

**BUSINESS CONTINUITY MANAGEMENT AS A STRATEGIC
CONSIDERATION FOR MIALE EDUCATION CENTRE IN
KENYA**

BY:

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DECLARATION

This research project is my original work and has not been presented for examination in any other university.

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This project has been submitted for examination with my approval as University Supervisor.

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Finally I would like to thank all the respondents who took part in my research and agreed to be interviewed.

DEDICATION

This project is dedicated to my husband Nicholas and my daughters Natalie and Melanie who are my pillars of inspiration and source of strength.

ABSTRACT

In the wake of threats of terrorism, political unrest, climate change among other phenomenon, which possess threat to the businesses, besides internal factors like staff turnover, loss of critical business data (information system related), there is need for businesses to put in place strategies for disaster preparedness and recovery in the face of these threats. Business Continuity Management plan is to be prepared, and have a Business Continuity plan and aims to ensure that businesses are able to quickly recover from disruptions. A resilient business community creates a resilient County. This study looked at Business Continuity Management as a strategic consideration for Mile Education Center. The study opens with a research problem and outlines the objectives that we process that provides a framework to ensure the resilience of a business to any eventuality, to help ensure continuity of service to the key customers and the protection of the brand and reputation. The study also delves into literature review of the materials in the field of Business Continuity Management as well as business strategy. The next part discusses the methodology of the study while giving justification of the research design. The next part discusses the results obtained from the study and drawing of conclusions. The research project also highlights the areas and opportunities for further research.

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CHAPTER ONE: INTRODUCTION

1.5 Background of the Study

In the wake of threats of terrorism, political unrest, climate change among other phenomenon which possess threat to the businesses, besides internal factors like staff turnover, loss of critical business data (information system related) there is need for businesses to put in place strategies for disaster preparedness and recovery in the face of these threats.

All corporate organizations whether profit or not for profit operate in a world of uncertainty. The ability to correctly identify, promptly analyze, manage and mitigate risk and uncertainty is increasingly seen as a critical management skill that vastly enhances the quality of corporate governance and performance.

Business Continuity Management means therefore that the organization is meant to be prepared, and have a Business Continuity plan and aims to ensure that businesses are able to quickly recover from disruptions. A resilient business community creates a resilient country.

Business Continuity is a management process that provides a framework to ensure the resilience of a business to any eventuality, to help ensure continuity of service to the key customers and the protection of the brand and reputation. It provides a basis for planning to ensure a long-term survivability following a disruptive event.

Organizations have varying degrees of dependence on the external environment, particularly for the resources they require to operate. This therefore poses a problem of organisation facing uncertainty in resource acquisition (Aldrich, 1999) and raises the issue of firm's dependency on the environment for critical resources. Often, the external control of these resources may reduce managerial discretion, interfere with the achievement of organisational goals, and

ultimately threaten the existence of the focal organisation (Scott, 1998). Confronted with the costly situation of this nature, management actively directs the organisation to manage the external dependence to its advantage.

Business continuity plans need to be clear, concise and tailored to the needs of the business. Unplanned events can have catastrophic effects and the disruptive incidents can come from political incited chaos, accidents, criminal activity or natural disasters. Business Continuity should become part of the way business is performed. It is better to plan for incidents, which may affect your business, rather than having to "catch up" when a problem occurs. This project will focus on Miale Education Centre. The project will evaluate the strategies that have been put in place by the Centre for continuity, crisis management, recovery systems, facilities and the people aspects of business continuity management (BCM).

The project is designed to assess the preparedness of organizations to implement special arrangements for continued operations of critical operations of critical business functions in the event of major operational disruptions. Strategies are successful when they create a unique value proposition for the consumer and strategy execution is the most important determinant of strategic success.

1.1.1 Concepts of Strategy

According to Wicks (2013) strategic management is the process in which an organization develops and implements plans that espouse the goals and objectives of that organization. The process of strategic management is a continuous one that changes as the organizational goals and objectives evolve. Businesses engage in strategic management to ensure that they adapt to trends and external changes such as globalization. Several key concepts characterize strategic management and the development of organizational goals.

At the core of the strategic management process is the creation of goals, a mission statement, values and organizational objectives. Organizational goals, the mission statement, values and objectives guide the organization in its pursuit of strategic opportunities. It is also through goal setting that managers make strategic decisions such as how to meet sales targets and higher revenue generation. Through goal setting, organizations plan how to compete in an increasingly competitive and global business arena.

Analysis of an organization's strengths and weaknesses is a key concept of strategic management. Other than the internal analysis, an organization also undertakes external analysis of factors such as emerging technology and new competition. Through internal and external analysis, the organization creates goals and objectives that will turn weaknesses to strengths. The analyses also facilitate in strategizing ways of adapting to changing technology and emerging markets.

Strategy formation is a concept that entails developing specific actions that will enable an organization to meet its goals. Strategy formation entails using the information from the analyses, prioritizing and making decisions on how to address key issues facing the organization. Additionally, through strategy formulation an organization seeks to find ways of maximizing profitability and maintaining a competitive advantage.

Strategy implementation is putting the actual strategy into practice to meet organizational goals. The idea behind this concept is to gather all the available and necessary resources required to bring the strategic plan to life. Organizations implement strategies through creating budgets, programs and policies to meet financial, management, human resources and operational goals. For the successful implementation of a strategic plan, cooperation between management and other personnel is absolutely necessary.

