

Business Continuity Planning

COVID19 - Protecting your business



The next few months are going to be extremely tough for businesses and survival will require sustained effort. Organisations will need to deal with reduced staff numbers, supply shortages and demand downturns due to measures such as “lockdowns” designed to preserve life.

Any Business Continuity planning that has been done in the past will provide a great foundation but the executives of your organisation will need to be agile and prepared to fight their corner.

To focus attention, put someone in charge and make sure they are supported with relevant information and empowered to make, and implement, rapid strategic decisions, based on business priorities that will allow the organisation to survive in the short term.

The priority in a crisis is the welfare of your staff, customers and others potentially affected. However, in order for an organisation to survive, a sustained focus will also

be required for the key business operations. It is vitally important to understand in detail how your business works.

As part of any Business Continuity Planning process, a Business Impact Analysis (BIA) may have been completed that analyses priority activities and the impact of a disruption on them. This should be reviewed in detail, or commenced if not already completed, taking account of the current situation – you may need to expand upon the activities and dependencies evaluated previously, as well as any new ones you had have to introduce, and dig right down into your supply chain, based on your current demand.

The main aspects to consider are your priorities in terms of goods and services, and also the critical timescales for delivery of same. As part of the review of the BIA, consider the following aspects:

● CRISIS MANAGEMENT

- Formalise the Crisis Management Team (CMT)
- Create roles and responsibilities
- Communicate regularly on the changes within your business (using mass notification techniques where possible)
- Provide regular information about the Government's advice on how to control the spread of the virus – some relevant websites are listed at the end of this briefing note

● HUMAN RESOURCES

- Identify staff critical to your key services
- Consider how you would cope with a sudden loss of 10%, 25% or even up to 50% of current staffing levels. Bear in mind the loss of staff may be indirectly due to Covid19 (i.e. staying at home to care for self-isolating family members).
- Cross train other staff to "act-up" temporarily
- Implement home working (and consider the ongoing effectiveness of this strategy medium to long term, as employees may have to fulfil support roles (i.e. child care)
- Encourage highest standards of hygiene and self-isolation in line with Government advices

● FINANCES

- Review requirements to ensure liquidity
- Evaluate the impact of supply chain disruptions on margin, cash flow, loan repayments, etc
- Ensure resources are available to continue payments out

● SUPPLY CHAIN

- Re-evaluate recovery strategies and timescales
- Review external dependencies in your extended supply chain
- Consider how any sole suppliers may be affected by the current situation
- Consider how geographical locations may be affected by possible Government restrictions
- Maintain communication with key suppliers and be prepared to adjust products and services if shortages are anticipated

● OPERATIONS

- Consider limiting your products and services to match the resources that are available to you
- Identify essential customers and contracts to support and fulfil
- Consider how to work cooperatively with other organisations, including your competitors
- Where supplies are unavailable consider alternative means of delivering your products and services
- Ensure that adequate spares and maintenance agreements remain in place. Where these are no longer available, it may be necessary to adjust plant operating parameters to extend the lifespan of equipment.

If you require further information, please contact your local Lockton service team member.

Visit

www.lockton.com/coronavirus

for more information regarding Coronavirus.

USEFUL WEBSITES

UK GOVERNMENT RESPONSE

<https://www.gov.uk/coronavirus>

GUIDANCE PUBLISHED BY THE UK GOVERNMENT TO ASSIST EMPLOYERS AND BUSINESSES

<https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/guidance-for-employers-and-businesses-on-covid-19>

TRAVEL ADVICE

<https://www.gov.uk/guidance/travel-advice-novel-coronavirus>

NHS GUIDANCE

<https://www.nhs.uk/conditions/coronavirus-covid-19/>

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