Compliance, Risk & Resilience: HOW COVID-19 IMPACTED BUSINESS CONTINUITY PLANNING

A robust “lessons learned” analysis through an after-action look-back may be the best course of action for companies to improve their preparedness for the next crisis. Now is the time to dedicate resources to preparing your organization for a resilient response to the likelihood of similarly disruptive events.

MOST ORGANIZATIONS ASSUMED:

- Someone in the organization had considered and addressed all disruptive risks and resulting impacts.
- Their business continuity plans would stand up to sustained operational disruption.
- Crisis management capabilities were up to the task.
- Adequate staff would soon be available to resume work from their normal facilities.
- A point of failure or disruption trigger would be limited in duration.
- Impact could be mitigated by shifting affected operations elsewhere.

INSTEAD:

- Continuity plans inadequately considered the contingent impacts of a prolonged pandemic crisis.
- The crisis management playbook was insufficiently conceived and rehearsed, so critical decisions made in real time often backfired.
- Prolonged unavailability of the workforce was never addressed in planning assumptions.
- Organizations did not anticipate a scale that would catastrophically disrupt their global supply chain.
- Workplace locations were inaccessible for months, introducing work-at-home cyber risk.
- Leaders’ duty of care to prepare the organization for a crisis was shown to be inadequate.

IS YOUR ORGANIZATION RESILIENT AGAINST FUTURE DISRUPTIVE EVENTS?

Disruption is now a sustained operating condition, so leaders have a responsibility to effectively prepare for and ensure the future viability of the company during the next crisis. Reasonable anticipation, thoughtful preparation, and a flexible capacity to respond to any crisis event is the key to success.

LESSONS LEARNED IN 2020

The COVID-19 pandemic is only one example of business interruptions organizations will increasingly face. This public health emergency has exposed weaknesses in both business continuity plans and ongoing operational models. What can leaders do now to make lasting improvements to the resilience of their operations?
**PEOPLE**

- **Staffing impact**: frontline employees are directly in harm’s way, resulting in staffing shortfalls and delegation of authority/succession issues.
- **Cross-training**: ensure that others can step in and perform tasks that require specialized knowledge when usual staff are unavailable.
- **Tools**: find best-fit platforms for teams to support communication and collaboration in remote work environments.
- **Value-based job analysis**: identify “critical employees” deep in the organization chart so companies can prioritize their availability and retention during disruptions.
- **Work from home supervision**: create and manage a high-performing, secure, at-home workforce.

**GOVERNANCE**

- **Staffing dedicated crisis resources**: assign focused leadership and supporting resources to manage a crisis.
- **Decision making**: define a well-exercised crisis management governance structure to respond to evolving situations.
- **Communication**: provide clear guidance to staff and maintain contact with suppliers and customers.
- **Situational awareness**: adapt to the ebb and flow of the crisis, which requires rapid changes to operating posture in response to external factors.
- **HR policies**: provide updates to accommodate modified work schedules, medical accommodations, and a shortage of sick time.

**TECHNOLOGY**

- **IT infrastructure**: IT likely did not contemplate the massive and prolonged work-from-home model that expanded the enterprise security perimeter, but must do so now.
- **Bring Your Own Device (BYOD)**: BYOD policies need to consider the fundamental security of mobile and home devices.
- **Security training**: home workers must practice positive cybersecurity habits in a far less controllable work environment.
- **Facility hardware**: employee and customer systems, including entry, surveillance, and payment mechanisms, must evolve.

**PROCESS**

- **Dependencies**: internal and external process dependencies must be considered with plan upgrades and new manual workarounds.
- **Supply chain**: the fragility of any single/sole source provider must be demonstrated existentially.
- **Risk management**: contingent business interruption claims are being denied by insurers. Organizations must re-examine to better understand policy details.
- **Maintenance**: employees and vendors must be prepared to meet changing operational requirements.
- **Agile transformation**: organizations have proven how quickly they can adapt and must make positive changes to operations.
PLANT & EQUIPMENT

- Disruption duration: know the typical business continuity planning assumption of 30-day availability is shown to be obsolete.
- Mechanical considerations: consider upgrades of air filtration/exchanges, water, and sophisticated building management systems may become a workaround.
- Transportation: re-think employee arrival/departure process (e.g., encouraging biking and driving as an alternative to public transportation, requiring physical facility upgrades, policy changes, and shifts in work schedules).
- Physical workplace: examine design, space, and location requirements, with expectation of long-term need for physical distance, remote work, and distance collaboration.
- Footprint: review overall real estate portfolio taking into consideration geographical locations, multi-tenant spaces, and potential decrease in staff due to work from home.

VITAL RECORDS

- Record access: confirm there are hard copy files logged when working from home dictates the need for new secure document access and sharing platforms.
- Secure file sharing: ensure secure file sharing is accessible.
- System access: review adequacy of VPN and other capabilities for security and capacity limitations.
- Digital approval: consider E-Sign and other virtual, collaborative systems required for approving essential documents.
- Facility data: store pertinent data off-site in case the facility becomes inaccessible.

NOW WHAT?

Analyzing these critical lessons learned and performing a formal pandemic after-action review is only the start of preparing your business for the next unexpected disruption. The goal should be to turn these observations into an action plan to remediate existing gaps, respond to current-state dynamics, and incorporate learnings to improve overall response outcomes. Consider establishing a robust cross-functional crisis management governance framework to evaluate and improve resiliency. Leaders should collaboratively develop an organization-scale roadmap to identify and implement initiatives to improve proactive responsiveness to disruptive crises.

REPRESENTATIVE ENGAGEMENTS

COVID Back-to-Work Policy for a Fortune 500 Insurance Company
We developed a database of global public health guidelines in locations this client has operations, then developed a set of policy, guidance and communications documents for its back-to-work plan.

COVID Look-Back for a Mining Company
We conducted a COVID-19 after action plan look-back and provided findings, recommendations and a senior management workshop to help the client prepare for similar disruptions.

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PRACTICE LEADERS

Duane Lohn
dlohn@brileyfin.com
(602) 321-9818

Scott Corzine
scorzine@brileyfin.com
(917) 930-5300
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