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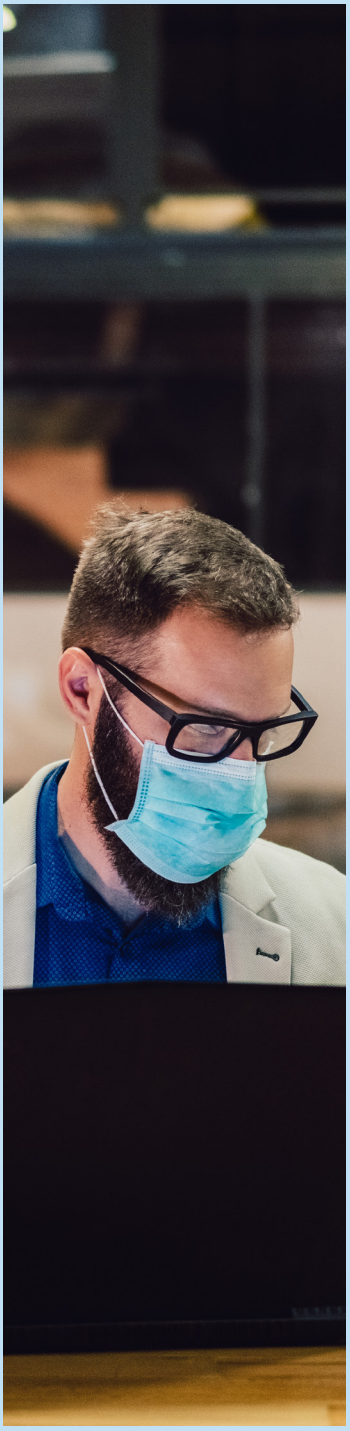

STAYING COMPETITIVE DURING A PANDEMIC

With well-defined, technology-undergirded business continuity plans

Abstract

The unprecedented crisis brought about by the COVID-19 pandemic calls for a thorough reassessment of organizations' business continuity plans. This paper discusses how technology is key to accommodate any further unforeseen disruptions.

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The COVID-19 pandemic has imposed a serious crisis on people, businesses, and economies across the globe. During this unprecedented time, with almost every industry disrupted, seamless business operations are now more important than ever.

By affecting supply chains across the globe, the COVID-19 has posed hard-hitting challenges for procurement managers and technology leaders. The lack of access to markets, materials, and most importantly the workforce, is now compelling organizations to rethink how employees collaborate with each other, their business partners and customers at local, regional, and global levels. A rapid and robust response to withstand these turbulent times requires not only technology investments but also the training of employees. Their effective leveraging of new tools such as laptops, tablets, smartphones, remote collaboration platforms and public/private cloud technology utilization will be critical to aid the as yet-evolving business models while continuing to service customers seamlessly.

While this calls for a thorough reassessment and restructuring process, ensuring the continuity of business operations also requires revamping or in some cases developing business continuity plans (BCP) to accommodate any further unforeseen disruptions.

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Dissecting BCP development

An effective BCP takes into account every aspect of a business, right from its infrastructure to its human capital. It essentially ascertains continuity of business operations, the security of crucial data, and retention of customers in the face of unexpected disruptions. Ideally, a holistic BCP must include an IT disaster recovery plan (DRP), corporate crisis management capabilities, and regulatory compliance. For enterprises with a global manufacturing footprint, creating a geographical balance, pursuing operational excellence, and strengthening the management of complex supply chains emerge as essential lookouts. However, as per Gartner's latest Business Continuity Survey[1], currently only 12% of organizations are adequately prepared with their BCP to deal with the impact of the COVID-19.

