all the legal requirements, develop the contingencies and control the information and expectations. He or she should determine whether the effects of the crisis would be short term or long term, find the cause of the event and guard cash flow (Barnes, 2004). When dealing with financial matters, the manager should delay payments, increase sales, reduce expenses and reschedule loans. However, when dealing with people, it is important to have a spokesperson, avoid negative information about the organization, avoid telling lies through the media and use the media to give reassurance to the stakeholders (Blyth, 2009).

The findings also revealed that an ICT continuity plan is an important component of the BCP. The organization should outline the preventive measures such as creating an alternative site to operate when repairing the server, have spare software and hardware to replace the ICT systems, get backups of the databases, files servers and primary systems. In addition, their management should keep copies of important documents that are not in the website of suppliers or partners in disaster-proof safes (Blyth, 2009).

According to the findings, a business continuity coordinator plan is the third component of a business continuity plan. The business should hire a coordinator to help in the development of BCP procedures, changing management, administration, ensuring personnel’s with duties
and recording all exercises and tests. In addition, the coordinator calls for assistance in case of an emergency.

The findings showed that a BCP should contain a business resumption plan for critical business units. The resumption plan enables the organization to recover its functions in time, minimizes loss of customers, maintain a good public image, reduce loss of data and reduce stress in making the decisions during the time of crisis (Barnes, 2004). The business resumption plan will help the business operations to survive tragic disasters by meeting the needs of the client on time. It also identifies arrangements that are necessary in case of an emergency and ensures that equipment; services, personnel, information and financial arrangements are readily available.

Lastly, the organization should have a business recovery plan as part of its BCP. Such a plan helps to restore the operations of the organization immediately and to reduce the financial and physical damage after the disaster. It also indicates the length of time in which the operations of the business will run as usual. It must include the recovery time goals, the equipment, staff and resources that must be available for the operations to run smoothly and the procedures to follow to recover the business operations in the shortest time possible (Barnes, 2004).

It is important to identify your risks and check whether your insurance policy covers all the perils. After a crisis, the insurance fund will assist you to run the business operations normally. In addition, if your supplier is at risk of a disaster, it is best to find a different supplier and ensure that you have a good customer base to survive (Blyth, 2009).

5.3.2 Roles of a Business Continuity Plan
On prevention of business losses, the BCP outlines ways of communication with regulators, customers, government, vendors, employees, media and the emergency personnel. In addition, it should include the alternate telecommunication techniques to avoid failure of operations when the primary providers fail to deliver their services (Snedaker, 2011).
The BCP communicates to the employees on the crisis and the evacuation instructions. The management must communicate with personnel in remote and dispersed locations. The plan allows the management to provide contact information to ensure communication with every employee during a crisis to prevent halting of operations that may increase losses (Snedaker, 2011).

The business continuity plan ensures restoration of business operations after a disaster. The plan includes ways to restore business operations after a disaster. The safety of the employees is very important and the management should inspect the building to ensure that it is stable and secure, ensuring employees only access areas that are free of water, liquid spills, debris or dust. Also, ensure the electrical equipment do not endanger the employees, make sure that the employees’ access clean water and clean working environment (Graham and Kaye, 2006). The employees may suffer from anxiety after the disaster and counseling from a professional is necessary. The business may assign different tasks to the employees, therefore provide the necessary training and use a fair selection of the employees.

A good BCP should analyze and prioritize possible risks that may affect the organization through information and records. The records manager should know how to recover the records, their location, recovery time and the appropriate resources. The analysis should comprise of updates, accessibility, location, media type, electronic records and vital records (Graham and Kaye, 2006). The vital records include rights of customers and employees, financial and legal rights and proof of the business assets and liabilities. You can protect the vital records by dispersing them to various departments, duplicating the records or storing them in another building. The business should have automatic generators or solar panels to avoid blackouts that may result to data loss and disruption of normal operations. This will ensure smooth operation of the business (Goh, 2006).

The management should assess the consequences and probability of risk of the calamities. The results will help to prioritize risks by ranking them from the least to the most critical. This will help to find the necessary resources to manage the consequences of the disasters.
Risk prioritization involves identification, assessment, prioritization, tracking, planning, frequent monitoring to assess current risks and identifies new ones (Snadeker, 2011).

It is important to insure your assets against calamities though the cover may fail to protect them against all the events. The business can protect its assets using liability insurance, which protects organization against asset damages or lawsuits and you can recover the damages from legal fees and lawsuit. Another method is to create a limited liability corporation where the owners are not personally liable for the debts or liabilities of the company. In addition, you can get property owner insurance for the business where the building gets protection against fire damage, burst pipes, floods and broken windows (Goh, 2006).

