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HOW TO CRAFT AN EFFECTIVE BUSINESS CONTINUITY PLAN

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There is a fairytale that I heard in my first economics class about three sailors who were stranded on an uninhabited island. They had nothing for food except one small tin of fish. They had a problem opening the tin. The first person suggested that they should open the tin with a locally-made catapult. That was not a brilliant idea according to the second person who suggested that they should burst the tin open by heating it on fire. "Wait a minute. How do we share the fish after we have opened the tin?" interjected the third person who foresaw

another problem lying ahead after the delicacy was ready for consumption. By show of hands - any guess who these people were by profession? Well, the first speaker was a physicist, the second person was a chemist, and the third person was an economist. Truly, economists never fail to amaze me - they always think ahead.

The message behind the story is that in addition to devising systems to combat habitual and usual business problems, one needs to institute measures that reduce the effects once the main risk sparks off. As a business leader, you are required to plan beyond the current environment. To think ahead. Always. Like an economist. By virtue of business being perpetual, there is a need for readily available mechanisms to protect against risks that threaten its assets and earning capacity or indeed mitigate adverse effects of the risks.

Business continuity planning (BCP) is a set of actions that a business adopts immediately after a disaster with the aim of restoring the business to its pre-accident level of operation. An effective BCP is broken down into four phases namely, crisis phase, emergency phase, recovery phase, and return-to-normality phase. Actions taken in each phase differ, but collectively they make one process. Just like the solutions offered by the stranded sailors in the story above differed in approach, they all provided an integrated structure to attain a common goal of opening the tin and sharing the fish.

The crisis phase is when the risk which can be insurable or uninsurable, has not yet triggered a loss. This is what you and I call a "threat" in our daily street language. There may be possibilities of averting the loss or if not, of taking steps to reduce its impact. At this stage, it is important to



ensure that your business is equipped and ready to spot any early signals that something is likely to go wrong. The actions need to be defined and communicated to all employees, workers, and key stakeholders. Constant updating of the action plan itself is essential since risks that threaten you and me - as individuals - and our organizations change with time. For instance. In March, this year, some countries in the southern and eastern parts of the continent - Africa - were hit by a tropical cyclone, Freddy. The most terrible storm in history. Many lives were lost. A lot of property was damaged. However, some countries experienced a reduced amount of impact in terms of the number of casualties and degree of property damage because disaster management authorities in these countries forewarned the would-be-affected people of the impending danger or threat and took heed of the tip-off timeously.

When the risk has been triggered, immediate actions have to be taken to safeguard life and property. This is called the emergency phase. Essentially, the emergency plan must provide a basis for knowing . . . what needs to be done immediately, . . . who is the best person to carry the first action, . . . and what facilities and information must be available to enable workers or staff to carry on with the unaffected operations. During this time, the business is recommended to have two sets of workers - one team working on the disaster and the other team carrying out routine work, essentially to level off competition from your rivals, who may or may not have been affected or hit by the risk. Suffice to mention that both parties need to monitor the situation unceasingly and adjust according to the magnitude of the impact of the risk or loss. Did you know that most organizations lose business and market share during physical or economic disasters, not necessarily due to the occurrence of the disaster itself but due to poor crafting of BCP?

Verily, verily I say unto you, your emergency plan must be worked out in liaison with the public emergency service providers such as the fire brigade, ambulance service, police, and other security service providers. When crafting your BCP, ensure that the plan is compatible with - and not against - public policy. Your BCP should be in tandem with best market practices, national laws, and universal standards. Bear in mind that in times of emergencies, the police and other public service providers, including the army, are given extensive power to evacuate, ban access to, or travel to and from the affected areas. Of course, I don't want to remind you about the suffering that businesses and individuals went through during the Covid19 pandemic – but did we not have our planned business and holiday trips called off due to the cancellation of commercial flights by authorities?

The recovery phase is when the effects or impact of the loss is dealt with. This is the time when you as a business leader or manager must collect, store and update business information. It is important to maintain the information in a form and place that make it immediately available when it is needed. A well-written recovery plan demands that you identify key personnel, not necessarily senior managers, and allocate them momentous responsibilities for different functions of the business.

The return-to-normality phase is the conclusion of the recovery phase. This section of the plan is the least rigid in design since its implementation depends very much on the scale of the loss. It is important to have thought ahead to ensure that there is a procedure for deciding when normality has been reached. By date! At this stage, all temporary measures that were put in place to speed up recovery must be discontinued or decommissioned forthwith. Consider Covid19. The World Health Organization (WHO) issued a statement on 5 May 2023 that the Covid19 pandemic is no longer a global health emergency and threat to humans. In other words, WHO directed countries and organizations, globally, to go about carrying out their businesses as was the case in the pre-Covid19 pandemic period. Thus, 5th May 2023 shall go down in the annals of WHO as the return-to-



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normalcy date for the Covid19 pandemic.

For all purposes and intentions, to ensure that your business continuity plan is effective and responds accordingly, it ought to be tested and practiced as regularly as possible whilst thinking broadly and ahead like an economist mentioned in the fairytale above.

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