

Case Study on Economic Benefits of Singapore Standard (SS) 540:2008 on Business Continuity Management (BCM)

Contributed by SPRING Singapore

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Scope: Provides the framework for organisations to analyse business threats and implement strategies, processes and procedures to address these threats

- ✓ Enhance company's competence, resilience, readiness and minimise service disruption to customers and the public
- ✓ Applicable to both large and small organisations
- ✓ Support the National BCM Programme to enhance resilience in organisations' operations
 - Launched in December 2008
 - To enhance Singapore's resilience to major disruptions, including a terrorist attack, which has the potential to cripple economic activity and disrupt daily lives

Company Selected & Case Study Project Team

Company

Teckwah Industrial Corporation Ltd

- Provides cost-effective customised solutions in:
 - printing & packaging
 - turnkey software manufacturing
 - value chain manufacturing
 - service part & reverse logistics



Project Team

Mr Ong Liong Chuan	Chairman of Technical Committee on Business Continuity Management (Team Leader)
Mr Norman Lee	Manager, Teckwah Industrial Corporation Ltd (Deputy Team Leader)
Mr Jason Low	Senior Manager, SPRING Singapore (Member)
Mr Reinhard Weissinger	ISO Central Secretariat (Team Advisor)

Economic Impact of SS 540 at Teckwah Industrial Corporation Ltd

A. Management & Administration

B. Information & Communications Technology (ICT)



C.
Business
Development



D.
Procurement

(in-bound
logistics)

E.
Engineering

F.
Production



G.
Warehousing &
Delivery

(Out-bound
logistics)



The most relevant business functions impacted by SS 540

Quote from Teckwah Group's CEO – *“Customers aren't going to wait for us if we have to close down for a week to rebuild operations after a disaster. We would lose the business. It's as simple as that. BCM ensures that this is not going to happen.”*

Calculations on the Economic Benefits of SS 540 for Teckwah Industrial Corporation Ltd

Return of Investment of BCM Implementation at Teckwah (First year)

Profit gained with BCM implementation in the first year (A) = \$1,428K

- i. \$1,380K increase in profit due to new contracts secured in meeting customers' BCM requirements
- ii. \$48K reduction in profit loss due to quicker resumption of production and IT support from 4 days of downtime to 2 days

Total cost (B) = \$203K

- i. Maintaining the Emergency Operations Centre = \$59K
- ii. Rental of data centre for hosting servers = \$71K
- iii. BCM Implementation cost (Manpower, Consultancy, Training & Certification cost) = \$73K

Return of Investment = (A – B) /B

=(\$1,428K-\$203K/\$203K) x 100% = 603%

Thank You