



APCICT

Asian and Pacific Training Centre
for Information and Communication
Technology for Development



Course on

Business Continuity Planning

Business Continuity Planning

Women Entrepreneur Track



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Technology for Development

Business Continuity Planning

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PREFACE

The Women ICT Frontier Initiative (WIFI), launched in 2016, is APCICT's flagship ICT capacity-building programme for women's entrepreneurship. It aims to enhance the skills of women entrepreneurs in utilizing digital tools in their businesses. It also seeks to support policymakers in creating an environment that is conducive for digitally-empowered women entrepreneurs.

Recent challenges in the global landscape, such as the COVID-19 pandemic, necessitated a review of APCICT's training support for women entrepreneurs. The pandemic was a wake-up call that significantly impacted women-owned enterprises and underscored the importance of the digital transformation of businesses. It not only exposed vulnerabilities but also the need for women entrepreneurs to harness the power of technology in a holistic manner.

APCICT revamped the WIFI programme (now called WIFI DX) to equip women entrepreneurs with practical tools to navigate disruptions and harness the benefits of digital transformation effectively. With WIFI DX, new courses have been developed, encompassing e-commerce and digital marketing, digital financial literacy, data analytics, trust and security, and business continuity planning.

It is our hope that WIFI DX programme will serve as a valuable resource for women entrepreneurs in the region, so that their enterprises can thrive, become more productive, and sustainable.

Kiyoung Ko
Director
APCICT/ESCAP

ABOUT THE COURSE

Many businesses were caught unaware of how to sustain their business during the COVID-19 pandemic. For business to recover soon after a crisis, it needs proactive planning that contains strategies for handling uncertainties or disruptions including that of technology.

The course on Business Continuity Planning (BCP) with the use of technology should provide knowledge and skills for women entrepreneurs to plan for, manage, and overcome crises situations in their businesses brought about by natural and man-made hazards.

The course will lay out the core concepts for business continuity, provide an overview of the process and tools employed for this type of planning, and give examples to illustrate how the tools and ICTs are applied. At the end of the course, the participants will outline their key action points in preparing for a business continuity plan.

Course Target Audience

Women-led micro, small, and medium enterprises.

Course Learning Objectives

1. Be familiar with the key concepts, goal, objectives, and components of a business continuity plan (BCP). Know the building blocks of BCP.
2. Identify critical business functions that need to be protected or immediately resumed.
3. Learn how other women entrepreneurs dealt with crises situations in their businesses.
4. Understand the risks, threats, and impact of crises situations in the internal and external resources of the business.
5. Be aware of analytical tools that can be employed in preparing a BCP
6. Identify ICTs that can be helpful in the planning and integration process of BCP.

7. Outline continuity strategies and action points in developing the BCP

Course Learning Outcomes

By the end of this course, participants will:

1. Acquire an understanding about the importance of BCP and its key concepts.
2. Build awareness on how other women entrepreneurs can develop their BCP.
3. Appreciate the process in analyzing the internal and external risk factors and impact in their business and gain knowledge on continuity strategies that can be applied in crises situations.
4. Recognize the use of ICTs in the BCP planning process.
5. Have a list of action items that participants will use to prepare their BCP.

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Contents

| | |
|--|-----------|
| MODULE 1: THE BASICS OF BUSINESS CONTINUITY PLANNING | 1 |
| Lesson 1: BCP key concepts | 2 |
| Lesson 2: The BCP process | 10 |
| Lesson 3: Business continuity in practice | 16 |
| MODULE 2: RISK FACTORS AND MITIGATION STRATEGIES | 22 |
| Lesson 1: Risk factors and impact assessments | 23 |
| Lesson 2: Mitigating strategies for risk factors and crisis conditions | 40 |
| Lesson 3: Practical steps in creating a BCP | 54 |
| MODULE 3: ICTS IN BCP PREPARATION AND ACTION PLANNING | 65 |
| Lesson 1: Digital technologies for BCP | 66 |
| Lesson 2: Action planning and discussion | 69 |
| COURSE WRAP UP | 71 |
| COURSE REFERENCES | 73 |
| ANNEX 1 | 76 |
| Annotated Outline of Business Continuity Planning | 76 |
| ANNEX 2 | 79 |
| BCP WORKSHEETS | 79 |

List of Tables

| | |
|--|----|
| Table 1. Risk Categories and Attributed Crisis Conditions | 6 |
| Table 2. Risk categories check list | 24 |
| Table 3. Example of Reference Standard for Risk Rating and Possible Damage | 38 |
| Table 4. Example of risk factor assessment by frequency and grade . | 39 |
| Table 5. Example of Risk Matrix Analysis Tool | 39 |
| Table 6. Examples of areas of liquidity for cash flow management . . | 50 |
| Table 7. Examples of flexible human resource management approach | 51 |
| Table 8. Examples of marketing innovations and business adjustments during the rises | 52 |
| Table 9. Example of a Document first page to show code, edition or version number, date of issue, number of pages, authors, approving authority and reviewer | 54 |
| Table 10. Sample checklist template of BCP roles and responsibilities | 55 |
| Table 11. Checklist of BCP Risk Treatment Operational Mechanisms and Procedures | 56 |
| Table 12. Sample Checklist of BCP Approach and Related Duties . . . | 57 |
| Table 13. Sample Checklist of Management and Integration of BCP Documents | 61 |

List of Figures

| | |
|---|----|
| Figure 1. Example of negative and positive risks strategies | 8 |
| Figure 2. The 6R Model for Business Continuity | 11 |
| Figure 3. Attendant plans in Business Planning and Management . . . | 12 |

MODULE 1: THE BASICS OF BUSINESS CONTINUITY PLANNING

Description

Module 1 provides key concepts, goal, objectives, and components of a business continuity plan. It will include case examples of entrepreneurs who were able to develop or use their business plans.

