



Safety Culture

Crisis Management: Creating a Business Continuity Plan for COVID-19

Roland Jones | Apr 09, 2020

As the COVID-19 pandemic continues to develop, businesses should consider taking steps to ensure the continuity of their operations. Good crisis management planning can mean you emerge from turbulent times in decent shape. Here's what you need to know about managing your way through a crisis.

If the COVID-19 pandemic has shown us anything, it's that our circumstances can change suddenly and without much warning.

The coronavirus has now spread to nearly all of the world's countries and territories, sickening millions and placing around a third of the world under some form of lockdown. These emergency measures have led to a slowdown in consumer activity, huge job losses, and thousands of companies facing the prospect of bankruptcy.

Unfortunately, even with all the best intentions, most companies fail to put in place comprehensive plans that prepare them for such a significant setback to their operations, according to Ray Monteith, a senior vice president with insurance brokerage HUB International Limited.

Speaking at a recent webinar on managing a business through the COVID-19 crisis, Monteith notes that fewer than 30 percent of Fortune 2000 companies have invested in putting a full business continuity plan in place.

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Ray Monteith

Senior Vice President, HUB International Limited

"The time to undertake developing a business continuity management plan is before a critical event strikes," notes Monteith, who leads HUB's organizational resilience and risk control practice.

"When we find ourselves in the midst of an extraordinary event, like the one that's unfolding around us now, we need to react quickly to protect critical business functions and processes," he adds.

Make Sure Your Business Continuity Plan Prepares for Disruption

Organizations that survive the current pandemic will likely be those that develop “resilience,” says Monteith—that is, they can anticipate, prepare for, and adapt to incremental change or sudden disruptions.

The most essential element of resiliency is developing a business continuity plan (BCP), Monteith says. It is a process of developing strategies and procedures for mitigating risks and restoring functions as quickly as possible when a disruptive event occurs. You can read more about how to ***develop a business continuity plan here***.

The point of developing a BCP is to help an organization efficiently manage its way through a crisis. It ensures critical activities take place, no matter what else is happening. The goals are to protect people, property and reputation, resume operations quickly, recover losses, and retain good relations with your suppliers and customers.

Steps to Take Now to Help You Manage COVID-19

Organizations may feel helpless in the face of the COVID-19 pandemic, but there are still ways they can respond to the crisis.

Ray Monteith of insurance brokerage HUB International Limited says managers should focus on three main areas: protecting people, protecting property, and sustaining key operations.

Here's a list of key actions that are required now within every organization:

- Monitor public health communications.
- Establish a method, format and cadence for regular communications with your employees, management and customers.
- Communicate to key stakeholders, suppliers, clients and investors that there are response plans and strategies in place.
- Prepare and plan for operations with a reduced workforce, and move to remote-only operations where feasible.
- Ensure suitability of technology infrastructure for extensive remote operations, and be prepared for a significant increase in cybersecurity exploits.
- Monitor employee health and wellness, and support requirements for increased hygiene and social distancing.
- Introduce policies and practices that distance employees from each other, customers and the general public.
- Identify business-essential positions and people required to sustain business and mission-critical functions and operations. Prepare to cross-train or develop ways to function in the absence of these positions.
- Work with employees to address leave pay, transportation, child care absence, and other human resources issues.
- Activate additional sanitation measures and ensure adequate supplies of items such as soap, tissues, hand sanitizer, cleaning supplies and recommended personal protective equipment remain available.
- Activate alternative supply chain sourcing strategies as identified in the BIA.
- Plan for downsizing services, but also anticipate any scenario that may require a surge in your services.

A BCP would likely be tailored to the size and needs of your company or sector. In the services sector, many companies have implemented remote working as the new norm, but in sectors such as manufacturing, this is not feasible for certain jobs. For these companies, continuity planning may involve reducing the personnel allowed on-site, while allowing workers in roles that can function remotely (finance or marketing, for example) to remain at home.

Conduct a Business Impact Analysis to Find Vulnerabilities

Before putting together a BCP, you'll want to complete a business impact analysis, or BIA, which is intended to determine the impact of an interruption on your various business operations. The analysis reveals an organization's vulnerabilities so that managers can understand how to maintain its

operations through a period of upheaval and prepare for any potential setbacks.

Essential to a BIA is the idea that all of a company's operations rely on each other. A BIA analysis would look at the financial and logistical costs of unexpected events and apportion each one a probability so that a manager can assess the relative risk of each scenario and use risk management strategies to manage each one.

Time is a critical factor in developing a BIA, Monteith says. Organizations need to look at their various operations and answer some key questions, such as:

- How long can we go without a particular function or process?
- How long can the business function without doing a particular activity?
- What are the minimum operational resources required to sustain a function?

Understanding and answering these questions helps you identify and prioritize each function according to how critical it is to sustained operations. Ask yourself: If we don't do a certain task, what kind of impact will it have? What are the costs to the organization over time? How significant is it to the organization over time? Do we need to do it right now, or can we wait? Activities you can't do without should be deemed mission critical, and they need to be supported and adequately resourced to ensure continuity of operations, Monteith says.

Examples of these kinds of functions are communications, or IT—critical functions that must be maintained for an organization to operate. We need to be able to communicate or use computers to do our work, so very often those mission-critical functions are ones that require the most immediate and constant support throughout an event.

"The BIA should thoroughly evaluate processes or functions performed in each department, interdependencies within departments, across departments, and with external vendors," Monteith says. "What are the implications of a disruption to our staff, leadership, communications, technology facilities, and supply chain?"

The BIA and BCP work together to allow organizations to understand the most important elements of their operations, and how to maintain them in a crisis. Disruptive events, from pandemics to economic downturns, can happen at any time. Anticipating and preparing for them is a smart way to ensure your organization endures.

Taking action today to understand your organization's vulnerabilities will not only support your business continuity planning, it will also help you become more resilient in the future.

What approaches have you found helpful for managing through the current COVID-19 crisis? What unique challenges have you faced?

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