A final concept is monitoring of the strategy after its implementation. Strategy monitoring entails evaluating the strategy to determine if it yields the anticipated results as espoused in the organizational goals. Here, an organization determines what areas of the plan to measure and the methods of measuring these areas, and then compares the anticipated results with the actual ones. Through monitoring, an organization is able to understand when and how to adjust the plan to adapt to changing trends.

1.1.2 Business Continuity Management

Business Continuity is a management process that provides a framework to ensure the resilience of your business to any eventuality, to help ensure continuity of service to the key customers and the protection of the brand and reputation. It provides a basis for planning to ensure your long-term survivability following a disruptive event.

Business Continuity Plans need to be clear, concise and tailored to the needs of the business. Unplanned events can have catastrophic effects and the disruptive incidents can come from political incited chaos, accidents, criminal activity or natural disasters. Business Continuity should become part of the way business is performed. It is better to plan for incidents, which may affect your business, rather than having to "catch up" when a problem occurs. Business Continuity needs to be considered by small companies as well as larger corporations. Bank of Uganda reviewed the risk management guidelines (RMGs) issued to Supervised Financial Institutions (SFIs) in 2002. The purpose of the review was to incorporate new risk areas into the guidelines and emphasize the need for stress testing and business continuity planning within SFIs.

1.1.3 Private Secondary Education in Kenya

The demand for education in Kenya has historically put pressure on public school system. Secondary schools in Kenya fall into three categories – government funded, harambee and private. Private secondary schools in Kenya are generally high cost, offering students an alternative system of education with better or more luxurious facilities compared to public schools. They are often favoured for prestige. Most private schools in Kenya offer the British system of education which includes “O-levels” and “A-levels”.

The importance of secondary education globally has grown considerably especially in developing countries with the success of Universal Primary Education (UPE). Expansion of secondary education in Kenya has resulted from government, development partner, and private providers support for basic education.

A review of secondary education development in Kenya indicates that the number of secondary schools increased from 2,678 in 1990 to 3,999 (11.3% private) enrolling 0.870 million students in 2003 and 4,215 (13% private) schools enrolling 1.03 million students (10% in private schools) in 2006 and 1.7 Million in 2010 (8% private). The number of secondary schools has increased from a total of 6,566 secondary schools in 2008 to 7,308 in 2010. The GER for secondary increased from 27.3 % (28.8% for boys and 25.7% for girls) in 1999 to 47.8 % (50.9 for boys and 46.3 for girls) in 2010.

A feature of the past ten years has been the increasing levels of private provision of education across all levels. In 2008, 171,097 secondary school children representing 12.31% of total enrolment were in private secondary schools. However, growth in numbers of Private Secondary Schools has been restricted largely by the high cost of establishing such

facilities as science e and computer laboratories, the lack of land and more generally through the absence of incentives for potential entrepreneurs. The Government acknowledges the need to create incentives to encourage Private Sector investment in education. (Policy Framework for Education Paper of April, 2012)

Kenya Vision 2030 places great emphasis on the link between education and the labour market, the need to create entrepreneurial skills and competences, and the need to strengthen public and private sector partnerships. This has considerable importance for the structure and focus of the education system and curriculum.

1.1.4 Miale Education Centre

Miale Education Centre is a Premier Private Christian-Based Girls High School that runs the 8-4-4 system of education in the outskirts of Eldoret Town, Uasin Gishu County. Miale provides a holistic education focused on both academic and non-academic areas. This extensively prepares students by enabling them acquire good sense of self-awareness, sound moral direction and equip them with skills, knowledge and attitudes to face current challenges and become responsible citizens.

Miale provides a meeting point for the parents, teachers, children and community to interact with an aim of ensuring that they develop next level of leaders, patriotic citizens and great influencers to drive positive change in communities they come from. To achieve this, the institution focuses on quality education, wholesome development of the child, equipping the students with life-long skills for their benefit and benefit to society.

Miale Education Centre is committed to delivering exceptional standards of school care and education and an uncompromising attention to quality, safety in all facilities.

Miale instils a sense of responsibility in their students and ensure everyone lives up to our creed captured in our values of Integrity, Responsibility, Mutual respect, Teamwork and touching lives forever. While the classrooms provide nourishment for the cognitive development, Miale provides a great environment where mind is nurtured, clubs, sports provides opportunities for renewal of the body. The institution has an engaging pastoral programme that ensures that every child grows as God fearing person.

The school has a nurse to attend to medical issues and make referral for cases that require further management. Each parent/guardian is expected to make arrangement for the medical needs of their child. Parents are encouraged to provide the school with the contacts of the family doctor and where medical cover available, the medical card should be availed to school management for ease of referral. The school management undertakes to inform the parent/guardian of any medical emergency at the shortest opportunity and consult on the best available alternative where it is practicably possible.

Regular risk assessments are done and high risk areas identified and marked as per the Occupational Health and Safety guidelines. Miale focuses on high quality holistic education and each student has nonstop opportunities to challenge self, expand their horizons, and grow as a responsible individual and independent. The academic program has been designed to enable each learner to make the most of their time while at Miale. The school offers a strong foundation for pursuit of higher learning while acquiring entrepreneurial and leadership skills for personal growth. The students are taught to be ambitious, productive and humble. (Miale Strategy Paper 2012).

1.2 Research problem

The process of putting in place a functional business continuity management program can enable a business to survive during such times. The BCM as a concept is necessary condition for any organization or business. It implies to what extent organization is resilient to any unexpected eventuality.