Objectives

The learning objectives of this module are:

- Be familiar with the key concepts, goal, and objectives of BCP.
- Understand the components of a business continuity plan.
- Gain insights from experiences of women entrepreneurs who were able to develop or use their business plans.

Learning Outcomes

- Participants will acquire an understanding about the importance of BCP and its key concepts.
- Increased awareness on how other women entrepreneurs were able to develop their BCP.

Key messages

The module key messages: A BCP is a comprehensive planning document that outlines procedures and instructions to help your business respond to and recover from potential threats or disruptions. The goal is business resilience which is the ability to respond and adapt quickly to disruptions or significant changes that could threaten an organization's operations, people, assets, brand, or reputation.

Women entrepreneurs benefit from having a business continuity plan because it can protect critical business functions, minimize negative impacts to the business, its operations, and its performance. It helps in budgeting and allocate resources to cover the costs of keeping the business going in periods of disruption.

It helps assign roles, responsibilities, and tasks to a business continuity team. Define training activities and exercises for team members to keep them prepared, and to help perform recovery and restoration activities.

The risk categories or negative risk factors that may apply to women entrepreneurs' business environment include disaster wrought by natural hazards, accidents, public health events, personnel crises, information crises, legal risks crises, and crises of credit.

Knowing your business risk factors can help you prepare control mechanisms to lessen or reduce the force, intensity and impact of risk factors in your business.

Lesson 1: BCP key concepts

Lesson Introduction

The lesson covers the key concepts, goal, objectives, and importance of the Business Continuity Plan (BCP). The scenarios and application of BCP will also be introduced in this lesson to identify critical functions in business that may be affected in crisis situations. The lesson provides contents as to the key concepts, goal, objectives of BCP.

To introduce BCP and related concepts, the participants of the course may be asked to share their experiences when the COVID-19 pandemic was declared prompting many governments to limit the movement of communities, cities, towns, and the whole country. How did the participants react to the shut-down policies? How did their business cope in this situation?

The shared experiences of the participants will serve as the springboard for understanding the concepts related to BCP.

What is Business Continuity Planning?

A Business Continuity Plan (BCP) is essential for commercial survival. It is a critical tool for organizations to manage potential threats or disruptions. It should identify critical business processes, set out alternative ways to manage them, and be reviewed and updated regularly to ensure that it remains relevant and effective.

It is a comprehensive planning document that outlines procedures and instructions to help an organization respond to and recover from potential threats or disruptions. It is essential to identify critical business processes and set out alternative ways to manage them in the event of a disruption.

The BCP should be reviewed and updated regularly to ensure that it remains relevant and effective. The BCP should include a detailed analysis of the organization's critical processes, including the identification of key personnel, systems, and equipment required to maintain operations. The plan should also outline the steps that need to be taken to ensure that these processes can be managed in the event of a disruption, including the use of alternative locations, equipment, and personnel. It is important to note that the BCP should be tested regularly to ensure that it is effective and that all personnel are aware of their roles and responsibilities in the event of a disruption.

Why is BCP relevant to any business?

Businesses are vulnerable to several threats – internal and external. These threats can bring negative and positive changes and disruptions to the business landscape. How ready are women entrepreneurs to face these threats?

Preparing for incidents that can affect your business is necessary for preventing costly damages, as well as helping respond proactively if risk incidents occur.

Disruptions to business operations can be very costly. Preparing for disruptive events can significantly mitigate risks, reduce damage, improve customers' trust, and more, which is the purpose of a business continuity plan.

The main goal of a BCP is to protect people, property, and assets. By having a plan in place, businesses can minimize the impact of a crisis and recover more quickly. It can help women entrepreneurs identify potential risks and vulnerabilities and develop strategies to mitigate them. It can help businesses maintain critical operations during a crisis, which can be essential for survival.

Why must women entrepreneurs have a BCP Plan?

Having a plan can help women entrepreneurs do the following:

- 1. Protect critical business functions**, by keeping these two aspects completely separate, it becomes easier to track expenses, calculate profits, and manage cash flow effectively. Additionally, this separation helps to protect personal assets in case of any legal or financial issues related to the business. Please see the tips to separate personal finance and business finance in lesson three of this module.
- 2. Minimize negative impacts to the business, its operations, and its performance.** One of the benefits to having a BCP is that it can minimize damage to the organization during disruptive changes. While it is not always possible to prevent certain types of events from affecting the business, there are many ways to reduce negative impacts. In certain situations, business continuity efforts can even mean the difference between failure and survival.

