

BS 25999 Certification Case Study

Samsung Life Insurance, Korea

SAMSUNG
LIFE INSURANCE



Client Requirements

- To position Samsung Life Insurance as the market leading insurance company by being the first to demonstrate adoption of best practice in Business Continuity Management (BCM).
- To underpin business confidence through implementing a robust, globally accepted standard of business continuity management.
- To demonstrate objective 3rd party verification for Samsung Life Insurance's own BCM management system and processes.

Background

Established in 1957, Samsung Life Insurance is the leading life insurance company in Korea with GBP 11.7 billion in revenue and GBP 257.3 million in net income based on the 2006 financial year.

Its core business is insurance. Additionally, it runs retail finance, investment funds and retirement pensions. The headquarters is located in central Seoul with 1,100 branches throughout Korea. It has 10 global offices in major centres such as London, Tokyo and Singapore.

Objectives

Stemming from the CEO's commitment to implementing best practice across the organization, the management of Samsung Life Insurance required that employees should define and document the gap between the best practice set out in BS 25999 and the organization's existing BCMS. The challenge was then to minimize the gaps so the company could go for independent certification to demonstrate to all stakeholders that the company meets international best practice. Additionally, senior management wanted to ensure that a BCMS had been proactively implemented across all related departments and staff. The company felt that the main objective of introducing BS 25999 should be finding opportunities to improve existing business continuity.

What was involved?

Samsung Life Insurance had been working on BCM projects since 2006 and regularly exercised scenarios to check the effectiveness of alternative sites, risk management communication, essential human resources and IT infrastructure. Specifically, 150 staff had participated in 13 exercises since 2006.

On deciding to implement BS 25999, a review of current BCM systems was undertaken. This involved a Stage 1 document audit and submission of this to BSI Korea for a report, which in turn led to the development of a Corrective Action Plan.

Next a Business Continuity Management System was developed through analysis of the current system, focusing on the results of a Business Impact Analysis (BIA). This led to the completion of a detailed action plan and to the implementation of further exercises. In implementing this process, Samsung Life Insurance (SLI) defined a value chain, which consisted of 27 core business areas to be prioritized for recovery in the event of a crisis.

Next a Gap Analysis was undertaken, involving all staff, to identify points of weakness in the current BCMS. For instance an identified point of weakness was the interaction between business operations and IT services. To address this, regular weekly communications and meetings were instituted to discuss detailed action plans. As a result, good cooperation and communication was built between departments. Another area of weakness was the mechanism for reviewing supplier competencies and this was also addressed.

Finally a Stage 2 audit was performed by BSI auditors at SLI's Seoul headquarters and the IT Centre in Seocho (south of Seoul). Forty staff from 36 departments were interviewed and relevant documentation was reviewed. This resulted in a Stage 2 report which identified opportunities for improvement and non-conformities, and yielded a Corrective Action Plan.

Ultimately, BSI's assessment team found that SLI had implemented a robust organizational structure for BCM wherein the Risk Management Team was responsible for overall business continuity and each department had its own BCM manager in a sub role. Certification to BS 25999 was subsequently awarded.

Benefits of certification

- An important differential competitive advantage was established within the insurance industry by embedding a more reliable insurance service which included the introduction of BS 25999.
- Staff competencies were developed to deliver consistent business operations in both headquarters and the IT centre in preparation for an unexpected crisis.

BSI's role

Says Mr Young-Jae Ahn, Manager of the Non-financial Risk Management Group of Samsung Life Insurance's Enterprise Risk Management Team: "BSI Korea's auditors provided a detailed and rigorous assessment which identified areas within our business continuity management arrangements which we needed to change. We now fully understand that BCM will now be a crucial part of our daily business."

He adds: "SLI is proud to have received the first BS 25999 certification in our sector, confirming our position as a leading global financial company."

Mr. YS Choi, BSI Management Systems Korea's BS 25999 product manager, adds: "Both the CEO and all SLI's staff have participated whole-heartedly in implementing a business continuity model which has been raised from basic to best practice. In particular, managers across the business have set a good example for their employees"

For further information on BSI Management Systems BS 25999 services, please visit
www.bsigroup.com/bs25999ms