

Resilience in Recession

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In today's tough economic climate, many organisations are seeking to cut overheads. In many cases, this takes the form of reducing headcount, particularly in areas that are regarded as ancillary or non-core parts of the operation.

Business Continuity Management (BCM) tends to be placed in the non-core category and, as a result, can be an early casualty of these types of cost-cutting measures. Whether it's an internal BCM team losing staff members, or a part-time BCM manager with less time to spare from the day job, BCM programmes can be neglected and will quickly become out of date and ineffective, particularly in a rapidly changing organisation. As anyone who's ever had to manage a disruptive incident knows, there are few things more useless than an out of date continuity plan.

Of course, it's hard to make a case for BCM at a time when core operations are under pressure, but maybe that's just when it should be on the radar even more than usual. With share prices shaky and credit hard to find, the last thing any organisation needs right now is the damage to its reputation and credibility that could arise from failing to effectively manage a high profile disruptive incident.

Arguably, during a recession companies are at their most vulnerable, which makes it the worst time to neglect anything which contributes to resilience or reduces risk. However, if an organisation is under financial pressure, how can it square the circle and achieve those reductions in overhead costs whilst still maintaining the effectiveness of its BCM programme.

One option is to use consultants to take up the slack – whether by outsourcing some or all of your BCM programme, or simply by using them as a flexible resource to assist hard-pressed internal staff. Given that consultants are usually one of the first casualties of a cost-cutting agenda, on the face of it this would seem to make little sense, but there are some clear advantages to this approach. First, consultancy will count as an operating cost rather than an overhead, so although you're still spending money, there is a much greater flexibility. Second, if you use experienced BCM consultants, you are likely to benefit from productivity gains arising from the "here's one I prepared earlier" nature of consultancy, thereby getting near full-time service levels for a part-time cost. Third and last, but by no means least, consultancy is a simple, fixed price, use when needed resource with no NIC, pension, holiday or medical care implications.

One question, of course, is how best to structure any such consultancy agreement to achieve best value. Organisations tend to fall into one of three main categories, as described below. Typically, a short meeting will enable an experienced consultant to help in deciding which level of service will be most appropriate.

Some organisations have a mature, maintained and tested programme in place, supported by a well trained and knowledgeable internal BCM manager. However, in many cases, this manager has to rely heavily on assistance from representatives within the business who have BCM as an extra responsibility, on top of their normal day job. As headcount reduces, the business as usual demands on these staff are likely to

increase and they may have less and less time available. This can leave the BCM manager struggling to maintain the programme with inadequate resource. In this scenario, a good solution is to contract for a specified number of consultant days on a call-off basis. This allows the experienced BCM manager to utilize the resource to support previously chosen objectives in accordance with the existing maintenance and review strategy.

In some cases, although the programme is mature, maintained and tested, it is still managed on a part-time basis by one or more internal staff. In these days of belt-tightening, BCM can be squeezed out of the picture as staff are required to pick up more core work. Focuses shift and plans can rapidly lose currency. Using a consultant to design and proactively direct essential maintenance and testing activity can ensure that the programme's effectiveness is maintained, whilst reducing the pressure on already hard-pressed personnel.

And then there are the places where, for a variety of reasons, the BCM programme has either not reached, or has slipped back from, full maturity and where maintenance and testing regimes don't exist. Here, the solution might be to outsource management of the BCM programme in its entirety, agreeing a schedule of works with the consultants and letting them direct and resource it. Clearly, this still requires sponsorship and participation, but it does leave internal personnel free to focus on core business. Here, if you use experienced BCM consultants, you are likely to benefit from productivity gains as mentioned above, thereby getting near full-time service levels for a part-time cost.

So, assuming that consultancy can provide a reasonably priced, flexible way to maintain BCM in times of recession, what is the motivation for senior management to incur the expense? If you asked the Board of any organisation what their main priority is at the moment, it is likely that the answer would be "survival". As discussed at the beginning of this piece, if an unexpected event damages reputation or credibility it can directly affect share price and access to credit. In today's volatile environment, it could be the last straw. Given that spend is focused on strategic objectives, investing in resilience makes good sense.