- 3. Allow budgeting and planning to cover the costs of keeping your business going in periods of disruption,** such as cyberattack, epidemic illnesses, natural disasters, wars, and social upheaval, energy cuts, shortages, and leaks, theft, and associated criminal acts, and others like industry-wide disruptions.
- 4. Assign roles, responsibilities, and tasks to a business continuity team.** Business continuity plans will be implemented by an assigned team. That team's composition will vary, depending on the nature of the disruption, and each team member will be assigned specific duties to perform during the response.
- 5. Define training activities and exercises for team members.** Employee training ensures that employees can stay prepared, perform their tasks effectively, and operate efficiently during the response effort. Without that training, employees will not be able to react effectively or swiftly – precisely when speed is of utmost importance.
- 6. Perform recovery and restoration activities.** Once key personnel have been notified, critical business functions have been protected, and other essential activities have been performed, then it is important to begin recovery operations. The nature of these activities will depend on the nature of the disruption, which is one more reason to have multiple continuity plans that cover multiple scenarios.

The complexity of these plans will vary depending on the organization's size, scale, the type of disruption being addressed, the industry, the amount of effort the organization puts into the creation, maintaining, and updating of the plan. Furthermore, with the organization's ability to function during disruptive events, such action can increase customer's trust and improve the business organization's reputation. Thus, one must

ensure that the business stays compliant with the regulations of their business.

Having a BCP can increase an organization's chances of successfully surviving certain types of disruptions.

What are business risk factors?

Risks are unavoidable and always present in business. Risk factors or risk categories refer to uncertain conditions, incidents, and events that can pose threats to business and can have negative or positive impact to its profitability and sustainability. These factors may arise from external and internal sources and can vary from industry to industry. Common risk factors in business include market risks, financial risks, operational risks, legal risks, and regulatory risks.

Below is a list of risk categories and a description of the crisis conditions of these risk factors. The list below is not exhaustive but most often common to businesses in the micro, small, and medium businesses.

Table 1. Risk Categories and Attributed Crisis Conditions

| Risk Categories | Crisis Conditions |
|-----------------------------------|---|
| Natural hazards –disasters | Earthquakes, typhons, tornadoes, floods, deluges, landslides |
| Accidents | Key equipment failures, energy supplies failures, safety production accidents, dangerous chemical leakages, fires |
| Public health events | Epidemics, pandemics |
| Personnel crises | Key controllers or senior management unable to exercise their duties, departure of core personnel, labor shortage |
| Information crises | Network attacks, core technology leakage, record tampering |
| Legal risks | Labor disputes, major financial and tax cases, major legal proceedings |
| Crises of credit | Corporate brand image due to business mistakes, sexual harassment scandals, rumors, slanders |

Knowing your business risk factors can help you prepare control mechanisms to lessen or reduce the force, intensity, and impact of risk factors in your business.

Resilience to Climate Change

The World Economic Forum (weforum.org) states that climate change has a large potential impact on businesses. In its report, climate change refers to the long-term alternation of temperature and typical weather patterns in a place. It is often attributed to the increased levels of atmospheric carbon dioxide produced using fossil fuels. The Earth's climate is changing and is projected to continue to change over this century and beyond. Climate change may cause weather patterns to be less predictable. The rise in temperature is called global warming.

Human activity, like burning fossil fuels from natural gas, oil, and coal is largely responsible for the current climate change. It has also been related to other damaging weather events such as more frequent and more intense hurricanes, floods, downpours, and winter storms.

Most often negative risk factors that threaten business that can result to a crisis can include natural hazards and disaster, accidents, public health events, personnel crises, information technology crises, legal risks, and crises of credit as shown in Figure 1 that describes the crisis condition of risk categories.

Risk factors can also yield positive results. Positive risks that may have desirable impact on one's business objectives have to be given consideration and managed just like the attention paid to negative risks.

While climate change is a risk factor that can generate negative and positive results, it is befitting at this point to think of our business in this context of resilience to climate change. Being resilient can also mean how we can be part of the long-term solutions to this phenomenon.

Think about this, can there be ways that our business can be more proactive to address climate change? Can our business promote green energy solutions? Can our business be part of the growing movement of the circular economy? Can the latter be included in our BCP strategy?

Circular economy refers to a system where materials never become waste and nature is regenerated. In a circular economy, products and materials are kept in circulation through processes like maintenance, reuse, refurbishment, remanufacture, recycling and composting. The circular economy tackles climate change and other global challenges, like biodiversity loss, waste, and pollution, by decoupling economic activity from the consumption of finite resources.

What are mitigating strategies?

First, what are strategies? These are plans of action or policies aimed at achieving a goal. In business, there are several strategies designed to meet profit goals. In risk management, the goal is to ensure that the risks are controlled so that the business continues.

Risk factors need to be mitigated before they pose more harm to the business. This means actions are required to lessen or reduce the force, intensity, and impact of the risk factors. Mitigating strategies are high-level action plans that need to be employed to do so. Below are examples of mitigating strategies used by businesses in several industries. This will be discussed further in Module 2.

