FAQ:

Creating a Business Continuity Plan in Response to COVID-19

These important questions and answers reflect strategies for addressing unpredictable supply chain disruptions before they occur.

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A business continuity plan is a worst-case scenario action plan. Preparing for the worst is a smart strategy a business of any size should implement.

Many companies were unprepared when the Coronavirus pandemic came to the U.S. and are finding themselves trying to respond to the crisis while still attempting to construct a plan to respond. Addressing a present issue with a plan you're still in the process of building can put immense pressure on an organization that is attempting to address issues while working quickly to identify the correct solutions.

It's important to note that crisis situations can also be incredibly eye opening. Your team might find ways to adapt and change that could result in a "new normal," or employees could bring creative solutions that streamline old processes and identify new resources. While constructing and implementing a plan for continuity, it's important to stay awake to new possibilities that could result in better business decisions.

Questions and Answers

What is a business continuity plan, and what is included in creating one?

Each organization's unique needs and situation will be addressed differently through a business continuity plan. However, the core elements are the same for every organization.

The purpose of the business continuity plan is to help organizations attain stability during a crisis. The plan is focused on assessing risks and creating policies that can be deployed during and after unforeseen events.

Create a list of questions for you and your team to address. These questions could include:

- What is the potential impact to our business, and what do we need to do to determine impact?

- What people, equipment, raw materials, third parties, etc. do we need to ensure we minimize the impact of the disruption?

- What are the critical business functions needed for recovery, and how do we identify and document them?

- What is our plan for incoming and outgoing communication? Who will be responsible for creating the content?

- What types of task forces do we need (such as business continuity and disaster recovery)?

Building and implementing a business continuity plan at the same time requires you to move quickly and stay focused. For example, reviewing and instituting policies on communicable diseases should be a top priority alongside creating a strategy for addressing damage to the value chain during the peak of the crisis!

How is an emergency response plan different than one for a pandemic, should they be combined?

A pandemic response plan is one of many emergency response strategies in a business continuity plan.

These could include emergency response procedures for any potential disaster that is a known scenario and will result in a supply chain disruption, such as:

- Data Breaches
- Natural Disasters
- Terrorist attacks (against your company and others in your network)
- Violence in the workplace
- Chemical, biological, etc. hazards

There are two main priorities common for all plans: response and resiliency. The goal of the **response** is minimizing or cleaning up the damage that occurs. A plan for **resiliency** is your company's ability to rapidly resume operations and lessen long-term impact.

A unique quality in a pandemic health crisis is the need to plan for remote working capabilities. It is necessary to create a quarantine policy, a plan of action for protecting workers if one employee becomes ill on-site, and paths for business if operations must be terminated during the crisis. Beyond responding to the immediate health and safety needs that arise in a pandemic, it's important to know that different disasters call for different plans of attack. An emergency that is a one-time event calls for a linear response: identify the damage, deploy the tactics and people to address it, and move into recovery mode. But, what about an ongoing event that has multiple moving parts, few answers, and confusion from authorities about when it will end?

When identifying vulnerabilities in the value chain, where do you start and what protocols do you deploy to increase protections?

It is vital to focus on being flexible and agile. This requires design ingenuity that allows for things cross-trained employees. Redistribution and restructuring, especially if you run multiple facilities, is a long-term strategy that will guarantee resiliency is a part of your company's action plans.

These strategies, and many more, are designed to create protection against uncontrollable disasters and are critical for responding to a pandemic.

Identifying the vulnerabilities and developing distinct policies to reduce the effects of disturbances on your company is a critical element of a continuity plan.

Another critical component for protecting your business functionality is to extend safety programs to both contractors and subcontractors. Through protocols and active monitoring, you can ensure safety values are enforced through every tier of your unique supply chain.

How do we prepare for the possibility of rerouting our supply chain – or halting production altogether – if major hubs are shut down again?

The lessons learned in 2020 from the Coronavirus about the world's reliance on China's manufacturing abilities, is that the need to find alternative ways to meet demands, will be a top priority in creating an effective response plan.

Finding alternative solutions to major production centers, means ensuring you have key suppliers in place, that you have processes that allow you to find alternative or strategic suppliers as needed, and that you have relationships with third-party logistics providers to pick up the slack as needed to ensure your products are delivered when necessary.

What are the best practices for starting up operations following a shut down?

How rapidly and effectively your company can continue operations after a shut down relies directly on the preparedness of your team and the response strategies that were implemented during the outbreak.

Companies that are the most successful following crises have developed plans for a variety of situations that are easily adaptable during a disaster. With a plan in place and a task force ready to get to work, emergency plans can accelerate the response. Losing time planning for a response during the crisis can result in long-term damage.

Begin with simple but critical questions like:

- Where is your revenue coming from right now? Which teams can focus on short-term revenue generating operations, and which groups can focus on the future?

- What critical operations do you need to continue? What bills do you have to pay?

- Can employee roles shift in the short-term to support the ramp up?

- What equipment needs and capital do you have to consider?