



Business Continuity Management by SIX At a glance

The Swiss Financial Value Chain

SIX is the Swiss financial sector's backbone and of central importance for the Swiss financial value chain, which represents a highly integrated infrastructure consisting of the trading platform (SIX Swiss Exchange), the central counterparty for clearing (SIX x-clear Ltd), securities settlement (SIX SIS Ltd), payment settlement (SIX Interbank Clearing) and its contributing units e.g. for dissemination of financial information (SIX Financial Information).

Powerful platforms, state-of-the-art technology, and lightning fast systems. This is SIX's infrastructure. The result is information and data where you need it, when you need it. For securities valuation, exchange trading, securities processing, payments and financial information dissemination, providing you with speed and efficiency.

SIX's systems process vast quantities of information quickly and reliably every single day. As a customer, you can rest assured that SIX and its systems can withstand extreme stress situations, which means you can continue with your business uninterrupted.

These services are critical not only in the corporate context, but also for the national economy.

It is thus one of SIX core competencies to provide them securely, reliably and efficiently.

In this context, Business Continuity Management (BCM) is a substantial contribution to the stability and reliability availability of the Swiss financial center.

"When anyone asks how I can best describe my experience in nearly 40 years at sea, I merely say, uneventful. Of course there have been winter gales, and storms and fog the like, but in all my experience, I have never been in any accident of any sort worth speaking about. I never saw a wreck and never have been wrecked, nor was I ever in any predicament that threatened to end in disaster of any sort. You see, I am not very good material for a story."
Captain Smith, Commander of Titanic

"Plan for what is difficult."
Sun Tzu



BCM – what it is all about

Every company, be it big or small, has a specific value chain focused on the customer in the market. This value chain consists of defined, underlying processes that support the business in order to create value. These processes are allocated with the necessary resources accordingly.

Yet, some of these processes are more important than others for the success of the company and some of them even have to be considered critical regarding the survival of the company in the case of a disaster. Several types of disasters may be classified:

- nature-made disasters, e.g. earthquake, flooding, and
- technology-inclining disaster, e.g. black out, explosion, systems malfunction
- man-made, society-inclining disasters, e.g. sabotage, cyber-attack, explosion, pandemic

These types of disasters all have in common that they provoke incapacitation or even the loss of the above mentioned resources sustaining these processes and sustaining ultimately the business.

The four types of negative impacts are:

- loss of staff (e.g. single persons, all workforce)
- loss of building (e.g. data centers, production facilities, administration and office buildings)
- loss of systems (e.g. IT, telephony, building technology/services)
- loss of external suppliers (e.g. IT provider, telecommunication provider, utilities provider)

The resulting damage may have operational, financial, legal or reputational consequences. In this context, business continuity management (BCM) is a holistic approach that has two goals:

- to protect business-critical processes and functions from negative impacts (i.e. prevention)
- to alleviate the consequences of negative impacts and to allow recovery of the business (i.e. preparedness) in case of a disaster.

Partial or total loss of resources can last minutes, hours, days or weeks. That is why it is of outmost importance to have a “Plan B” to resume business. Typically, the “Plan B” is a set of measures and controls spanning the whole organization.

BCM lived by SIX

The BCM framework of SIX covers all elements of the generic model as suggested by ISO 22301 guidelines:

BCM Policy and Program Management by SIX

The policy is the founding document of all activities and outlines goals and scope of the BCM program of a company. Alterations and changes (driven by regulators, technology change, customer needs, market needs) have to be integrated into the BCM policy to guarantee the effectiveness of the BCM program.

SIX has developed a dedicated BCM policy, closely aligned to the risk policy and its security policy. The primary goal of the BCM policy of SIX is to ensure “the continuation or the timely recovery of business services according to the availability standards and prioritization of the group” and to ensure “an effective and prompt crisis management response”.

On the strategic level this means that all actions necessary are taken to ensure that legal and contractual obligations are fulfilled and that reputational damage is minimized in the case of a disaster or crisis.

The BCM program of SIX is run by a corporate BC manager reporting to the Chief Security Officer. The corporate BC manager is supported by divisional BC managers and by technical staff. This team is working closely together to complete the holistic approach spanning the whole company involving further representatives of corporate functions (i.e. human resources, communications, real estate management).

Traditionally, IT disaster recovery has been the focus of SIX’s BCM program. However, today, questions like pandemic preparedness and availability of business processes are considered equally important and addressed likewise.

Furthermore, the BCM program of SIX is geared towards international practices (e.g. The BCI Good Practice Guidelines) and standards (e.g. ISO22301) to best meet the different industry requirements.



SIX adapts its BCM policy and program periodically to guarantee effectiveness of preparedness. The underlying changes are evolutionary in nature rather than revolutionary and are typically driven by new regulations, new technologies, new market opportunities, new customer demands.

SIX is also part of the Swiss Bankers Association BCM working group sharing experience and expertise with other financial institutions in this topic and topics beyond. This helps the organization to deliver a state-of-the-art BCM policy and program.

