Maturity Modeling: A Strategic Roadmap to Improve Your Business Continuity Program

Presentation to Continuity Insights 2015 New York Conference
Agenda

Section 1  Metrics
Section 2  Program Maturity Model
Section 3  Reporting: Framing the Message
Aon plc (NYSE: AON) is a leading global provider of risk management, insurance and reinsurance brokerage, and human resource solutions and outsourcing services.

Aon colleagues around the world
Global offices
Countries in which Aon operates

69,000
500
120

Aon: A World of Resources

Risk Solutions
- Retail Brokerage
- Risk Assessment & Advisory
- Health & Benefits
- Captive Management
- Affinity Programs
- Select Personal Lines
- GRIP Solutions
- Actuarial & Analytics
- Claims Advocacy & Administration
- Technology Solutions
- M&A Advisory

HR Solutions

Aon Benfield
- Treaty Reinsurance Brokerage
- Facilitative Reinsurance Brokerage
- Capital Markets & Financial Advisory
- Analytics & Technical Services
- Claims Management
- Strategy, Claims, & Operations Consulting
- ASPN Wholesale Broking

Aon Hewitt
- Talent
  - Rewards & Compensation
  - Engagement & Effectiveness
  - Talent Acquisition & Assessment
  - HR BPO
- Retirement
  - Retirement & Investment Consulting
  - Defined Benefit & Defined Contribution Administration
  - Financial Services
- Health
  - Health & Benefits Consulting
  - Health & Welfare Administration
  - Health Care Exchanges
Metrics
Beginning with the End in Mind

Why are we measuring?
Who is the audience?
What are we using to measure/benchmark?
What information do we need to collect?
Where are we now?
Where do we want to be?
How frequently do we measure/report?
Areas of Focus

Engage the Business
Invest in Colleagues
Protect Assets

- Right people, right skills, right # of people
- Thought leadership
- Compliance & metrics
- Vendor / partner collaboration
- Risk awareness & advocacy
- Trusted, agile business partners
- Training, tools, & tactics leveraged to optimize colleague skillsets
- Defined processes, requirements, & clear expectations
- Training & awareness
- Security principles
- Leadership & governance

Prepared by Aon Services Corporation | Security Risk Management | Global Business Continuity
October 21, 2015

Regional Business Continuity Conference
Business Continuity Audit Framework Maturity Model

- Standard to assess maturity and quality
- Baseline BC maturity metrics & monitoring program
- Meaningful data to inform business risk, mitigation, & remediation action plans
## BC Audit Framework: Maturity Definitions – BC Plan

<table>
<thead>
<tr>
<th>Rating</th>
<th>#</th>
<th>Components</th>
<th>Description</th>
<th>1-Initial</th>
<th>2-Developing</th>
<th>3-Defined</th>
<th>4-Managed</th>
<th>5-Optimized</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>1</td>
<td>Teams</td>
<td>This section shows how people are organized to execute their plan (e.g. Teams, Positions on Teams, and who's assigned to fill each position. If required, includes vendor and customer representatives in a separate document.</td>
<td>Team members are not identified.</td>
<td>Team identified partially. One or more roles in the Teams not assigned</td>
<td>Team identified however colleagues assigned in the teams have either left the company or had a role change.</td>
<td>Team identified and assigned. Assignments reviewed on an annual basis or as colleague changes occur</td>
<td></td>
</tr>
</tbody>
</table>
## BC Audit Framework: Maturity Definitions – BC Exercise

<table>
<thead>
<tr>
<th>Rating</th>
<th>Components</th>
<th>Description</th>
<th>Exercises</th>
<th>Maturity Model Detailed Definitions</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Teams</td>
<td>This section shows how people are organized to execute their plan (e.g. Teams, Positions on Teams, and who’s assigned to fill each position. If required, includes vendor and customer representatives in a separate document.</td>
<td>No participation in the exercises through out the year. No/limited success achieved in the exercises participated in the year.</td>
<td>Participation in all in year exercises. Objectives and expected results defined. One or more activity did not achieve the desired result. Remediation required. Exercised on an annual basis.</td>
</tr>
<tr>
<td>1</td>
<td>Teams</td>
<td>Participation in all in year exercises. Objectives and expected results defined.</td>
<td>Participation in all in year exercises.</td>
<td>Participation in all in year exercises. Ensured all critical colleagues representation from all the Business units with successful results. Exercised on a quarterly basis of as changes occur.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Represented from required stakeholders with successful results. Exercised on an annual basis.</td>
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</table>

<table>
<thead>
<tr>
<th>#</th>
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</tbody>
</table>
## BC Audit Framework: Maturity Definitions – BC Awareness / Training

