

## **PREPARE FOR THE UNEXPECTED – IT PROBABLY WILL HAPPEN!**

Business continuity planning should be a priority for every company.

A growing number of businesses suffer a major disruption every year and the current economic climate increases the risk of your suppliers going out of business which could seriously impact on your ability to manufacture or produce your own products - so how would you cope if just such an event happened in your business?

How quickly a company can get back to 'business as usual' in the event of an IT failure, supplier going out of business, fire, flood or similar disaster, depends on how effectively it can put into action a business continuity management plan.

Without a clear recovery plan, a company's chances of survival, especially in the current economic climate, are significantly reduced.

Business continuity management (BCM) can best be defined as: 'A process that identifies potential impacts that threaten an organisation and provides a framework for building resilience. It will also have the capability for an effective response that safeguards the interests of stakeholders, a company's reputation and protects the brand as well as other associated activities.'

With supply chains ever more complex, particularly given the global nature of markets, a back-up plan is vital. This is true whether it's an in-house operation or the service is outsourced to a third party logistics provider. In fact, detailed supply chain planning to set up a cost effective and robust operation from the start is fundamental to the success of every business.

The main challenge is to keep stock to a minimum with a policy of continuous replenishment that ensures orders are fulfilled on time, both for high street retailers and the increasingly "savvy" online shopper.

For some businesses managing peak seasons is even more important as they can account for the majority of sales and will determine whether the bottom line shows a profit or loss at the end of the financial year. Making sure products are delivered on time also keeps customers coming back.

Building-in continuity, making it part of the way that you run your business, rather than having no other solution than to 'fire-fight' any emergency that occurs, will ensure you can get back to 'business as usual' in the quickest possible time.

Planned continuity management systems should be part of your business strategy, enabling you to reassure all stakeholders - staff, investors, customers and suppliers - that your company has an effective policy and practices in place for managing the unexpected. It also helps build confidence in your business.

It is important that all key personnel, from main Board Directors and senior management to the operational teams, are fully involved and are aware of what the plan is achieve. Equally it's essential that senior management supports BCM and a member of the team has ownership of the plan and its implementation.

This means the BCM plan has to be fully embraced and supported, from the planning process right through to making sure that everyone adopts the results and outcomes to ensure it becomes part of normal business practices and operations.

However well you understand your business, it is vital that you discuss issues with your operational teams. This enables you to create a clear picture of the business complexities and how they interact throughout the organisation as well as between customers and suppliers.

Including expert knowledge about every aspect of the business within the continuity plan will help determine if any part of the business already has plans or procedures in place to deal with a major incident. If this is the case, these can be adapted and included in the planning process for the whole business.

As surprising as it may seem, many companies never give any consideration as to where they are vulnerable. This can be down to a number of different factors, from having to put all their energies into meeting day-to-day business requirements and maintaining sales volumes, to simply not taking into account how they would cope if a major, or even a minor, disruption occurred.

One area that is often overlooked, and certainly deserves greater attention, is how would suppliers, customers and potential customers react if your business received adverse publicity because you were unprepared for an incident. It can take years to build a reputation but only a matter of hours to destroy one.

The outcomes of a successful business continuity planning system means that your business stands a greater opportunity to be up and running in the shortest possible time and continue its operations. Without a plan you could be staring into a void, as the alternatives are almost impossible to assess or determine.

There are some companies that prefer to take risks. If your company has an appetite for risk management, then a BCM is a very important operational tool. Good business continuity planning will help you deal much more effectively with an incident, no matter what caused it.

It is also important to consider the benefits of your business continuity planning when talking to other businesses, suppliers, customers or potential customers. An all-inclusive plan can be used to present your company as one that takes its commitments seriously and can be relied upon to meet its obligations at all levels.

In an uncertain and fast changing world, you owe it to yourself, your organisation and your customers to be back in business at the earliest opportunity.

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