Building ORGANISATIONAL RESILIENCE

Does your company have an effective business continuity management strategy in place?

Building a successful organisation takes a lot of hard work and commitment. However, one unexpected event can destroy everything. "What goes up slowly, comes down fast," says Michael Baume, business author. While planning for an emergency may be difficult, it is definitely more difficult to explain why you did not!

Threats that can destroy a business are on the rise – in many parts of Africa and across the globe, floods are occurring more frequently while cybercrime incidents that are holding organisations hostage are on the increase. Whereas your organisation may not be affected, it may only be a matter of time before these threats manifest themselves. Forward-looking organisations must have in place well thought-out plans that provide a strategy with which to approach these unexpected shocks in the business environment.

Why do many organisations not have an effective Business Continuity Management (BCM) strategy in place?

Due to the high cost of development, organisations fail to consider the far higher costs of not having a plan in the event of an unexpected incident that could disrupt normal business operations. There is the common thought that "it would never happen" to my organisation. However, history and real-life experiences have shown otherwise – disasters can and do happen. "Just because the river is quiet does not mean crocodiles have left," as the Malay proverb says.

Factors to consider in developing a Business Continuity Strategy:

Risk Assessment – This seeks to identify, analyse and weigh the impact of potential threats to the business, with an aim of developing recovery strategies. It targets business continuity risks that have a medium to high impact and low to medium likelihood of occurrence, for example, cybercrime.

Vital products and services – These should be identified and ranked using defined metrics, which dictate the order of resumption during a disaster. Disruption of these could result in significant loss of reputation, customer confidence and revenue.

Vital assets – An organisation should determine the minimum assets required for its effective operation during a disaster. These resources may be both tangible, e.g. computer equipment, and intangible, e.g. skills.

Dependencies – Business units should know which units they depend on for input or output and their vulnerability in the event of a disruption in those units. The business unit is only as strong as its weakest point.

Bureaucratic and inefficient structures – In many instances, decision-making processes are often too slow to cope with a crisis. During a disaster, every second counts and quick decisions need to be made. Organisations should have an approved, efficient and responsive decision-making process in place to ensure swift recovery in the event of a disaster and to safeguard the organisation's image.

Testing – This involves elaborate planning, outlining the objectives and expected outcomes prior to the test/exercise and the involvement of the business. Many organisations do not test but only document the outcome. This is equivalent to undertaking an examination without a marking scheme in place. How will the results be scored?

Having a BCM plan in place reinforces organisational resilience. In an increasingly uncertain world, it should be one of the top agendas for forward-looking organisation's management teams. "The most serious failure of leadership is failure to foresee," says renowned author Robert Greenleaf.

Indeed, having a business strategy without a BCM plan, is like skydiving without a parachute… extremely risky!

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