BCM is an organization strategy and designed process to provide capability for an effective response that safeguards the interests of its stakeholders. It is a holistic management process that identifies potential threats to an organization and the impacts to business operations those threats if realized might cause and which provides framework of building organizational resilience with the capability for an effective response that safeguards the interests of its key stakeholders, reputation, brand and value-creating activities. Also the management of the overall programme through training, rehearsals, and reviews, to ensure the plan stays current and up to date.

Kenya has in the past experienced acts of terrorism, floods and unrest such the 2008 post election violence disrupted many businesses and led to a crisis in the country where the essential commodities could not reach the intended consumers. Farm produce were rotting in the farms while the urban people were starving. The oil trucks were being way laid and the petroleum products rose to a record high.

The products were also destroyed by rioting groups, there was looting burning this led to massive losses. The schools in different parts of the country have experienced diverse disasters. The fires in school have been rampant in some cases faulty electricity connection, arson acts among others have been attributed to these fire. The fires incidents have in some cases have resulted in fatalities.

The studies in the area have focused on impact of disaster, disaster awareness among the community members; to identify the disaster preparedness facilities and equipments, to establish measures put in place to enhance disaster preparedness; and to come up with mechanisms on how to enhance disaster preparedness. Achoka & Maiyo (2008) did a study on Horrifying Disasters in Western Kenya and; Impact on Education and National Development. Ministry of Special Programmes developed a policy; National Policy for Disaster Management (March 2009), giving guidelines on how to be proactive in handling disasters while noting the inadequate policy and legal framework and lack of standard operating procedures. The gaps noted in this area of study are that it has not demonstrated how schools and organizations have linked the BCM to their overall business/organization strategy.

The study will aim to fill this gap by looking at the way the Centre has linked the BCM to the overall business strategy through risk assessments, BCM strategy, staff, BCM audits, testing and documentation. This study therefore will seek to critically determine the extent to which Miale Education Centre has incorporated BCM in its overall strategy.

1.3 Research Objectives

To establish the extent of disaster preparedness in Miale Education Centre and the extent to which the Business Continuity Management linked to the overall organizational strategy.

1.4 Value of the Study

Policy making process involves a lot of research and fact finding complex process. This study will provide policy makers with a body of knowledge on key areas of disaster management process as a strategic consideration in institutions. Government institutions will find this study crucial in making policy decisions on how to deal with the increasing disasters especially in education institutions.

To the managers in the education industry the study will assist in identifying gaps in BCM and ways of bridging these gaps suggesting suitable strategies in BCM. This will help the sector in being better prepared when disruptions occur to reduce the effect of the disruption in the sector.

To Miale Education Centre the study will add value by identify practices in the education sector and thereby helping in sharing industry best practice. This will aid in developing and revising a more comprehensive disaster preparedness plan in the centre that will support is business continuity management. This study will also aid the centre in reviewing its internal policies. To the government this research will provide information on Business Continuity Management to enhance service delivery to the organizations during time of any eventualities.

To the academia the findings of this study will contribute to the pool of knowledge that will form part of literature for future scholars. It will highlight Business Continuity Management issues and thereby generate interest in these areas for further research.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

In this chapter the importance of BCM will be discussed and the business risks analysed. The ways of mitigating those risk evaluated to ensure that an organization faces minimal loses when disaster strikes. According to Elliot (2002) BCM is broadly defined as a business process that seeks to ensure that organizations are able to withstand any disruption to normal functioning.

2.2 Importance of Business Continuity Management

According to Mukhopadhyay (2005) some of the disastrous situations can be avoided through advance planning and farsightedness. Crisis management techniques can be used only to ameliorate some of the destructive effects. BCM can be used in achievement of business objectives. Business Continuity affects everyone; customers, staff, the community, the economy. BCM processes would help reduce on the impact of disaster. With the implementation of a working BCM leads to a good corporate governance and in return firm profitability.

By implementing a Business Continuity Plan your business will increase its recovery capabilities dramatically. According to Elliot (2004) that means you can make the right decisions quickly, cut downtime and minimise financial losses. Preparedness is the key as it gives confidence. Having Business Continuity Management (BCM) in place demonstrates a duty of care to your customers and suppliers. It's a visible way of meeting your customers' expectations and emphasising due diligence to key stakeholders. It helps safeguard your company's reputation. BCM will ensure you continue to operate and to meet legal, regulatory and contractual obligations.

Through good BCM businesses can be protected because it means that the management of the business is ready for any incident that may cause a disruption to the business. The process of developing the BCM enables the management to do a stock take of its business operations hence a better understanding of the process. This leads to process improvement and overall efficiency of the organization and cost reduction.

Benefits of Business continuity planning are; it reduces exposure, improves business understanding, and reduces downtime. It provides legal compliance secures assets and helps to avoid liability and it leads to improved security. It protects the markets as well as according opportunity for cross functional training.

BCM is a business-owned, in the study (Elliott, 2002) business-driven process that will establish a fit-for-purpose strategic and Operational framework that will provide the following values:proactively improving organization's resilience against the disruption of its ability to achieve key objectives, providing a rehearsed method of restoring organization's ability to supply key products and services to an agreed level within an agreed time after a disruption; and delivering a proven capability to manage a business disruption and protect organization's reputation and brand.

2.3 Business Environment – Risks and Risk Mitigation

All types of risks keep changing and a firm's reaction or response depends mainly on its own perception Saleem (2010). In providing guidance on how to assess risks Saleemi (2010) gives four methods of assessing risks;

Using expert opinion, in this the firm seeks an expert opinion. Check list which constitute of economic, social and political variables which affect business. The risk in turn contains

elements relating to relevant issues that the country is facing. This gives a rough approximation of the business environment risk and the future outlook.