A good business continuity plan helps to reduce the downtime, which costs businesses millions of shillings annually due to loss of production and customers. In addition, brings hope to the management that not all is lost. The managers can use the information they have on copies, secure safes or records they put in other departments or branches to conduct business. In addition, they may use the internet, media or phones to communicate to their suppliers, customers, investors, and customers (Graham and Kaye, 2006).

Lastly, the findings showed that a BCP allows for remote business operation. Disasters and certain risks like fire usually destroy the business premises making it hard for an organization to carry out its functions. However, a business continuity plan details how the business can continue running in spite of the disruption or loss of the building. With a good BCP in place, managers and employees can still operate from an alternative physical building and still meet the needs of their clients. However, without a business continuity plan, it will be very hard for business operations to continue (Graham and Kaye, 2006).

5.3.3 Problems an Organization Faces in Developing a Business Continuity Plan
It is very important to allocate enough time and resources in preparation of a good business continuity plan. This will ensure assessment of critical risks that are likely to face the business organization and preparation of the appropriate recovery procedures. However, the
business continuity plan may not cover all the risks that may affect the business because some risks are rare and lack proper control measures for example migration of customers to neighboring countries due to political violence or drought. In addition, the employees may call in sick after an outbreak of a certain disease in the country and may not be available in case of the emergency (Heng, 2008).

It is essential to get a cost effective BCP. This will ensure that your business is not incurring further losses in the recovery procedure. The business will incur losses when the down time is longer causing customers to move to the competitors’ brand. The management faces challenges as it strives to ensure that the business is operating with the tight budget. In addition, the customer may lose confidence in the organizations goods or services running to the competitors’ brand. This is a drawback recovery of the business financially and loss of good public image (Picket, 2010).

In addition, analyze all the risks that might be facing your business to ensure proper planning of recovery and protection strategies. Analyzing the risks will help the management to draw more attention to the disaster that is more likely to occur and get the appropriate protection techniques (Heng, 2008).

The internal auditors should evaluate the BCP procedures to enable the business to maintain its operations during a calamity. The auditor may perform a risk assessment to ensure that the ranking of risks is correct and to review the BCP to determine whether the procedures are applicable to the business at the current time (Picket, 2010).

Implementation of the BCP requires one to have a map of all businesses, business locations, functions and how they relate with each other, have a map of IT services, know the ways of conducting business and know how to asses failure zones. Most organizations find this challenging (Picket, 2010).

Testing a business continuity plan is a major challenge in many businesses. They require thorough preparation, funding, careful planning and a management support. In addition, the
process should include pretests, test, post-test evaluation and further monitoring (Heng, 2008).

5.3.4 Measures to enhance business continuity planning in an organization

The organization should aim at minimizing the risks at all times. Adopting the culture of risk identification and mitigation will trigger behaviors and values that influence risk prevention among employees and management, which will achieve the business goals effectively. Therefore, the management needs to train the employees to enhance critical thinking when making decisions. Good communication is important to ensure the risk information is available throughout the business (Hiles, 2010).

The management should avoid poor selection of suppliers by getting the detailed information about vendors including their customer references and not just relying on the records of accomplishment they post in their website. This will ensure the business does not trade with unreliable suppliers who may increase the probabilities of risks (Goh, 2006).

Creating a culture of business continuity influences the management and employees to do whatever they can to minimize the downtime and improve communication in the organization. This is the highest level of maturity in an organization and the culture benefits the organization. Therefore, in case of a disaster the business is able to run its operations normally in the shortest time possible (Jackson, 2006).

The organization should invest in business resilience. The employees and the management should adapt to external or internal changes such as demand, disruptions, opportunities or disasters. However, the management can educate its employees on various risks facing the business in order to increase their confidence in the organization. The management can put CCTV, alarms, sensors to deliver security in the building. Therefore, employees will feel safe and more confident with the organization (Jackson, 2006).

Next, it is important for the organization to set realistic goals. The objectives should be set depending on the needs of the business, potential risks and the funds available. You should
review all the controls set to make sure the business can meet the desired goals. It is also important to identify vulnerable areas and to take the necessary controls to mitigate risks (Talbot and Jakeman, 2011).

The management and the employees should understand the organization and functions. The employees should understand the business capabilities and internal resources, stakeholder interests, social network and interests and know the effect of economic, environmental, political and other factors affecting the business. The employees should understand the flow of command in the business to ensure effective flow of information (Talbot and Jakeman, 2011).

Allocating a budget is important to ensure that the business is operating after a disaster. This will help the business to cater for small items contract consultations to other expenses such as buying building repairs, generators, or even setting up a new enterprise (Jackson, 2006).

