



Business Continuity Management

With a zoom in on the health crisis
response plan

Business Continuity Management Setup, updates and management

Let's imagine. Some time ago COVID-19 pandemic started only. In your organization, there was a crisis management or disaster recovery plan. Your business processes and infrastructure were prepared in advance. Personnel was trained for situations like this. You needed to activate the actions plan only. Just in one day, some part of staff moved to work remotely. All affected business processes were updated smoothly. These changes not affected on client relations and/or financial results. No turbulence, no issues, no headache... Your business simply followed the plan that already developed.

You need to apply Business Continuity Management (BCM) program, if you desire this imaginations come true.

An effective BCM program is a critical component of successful business management. Experience shows that typically over 50 percent of businesses without an effective business continuity plan will ultimately fail following a major disruption.

How to build or improve business continuity plans? Deloitte's methodology allows the development and update of an effective BCM, with the following phase

01 Analyze

Before an in-depth analysis or updating the recovery strategies, plans and procedures, a depth analyze phase should be performed on:

- The organization's current state of preparedness
- The risk of continuity of operations (concrete scenarios)
- The impact on business, including the time it would take for adverse impact, the level of services and products acceptable to achieve the business objectives, etc.

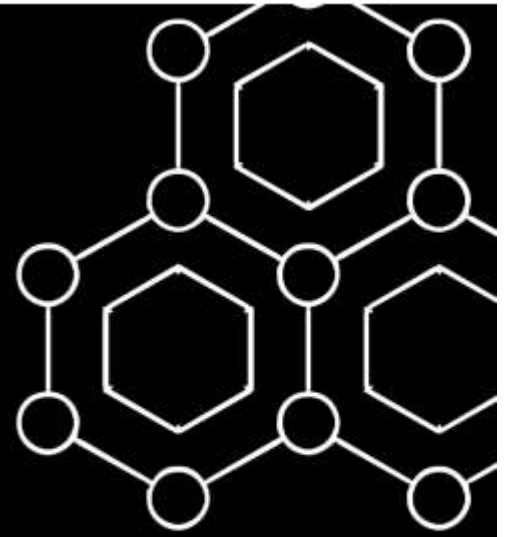
02 Develop or update

Develop or update the strategies for attaining the organization's continuity goals and for anticipating outages and failures (disasters, scandals, pandemics, etc.).

The strategies should be defined based on the "Analyze" phase outputs and should consider people protection, brand and values protection, profit protection, but also the legal and regulatory constraints. The strategies should be built using a cost-effective approach and must pragmatically consider key resources to critical activities: people, ICT, suppliers, facilities.

Experience shows that typically over 50 percent of businesses without an effective business continuity plan will ultimately fail following a major disruption.

Without a proper documentation ensuring a common language in case of a crisis, the recovery cannot be effective. Incident/crisis management, business continuity and recovery management processes and plans must be documented in each organization.



03 Implement

The strategies developed in the previous phase often require acquisition of resources, implementation of technical solutions and security measures, and negotiation of contracts. The efforts related to the implementation should not be underestimated. Exercises, testing

and training are critical components of any Business Continuity Management program. An effective BCM can be run only if the people involved in the recovery activities understand it and if the exercises demonstrate its effectiveness.

04 Maintain & improve

Because of the continuous evolution of risks and the evolution of the crisis situations, it is important to regularly

review and update the BCM through a continuous improvement/quality assurance program.



ANALYZE



DEVELOP



IMPLEMENT



CONTINUOUS IMPROVEMENT & QUALITY ASSURANCE

Crisis response plan

An organization preparedness guide

Disruptive events can be:



Health risks
(e.g. pandemics, virus)



Cyber attacks



Terrorism



Geopolitical events
(e.g. destabilized market)



Natural disasters
(e.g. fire, flood, earthquake)

Here are some specific topics related to crisis management due to health risks:

