

BUSINESS CONTINGENCY PLAN



APPLIED SUPPORT SERVICES
MANAGEMENT CONSULTING

BUSINESS CONTINGENCY PLAN

The Purpose of this Briefing Document

Most contingency situations are out of your control. This document provides a brief on the key features of a business contingency plan. The document has examples of two different formats. There is also an illustration of the steps you can take to manage and share the plan on your computing system.

In times of emergency, when events are out of your control, you should plan and prepare for contingencies. In a crises situation you may be required to submit your contingency plans to insurers, banks, government and relief agencies in order to obtain the remedies needed to get you back on track.

Contingency planning is the process of building a procedure to prepare for the absolute worst. When things go wrong, the plan is there to salvage your business and provide an opportunity to get things back on track again. Most contingency situations are out of your control. History shows that following a crisis societies and organisations never go back to the place where they started. There will always be a new crisis on the horizon like climate action failure, governance failure, cybersecurity and the ownership of data and economic collapse.

Applied Support Services can supply customised templates and guidance on preparing a contingency plan for your circumstances.

EXAMPLE ONE: BUSINESS CONTINUITY PLAN B

EXAMPLE TWO: EASY GUIDE TO CREATING A BUSINESS CONTINGENCY PLAN

SHARING AND MANAGING YOUR CONTINGENCY PLAN

Our Experience

EXAMPLE ONE: BUSINESS CONTINUITY PLAN B

Source New Zealand Government Business Updates

A business continuity plan (BCP) pinpoints the most important parts of your business, identifies potential risks to these critical pieces and prepares you to recover as quick and easy as possible. Contingency planning is a crucial part of continuity planning — it means having a backup if your original plan no longer works. It's your plan B.

Your BCP shouldn't be limited to what to do after a natural disaster. It should cover any risks or threats that could disrupt your most important business activities.

A continuity plan is different from emergency planning. Emergency plans cover in-the-moment procedures in a crisis, e.g. a natural disaster. BCP covers how you'll get core parts of your business up and running again.

Emergency planning - Why you need to plan

Business owners aren't legally required to do business continuity planning (BCP) but there are many reasons to put time and energy into it. Many small businesses struggle to reopen after a disaster. Planning greatly improves the likelihood that your business will survive — so it should be on your must-do list.

Other reasons to do BCP:

It's a plus for potential buyers and investors. It shows you've thought about other scenarios than simply business-as-usual. It gives your staff confidence, especially if you get them involved in planning.

It helps you spot good opportunities for your business now, e.g. outsourcing payroll.

It could help you negotiate lower insurance premiums. The more resilient you are, the more likely insurers will consider you a lower risk.

Don't let your plans gather dust on the shelf.

Step-by-step guide to business continuity planning

This guide will get you thinking about how to protect the most important aspects of your business. As you go through each step, consider:

- Your particular risks if something goes wrong.
- How you might get back to business-as-usual as quickly and smoothly as possible.
- What the options are if you can't get back to business-as-usual.
- It's important to think of different options rather than absolutes.

Step 1. Identify Key Products or Services

Questions to ask:

- What are the biggest risks to your most profitable activity? How can you reduce these risks?
- What is essential to produce or carry out these key activities, e.g. raw materials, a fully functioning website?
- Can you get by without your full suite of products or services?
- What is your least profitable activity? Be prepared to pause or stop this until you get back on your feet.

Step 2. Identify Key Internal People

These might be staff or business partners, or your board, if you have one.

Questions to ask:

- If you have staff, could your business continue without some or all of them on deck?
- Does your business rely heavily on one person for key tasks? What happens if this person is unavailable? What are the main duties of all staff?
- How might you get temporary staff at short notice?
- How can you support staff and their families if they are affected?

Case study. Casual Workers at Short Notice

Dahlia runs a café and both her servers are off with the flu. But she has a plan in a place for this situation, Student Job Search. She already has a job ad written up and on file, plus job search login details and instructions on how to post an ad.

Step 3. Identify Key Connections

These might be suppliers, service providers, clients or regular customers.

Questions to ask:

- How robust is your supply chain?
- If your business relies on external suppliers or manufacturers, do you have a backup if something goes wrong?
- If your business uses transport to deliver products or services, what are your alternatives if something goes wrong? Can you rent vehicles? What if the port, airport, road or rail system is disrupted? Could customers come to you in the short term?
- Who might help you get back on your feet? Do you have good relationships with your bank, landlord or advisors?
- Who can help if you can't get into your premises or IT systems?

