5 Steps to Business Continuity During the Coronavirus Pandemic

By Richard Bartolanzo, Partner

As the coronavirus (COVID-19) rapidly spreads within the U.S., how do business leaders ensure continuity during this pandemic? Employee, customer and vendor safety is paramount, but as more activities are canceled and face-to-face meeting aren't advised, how can business leaders take steps to continue serving their customers? While many employers are encouraging employees to work from home, that's not always possible for industries like manufacturing, retail and many others.

During these times, it is essential that you have a business continuity plan. Here are five steps you can take to ensure ongoing operations.

1. Identify a Planning Team

Choose business leaders in your organization that can work together on the plan. If you're the CEO, include key leaders in supply chain, finance, marketing, customer service, HR and IT. if you have risk leaders, be sure to include them on the team.

2. Identify Risks and Impacts

Develop a business impact analysis (BIA) to identify, quantify and prioritize the key risk threat scenarios – those that could bring a halt to business operations, or create a loss, interruption or disruption. The prioritization should focus on activities that are mission-critical and how fast they must be recovered. The coronavirus may be the immediate threat for now, but you also need to understand any other imminent threats.

As you consider scenarios, think internally and externally. What if employees get sick and can't work? What if customers stop coming? What if your suppliers can't deliver? What if the issue(s) continues for weeks or months? How much will this cost your business? It is likely that fixed costs will not stop (rent, salaries, utilities, loan payments), while revenue may be severely limited.

3. Document Alternatives and Action Steps

Once the scenarios and potential risks are identified, it is time to plan for alternative actions to limit the impact of such risks.

Risk	Alternative
Employees don't show up for work	Identify contractors who are available
Supplier capacity constraints/readiness	Identify secondary suppliers that can serve as backups
Employees wish to work from home	Test computer networks and remote access to ensure capacity

Cash flow may be delayed with curtailed product shipments or reduced workforce	Ensure lines of credit to manage working capital; Accelerate accounts receivable where possible
Increased demand for technology capacity as employees work in alternate locations	Ensure computers are appropriately backed up and functioning under heavier workloads
Customer demand exceeds supply	Suggest alternate products in inventory that can serve as appropriate substitutes
Limited staff	Explore alternative locations where work can be distributed
Use of contractors	Ensure training systems are up-to-date to rapidly on-board contractors
Computer systems are down	Identify manual procedures to ensure work is being processed
In-home delivery is curtailed, interrupted, postponed or refused	Communicate with customers around safety precautions and promptly reschedule

While you are developing scenarios, ensure that someone is documenting your plan so there is clarity on the decisions and alternatives. The plan should be continually reviewed and updated or modified as circumstances evolve and new information becomes available. Some elements of the plan should include:

- Goals, objectives and assumptions
- Key roles and responsibilities
- Critical business functions – status of each
- Scenarios and impacts
- Supplier readiness
- Activation and response (who is declaring an emergency and what is the response)
- Communications (employees, customers, suppliers, community, regulators, others)
- Training and practice
- Important contacts (internal and external)
- Site emergency procedures

4. Implement, Communicate and Train

It is important that employees, suppliers and customers know that you are ready, willing and able to manage the emergency situation. This should be communicated to all key stakeholders, with updates sent as necessary.

All employees should be trained on the issues and alternative scenarios so that they know what to expect and how to proceed. Briefs that are simple to follow are critical to ensuring employees have a "go to" set of instructions, including emergency contacts, just in case.

5. Testing

Testing in urgent crisis situations is critical to ensuring the success of your plan. Many organizations run tabletop exercises, where employees walk through scenarios and possible responses to ensure there is understanding and preparedness. A full-fledged simulated test of scenarios is not always possible and can be expensive. However, even limited testing in a tabletop scenario can improve overall outcomes.

Being prepared for the unknown is critical in moments of crisis. Letting cooler heads prevail and having step-by-step models to guide people through unfolding situations is essential to successfully navigating the "unexpected." It also reassures employees, customers and suppliers that your business can weather the storm – and even potentially emerge stronger when the sun begins to shine again.

Learn More

To learn more about how to effectively assess risk and formulate a continuity plan for your business, please contact Bennett Thrasher by calling 770.396.2200.