

Death in Business: Risk-free to Risk-full?

By Patricia Wheatley Burt (FCIPD)

Last week two business men had dinner together, they parted company, one set off in a car – the other on a moped. An hour later the man on the moped was dead. These two men had been planning the steady transfer of business activities from one to the other, which now will not happen. Along with the huge tragedy and sympathy for the dead man's family, the business owner has to completely re-think his retirement plans, and how to manage the business without this colleague.

Business Continuity and Risk Management once again reared their ugly heads for him and have caught that business on the hop. How prepared are you and your business for such a tragedy? In our world of Training and Development we have a simple way of defining the priorities for programmes using the acronym END:

- Essential
- Necessary
- Desirable

As the economic situation has deepened, we have read, seen and experienced, businesses cutting back on all perceived extravagances, and indeed those things that are necessary to keep their businesses running. Now they are getting down to the bare bones as we move on towards 2010 if they are to avoid bankruptcy and collapse. However, there are also organisations which recognise and understand that they must make sure that certain standards and processes are maintained and so remain essential.

Having taken a hatchet to your expenses, marketing budgets, staff and products or services, how confident are you that whilst you used to be compliant with legislation, with quality standards, and had a good Risk Management process in place that these are still workable? Are you now, once

again, vulnerable to unforeseen risks in your business?

Managing a vulnerable business:

For example, the Solicitors' Code of Conduct 2007 (Rule 5.01(1) is now in force and will further embed Business Continuity Planning (BCM), including Risk Management within the legal profession which just makes thoroughly good sense. The Code states that firms must make arrangements for the effective management of the firm as a whole and in particular provide for uninterrupted services, protection of client data and staff, regardless of any absences or emergencies. So challenge yourself:

- What would you do if you lost a partner or a senior member of staff through sudden illness (e.g. suspected swine flu)?
- How did your firm manage the interruptions caused by the G20 summit in the City of London at the beginning of April?
- How prepared are you for the Employment Law changes which came into force on 1st April, '09?
- What would you do if your IT systems failed?
- Have you an up to date business continuity plan in place and has it been exercised recently?

To the inexperienced eye....

To understand the links between Financial procedures Human Resources and Cash/Financials of a business Roger Flaxman, Risk Management Consultant, suggests that time and money spent versus the cost of the unforeseen event are worth it.

‘The unintended consequences of change are often not foreseeable to the inexperienced eye. They are a particular kind of business risk that does not fall within the usual matrix of risk assessment or insurance risks because the causation of those typical risks are from entirely different prime sources. The risks associated with enforced changes are in a class of their own and can be far more damaging to your reputation and long lasting than a simple fire or flood. Many of the risks are so unfamiliar to senior management that they simply do not foresee them. The risk is of unwittingly cutting the company's umbilical cord and.... there is no going back from there.’

An effective BCM programme can help to resolve a number of key risk issues that are fundamental to firms of all sizes, for example to:

- protect a firm's reputation;
- protecting investors / shareholders money;
- provide continuous business operations and support to key clients;
- ensure the safe keeping of all documents and information;
- have emergency plans to relocate staff, minimizing disruption and help maintain staff morale.

‘Getting a few fundamental aspects right can go a long way, but if you are in doubt it is wise to ask those with experience in risk management and business continuity to help formulate or refine the plan’, stated Kim Jenkins, BCM specialist consultant. As the risks to business multiply and governance becomes critical across the spectrum, then the room for error is diminishing. No one wants to be held liable for failure.

Free half day diagnosis:

The diagnosis, analysis and plan do not need to be complex, but they should be effective. At Trafalgar, we **offer a half day free discussion**, and can then assist you to create an effective plan using some simple tried and tested template documents and methodologies, that can be further developed to meet your specific needs.

Now is not the time to cut out those essential activities that could fold your business – it is a false economy and could lead to a tragedy. Now is the time to double check you are not vulnerable to constant change.

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Kim Jenkins and Roger Flaxman, with the support of the Trafalgar team can provide experienced consultancy on all aspects of BCM and Risk Management. For more information or to discuss your specific requirements please contact Patricia and her team on: +44 (0)20 7565 7547, or email her on: patricia@trafalgarpeople.com