Figure 1. Example of negative and positive risks strategies



Negative Risk

M.A.T.A.



Positive Risk

E.A.S.E.

What is business resilience?

Business resilience is the ability to respond and adapt quickly to disruptions or significant changes that could threaten an organization's operations, people, assets, brand, or reputation. Having a BCP resiliency plan prepares an organization to face risks both known and unknown. It comprises business continuity and risk management efforts, as well as other policies and procedures to prepare for challenges and threats that could emerge in the future. Resilience must be considered as one of the goals or missions of business entrepreneurs.

As mentioned earlier, being resilient does not only include short-term solutions but seeing through challenges in the long term. How can our business contribute to environmental solutions that will also benefit our business efficiency and sustainability?

For example, combining circular economy practices with renewable energy adoption can enhance business resilience, reduce environmental impact, and contribute to a sustainable future.

To know more about business resilience, a list of references is provided in the Annex section.

Activity/Something to do

- Trainer to conduct a facilitated sharing session about the participants' experiences during the COVID-19 pandemic and how it affected their businesses.
- The activity will be used to summarize and illustrate key concepts and processes that can be derived from the experiences of the participants.

Something to think about:

The UN Women recognized that women are negatively affected by the fall out of the pandemic. This is because they typically earn less, have fewer savings, and hold less secure jobs to begin with, women are particularly susceptible to economic shocks in general. The pandemic has devastated the feminized sectors like hospitality, tourism, and retail, depriving many women of their livelihoods. Across all regions, women have been more likely to drop out of the labour force during the pandemic. 58 per cent of the employed women work in the informal sector, with few to no worker protection like paid sick leave and unemployment. For women in frontline jobs, such as healthcare providers and domestic workers, the pandemic has forced them to choose between economic security and their health.

Source: UN Women, (n.d.)

***Notes to Trainers

Give the participants 2 minutes to think about their experiences during the COVID-19 pandemic and how it affected their business. Questions to ask may include the following: How did your business cope during the pandemic crisis?

Lesson 2: The BCP process

Lesson Introduction

The lesson introduces the building blocks of the BCP process and the general planning steps that can be taken to develop a BCP.

The 6R model

The 6R is a building block or framework to bear in mind when we think of business continuity. The model covers the sequence processes: Reduce, Respond, Recover, Resume, Restore, and Return.

Figure 2. The 6R Model for Business Continuity (Source: UN Women, (n.d.))

The 6R model



The sequence processes are described as below:

- 1. Reduce** refers to preventing risk and reducing occurrence of the probability and damage.
- 2. Respond** refers to rapid response, and elimination of risks.
- 3. Recover** means upgrading of risk and start of the BCP recovery.
- 4. Resume** means to control risks, resume business, and make the necessary adjustments.
- 5. Restore** is about restoring the destroyed sites and facilities.
- 6. Return** means resumption of the sites or facilities after restoration.

Each sequence needs to be understood and planned. Real life case examples of each of the Rs are found in Lesson 3.

The 6R model gives you a picture of the coverage of planning and managing business continuity. Thus, as mentioned earlier, having a BCP Plan makes you better prepared in ensuring that your business continues, and lives, property, and assets are protected.

Other plans attendant to the BCP can be helpful and useful to your business. For example, in the figure below, you can see the 6Rs at work. Within the range of the 6R model, aside from the BCP Plan, large companies also have these plans called Risk Management Plan, Safety & Security Plan, Incident Management Plan, Crisis Management Plan, Communications Management Plan that are used according to the timing: pre-crisis, during crisis and post crisis.

Figure 3. Attendant plans in Business Planning and Management



What should a BCP plan include?

So, we have set out why you need a continuity plan. The next thing is, what should you put in it?

At the minimum, below is a list of essential parts to cover in your BCP

document. BCP requirements may differ depending on size and industry area, so carefully consider your individual business needs as a priority.

- **A list of major business threats** – this is a great starting point from which to base your BCP. Map out a list of current threats so you know what to prioritize and focus on in the future. These can range from natural disasters to cybercrime, so be as comprehensive as you can.
- **Impact statement** – for every recognized threat, write an impact statement detailing how each risk could affect your operations. Potential impacts can include things like loss of income, delayed order fulfilment, fines, and penalties, or even loss of life or damage to physical infrastructure.
- **Resources and monetary considerations** – this is where you list your resources and monetary options, which will help support the business in the event of disaster or disruption. An important part of budgeting, it also helps to clarify potential staffing issues, so you can ensure the business is adequately resourced in all situations.
- **Equipment and technology** – what equipment and technology could your business feasibly run on in an emergency? And what software is essential to the continuation of key processes and workflows? Talk to your IT team and relevant parties to pin down exactly what would be required in an emergency.
- **Stock and inventory management** – what would become of your stock if your business faced disruption? And how might this affect your current inventory management system? Consider every eventuality to prevent wastage and over-spending.

Continuity plans do not come for free, so you need to set aside enough money to cover the measures outlined in your BCP document. Of course, your insurance should cover you and your business in the event of disasters and unexpected disruption, but accounting for other costs is essential to sustained, long-term continuity.