Step 4. Identify Essential Equipment and Supplies

Questions to ask:

- If you rely on your own equipment to make products, could you borrow or rent alternative equipment or premises if yours are out of action?
- Could your staff use their home computers for work if business computers are unavailable? Find out who has suitable devices, the business can help pay for internet use.

Step 5. Consider Relocation Options

Questions to ask:

- If you need to vacate your usual premises unexpectedly, how can you keep your business ticking along?
- Could staff work from an alternative site, or from home, if your premises can't be used? You may want to ask your main suppliers, customers, even competitors, if they could spare room in their premises in an emergency.
- If you need to move, how can you best communicate with your customers about your new location — and from your new location?

Case Study. Leasing or Buying Premises

Making the best of it. After the Christchurch earthquake, two panel-beating businesses could no longer work from their premises. They both had access to a temporary workspace, but it wasn't big enough for all their workers. Partnering up was an obvious solution, the owners had already been thinking about sharing a space due to rent rises.

Step 6. Consider Insurance Options

Questions to ask:

- What could go wrong with my business or at work?
- Have I got it covered?
- Is business interruption insurance, which covers against losses after an emergency, a good option?
- Cover your assets, Resilient Organisations Insurance

Step 7. Identify who can run the Business in your Absence

Questions to ask:

- If something takes you or another important team member away from the business, who can take over important tasks?
- If there's a major disruption, what is each staff member's role in getting the business back on its feet?

Step 8. Keep Contact Details Handy

Questions to ask:

- Do you have emergency contact details handy? This list may include staff, emergency services, clients and suppliers. You may also include your insurance details, security company and neighbouring businesses.
- When were contact details last updated, is it time to check for any changes?

Step 9. Back up Important Data

Questions to ask:

- What data — customer details, emails, files and spreadsheets — are critical to your business?
- What sensitive data — personnel files, bank details, tax documents — do you need to keep safe?
- Do you regularly back up data on a hard drive, server or in the cloud? It's time to start if you don't do this already.
- Storing and backing up data procedures

Step 10. Put it into Practice

Much like emergency plans, a business continuity plan shouldn't sit on the shelf. It needs to be tried and tested with relevant staff at least once a year. This doesn't need to be expensive or time-consuming.

Run 20-minute stress test exercises where you give staff a scenario to plan for. Rather than fixating on the cause of the disruption, e.g. a natural disaster or power cut, focus on how to manage the consequences:

- What will they do if an important machine isn't working?
- What options do they have if the premises are closed for a week or longer?

No two crises are the same. But together, you may find similar solutions to different situations. Your plan will change as your business evolves, so make sure you debrief after each test and update the plan if necessary.

Staff need to know what to do even if you're not available. Make sure your plan is easily accessible.

EXAMPLE TWO: EASY GUIDE TO CREATING A BUSINESS CONTINGENCY PLAN

Source: Creately 2019

How to avoid disasters? Be prepared for them. When things are going well, you often forget to plan for the bad times. But when disaster strikes, you could lose everything in a heartbeat. An earthquake can bring your whole shop to the ground, your biggest client can choose your competitor over you, your system suddenly can crash making you lose important data etc. There are endless possibilities of disasters if you really think about it.

That's why lack of a business contingency plan can be a disaster of its own. Let's see why you need a business contingency plan and how to create one in a few simple steps.

A contingency plan is a proactive strategy that describes the course of actions or steps the management and staff of an organization need to take in response to an event that could happen in the future. It plays a significant role in business continuity, risk management and disaster recovery.

It helps you stay prepared for unforeseen events and minimize their impact. It also outlines a plan for carrying out the normal business operations after the event has occurred.

It's also known in names such as plan B, backup plan, and disaster recovery plan. In case your primary plan doesn't work, it's time to execute the plan B.

Benefits of a Contingency Plan

Without a contingency plan you're opening yourself to unnecessary risks. Here are some important benefits of a contingency plan that you cannot look away from.

Helps react quickly to negative events. As a contingency plan lists the actions that need to be taken, everyone can focus on what to do without wasting time panicking.

Having a contingency plan in place allows you to minimize damage that could happen from a disaster and minimize the loss of production. For example, if you have emergency generators set up, even during a blackout, your team can work seamlessly.

How to Make a Contingency Plan

An effective business contingency plan is based on good research and brainstorming. Here are the steps you need to follow in a contingency planning process.