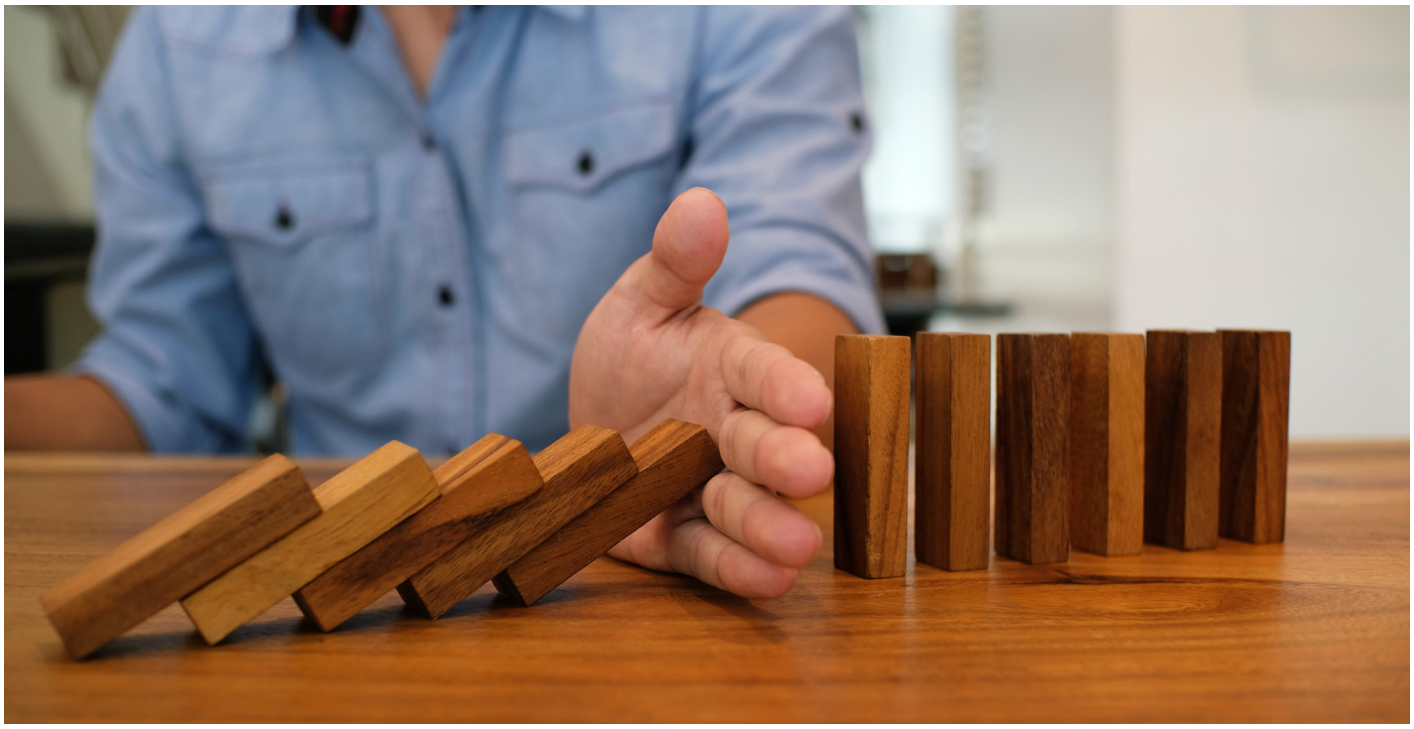
Being different from DRP which primarily focuses only on restoring data and IT operations after a disastrous event, developing a BCP that covers every aspect of the business can be tricky. An effective BCP should mandatorily contain well-defined policies, risk mitigation plans, escape routes during an emergency, security of data and site backups, and elaborations of key roles and responsibilities. Thus, it is important to have a general framework to begin with.

Also, much would depend on the choice of utilizing an internal team or working with a consulting partners during the development process or sourcing a third party to support with both development and implementation. In case of third-party involvement, organizations benefit from the three components of the service providers – people, processes, and technology.

Next, while getting down to developing the BCP, the organization should be mindful of the following key factors:

1. Scope of the plan
2. Key business areas
3. Critical functions
4. Dependencies between various business areas and functions
5. Deciding on acceptable downtime for every critical function
6. Plan to maintain operations

Alongside these, an organization should also refer to the various checklists available in the market, all with various nuances that help businesses to strengthen and modify their BCP as per their specific needs.



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Overcoming the roadblocks

Although a BCP is a panacea for businesses to ensure survival, recovery and continuity of operations and services, yet several challenges play a significant role in discouraging organizations from developing them. A few the of most cited ones are listed below:

Challenge: Investments and implementation cost

The expensive nature of BCP cannot be denied. BCP strategy often requires companies to shell out exorbitant amounts on installing and maintaining additional hardware, software, and data center infrastructure which discourages board members from approving the needed investment proposals.