To budget for your BCP, work step by step through the plan and account for things like staffing, equipment, premises, stock, and increased marketing efforts. You also need to consider any areas in which you might make a loss, such as revenue, income, or stock wastage.

When budgeting, always go with the top-end, worst-case option. That way you can mitigate against potential shortfalls, so you can be confident you have enough monetary resources in reserve.

How do we create a Business Continuity Plan?

There are several steps to follow when developing a business continuity plan.

Step 1: Setting up.

First, it is necessary to meet the basic requirements of a BCP, including general consent from key staff like company managers, setting objectives and tasks, and determining the resources that can be mobilized within the company, along with the required time and budget arrangements.

Step 2: Assess risks.

External risks. External risks come from forces outside the organization's control. The matrix analysis method is often used to evaluate external risks. This divides external risks into risk damage degree and risk frequency and determines the influencing degrees of external risks.

Internal risks. Internal risks originate from the business organization itself. It is necessary to be aware of your business tolerance for risks within the organization. Rate and rank these according to priority and your ability to prevent and control the internal risk factors.

Step 3: Analyze the impact of risks on business.

To analyze risk impact, related information should be collected comprehensively for each unit in your business. This will include qualitative and quantitative data. A business impact analysis will project the potential effects of disruptions by assessing risks and potential losses. An analysis will provide important information that can be used to develop, prevent, mitigate, and recover strategies. They should be as in-depth as is reasonably practicable, covering a variety of potential scenarios, timing, duration, and other variables.

An exercise to assess risks and analyze its impact will be taken up in Module 2.

Step 4: Drafting a BCP.

BCP helps to prevent or reduce the interruption of business in the case of major problems or disasters. The plan applies to various lines of business, including instances where products cannot be delivered, or services cannot be provided. A BCP should include information on the edition, date, authors, or any approval sign-off.

Step 5: Exercising and testing.

The exercise and the test should be conducted according to the following principles. Firstly, ensure that the business continuity objectives are consistent to avoid internal conflicts in the plan. Secondly, cultivate team spirit and ability, and make the BCP team and related personnel familiar with the work. Thirdly, complete the formal drill report and revise the BCP regularly according to changes in the organizational structure and operating environment.

Step 6: Monitoring and improving.

Conduct an internal audit and evaluation of the plan according to a planned time interval (one year at most) and propose improvements accordingly. This will ensure that the plan stays relevant, effective, and comprehensive.

Lesson 3: Business continuity in practice

Lesson Introduction

The lesson will show case examples or stories to illustrate how some business organizations dealt with risk and crises situations. Some cases show how other women entrepreneurs dealt with crises situations in their businesses. On the part of the participants, it will be helpful to reflect on the readiness of one's business on how to prevent and deal with crises situations.

Case examples in the 6R model

REDUCE – The case of ASDA retailer in UK in pre-crisis period.

Resilience actions for an organization enable it to respond to all predicted disruptive events. Although a global pandemic may have been predicted, the velocity and severity of the situation would possibly have been underestimated. However, what we have seen in the case of ASDA is that their resilience measures have probably included such things as:

- Having a flexible and trained workforce
- Having good communication with suppliers
- Having a method to communicate with customers.

The immediate response was communicated to all customers 2 days after the panic-buying peaked.

RESPOND – Hai Di Lao's emergency response, prevention, and control deployment.

After COVID-19 related restrictions were introduced in the country (in which the movement of people and goods was restricted), senior managers of Hai Di Lao, one of the largest hotpot restaurants chains in China, established a headquarter for pandemic prevention and control, and clearly defined roles for senior management. Here, the chairman stood as commander-in-chief and was responsible for building the organizational structure; the chief operating officer stood as the

first deputy commander-in-chief and was responsible for employee settlement and pandemic prevention; the chief strategy officer as the second deputy commander-in-chief was responsible for the emergency reporting mechanism; the executive director as the third deputy commander-in-chief was responsible for the distribution of supplies; and a trustee was the fourth deputy commander-in-chief, responsible for fund dispatch management.

RECOVER – Hai Di Lao’s anti-pandemic plan.

After Hai Di Lao was closed due to the pandemic, the focus of senior management turned to pandemic prevention and control, employee settlement, supply chain security, food control, and an information feedback mechanism. Therefore, food safety and supply stability could be guaranteed based on the settlement, comfort, and management of nearly 100,000 employees in more than 100 cities across the country. Hai Di Lao released a recruitment notice for an advisory group of pandemic prevention experts and set up an advisory group.

RESUME – Hai Di Lao remolds the supply chain system.

Yihai International is Hai Di Lao’s exclusive hotpot seasoning supplier, with branches in Malaysia, California as well as China. Hai Di Lao’s senior managers contacted Yishai’s board of directors to ensure production in their overseas factories and therefore help meet demands in overseas markets and supplement parts of the demand in domestic markets. At the same time, Hai Di Lao adopted various means like self-established plants, Original Equipment Manufacturer (OEM) processing, and cooperation with supply chains in host countries outside of China, improving the production capacity of the supply chain within half a year.