<table>
<thead>
<tr>
<th>Rating</th>
<th>Components</th>
<th>Description</th>
<th>1-Initial</th>
<th>2-Developing</th>
<th>3-Defined</th>
<th>4-Managed</th>
<th>5-Optimized</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Teams</td>
<td>This section shows how people are organized to execute their plan (e.g., Teams, Positions on Teams, and who’s assigned to fill each position. If required, includes vendor and customer representatives in a separate document.</td>
<td>Teams have not participated in the training and awareness sessions</td>
<td>Plan Owner, Coordinator, SRT Leader are aware. Key/some team members have not participated in training and awareness sessions. Team training plan is established</td>
<td>Full team has not participated in training and awareness sessions in over a year. All team members clearly demonstrate understanding of roles/responsibilities</td>
<td>At least one of the key stakeholders (i.e., external party, BU leader, etc.) has participated in the training and awareness sessions. Participating stakeholders clearly demonstrate understanding of their relationship(s) to the team. Training on an annual basis</td>
<td>All key stakeholders (i.e., external party, BU leaders, cross-practices, etc.) has participated in the training and awareness sessions. Participating stakeholders clearly demonstrate understanding of their relationship(s) to the team. Training as changes occur or annually whichever comes first</td>
</tr>
</tbody>
</table>
Program Maturity Model
## Maturity: Defining

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial</td>
<td>Developing</td>
<td>Defined</td>
<td>Managed</td>
<td>Optimized</td>
</tr>
<tr>
<td>Adhoc, disconnected, and disorganized</td>
<td>Limited but increasing recognition</td>
<td>Defined and recognized as necessary</td>
<td>Proactively managed and meets business needs</td>
<td>Embedded in culture and considered fundamental to business operations</td>
</tr>
</tbody>
</table>
### Maturity: Strategic Platform for Growth

#### Engage the Business

Through conversation, educational opportunities, and consulting, we teach the business about SRM, learn what its needs are, how tolerant it is of risk, and the budgetary considerations it uses.

<table>
<thead>
<tr>
<th>Practice / Year</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Initial</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Developing</strong></td>
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<td></td>
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<tr>
<td><strong>Defined</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>Managed</strong></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Optimized</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Smart Budget/Cost Management</strong></td>
<td>Funding</td>
<td>None</td>
<td>Unmanaged and decentralized</td>
<td>Centralized program funding established. SRM value framework introduced</td>
<td>Funding aligns to SRM strategic objectives. Value framework clearly shows alignment to business strategy</td>
</tr>
</tbody>
</table>

**Current State**

**Target State**
## Maturity: Status Summary

### Clear Snapshot of Current Level & Goal

<table>
<thead>
<tr>
<th>Practice Maturity</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Level 4</th>
<th>Level 5</th>
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</thead>
<tbody>
<tr>
<td>Engage the Business</td>
<td>Initial</td>
<td>Developing</td>
<td>Defined</td>
<td>Managed</td>
<td>Optimized</td>
</tr>
<tr>
<td>Smart Budget / Cost Management</td>
<td>Funding</td>
<td></td>
<td>Current</td>
<td></td>
<td>Target</td>
</tr>
<tr>
<td>Invest in Colleagues</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Developing Colleagues, Managers, &amp; Leaders (Description)</td>
<td></td>
<td>Training Program</td>
<td>Current</td>
<td></td>
<td>Target</td>
</tr>
<tr>
<td>Protect Assets</td>
<td></td>
<td></td>
<td>Current</td>
<td></td>
<td>Target</td>
</tr>
</tbody>
</table>
# Maturity: Strategic Equation

**Keeping the Big Picture in Front of You at All Times**

<table>
<thead>
<tr>
<th>Practice Name</th>
<th>Strategic Equation</th>
</tr>
</thead>
</table>

### Objective 1 | Foundation - A program that delivers scalable, cost-effective and efficient services

<table>
<thead>
<tr>
<th>Roadmap #</th>
<th>STRATEGIC EQUATION</th>
<th>Project Assets</th>
<th>Objectives with Supporting Programs, Projects, Initiatives, or Activities</th>
<th>CURRENT STATE</th>
<th>2015 (Regional)</th>
<th>2015 (Global)</th>
<th>2016 (Regional)</th>
<th>2016 (Global)</th>
<th>2017 (Regional)</th>
<th>2017 (Global)</th>
<th>TARGET STATE</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>✓</td>
<td></td>
<td>Program Governance</td>
<td>3</td>
<td></td>
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<tr>
<td>5</td>
<td>✓</td>
<td>✓</td>
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<td>2</td>
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<tr>
<td>8</td>
<td>✓</td>
<td>✓</td>
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<td></td>
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</tbody>
</table>

### Objective 2 |

### Objective 3 |
Maturity: SRM Strategic Planning Methodology

1. Review Maturity Model
2. Review Global Risk Register
3. Refresh Executive Plan
4. Validate Initiatives
5. Prioritize Initiatives
6. Align Annual Plan Externally
7. Finalize Detailed Annual Plan
8. Cascade Objectives
9. Revise 3-Year Plan

Getting Ready

Future Planning

Communicating Annual Initiatives

Planning in Action
Reporting: Framing the Message
Reporting Versatility: Use Your Metrics to Tell the Right Story

Aon Leadership

Tier

Global

Incident Duration

BCM Community

Maturity Level

Frequency

Region

Location

Plan

Country

Business Unit

Colleagues

Clients

Incident Type

Prepared by Aon Services Corporation | Security Risk Management | Global Business Continuity

Regional Business Continuity Conference

October 21, 2015
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