5.4 Conclusion

5.4.1 Components of a Business Continuity Plan
An organization requires a crisis management plan to be able to avert risks and crises that might disable its operations. Employees who work in an organization for a longer period of time have a better understanding of the crises that may affect the organization. Crises can be from within the business or its neighborhood. The ICT continuity plan is an essential element of a BCP because it helps to prevent IT related risks.

5.4.2 The Role of a Business Continuity Plan
A business continuity plan plays a number of roles. The first one is prevention of business losses; without a good BCP, disasters can stall business operations and lead to loss of customers. The second role is restoration of business operations after a disaster. Third, a Business Continuity Plan helps to prioritize business risk and recovery. Fourth, the plan helps to protect essential assets that help in the daily running of the business. Additionally, the business continuity plan reduces down time in operations.
5.4.3 Problems Faced in Developing a Business Continuity Plan
Organizations face several problems while developing a BCP. The first one is the timeline in creating the plan. Developing this plan entails consultation, evaluation, testing, training and so on, which may take a long time. The second problem is identification of a cost effective solution. Third, carrying out risk analysis is challenging because it is difficult to ascertain the likelihood and frequency of one risk occurring compared to the other risks. Fourth, it is challenging to manage internal audits and fifth, effectively testing of the business continuity plan can be challenging because the nature of the possible disasters makes it hard to accurately test and simulate them. The other challenge is on implementation, monitoring and evaluation.

5.4.4 Enhancing the Creation of a Business Continuity Plan
Organizations can enhance the creation of a BCP in various ways. The first one is to instill the culture of risk identification and mitigation. The second way is to create a culture of business continuity, which has to do with training and involving all employees in business continuity. The third one is investing in business resilience, which means creating an environment that allows everyone to be prepared to face any risk. The fourth way is to set realistic recovery objectives in line with assessment of the RIA results. The last way is providing a budget for the business continuity plan with a strong committee to implement it.

5.5 Recommendations
5.5.1 Recommendations for Improvement
5.5.1.1 Components of a Business Continuity Plan
First, organizations should continually update employees in different business units on the kind of risks that can affect those units and the need to find ways to mitigate those risks. Such information will make it easy for the internal auditors to find information that will help them in testing and evaluating various risks that may affect the organization. It will also prevent the halting of operations conducted by respective business units in case of a risk.
5.5.1.2 Role of a Business Continuity Plan
The African Trade Insurance Agency should set aside time and resources to train and educate its staff on several roles that a business continuity plan plays in an organization. The first one is prevention of business losses. From the research, a section of the respondents either disagrees or does not know the fact that a business continuity plan helps to prevent losses. Training them on this will help considerably to reinforce their knowledge on the roles played by a business continuity plan.

The second area that requires training is prioritization of risk and recovery as the role played a business continuity plan. Third, the management should organize an educational program that will illustrate to its employees how the business continuity plan helps in prevention of essential assets. In addition to these areas, the organization should train its employees on other roles played by a business continuity plan including protection of essential assets, reducing downtime in operations and allowing for remote business operation.

5.5.1.3 Problems Faced in Developing a Business Continuity Plan
Several respondents did not know or disagreed with the fact that management of internal audits can be a problem in the development of a business continuity plan. It is paramount that the African Trade Insurance Agency educates its staff on the role played by internal auditors in developing the business continuity plan and on how the auditors coordinate with the board. The auditors should also work closely with employees in different business units, which will help such employees to understand the fact that management of internal audits can be a challenge.

5.5.1.4 Enhancing the Creation of a Business Continuity Plan
A few of the respondents (about 20 per cent) were not aware that investment in business resilience is one of the ways through which an organization can enhance the development of a business continuity plan. The senior management should consider educating its employees on this aspect, which will also go a long way to make them ready to mitigate or prevent any risk.
In addition to this, management should try to show its staff the relationship between understanding the company’s functions and business continuity. Also, it is worth training the employees on risk identification and mitigation to help them know how that relates to business continuity.

5.5.2 Suggestions for Further Research
The objective of this research was to find out the effects of the business continuity plan in the insurance industry in Kenya using the case of the African Trade Insurance Agency. From the findings of the study, a business continuity plan is a critical tool in the insurance industry and may determine the closure or continuation of business operations in case of a crisis. Therefore, further research should be carried out to find out the effect of a business continuity plan in other industries as well including the retail, banking and automotive industries.
REFERENCES


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Syong, G. C. Introduction to Business Continuity Planning. NY: SANS


Dear Sir/Madam,

I am an MBA student at United States International University. In fulfillment of my research report, I have designed a questionnaire to gather information aiming to evaluate the effects of Business Continuity Planning using the African Trade Insurance Agency as a case study.