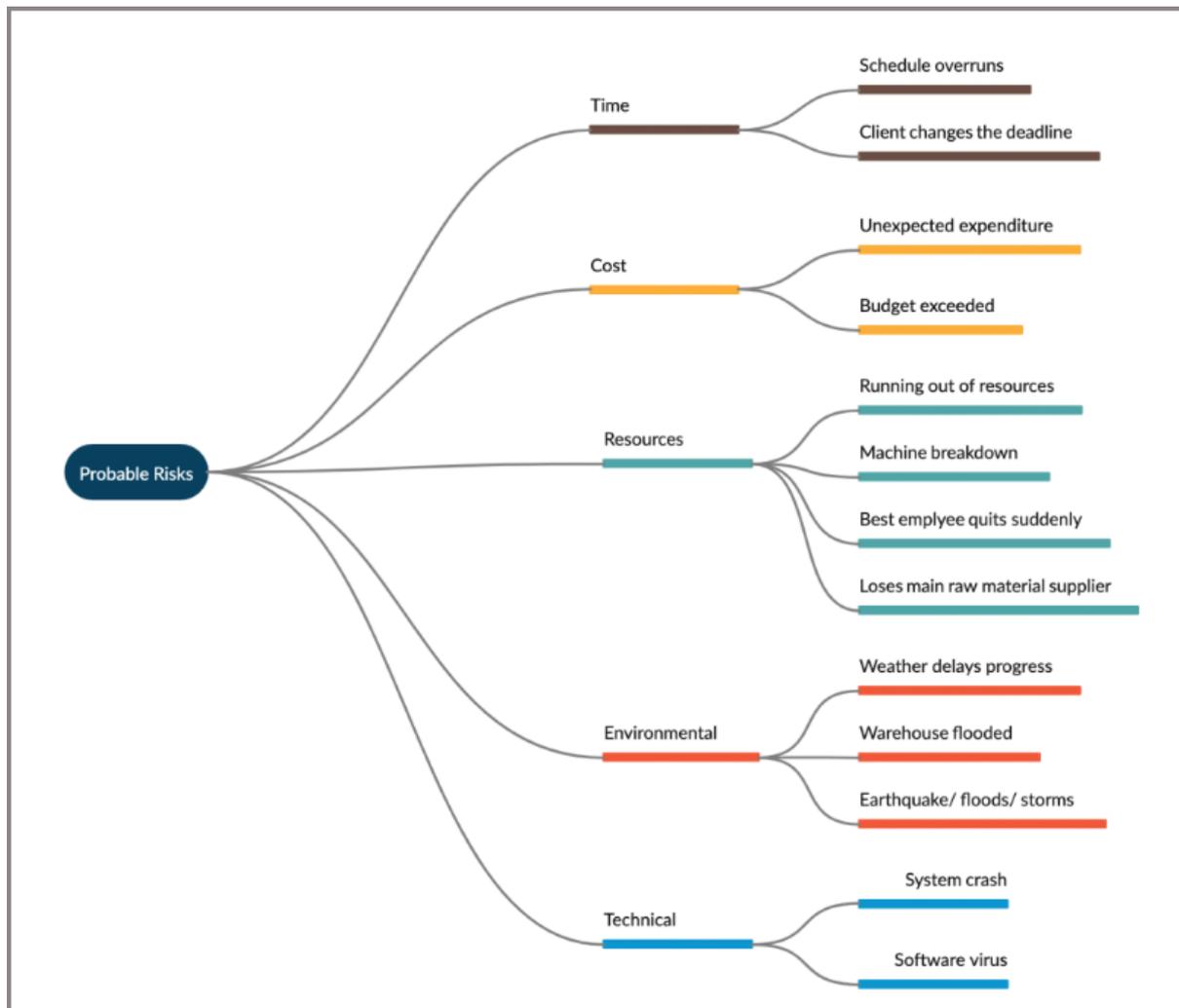
List down the major incidents that could harm your business operations, prioritize them based on their impact and probability, create an action plan explaining what you should do in case they occur, and review and update them frequently.

Step 1: List Down the Key Risks

Identify the major events that could have a negative impact on the course of your business and on the key resources, such as employees, machines, IT systems etc.

Involve other team heads, subject experts, and even outsiders like business consultants to get a deeper understanding of things that may cause problems and jeopardize the direction.

Use a mind map to organize and categorize the information you gather from the brainstorming session with the staff. You can easily share this with everyone in the organization to get their input as well.



Step 2: Prioritize the Risks Based on Their Impact

Once you have created a list of all the possible risks that could occur in different areas of your business, start prioritizing them based on the threat they pose.

The risk impact probability chart is a handy tool you can use here. It helps you evaluate and prioritize risks based on the severity of their impact and the probability of them occurring.