Rating and ranking system is done on the basis of a number of economic, financial, political and social parameters which is then weighed according to importance in the total environmental risk. Finally the economic method which is complex and more sophisticated is used to quantify economic and related aspects. This approach makes it possible to state quantitatively the strength of each variable (causative factor) that determines business environment risk.

Risk mitigation is important if an organisations plans to survive any disasters. According to Chiara (2004), there are many ways to manage risks. Developing the local economy is to develop good public relations around the area and avoid possible local confrontation and criticism. The firm can also contribute to the local economy through what is now commonly referred to as community social responsibility.

To avoid adverse political initiative organisations must practice good corporate citizenship. This is the best strategy to deal with political risks. This involves responding promptly to government requests, contributing to national goals and developing national image. Other ways are tie up and collaboration with other organisations that is risk sharing, Private insurance. Avoiding politically sensitive products like those that affect exchange rates, national security, public health or those that are contrary to general beliefs and moral values of people.

It is also important to choose more peaceful location, avoid the sensitive regions and maintaining good political relations. The main categories of risk to consider are:

Strategic risks are those risks associated with operating in a particular industry. They include risks arising from: merger and acquisition activity, changes among customers or in demand, industry changes and research and development among others. Compliance risks are those associated with the need to comply with laws and regulations. They also apply to the need to act in a manner which investors and customers expect, for example, by ensuring proper corporate governance.

Financial risks are associated with your business' financial structure and systems and the transactions your business makes. Identifying financial risk involves examining your daily financial operations, especially cash flow. For example non-payment by a customer or increased interest charges on a business loan. Financial risk assessment should take into account external factors such as interest rates and foreign exchange rates. Rate changes will affect your debt repayments and the competitiveness of your goods and services. If you are involved in international trade, you will be exposed to even greater financial risks. It can be more difficult to assess the creditworthiness of an overseas client and to recoup unpaid debts. You may also be adversely affected by movements in the currency markets.

Operational risks are associated with your business' operational and administrative procedures. These include: recruitment, supply chain, transportation, accounting controls, IT systems, regulations and board composition. These operations should be examined in turn, risks prioritised and necessary provisions made. For example, if a business makes and receives regular deliveries, it must consider drawing up a continuity plan to help maintain operations in the event of a fuel strike or shortage.

According to Engemann (2009) IT risk and data protection are increasingly important to business. If hackers break into the organisation IT systems, they could steal valuable data and even money from the bank account which at best would be embarrassing and at worst could

put an organisation out of business. According to Cerullo (2004), A secure IT system employing encryption will safeguard commercial and customer information.

Other risks include: environmental risks, including natural disasters, employee risk management, such as maintaining sufficient staff numbers and cover, employee safety and up-to-date skills, political and economic instability in any foreign markets you export goods to, health and safety risks and commercial risks, including the failure of key suppliers or customers. Increased freight costs. Employee unrests and burglary

2.4 Developing a Business Continuity Management Process

According to Doughty (2001) every business faces risks that could present threats to its success. Risk is defined as the probability of an event and its consequences. Risk management is the practice of using processes, methods and tools for managing these risks. Risk management focuses on identifying what could go wrong, evaluating which risks should be dealt with and implementing strategies to deal with those risks. Businesses that have identified the risks will be better prepared and have a more cost-effective way of dealing with them. According to Hiles (1999), there are several ways of how to identify the risks a business may face. It also looks at how to implement an effective risk management policy and programme which can increase your business' chances of success and reduce the possibility of failure.

2.5 The Risk Management Process

Businesses face many risks. This therefore makes risk management to be a central part of any business' strategic management. Risk management helps you to identify and address the risks facing your business and in doing so increase the likelihood of successfully achieving your businesses objectives. A risk management process involves: methodically identifying the risks

surrounding the business activities, assessing the likelihood of an event occurring, understanding how to respond to these events, putting systems in place to deal with the consequences and monitoring the effectiveness of your risk management approaches and controls.

The process of risk management improves decision-making, planning and prioritization and helps you allocate capital and resources more efficiently. According to Elliot (2004), in Prioritising risks organisations is able to direct time and money toward the most important risks. This can be in form of putting systems and controls in place to deal with the consequences of an event. This could involve defining a decision process and escalation procedures that the company would follow if an event occurred.

It also aids organizations to anticipate what may go wrong, minimizing the amount of fire-fighting that has to be done to do or, in a worst-case scenario, preventing a disaster or serious financial loss. Risk management significantly improves the probability that you will deliver your business plan on time and to budget. Risk management becomes even more important if a business decides to try something new, for example launch a new product or enter new markets. Competitors following one into these markets, or breakthroughs in technology which make an organization's product redundant, are two risks an organization may want to consider in cases such as these.

2.6 Evaluating Risks

Risk evaluation allows management to determine the significance of risks to the business and decide to accept the specific risk or take action to prevent or minimise it.

To evaluate risks, according to Aven (2008) it is worthwhile ranking these risks once identified. This can be done by considering the consequence and probability of each risk.

Many businesses find that assessing consequence and probability as high, medium or low is adequate for their needs. These can then be compared with the organisation business plan - to determine which risks may affect those objectives - and evaluated in the light of legal requirements, costs and investor concerns. In some cases, the cost of mitigating a potential risk may be so high that doing nothing.

