



Continue business through resilience

SINGAPORE

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Business Continuity Management (BCM) requires that preparedness for any crisis be regularly reviewed and that it be able to adapt to changing circumstances.

SURPRISES can make life interesting. But in the business world they can prove deadly, as they give no warning of their imminent arrival. Events such as Sept 11, Sars, bird flu - and now the H1N1 virus - could not be foreseen. But once apparent, they require an organisation to mobilise its business continuity and other preparedness plans.

Size does not matter when it comes to business interruption; regardless of whether a business is a multinational or an SME, a power outage or a natural or man-made disaster will affect it.

H1N1, the latest threat, has put many organisations' business continuity plans (BCPs) in full view of their peers and competitors. Many smaller organisations have discovered that their own plans may not be adequate. They may cover IT only, or be nothing more than protocols rehashed from the Sars outbreak.

Preparing for the unexpected is not easy. The good news is that today's corporate attitude to Business Continuity Management (BCM) is very different from that of five years ago. The bar is now higher, in light of past events such as Sars.

Business resilience today is much more than the traditional IT-led disaster recovery. In tandem, BCM today not only addresses the restoration of IT infrastructure, but also focuses on the rapid recovery and resumption of critical business functions. However, a major challenge faced by many organisations is moving beyond traditional IT recovery or workspace recovery plans to placing far greater emphasis on less predictable people-related issues.

A proactive approach to BCP begins with a threat assessment. An organisation needs to be aware of the most likely situations that may affect its operations, and put in place measures to minimise the chances of these situations arising.

In a nutshell, this is about knowing your business and understanding the threats to continued operations and growth - put simply, it is prevention to minimise disruption.

Next, an organisation needs to identify its most critical processes and have contingency plans in place to ensure these processes can continue after a major disruption.

Recovery strategies need to be developed and supported by well-defined crisis management plans, as well as thorough and detailed process recovery plans. This should include a strong communications strategy, as relevant and timely information needs to flow to external stakeholders, customers, suppliers, shareholders, the media and regulators.

Where possible, contingency plans should be kept as simple as possible. And roles should be clearly defined so key people understand what they need to do in a crisis.

As a start, businesses should:

- Define the people issues likely to come up when a committee is tasked to create a BCP.
- Ensure the command and control roles of key people are clearly defined, understood and communicated to them.
- Identify key people who may be involved in a crisis and make sure they are trained.

- Consider collaboration within their industry. In some industries, an effective BCP considers the roles of industry regulators or peer organisations.
- Ensure that internal and external communication channels are kept open in a crisis and that the right information is shared with the right stakeholders. Communication plans should detail whom to contact and what information is to be disseminated externally and internally during business disruption.
- Look after key staff, including making provision for them to keep in touch with loved ones during a crisis.
- Test recovery procedures for accuracy and effectiveness.

BCPs need to be resilient enough to handle low-probability but high-impact events. One of the most direct lessons businesses can learn from the current economic environment is a simple one: plans need to be adapted to changes in operations and personnel.

BCM programmes rely heavily on clear communication and coordination between people. It is important that preparedness is regularly reviewed and able to adapt to changing circumstances. This is because many companies are now experiencing increased staff turnover, redundancies or restructuring.

The current reality for many organisations is that there are shortcomings and vulnerabilities in their BCPs. Organisations that find it difficult to react quickly and effectively to a surprise may need to devote more time and resources to testing, reviewing and updating their BCM programmes.

Only then can they be better equipped to effectively weather turbulent times.

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