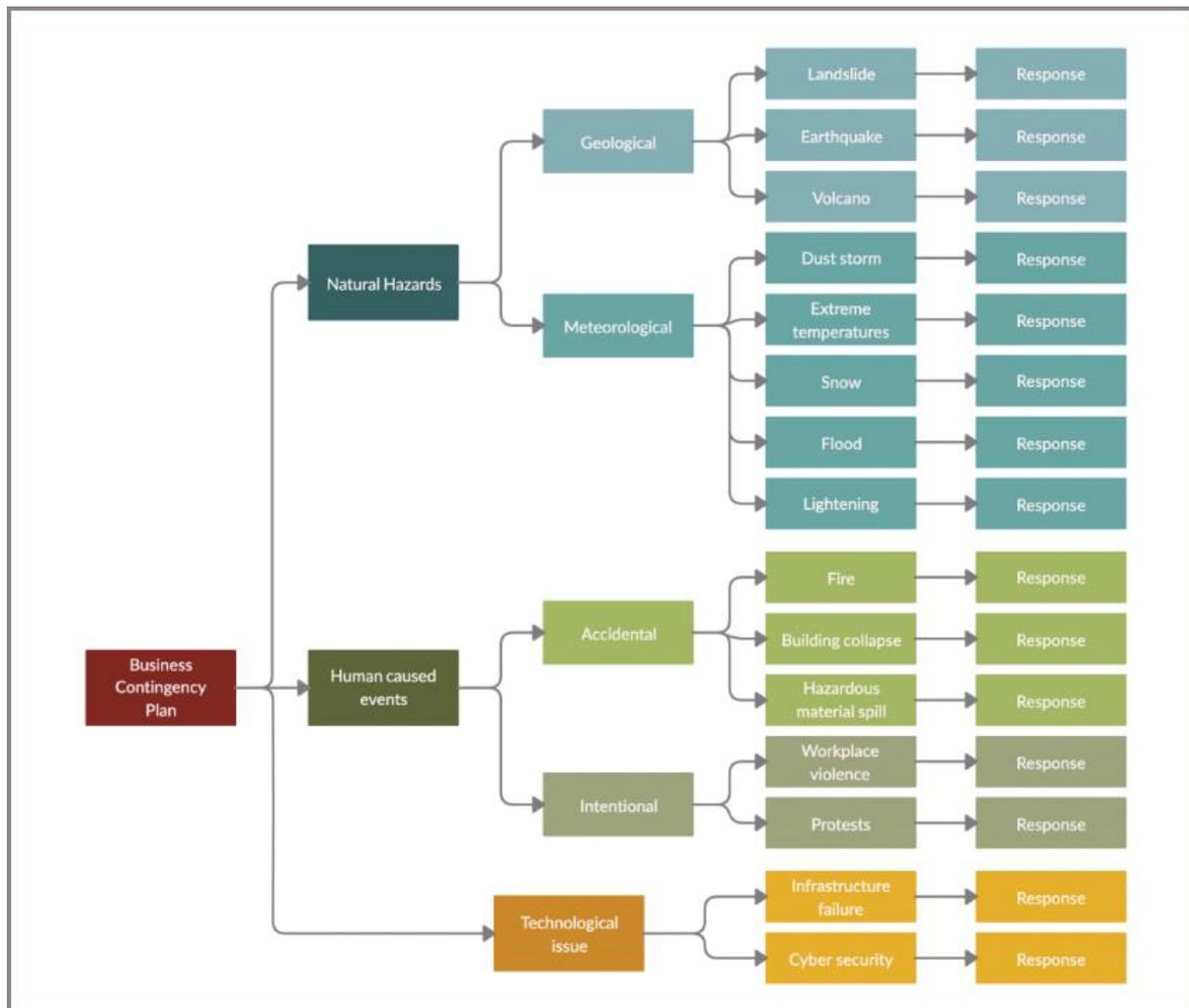
Step 3: Create Contingency Plans for Each Event

In this step you'll create separate plans that outline the actions you need to take in case the risks you identified earlier occur.

Consider what needs to be done in order to resume normal operations after the impact of the event.

Here you'll need to clarify employee responsibilities, timelines that highlight when things should be done and completed after the event, restoring and communications processes and the steps you need to have taken in advance to prevent losses when the event has taken place (i.e. insurance coverage).

You can use a visual format here to highlight the course of actions. It would be easier for everyone to comprehend.



Risk	Probability	Preparation	Response
A large number of employees call in sick	High	Collect employee telephone numbers to call and ask to come in for an unscheduled shift	Immediately call employees requesting them to come for an unscheduled shift
Add Text	Add Text	Add Text	Add Text
Add Text	Add Text	Add Text	Add Text

	Probability	Impact	Preparation	Response
Scenario 1				
Scenario 2				
Scenario 3				

Step 4: Share and Maintain the Plan

Once you have completed the contingency plans, make sure that they are quickly accessible to all employees and stakeholders.