Understanding the vulnerability of your business gives an indication of the impact of business disruption to both the organization and the external customers Doughty (2001). It further goes to analysis the activities or operations in the business that, if they were to be stopped for any reason, would cause the greatest impact on the business. Impacts may be on cash flow, reputation, and meeting legal and statutory requirements. The next thing to analyse is how these activities delivered. I.e. what processes are in place and what resources are used to support them? These resources may be: People, plant and machinery, Premises and Furniture, Computing and Telecommunications, Data and Information, Suppliers and Distributors among others.

It may be that the impact would be felt immediately, after several days or it could escalate over time. Understanding the time it would take for the organization to feel the pain from the impact is important as this will dictate what you need to concentrate on first. How essential is the department's work to the overall performance of the business on a day-to-day basis? At this point it is important to always try to consider the worst-case scenario when carrying out your risk assessment. This will mean that less serious incidents will be easier to manage.

Once your key activities and resources have been identified together with the associated risks, it is now important to determine how you will manage these risks. The following lists of strategies are those that are more commonly applied: Accept the risks

and change nothing, Attempt to reduce the risks, attempt to reduce the risks and make plans to restore key activities as soon as possible or cease the activity altogether. All of these approaches will need a detailed plan outlining the arrangements for the incident. It is important to also consider how quickly recovery would need to take place for the strategic areas of your business or various departments. One essential decision is how to respond to risks that cannot be reduced. It is important to remember, to always plan for worst-case scenarios.

Insurance companies work on lower premiums if there is proof of risk mitigation measures in place. Insurance advisers/broker may also be able to give advice. The BCM must address the issue of how the suppliers and customer and how they be contacted and the effect of disaster on their own operations. The suppliers must be involved in the organizations BCM decisions so that they can be reassured by the plans in place. The suppliers of critical supplies should be able to demonstrate some level of contingency plans on how continue supplying at critical times. Disasters Recovery Centers must be set up recovery centers and establish what the local authority would do in response to a major incident. BCM plans must be usable and therefore should not include information that will be irrelevant or can be accessed in other places. This can be enhanced by using existing organizational roles and responsibilities and build on them in the plan.

According to Senior (1997) change does not happen in a vacuum. If nothing happened to disturb organisational life change would be very slow and perhaps merely accidental. It is essential to have the active support of the senior team in an organisation. It is important that during the planning that the planners have the opportunity to convince all staff of the importance of Business Continuity Management and promote the concept internally and externally. With this approach Business Continuity becomes the normal process of day-to-day

activity. Business Continuity must be included in the preparation of new contracts, partnerships and business processes. It is every manager's responsibility to ensure Business Continuity is an integral part of their normal business activity.

Testing and rehearsing your plan is one of the fundamental parts of contingency planning. It gives an opportunity to test the arrangements and principles of the plan in a "safe" environment, without risk to the business. There are various levels of rehearsal or evaluation that can be used. They will obviously vary with cost and value, however, a planning lifecycle should allow for periodic tests of different types.

Periodic audits can then determine how well the information was communicated through the organization. A full rehearsal will show you how well different elements in your plan work together, which may not have become clear when you tested the individual parts. However, this can be an expensive way to test a plan. Some businesses are pushed to implement business continuity because of regulatory forces, media or vendor scarce tactics, or even internal reporting (for instance, an audit). They have no real understanding of the investment and process required to implement business continuity management.

Managers may have little regard for the process, or have never been involved in a major incident and have the 'it won't happen to me' syndrome. It happens time and time again, outsourcing of hardware, software and backup site vendors attempt to use business continuity as a tool to generate more revenue. Why would one pay a vendor with a vested interest in their equipment or services to tell you what your business continuity needs should be? Is there any chance the solution might include some outsourced services or equipment? Are they likely to have the analysis expertise?

Business continuity is a whole-of-business issue, not just an IT problem. IT systems are resources of the business just like staff and equipment. IT benefits greatly from business continuity management, through the provision of pragmatic business targets supported by formal business cases.

Some organizations simply view business continuity management as a risk mitigation strategy, thus missing the big picture. BCM is far more than that according to Frost (1994). Providing a holistic understanding of what the business actually does how it does it and what it needs to do it. In many cases, it is the first time that management sees a complete view of the operational business, rather than a list of titles and departments on an organizational chart.

Business process improvement, organizational restructure and strategic planning are examples of activities that significantly benefit from the BCM process. The emphasis is on extracting information, not describing the process or educating. The results magically appear out the other end of the project via a report (with accompanying invoice). The client is left with no buy-in, no understanding of the process and expenses that can't be justified. This process fails because the business is not given the opportunity to discuss and challenge ideas or to learn the process themselves. Ideally the business only needs a small team to coach, mentor and guide them through the process so they can believe in the results, learn and repeat the process themselves as the business changes.

Standards are often poorly constructed rushed and offer little, if any, practical guidance. The gap between theory and practice is all too obvious. By definition, a standard must be generic enough that organizations across all industries can use it. However, that does not remove the responsibility of the authors providing sufficient direction to enable the practical application of the standard.

For example, if a standard says 'define critical functions' then there should be supporting information that describes how one would define and contextualize this within the organization. Even a glossary definition would be a starting point. Some standards don't even identify review and sign-off points during the process. There should also be a focus on costs, rather than advocating a process that is 'analyze the strategies then implement'. Without wider industry peer review from those with real practical experience in these areas, it's easy for the standards to become meaningless.