Solution

Fortunately, today much of the anticipated investment on BCP can be saved through using efficient and affordable cloud computing solutions to store and transfer important data.

Challenge: Complexity and time factors

Although the use of cloud computing solutions eliminates the need for installing heavy hardware and software, it can appear to be a complex task. In addition, other processes such as management of recovery infrastructure, updating disaster recovery documentation and testing of BCP to identify the loopholes can be both tedious and time consuming.

Solution

Seeking help from IT can help in a smooth transition. IT personnel are well-versed with the complexities of cloud computing and their support can ease the seamless planning, implementing, and executing of the BCP.

Challenge: Minimal employee participation

When deciding on their BCP, organizations generally do not encourage employee participation. Keeping employees aloof will make it difficult for them to comprehend the developed BCP and make its successful implementation uncertain.

Solution

It is necessary to keep the employees abreast and on the same page. Scheduling a meeting with key employees to share and discuss the developed BCP; involving the required employees during strategizing BCP; seeking opinions from the members who play an active role in business operations can be a few of the ways to increase employee participation.

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Technology is the Key

Developing an effective BCP is essential not only to minimize business disruptions but also to protect business interests, relationships, and assets. IT plays a significant role in these aspects and including IT support in BCP can yield beneficial results such as data protection and preservation through cloud computing, data replication, and virtualization. Currently, some of the major global players are the leaders in helping organizations with effective solutions to overcome the aftermath of the COVID-19.

IT can also help organizations gain more resilience. Using the right technology, organizations can automate processes and support accessibility from any location. This flexibility is one of the dire current requirements as most of the workforce is compelled to work remotely to support social distancing guidelines. Further, another advantage of adopting technology integration is significant cost reduction. Thus, while developing BCP, organizations should necessarily include suggestions and inputs from IT category managers and technology leaders.

Realizing all this, and with the 'new normal' coming into force, more companies are likely to revamp their BCPs to mitigate the risk of major disruptions or losses caused due to the outbreak of COVID-19. Notably, a Persistence Market Research report[2] has estimated the BCP software market to grow at a CAGR of ~ 13%, attaining a worth of $1.6 Bn by 2029. The growth would be bolstered by the increased use of emerging data recovery and risk management solutions to ensure uninterrupted services even during a pandemic, added the report.

Similarly, the growth of Business Continuity Management (BCM) software market is calculated to grow at (CAGR) of +18% between 2019 to 2025 by Research and Markets[3]. Such software offering a high level of in-depth reviews and audits of BCM helps organizations to survive an increasingly competitive and risk-oriented business environment. Currently, the BCM market is dominated by Infosys along with players like Dell technologies, Metric Stream, IBM, and others.

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Towards a less disrupted future

Until now, for many organizations, BCP was akin to business insurance ¬– considered mostly as an afterthought and seldom as a priority. However, with COVID-19 unmistakably changing the business landscape, organizations across the globe have deplorably learnt about the detrimental effects of even a short period of service downtime. With a majority of businesses experiencing loss of profit margins, steep falls in revenue, heightened compliance risks, and diminished customer confidence as a consequence of the outbreak, they have realized — albeit belatedly — the vitality of effective BCP.

However, in combating all these concerns, IT executives have begun raising the bar of business continuity preparedness for their organizations. Right from establishing communications between organizations and their now-remote workforces, shifting processes from offline to online to make data accessible from all locations, to speedily incorporating technology advances to suit the changing needs of businesses, IT support has emerged as the backbone for all organizations across industries.

Simultaneously, the IT companies are investing heavily into new technologies, business processes and partnerships, and assigning a high level of importance for testing. Additionally, they are also expending efforts towards exhibiting what virtualization can bring to the table in terms of ensuring business continuity and avoiding the impact of an unplanned service interruption.

All of these initiatives are integral towards the development of better and more effective BCP, which will enable rapid recovery from any future disruptive incidents for businesses.

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Ian has over 20 years of experience in sourcing & procurement across global blue-chip organizations. He has led Sourcing & Procurement organizations across Consulting, Telecom, Power Generation, Retail, and the Automotive industries.

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