RESTORE – DEC’s post-earthquake reconstruction.

The production base of Dongfang Turbine Co., Ltd., part of the Dongfang Electric Corporation (DEC), was destroyed in China’s Wenchuan earthquake in 2008. A total of 308 employees died in the earthquake, 70%

of the plant collapsed, and more than 2,000 devices were damaged, leading to economic losses of RMB 2.7 billion yuan (USD 378 million dollars). It took more than 500 days for DEC to complete its reconstruction and resume operation. After the earthquake, DEC saw its production and operations grow, against expectations, and in 2010 the output value was RMB 20 billion yuan, double the level before the earthquake.

IBM Case of Managing a Crisis Situation

Another example of a company that successfully used a BCP to manage a crisis situation is IBM. In 2011, IBM's manufacturing plant in Thailand was hit by severe flooding, which caused significant damage to the facility and disrupted the company's supply chain. However, thanks to the company's BCP, IBM was able to quickly recover from the disaster and resume operations.

IBM's BCP included a detailed plan for dealing with natural disasters, which allowed the company to quickly assess the damage and begin the process of repairing the facility. The plan also included provisions for relocating critical business functions to other locations, which helped to minimize the impact of the disruption on the company's customers.

In addition to having a well-designed BCP, IBM also had a crisis management team in place that was responsible for overseeing the company's response to the disaster. The team was able to quickly mobilize and coordinate the company's efforts, which helped to ensure that the company was able to recover as quickly as possible.

Other real-world examples of businesses that successfully protected their critical functions due to having a robust business continuity plan are as follows :

1. The Cupcake Kitchen:

- Scenario: Houston-based bakery Cupcake Kitchen faced

severe water damage after a hurricane, rendering its premises inaccessible for around three weeks.

- Business continuity success:
 - The owner actively communicated with customers via social media, assuring them that the bakery would reopen.
 - She turned the obstacle of finding a new location into an opportunity.
 - A few months later, revenue returned to 80 per cent of pre-hurricane levels.
- Lessons learned: Effective communications and adaptability are key during crises.

2. Georgia Power:

- Scenario: Georgia Power, a major electricity supplier, lost a transformer to fire damage in 2017.
- Business continuity success:
 - Georgia Power collaborated with a tech company to upgrade transformer testing capabilities.
 - Sensors now record dissolved levels and instantly alert engineers if levels exceed safety limits.
 - Frequent gas readings help prevent similar incidents.
- Lessons learned: Quick response, learning from failure, and preventive measures are crucial.

3. Gaille Media:

- Scenario: In 2017, Gaille Media (a small online marketing agency) lost its entire office space to hurricane damage.
- Business continuity success:
 - Despite the loss, Gaille Media continued operating seamlessly.
 - The agency stored business data and backups in the cloud.
 - Cloud-based access allowed them to maintain business as usual.

- Lessons learned: Cloud-based data storage ensures resilience during physical disruptions.

4. Local retailers during COVID-19:

- Scenario: Small local retailers faced closures and reduced foot traffic during the pandemic.
- Business continuity success:
 - Many shifted to online sales, curbside pickup, and home delivery.
 - Some collaborated with neighboring businesses for joint promotions.
 - Creative marketing and community engagement helped them survive.
- Lessons Learned: Adaptability and community support are essential.

These examples highlight the importance of having a well-prepared business continuity plan to safeguard critical functions and adapt to unexpected challenges. Successful BCP involves agility, communication, and proactive measures. The examples demonstrate that even micro and small businesses can thrive with the right strategies in place.

Summary of Module 1

In the first lesson, we defined key terms such as business resilience, business continuity planning, risk factors, and mitigating strategies. We also discussed the importance of having a business plan and the benefits of which to women entrepreneurs. For better understanding of key terms and concepts, we used some case examples including those shared by the participants.

The goal of BCP is business resilience and to protect the lives, property, and assets of the business.

Business resilience is the ability of an entrepreneur to jump back into the business after a crisis. To be resilient needs proactive planning.

Business continuity planning or BCP is a way to map out how your business will respond to major challenges, disruptions, and disasters. A BCP document should set out the action needed to mitigate risk and maintain business activity, even in worst-case scenarios when your operation is facing a collapse.

BCP is essential for avoiding capitulation or admission of defeat, but instead it should also outline a roadmap to recovery. For this reason, it needs to be comprehensive and all-encompassing detailing how every area of business will be managed and controlled in the wake of a major incident.

Test yourself (quiz)

- What are the 6 Rs in the 6R model?
- What are the key steps in preparing for a BCP?

*****Notes to Trainers**

In preparation for the training, the trainers may prepare and include common and local case examples to help participants understand the key terms and key concepts better.

To end Module 1, you may use this video that can summarize the experience of women entrepreneurs during the pandemic and how BCP can help prepare their business to a more resilient enterprise. On YouTube, you may search “Business Continuity Planning: How it can help your business survive COVID-19” or type in this link <https://www.youtube.com/watch?v=FwYyiOpssx0>

MODULE 2: RISK FACTORS AND MITIGATION STRATEGIES

Description

The module will focus on the threats & impacts of risk factors in the internal and external resources of the business. It will deep dive into the 6 steps of developing a BCP and weave through the basic strategies on how to deal with crises situations and business recovery.