Business continuity management is a complex business, organizations rely heavily on software to support their business but when it comes to managing the BCM lifecycle there seems to be a reluctance to adopt a software management tool, Elliot (2002). The challenge is to find a vendor that actually 'walks the talk' with real and substantial methodologies reflected in the software (not just a glorified asset and contact list), and that doesn't cost you a corporate arm and leg. Paper-based management systems result in poor update cycles and distribution challenges that turn your business continuity capability into 'shelfware'.

Independent automatic off-site backup of business continuity material should be used to ensure that there is access to the plans if disaster strikes. Choose the right insurance to protect against losses. Insurance will not reduce your business' risks but you can use it as a financial tool to protect against losses associated with some risks. This means that in the event of a loss you will have some financial recompense. This can be crucial for your business' survival in the event of, say, a fire which destroys a factory. Some costs are uninsurable, such as the damage to a company's reputation. On the other hand, in some areas insurance is mandatory.

Insurance companies increasingly want evidence that risk is being managed. Before they will provide cover, they want evidence of the effective operation of processes in place to minimise the likelihood of a claim.

There are four ways of dealing with, or managing, each risk that you have identified. You can: accept it, transfer it, reduce it or eliminate it. For example, you may decide to accept a risk because the cost of eliminating it completely is too high. You might decide to transfer the risk, which is typically done with insurance. Or you may be able to reduce the risk by introducing new safety measures or eliminate it completely by changing the way you produce your product. When you have evaluated and agreed on the actions and procedures to reduce the risk, these measures need to be put in place.

Risk management is not a one-off exercise. Continuous monitoring and reviewing are crucial for the success of your risk management approach. Such monitoring ensures that risks have been correctly identified and assessed and appropriate controls put in place. It is also a way to learn from experience and make improvements to your risk management approach. All of this can be formalised in a risk management policy, setting out your business' approach to and appetite for risk and its approach to risk management. Risk management will be even more effective if you clearly assign responsibility for it to chosen employees. It is also a good idea to get commitment to risk management at the board level. Good risk management can improve the quality and returns of your business.

There are some things that business interruption insurance will most likely not cover. Things such as loss of business opportunities, loss of reputation, the cost of losing current business customers, the erosion of brand value and new products and services being delayed or cancelled. Insurance will provide some financial protection but will not ensure that the organisation survives. The main challenge in developing the BCM strategy is the lack of

Executive Support and delays in validation of various deliverables i.e. policies, maintenance of the BCM processes.

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

In this chapter the research design is described, the method of data collection and how the data was analysed.

3.2 Research Design

This study used the case study method since the main purpose of the study was to establish the extent of disaster preparedness and the extent to which is Business Continuity Management linked to the overall organizational strategy by Miale Education Centre. According to Yin (1984) a case study as an empirical inquiry that investigates a contemporary phenomenon within its real-life context; when boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used.

The design is most appropriate since it brings an understanding of complex issue through a detailed contextual analysis while applying different methodology to provide specific cases and real life situations related directly to the object of study.

3.3 Data Collection

The study used primary data and secondary data. The primary data was collected using the interview guide as the main data collection instrument. The interview guide contained both closed and open-ended questions and it was divided into the following sections: for the directors/management of the school, part two for the school staff and part 3 for the students. The secondary data was obtained from the policy documents, journals and the centres strategic plan. The consent was sought in form of a letter explaining the purpose of the study.

Confidentiality of the same was guaranteed through the same letter assuring them that it would be preserved.

3.4 Content Analysis

Case study's unique strength is the ability to deal with full variety of evidence, documents, interviews and observations in one study. The case study has been used by others researchers successfully such as as Khamisi (2006) and Muriuki (2008). It provides detailed description of specific and rare cases.

The data was be analysed by looking at the following; History and development of the school this was the background of the school, its management structure with a brief overview of the command chain and the policies in place. The centre has been described indicating the changes in business environment or any new legislation from the government.

The researcher identified the set of functions that are documented. In the analysis the researcher looked into the business environment, identification of key aspects of the study, steps taken already to address disaster management. The researcher also sought to identify of the internal strengths and weaknesses and the kind of corporate strategy that the centre was pursuing, the structure, control systems and how they match the school strategy. Finally after the analysis the study made recommendations and suggestions for better business strategy.

CHAPTER FOUR: DATA ANALYSIS, RESULTS AND DISCUSSION

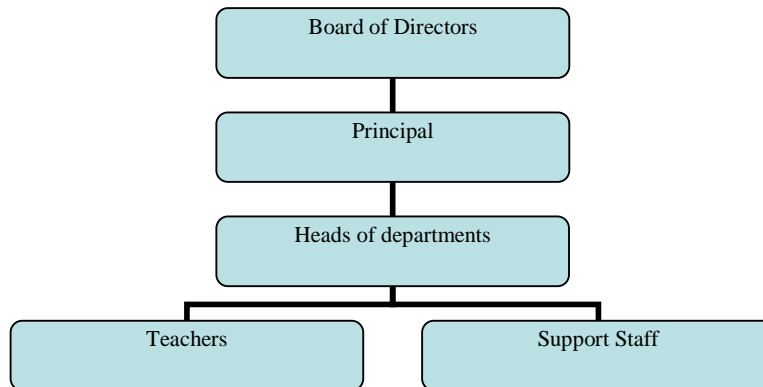
4.1 Introduction

This chapter gives the analysis of the data collected from the primary data and secondary data. The primary data was collected using the interview guide as the main data collection instrument. The interview guide contained both closed and open-ended questions and it was divided into the following sections: for the directors/management of the school, part two for the school staff and part 3 for the students. The secondary data was obtained from the policy documents, journals and the centres strategic plan.

