Priorities

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Northfield, Vermont< <u>http://www.northfield-vt.gov/</u> > is a tiny village in the green hills of a beautiful state< <u>http://vermont.gov/portal/</u> > with a population of only about 620,000 people – the second smallest in the USA. With a population density of only 26 people per square kilometre, traffic jams are rare in the state. In Northfield, with only 6,000 residents and about 1,000 faculty and staff commuting to Norwich University<

<u>http://www.norwich.edu/about/nucampus.html</u> >, traffic jams are almost nonexistent. One of my colleagues joked a few years ago, "Well, things *can* get pretty tight during rush minute."

Construction has resumed in Northfield this week to repair the main road, which is showing potholes and deep cracks developed over several years of the winter-spring freeze-all cycles. When I drove down the major road leading to Northfield from Interstate 89 yesterday (May Day) at around 07:30, I was astonished to find a line-up of stationary cars over a mile in length. After 15 minutes of being stationary, I called the 911 emergency services on my mobile phone.

"911 – what is your emergency?"

"There is a brain-damaged person running the traffic control on Route 12 entering Northfield from the South."

"How do you know that this person is brain-damaged?"

"Because only a brain-damaged person would hold up several hundred cars to allow five - no, six, excuse me - cars to get by in the opposite direction."

The operator put me in touch with local police and a few minutes later I noticed the blue flashing lights of a police cruiser arriving and the traffic began to move again.

And so what does this have to do with security?

What struck me is that the person controlling the traffic was allocating equal priority to the 300 cars lined up trying to get into Northfield and the 10 cars waiting to get out of Northfield. There were also apparently giving priority to a small number of construction vehicles pottering about trying to get their work done. No one in the construction company team seemed to be aware of the costs they were imposing on a great many employees and students of the University: they were making a great many people late for their 08:00 classes. University regulations stipulate that students whose teacher fails to arrive by 10 minutes after the official start of class may leave without penalty.

Why would anyone in a construction company give a rat's rear end about delaying classes?

Just as in operations management, security in general, and business continuity planning in particular, anyone setting priorities has to consider the field of stakeholders. Stakeholders are

everyone affected by how we run our business; for example, a commercial organization would define stakeholders to include customers, employees, participants in the supply chain, and the wider community depending on or affected by the organizations activities. Examples of the latter could be businesses depending on the economic activity of the organizations employees; in communities around a major hospital, local businesses may depend on economic activities of patients and visitors to the hospital.

When the traffic controller used a rigid timing pattern that gave equal weight to the tiny number of cars leaving the little town as to the large number of cars trying to get to Norwich University, the consequences – costs – were far greater for the people in the huge line-up and for students who ended up missing the first classes of the day because their instructors were waiting for half a dozen people to get by several hundred waiting drivers.

In business continuity planning, one of the most important elements is a clear understanding of critical-path relationships among the many tasks that must be accomplished for continuity of operations. In the critical-path method (CPM< <u>http://www.mindtools.com/critpath.html</u> >), we identify dependencies and establish a timeline to ensure that all the prerequisites for every step are in place. Part of the reasoning for CPM is estimation of consequences of different degrees of delay. For example, in a company doing business via the Web, the accounting components that allow users to place orders and pay for their desired product or service immediately become of critical importance. If an online bookstore can't even take an order within a few seconds, it's quite possible for a prospective buyer simply to switch to a competitor within seconds. In such a case, continuity of operations must define the accounts-receivable functions as lower priority. In contrast, the same company could define accounts-payable functions as lower priority because of the traditional 30-day period allowed for payment. In contrast, an engineering company working through extended, complex bids and contract-development period measured in months or longer might consider the accounts-receivable functions at the same level of relatively low priority in the business resumption plan as the accounts-payable functions.

Another example from my own consulting work (25 years ago!) is the case of a government agency whose night-time batch processing was taking longer and longer. It had once taken only a few hours; by the time I was called in, the batch processing was often overlapping with the start of the 07:00 shift – and several hundred unionized employees were unable to start their work on time.

So what? One might think that a few hours delay hardly warranted replacement of a multimillion-dollar computer system.

Oh yes it did.

The union contract required every employee to be allowed the same amount of time caused by the delay to be added to the end of their shift – at time-and-a-half rates. Thus the agency was paying for about 200 employees to wait around at full pay (around \$2,000 a day), unable to access the necessary computer services and then pay 150% of what they'd already paid for at the end of the day (another \$3,000 on top). You can understand that with costs of about \$5,000 a day (\$100,000 a month, \$1,200,000 a year) why the agency wanted to know if it was time for a new \$2.5M computer system.

That was the case in which I was able to write the shortest Executive Summary I've ever managed to present:

Question: Should the agency buy a new computer to speed night-time batch processing? Answer: No.

The next page was entitled "Slightly Less Executive Summary" and explained that there had been inadequate maintenance in some of the production databases; adding some indexes and recompacting some datasets brought the batch processing back to a completion point around 03:30 in the morning.

The construction firm (or specific employees) that allowed the relatively huge traffic jam to develop in our little town do not appear to have set priorities with which the major employer, Norwich University, would agree. In the long run, given the enormous influence of the University on the local economy of Northfield, a complaint from University authorities to the administrators in the town might have deleterious effects on future contracts with that particular construction company.

We shouldn't use easy, rigid rules (e.g., "Wait the same time for each direction of traffic") when setting our operational priorities. We need a clear evaluation of the immediate and long-term effects of the alternatives.

THINK.

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