01 What is the organizational impact?

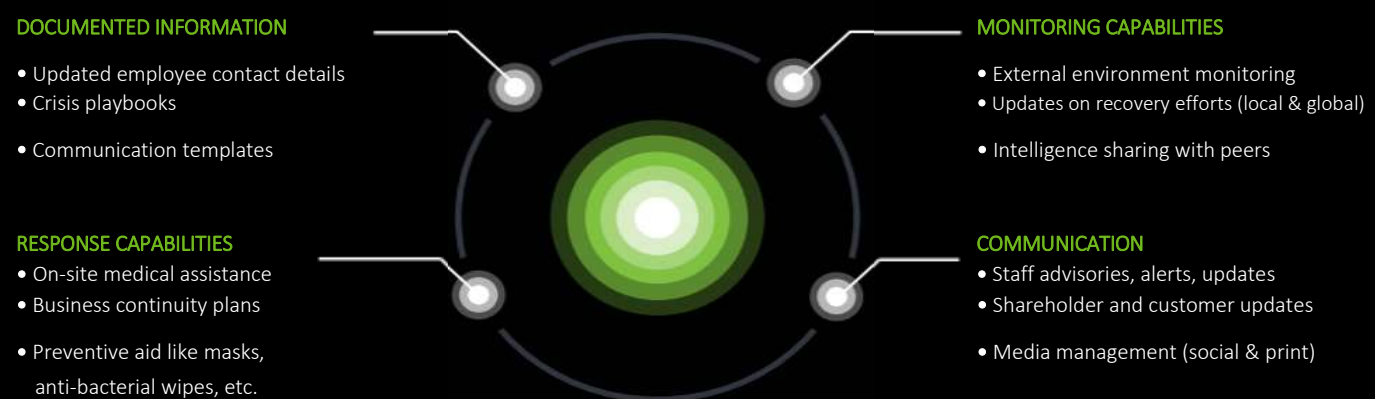
- **Mass absenteeism:** e.g. employees who fear they may have contracted a disease may refrain from coming to the office, which results in a halt of critical business processes
- **Loss of key personnel:** e.g. as a result of casualties, we may lose personnel in key positions, which could result in strategic uncertainty, reduced confidence and impact on business processes
- **Affected suppliers or business partners:** e.g. the inability to procure critical resources, outsourced services or any supply-chain disruption could bring daily operations and processes to a halt
- **Significant decline in market demand:** e.g. key markets, if affected, could see a demand slump in the short-to-medium-term, resulting in unsold inventory

02 How to respond to a crisis?

- **Documented information:** having documented information, such as employee contact details, a crisis playbook and clear communication plan and templates, is crucial to respond to a crisis. The other BCM documents should also be present
- **Response capabilities:** having the capability to respond to a crisis is another crucial part of the crisis response plan. This includes not only on-site medical assistance and preventive aids, but also incident/crisis management, business continuity plans and recovery management
- **Communication:** the ability to efficiently communicate with employees, shareholders, customers through alerts and updates is an essential part of a crisis response plan. Managing communication with the different stakeholders, media and regulators is also a critical part of the crisis response plan
- **Monitoring capabilities:** a crisis response plan must have strong monitoring capabilities. Efficient monitoring should include the monitoring of the external environment, of the updates on the recovery efforts (global and local), but also intelligence sharing with peers

Key components of a crisis response plan

A crisis such as a pandemic outbreak can escalate quickly, crippling an organization's business operations and threatening the life and safety of its employees. It is, therefore, imperative to have an effective crisis response plan, integrated in the Business Continuity Management, which includes:



03 Examples of key actions to be taken immediately within the crisis management due to health risks

Immediate actions: Activate Crisis Command Centre (CCC) and set-up periodic status update calls with the Crisis Management Team, gauge the extent of exposure the crisis poses to the organization, notify employees and

contractors, initiate awareness campaigns, review the Business Impact Assessments focused on mass absenteeism of employees and suppliers, invoke business continuity plans and recovery management, etc.

Contacts

Business Continuity Management



Vladimir Remyga

Director

Risk Advisory | Deloitte Azerbaijan

vremyga@deloitte.az

+994 51 206 0123



Gamar Gadimli

Assistant Manager

Risk Advisory | Deloitte Azerbaijan

ggadimli@deloitte.az

+994 12 404 12 10

Deloitte.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organisation”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax & legal and related services. Our global network of member firms and related entities in more than 150 countries and territories (collectively, the “Deloitte organisation”) serves four out of five Fortune Global 500+ companies. Learn how Deloitte’s approximately 330,000 people make an impact that matters at www.deloitte.com.

Deloitte Asia Pacific Limited is a company limited by guarantee and a member firm of DTTL. Members of Deloitte Asia Pacific Limited and their related entities, each of which are separate and independent legal entities, provide services from more than 100 cities across the region, including Auckland, Bangkok, Beijing, Hanoi, Ho Chi Minh City, Hong Kong, Jakarta, Kuala Lumpur, Manila, Melbourne, Osaka, Shanghai, Singapore, Sydney, Taipei, Tokyo and Yangon.