4.2 General Information

Miale Education Centre is a Private Christian-Based Girls High School that runs the 8-4-4 system of education in the outskirts of Eldoret Town, Uasin Gishu County that was started in 2012. Miale provides a holistic education that extensively prepares students by enabling them acquire good sense of self-awareness, sound moral direction and equip them with skills, knowledge and attitudes to face current challenges and become responsible citizens.

The school Organization Chart



4.3 Analysis of data

The researcher interviewed the Directors, Management, staff and students. From the interviews, there have been a few incidents that the respondents indicated happened and classified them as disasters as they had not been planned. There is a road that is used to access the school and gets impassable when wet that had disrupted transportation from school to the outside world. In one incident there was a sick student who needed to be taken to hospital urgently and there was no available means of transport that could withstand the bad road. This caused a delay in accessing medical care. The other case was an incident where food stuff could not be delivered to the school as a result of the same disruption. The other incident was an abrupt desertion of duty by the school matron. This was critical because the staffing levels are lean and that resulted in some teachers doubling up as matron as recruitment of the matron was being done. A strong wind blew a tent during a thanks giving ceremony leaving the guests terrified but luckily there were no injuries.

There are numerous steps that have been taken to reduce the effect of the natural disasters. The school purchases the food in bulk and grows the vegetables in the available land adjacent

to the school. The school has established a tree nursery to plant trees that will act as wind breakers in the future. The school has fire extinguishers located at strategic places in the school buildings.

The researcher sought to know the number of staff and students who could operate fire extinguishers. The results show that some of the staff were new and had not been trained on how to use the extinguishers at the time of the data collection.

The researcher also sought to establish the level of awareness of the disaster management plan and health and safety policies. The interviews indicated that there were staff and students who did know these plans. This was attributed to lack of training for the new staff on these issues.

4.4 Discussion Of The Findings

The staff and students do not seem to understand neither the entire disaster management plan nor the policies on health and safety. These documents are however available in the school management documents. The respondents indicated that they were aware of the evacuation plan in case of disaster. However they could not specifically give the specific procedures for any one disaster. On evacuation plan the respondents did not have a consistent plan and each gave a different plan. This was not consistent with what was indicated in the policies on health and safety. When asked about the drills the management staff had not undergone any drill in the past one year. Some of the staff were new and were four months old in the organisation. The policies on place indicate processes on how the school would restore the operations in the event of a disaster. There had not been a major disaster at the time of the research. There have been cases of when a critical employee leaves employment without notice. The services have

been taken up by other staff as they recruit replacement of such staff. The process of recruitment has taken shorter time than the normal recruitment process reducing the downtime and the staffs relieving have done so in a very organised way that sometimes the students have not felt the gap of the exit.

On the communication plan the staffs have contact numbers for the parents, suppliers and the directors of the school. The communication is done by the principal or the teacher on duty. The contacts are however not displayed in a specific location but are saved in the private telephones of the staff. The contacts for the fire and other essential services were neither displayed nor available from the management staff who was interviewed. The community does not have a health and safety consultant near the school.

The school strategic plan has indicated that the school management will insure both the property and the lives in the school; the insurance cover had not been placed at the time of the interview. The community is not included in the emergency standard operating procedures. The staff have not been trained in the last one year on emergency standard operating procedures as prescribed in the school policy on health and safety.

The utility lines like water supply have been protected and they are guarded by hired security guard at night to avoid vandalism. The pump house is under lock and key to enhance security of the water pump and electricity generator. Cereals and food are produced in the farm adjacent to the school and owned by the directors. This ensures that a full year supply of the cereals. The vegetables and milk are supplied by the farm garden within the school compound. The other kitchen supplies are purchased for a full term stock. This reduces the emergency purchases within the term. There is no plan for shelter in place in case of disaster. The management staff interviewed did know the governmental services available following an event of a natural disaster with the exception of the non functioning police hotline of 999.

The school uses stand alone computers that are not networked and the files created as profiles of the specific users. The data backup is not done except for the documents that have been sent via email and can be traced in the email sent items. The contact details for parents, staff, suppliers and vendors are not saved in a hard copy available but in personal phone contacts of the staff, with the exception of the parents' whose contacts are available in the student files.

Staff and students interviewed on what was they were expected to do in case of a disaster did not know what to do with the fire extinguisher. They however knew that the response was to evacuate from the building in case of fire while shouting 'fire'. The school does not have trained emergency response team nor a community emergency response team. There has been no training for student nor staff in the past one year on either disaster preparedness or emergency response. The students and staff were all very interested in learning how to be better prepared for disasters. Overall they thought that they were not well prepared for the disaster in some areas but were well prepared in other areas. They also admitted that they have not been reading the school policies and have forgotten most of the procedures.

When the respondents were asked if they knew of what to do in the event of a disaster most respondents knew how to respond to at least one kind of disaster. On the training of the emergency response team no one had been trained in the past year. All the respondents who responded that they had not been trained were all interested in learning on how to better prepare for disasters.

In comparison to the literature reviewed, there is a lot of opportunity for Miale Education Centre to refine and improve the business Continuity plans. There exist an opportunity for training, insurance and outsourcing some functions in order to mitigate the risks.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMENDATIONS

5.1 Introduction

This chapter begins with the summary of the entire study. The focus of this chapter is discussion arising from data analysis of chapter 4.