Objectives

The learning objectives of this module are:

- To understand the risks, threats, and impact of crises situations in the internal and external resources of the business.
- To be aware of analytical tools that can be employed in preparing a BCP.

Learning Outcomes

- The participants appreciate the process in analyzing the internal and external risk factors and impact in their business.
- They will also gain knowledge on continuity strategies that can be applied in crises situations.

Key messages

The module key messages:

Risk assessment and impact assessment process can help women entrepreneurs assess crises situations and how they can recover from these.

There are several management strategies available which can be identified or applied to women entrepreneurs' businesses.

Lesson 1: Risk factors and impact assessments

The participants are introduced to useful templates that can help analyze the risk factors and assess the impact on the internal and external resources of their business. This lesson will help the participants understand the risks, threats, and impact of crises situations in the internal and external resources of the business.

It is hoped that at the end of the lesson, the participants will appreciate the process in analyzing the internal and external risk factors and impact in their business, and that they will also gain knowledge on continuity strategies that can be applied in crises situations. It is also hoped that the women entrepreneurs will be able to identify and use risk and impact assessment processes to reduce losses in crises situations and plan how they can recover by identifying management strategies that can be applied to women entrepreneurs' business continuity.

The focus on Lesson 1 in this module is on the risk factors and understanding impact assessment through hands-on exercises using templates to identify each participant's business risk factors and how these factors affect their business.

1. Identify your business risk factors.

In the previous module, the seven main categories of risk factors and crisis categories were presented – for example, whether the risk factor is a natural disaster, a public health issue, a personnel or information crisis, legal risks, or a credit crisis. In practice, crises often tend to cluster together. Thus, one business may have more than one possible risk factors or crisis categories. On the table below check the crisis and risk categories on the column provided.

Table 2. Risk categories check list

| Risk Categories | Crisis Condition | Check the risk categories or crisis conditions affecting your business |
|-----------------------------|---|--|
| Natural hazards - disasters | Earthquakes, typhoons, tornadoes, floods, deluges, landslides | |
| Accidents | Key equipment failures, energy supplies failure, safety production accidents, dangerous chemical leakages, fires | |
| Public health events | Epidemics, pandemics | |
| Personnel crises | Key controllers or senior management unable to exercise their duties, departure of core personnel, labor shortage | |
| Information crises | Network attacks, core technology leakage, record tampering | |
| Legal risks | Labor disputes, major financial and tax cases, major legal proceedings | |
| Crises of credit | Corporate brand image damage due to business mistakes, sexual harassment scandals, rumors, slanders | |

In identifying risk factors, the woman entrepreneurs must be aware of her local environment and what is in this environment that can pose risks to her business.

- i. **For the natural disasters risk category**, you may think of the frequency of these hazards in the area where your business is located. What months of the year does it always rain? When there is typhoon, does your business place often get flooded? Do you often have power outages during typhoons?

Environmental risk factors are conditions or events that increase the likelihood of negative environmental impacts on human health or the environment. Some examples of environmental risk factors are:

- a. Air pollution:** Exposure to air pollution can cause respiratory problems, heart disease, and other health issues.
- b. Water pollution:** Contaminated water can cause a range of health problems, including gastrointestinal illness, skin irritation, and reproductive problems.
- c. Climate change:** Climate change can lead to more frequent and severe natural disasters, such as floods, droughts, and wildfires, which can have significant impacts on human health and the environment.

ii. Accidents

Several types of accidents are commonly reported in the workplace. The specific types and frequency can vary depending on the industry and work environment. Here are some of the most common types of accidents in the workplace :

- a. Slips, trips, and falls.** These are among the most common workplace accidents and can occur in various environments ranging from construction sites to office spaces. Slips usually happen when there's a lack of friction between the footwear and the floor surface, often due to wet or polished floors. Trips occur when a person unexpectedly catches their foot on an object, which can be due to clutter, poor lighting, or uneven surfaces. Falls can result from slips or trips and can happen when working at heights without proper protection. These incidents can cause injuries ranging from minor cuts or bruises to more serious issues like fractures, sprains, or even life-threatening head injuries. Employers must ensure that workplaces are free from unnecessary hazards and that

employees are educated on safety procedures to minimize the risks associated with slips, trips, and falls.

- b. Falls from height** involve workers falling from elevated areas such as ladders, roofs, scaffolding, or raised platforms. This type of accident is particularly common in the construction industry but can also occur in warehouses or any workplace where tasks are performed at a height. Falls from height can be caused by various factors, including unstable working surfaces, failure to use fall protection equipment, misuse of equipment, or lack of training. The consequences of falls from height are often severe and can include broken bones, spinal injuries, or even fatalities. Employers are responsible for ensuring that workers are provided with appropriate safety equipment, such as harnesses and guardrails, and that they are adequately trained in safe work practices to prevent falls.
- c. Falling objects** accidents occur when objects fall from shelves, are dropped during lifting processes, or fall from elevated work areas, posing a risk to individuals below. These accidents are common in warehouses, construction sites, and manufacturing facilities where materials and goods are often stored at heights or lifted. Falling objects can be caused by overloading shelves, improper stacking, inadequate securing of materials, or failure to use proper lifting techniques and equipment. The impact of falling objects can result in injuries, from minor cuts and bruises to more serious head injuries or even fatalities. To mitigate these risks, employers need to enforce safe stacking and storage practices, ensure the use of personal protective equipment such as hard hats, and provide training in proper lifting techniques.