The study to be carried out is for a project paper that acts as a partial fulfillment for the course of Business Research Methods. The information that you share will be treated extremely confidential and at no instance will it be used for any other purpose other than for this project.

Your assistance will be highly appreciated. I look forward to your prompt response.

Yours Faithfully,

Sheila Ongas
Researcher
APPENDIX II: QUESTIONNAIRE

Section A: Bio Data
Please fill out the following particulars:

Generic Questions

1. What is your level of Education?
   A. Secondary
   B. College
   C. University
   D. Graduate
   E. Doctorate

2. What department do you fall under?
   A. Management
   B. Underwriter
   C. Claims
   D. Risk / Credit Analysis
   E. IT
   F. Finance
   Other (please specify): ..........................................................................................................

3. For how long have you been working with the organization?
   A. 0 – 2 years
   B. 3 – 5 years
   C. More than 5 years

4. Does the organization have a business continuity plan?
   A. Yes
   B. No
C. Not sure □

5. Do you think business continuity planning is important for your organization?
   A. Yes □
   B. No □
   C. Not sure □

6. As key industry players, do you have documented policies and procedures?
   A. Yes □
   B. No □
   C. Not sure □

7. Will a business interruption delay issuance of policies and paying of claims to your clients?
   A. Yes □
   B. No □
   C. Not sure □

8. Do you have a way of informing your clients and partners in case of a down time in operations?
   A. Yes □
   B. No □
   C. Not sure □

9. Have you thought about the types of risks your neighboring businesses may pose?
   A. Yes □
   B. No □
   C. Not sure □
SECTION B: COMPONENTS OF A BUSINESS CONTINUITY PLAN

The modules of a business continuity plan are an essential guide to an organization intending to create the continuity plan. Indicate the extent to which you agree that the following elements are critical for the plan in which the likert-scale options have been assigned values 1 to 5 (1 for strongly disagree, 2 for disagree, 3 for not aware, 4 for agree and 5 for strongly agree). Tick where appropriate.

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<td>Business continuity coordinator plan</td>
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Does the business continuity plan have other components not indicated herein?

________________________________________________________________________

________________________________________________________________________
CTION C: ROLE PLAYED BY A BUSINESS CONTINUITY PLAN IN AN ORGANIZATION

Today's business environment, there are many risks, which can bring the business to a complete halt. But the business continuity plan can minimize these risks. Indicate the extent which you agree that the BCP plans will assist with the following in which the likert-scale ions have been assigned values 1 to 5 (1 for strongly disagree, 2 for disagree, 3 for not sure, 4 for agree and 5 for strongly agree). Tick where appropriate.

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<td>Prevention of business losses</td>
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<td>Restoration of business operations after disaster</td>
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<td>Prioritization of risk and recovery</td>
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<td>Protection of essential assets</td>
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<td>Reduce downtime in operations</td>
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<td>Allow for remote business operation</td>
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At other roles do you think the business continuity plan plays in the organization?
SECTION D: PROBLEMS AN ORGANIZATION FACES IN DEVELOPING A BUSINESS CONTINUITY PLAN

Like all other projects, creating a BCP plan will face several challenges. Indicate the extent to which you agree that the following encounters may be experienced in which the likert-scale options have been assigned values 1 to 5 (1 for strongly disagree, 2 for disagree, 3 for not aware, 4 for agree and 5 for strongly agree). Tick where appropriate.

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<td>4. Management of internal audits</td>
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<td>5. Effectively testing the business continuity plan</td>
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<td>6. Implementing the plan</td>
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<td>7. Carrying out monitoring and evaluation</td>
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What other problems do you think arises in creating and implementing a business continuity plan for the organization?
SECTION E: WAYS IN WHICH AN ORGANIZATION ENHANCES THE CREATION OF A BUSINESS CONTINUITY PLAN

The organization can assist to create the BCP. Indicate the extent to which you agree that the company can help in the following ways in which the likert-scale options have been assigned values 1 to 5 (1 for strongly disagree, 2 for disagree, 3 for not aware, 4 for agree and 5 for strongly agree). Tick where appropriate.

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<td>Invest in business resilience</td>
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<td>Setting realistic recovery objectives</td>
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<td>Understanding the organization’s functions</td>
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<td>Providing a budget for the business continuity plan with a strong committee to implement the plan</td>
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Do you know of other techniques that the organization can use to enhance the creation of a business continuity plan?

Thank you for sparing your valuable time to complete this questionnaire. The information you provided will be treated with utmost confidentiality; only to be used for research purposes.