5.2 Summary of Findings

The purpose of the study was to establish the extent to which Miale Education Centre has incorporated Business continuity management in its overall strategy. The respondents were the directors, management, staff and the students. The researcher used the case study method which allowed the flexibility of use of both the primary and secondary data. The data collected was using an interview guide which contained both open and closed ended questions. The researcher also used the secondary data that is the documented policies and strategic plan.

The data was analysed by looking at the history of the school, the management structure, and the overview of the command structure. The study dwelt on disaster preparedness in the school. The study looked at how the school had deliberately put in place measures and policies to mitigate disaster or prevent it altogether. The study found that the school well documented policies on disaster preparedness derived from its strategic plan.

The school has comprehensive strategic plan that has the process and expected outcome of disaster preparedness for business continuity. This documented process is good if it is well implemented. This has therefore led to the following recommendations. The school management should put in place a comprehensive induction program for new students and

staff and refresher course for all. The emergency standard operating procedures should include the community. This will ensure that everyone understands the processes. The mandatory training on health and safety programmes to be included in the training calendar for the school to ensure compliance with the law. The school management should purchase the workplace health and safety related acts to be kept in the school for reference and displayed as required. Establish the health and safety committee as outlined in the school policies and the act. Have trained fire marshals that can operate the fire extinguishers already installed in the school premises.

The school management should organise and conduct evacuation drill regularly to ensure that everyone has understood and can follow the school procedures and policies. The annual training on the emergency standard operating procedures should be adhered to ensure that staffs are up to date. The school management should have the emergency contacts displayed in specific places other than in the private telephone handsets of the staff.

The school can get in touch with the OSHA officials so that they can be inspecting the workplace to ensure compliance and provide guidance where necessary. Procure insurance services for the school property and lives as per the school policies. Inform staff of the government agencies that deal with disaster management. The school management should do regular back up documents to ensure that vital documents are available in case of any eventuality leading to loss of primary data in the school.

5.3 Conclusion of The Findings

The school management like any other institution is keen on having its policies and strategies implemented. There are policies and a comprehensive strategic plan already in place and the school management is committed to having the same entrenched in all its operations. This

process is critical in ensuring that the unexpected interruptions cause minimum disruptions of normal school operations. From the study the school has linked its business continuity management to the school's overall organization strategy.

5.4 Recommendations for Further Study.

The study focused on Miale Education centre and how the BCM has been linked in the overall strategy. While the study achieved its study objectives, there are areas that would be recommended for further study. The school being a private school the study can be extended to how the public schools have approached the issue of business continuity management. The study needs to look at how staff perceive as their role in the disaster management processes as this affects largely how the policies are implemented in education institutions.

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APPENDIX 1: INTRODUCTORY LETTER



UNIVERSITY OF NAIROBI

SCHOOL OF BUSINESS

MBA PROGRAMME

Telephone: 020-2059162
Telegrams: "Varsity", Nairobi
Telex: 22095 Varsity

P.O. Box 30197
Nairobi, Kenya

DATE.....

TO WHOM IT MAY CONCERN

The bearer of this letterRegistration No.....
is a bonafide continuing student in the Master of Business Administration (MBA) degree
program in this university.

He/She is required to submit as part of his/her course work assessment a research project
report on a management problem. We would like the students to do their projects on real
problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable
him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will
be availed to the interviewed organizations on request.

Thank you.

**PATRICK NYABUTO
FOR MBA CO-ORDINATOR
SCHOOL OF BUSINESS**

APPENDIX 1: INTERVIEW GUIDE.

Part 1 –For the Directors/Management. - To establish extend to which the BCM has been linked to the overall organisation strategy.

1. Have you ever experienced a disaster as an organisation of any kind?
2. If yes to question, what kind?
3. Have you taken any steps in your organisation to reduce the effects of natural disasters?
4. If yes, what are the specific measures that have been put in place to mitigate risks
5. Have you completed a company disaster plan?
6. Do you have an evacuation plan for each type of disaster and other emergencies?
7. If yes, have there been practice drills for each type within the past year?
8. Do you have a plan in place for restoring operations in the event of a disaster or other emergency?
9. Do you have a communication plan in place that includes a list of who to contact for specific types of emergencies?
10. Does your community have a Health and Safety consultant?
11. Is your organisation insured in case of disasters?
12. Is the community included in your community's emergency standard operating procedures?

13. Do your staffs get trained on emergency SOPs - (trained in the last 1 year)?
14. Have you taken steps to secure utility lines against any disasters that may occur?
15. Do you keep a supply of food and water on hand in case of an emergency?
16. Do you have a plan for “shelter in place” in the case of a disaster?
17. Do you know what kind of governmental services is available following the event of a natural disaster?
18. Do you have secure remote access to applications/files they need to access on a day-to-day basis?
19. Do you have an alternate means of contacting an up-to-date contact list, including office and home phone numbers and email? Addresses for every employee in the organization? Is this information accessible in hard copy and on your company’s Intranet?
20. Do your staffs have parents, customers, vendors, etc. if you are unable to reach them at their work locations?
21. Have you made reciprocal arrangements with suppliers and/or customers for emergency work space to be available?

Part 2 – For Staff and students - To establish extend to which the BCM has been implemented.

Please tick your correct status at Miale Education Centre.

1. Do you know what you are expected to do in the event of a disaster?

2. Does Miale Education Centre have a trained Emergency Response Team or a CERT (Community Emergency Response Team)?
3. Have you received any disaster preparedness or emergency response type training within the past year?
4. Are you interested in learning how to be better prepared for natural disasters?
5. Do you think Miale is well prepared for a disaster?