“Just because the river is quiet does not mean the crocodiles have left.”

Malay proverb

“There are risks and costs to a program of action... but they are far less than the long ranging costs of comfortable inaction.”

John F. Kennedy

BCM Analysis by SIX

SIX has worked out Business Impact Analyses (BIA) on a divisional level. Downtime and criticality of relevant processes are determined for each and every business service and interdependencies have been identified. Along with the BIA a continuity requirements analysis (CRA) is carried out.

To allow cross-divisional comparison, the BIA process follows a common methodology. BIAs are maintained by the divisional BC managers and are updated on annual basis.

BCM Design by SIX

SIX operates a redundant number of production data centers to guarantee high availability of services in the case of disaster or crisis. These data centers are dedicated to cross-divisional data processing. In this context, SIX operates also a warm (ready-to-use) contingency site.

Availability of data processing systems in space is aligned with availability in time. For each process found to be business-critical in the BIA the desired Recovery Time Objective (RTO) is defined.

Accordingly, all data necessary for recovery operations have to be suitably backed up and stored regarding their Recovery Point Objective (RPO). This is the basis of strategic readiness and of operational flexibility.

SIX has a set of concepts in place to cope with potential situations of loss of staff (e.g. remote working) and/or loss of premises (e.g. relocate operations). This involves over 3500 employees of 52 nationalities across 40 locations in 24 countries. Also, the potential loss of suppliers has been addressed by selecting different utility providers or by maintaining standby systems (e.g. electricity supply).

SIX has assigned priorities to the different businesses for the event of a disaster to be able to recover its operations in an ordered fashion in the case of a disaster. This top-down approach enables SIX to translate requirements of the Swiss financial market place into an orchestrated recovery response.

“In the middle of difficulty lies opportunity.”

Albert Einstein

“The only thing harder than planning for an emergency is explaining why you didn't”

Unknown

BCM Implementation by SIX

To be able to react quickly and consistently in the case of a disaster, recovery plans are formulated. Again, these are specified per process.

SIX has worked out business recovery plans on a divisional level to appreciate the different business demands and to satisfy the varying market expectations and customer needs. Planning and documentation of the recovery response are of utmost important in creating a resilient organization and is in line with the specifications of service level agreements.

Incident Management is the first line of defense handling small scale incidents. Incidents may then be escalated to the corresponding divisional Emergency Management Team in charge. Large scale incidents are then being escalated to the topmost body, the Crisis Management Team of SIX.



Alternatively, depending on the nature of the incident and depending on the impact expected or the time line anticipated, the Crisis Management Team of SIX is activated immediately after an incident has been detected/identified.

BCM Validation by SIX

Successful implementation of business recovery plans includes testing them and training the people behind.

SIX considers testing, training and exercising an essential part of the recovery response. Tests of different complexity such as desktop checks, walkthroughs, unit tests, end-to-end tests, etc. are carried out, mostly on an annual basis. In a maximum setup around 80 specialists from all divisions are training and rehearsing together up to 48 hours to proof effectiveness of IT disaster recovery plans.

Embedding BCM by SIX

All elements in the BCM program are subject to a life cycle and are prone to change. Therefore, all elements have to be reviewed on a regular basis. Furthermore, organizational resilience should be addressed on a regular basis in a systematic manner so as to keep peers, management and external stakeholders motivated, involved and aware.

SIX addresses the topic of BCM in a targeted and tailored fashion to the different audiences within the group (staff, management) and beyond (stakeholders).

Resilience and emergency preparedness are general security topics embedded into the group-wide integrated security activities.

“I always tried to turn every disaster into an opportunity.”

John D. Rockefeller

“Next week there can't be any crisis. My schedule is already full.”

Henry Kissinger

Regulatory requirements

SIX is subject to the supervision of several regulatory bodies and aims to run its business services fully compliant to the corresponding requirements.

The Swiss National Bank is in a unique constellation both regulator and customer of SIX. In this context, on behalf of the Swiss National Bank, SIX operates the application SIC (Swiss interbank clearing) and SECOM (processing and settlement of national and international securities transactions), two essential applications of the Swiss financial market.

In addition, the Swiss Financial Market Supervisory Authority oversees the actions of SIX Exchange AG, SIX SIS AG and SIX x-clear AG. The latter two holding a Swiss banking license.

Internal and external audits document the basic effectiveness of SIX BCM framework on a regular basis.

SIX is a high-reliability organization and is committed to continuous improvement. Self-driven optimization of existent processes and preparations and invention of new ones in order to adapt in an ever-changing environment is a prerequisite for success, not only in the field of BCM.

This brochure aims to introduce the topic of BCM (Business Continuity Management) as lived by SIX to current, potential and future customers of SIX worldwide as well as to suppliers of SIX.

SIX
Hardturmstrasse 201
P.O. Box
CH-8021 Zürich

P +41 58 399 3584
info@six.com
www.six-group.com

For further details please contact:
corporate-security@six-
group.com

All information contained herein
is classified public.

Corporate Security © Copyright 2014
Version 1.1