Review your contingency plans from time to time and update them as needed. And it's a best practice to inform your employees of the changes as well, as it may include updates to their roles and responsibilities.

SHARING AND MANAGING YOUR CONTINGENCY PLAN

Make sure the contingency plan is accessible to all employees and stakeholders. Make sure the plan is managed and maintained to keep it up to date.

1 Create a Folder for the Contingency Plan

Business Planning TOOLS	7/11/2016 9:37 a.m.	File folder
BUSINESS PLANS	6/09/2018 9:02 a.m.	File folder
Business STRATEGY	25/07/2016 12:45 p.m.	File folder
Contingency Plan	22/03/2020 10:57 a.m.	File folder
Library	8/11/2016 9:11 a.m.	File folder

2 Calendar Appointment or Tasks

In your calendar create a task or appointment to manage and share the contingency plan TO DO's with staff and stakeholders. To ensure your plan is up to date make certain your stakeholder tasks and TO DO's are scheduled on a regular basis.

TUESDAY	WEDNESDAY
24	25
Computer Syst	
Meeting with K https://us04we	
CONTINGENCY PLAN - CALENDAR SCHEDULE and TO DO LIST Office	

Create a short cut to the contingency plan folder in the appointment. This provides a quick and easy way to access, edit and save the plan.

Create a list of TO DO's and stakeholder actions and assignments in the appointment.

Share the calendar or appointment with others.

To ensure your plan is up to date schedule upcoming actions, tasks and TO DO's monthly in advance.

The screenshot shows the Microsoft Outlook 'Appointment' window. The title bar reads 'CONTINGENCY PLAN - CALENDAR SCHEDULE and TO DO LIST'. The ribbon includes 'File', 'Appointment', 'Scheduling Assistant', 'Insert', 'Format Text', 'Review', and 'Help'. The 'Appointment' ribbon has several groups: 'Actions' (Delete, Copy to My Calendar, Forward), 'Zoom' (Schedule a Meeting), 'Attendees' (Invite Attendees), 'Options' (Show As: Busy, Reminder: 15 minutes, Recurrence), and 'Tags' (Categorize, Private, High Importance, Low Importance). The appointment details are as follows:

- Title:** CONTINGENCY PLAN - CALENDAR SCHEDULE and TO DO LIST
- Start time:** Tue 24/03/2020, 8:00 a.m. (with 'All day' and 'Time zones' checkboxes)
- End time:** Tue 24/03/2020, 10:00 a.m. (with a 'Make Recurring' button)
- Location:** Office

The main content area is titled 'Contingency Plan' in green. Below it is a blue link 'Contingency Plan Folder' with a pink arrow pointing to it. Underneath is a section titled 'CONTINGENCY PLAN TO DO'S AND STAFF ASSIGNMENTS' with the following list of items:

- Key Products or Services - Key Risks, Impacts, Contingency
- Key Internal People - Key Risks, Impacts, Contingency
- Key Connections (Supply chains, professional advisors, customers) - Key Risks, Impacts, Contingency
- Essential Equipment and Supplies - Key Risks, Impacts, Contingency
- Relocation Options - Key Risks, Impacts, Contingency
- Insurance Options - Key Risks, Impacts, Contingency
- Identify who can run the Business in your Absence - Key Risks, Impacts, Contingency
- Back up Important Data - Key Risks, Impacts, Contingency
- Project Management - Putting the Contingency Plan into Practise

TO DO LIST TEMPLATE (Word Table)

Our Experience

We have worked in industry sectors ranging from manufacturing, agriculture, horticulture, forestry, food, ICT, telecommunications, biotechnology, electronics, oil and gas, marine, chemicals and engineering. We help your organisation complete your projects to agreed budgets, timeframes and responsibilities.

Agribusiness	Environment	Nutrition
Agriculture	Fertiliser Manufacturer	Packaging
Air Conditioning Engineering	Food & Beverage	Oil & Gas
Aquaculture	Food Processing	Pharmaceuticals
Architecture	Freight	Plastics
Bath & Shower Manufacturing	Government Central	Price-Escalation
Biotechnology	Government Local	Property
Building	Horticulture	Recycling
Chemicals	Housing	Refrigeration Engineering
Computing	Incubators	Retail
Construction	Industry Associations	Seafood
Crown Research Institutes	Insurance	Shipping
Cut Flowers	Information Technology	Software
Distribution	Manufacturing	Technology
Education	Marine	Telecommunications
Electronics	Media	Tourism
Energy	Medical	Training
Engineering	Minerals	Transport
Entertainment	Non Government Organisations	

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