- d. Cuts and lacerations** are injuries that involve a break in the skin and are prevalent in workplaces like kitchens, construction sites, and manufacturing plants where sharp tools or machinery are used. These injuries can be caused by various factors, including the improper use of tools, failure to wear appropriate protective gear, lack of training, or poor maintenance of cutting equipment. The severity can range from minor cuts requiring basic first aid to deep lacerations requiring medical attention. Preventing cuts and lacerations is often a matter of implementing proper safety protocols, ensuring that tools are maintained in good condition, providing adequate training on the safe handling of sharp objects, and ensuring that workers have and use appropriate personal protective equipment such as gloves.
- e. Electrical incidents** in workplaces involve injuries such as shocks or burns that result from contact with electrical sources like exposed wires, electrical outlets, or equipment. These incidents can occur in various settings, including construction sites, offices, and industrial facilities. They are often caused by inadequate wiring, lack of grounding, using equipment with frayed cords, overloading circuits, or encountering live electrical components. The severity of electrical injuries can range from minor shocks or burns to severe burns, internal injuries, or even fatalities due to electrocution. To prevent electrical incidents, employers need to ensure proper maintenance of electrical systems and equipment, provide training on electrical safety, and enforce the use of appropriate personal protective equipment.
- f. Fires and explosions** in workplaces can be caused by various factors, including flammable materials, electrical malfunctions, or unsafe handling and storage of chemicals.

These incidents are especially common in manufacturing, construction, and chemical processing industries. Fires can rapidly spread, causing widespread damage to property and posing a significant risk to human life. Explosions, often due to a build-up of gases or volatile chemicals, can have devastating effects, causing severe injuries or fatalities. Employers must adhere to safety regulations to prevent fires and explosions, ensure proper storage and handling of flammable materials and chemicals, maintain electrical systems, provide fire extinguishers and other firefighting equipment, and train employees on emergency response procedures.

- g. Overexertion** injuries occur when an individual engages in excessive physical effort while lifting, pushing, pulling, or throwing objects, and these injuries are prevalent in workplaces such as warehouses, construction sites, and factories. Overexertion can lead to strains, sprains, muscle tears, and back injuries, which are not only painful but can also lead to long-term health issues and affect a person's ability to work. These injuries are often caused by improper lifting techniques, attempting to move objects that are too heavy, or not having enough rest breaks. Prevention involves proper training in manual handling techniques, using mechanical aids for lifting heavy objects, implementing ergonomic solutions, and encouraging workers to take regular breaks and ask for assistance when needed.
- h. Exposure to harmful substances** in the workplace involves contact with chemicals, dust, fumes, or radiation, which can harm an employee's health. This type of accident is common in manufacturing, construction, healthcare, and laboratories. Exposure can occur through inhalation, skin

contact, or ingestion. It can result in various issues, from respiratory problems and skin irritation to more severe conditions like chronic lung diseases or cancer. The key to preventing such exposure is to have proper ventilation systems, ensure that safety data sheets are available for all chemicals used, provide training on handling hazardous materials, and ensure that employees use appropriate personal protective equipment, such as gloves, masks, and protective clothing.

- i. Caught-in/between objects** accidents occur when an individual's body part is caught, crushed, squeezed, or trapped between stationary or moving objects, such as machinery, equipment, or tools. This type of accident is common in manufacturing, construction, and industrial settings where heavy machinery and equipment are used. The injuries resulting from being caught in or between objects can be severe, including fractures, amputations, or even fatalities. Such accidents often happen due to improper machine guarding, inadequate training, or not following safety protocols. To prevent these accidents, employers must ensure that machinery is equipped with proper safety guards, employees are trained in safe work practices, and protective equipment is used.
- j. Repetitive strain injuries (RSI)** are musculoskeletal disorders arising from repetitive motions or awkward postures for extended periods. This type of injury is common in office settings, assembly lines, and occupations that require constant use of the hands and wrists, such as data entry or operating machinery. One well-known example of RSI is carpal tunnel syndrome, which affects the nerves in the wrist. Symptoms of RSI include pain, stiffness, weakness, or tingling in the affected area, and these injuries can lead

to chronic pain or disability if not addressed. Prevention and management of RSI involve ergonomic workplace adjustments, encouraging regular breaks, training on proper body mechanics, and sometimes, using braces or other supportive devices.

- k. Vehicle accidents** in workplaces typically involve vehicles such as forklifts, trucks, or other heavy machinery and are especially common in warehouses, construction sites, and industrial environments. These accidents can occur due to various factors, including operator error, lack of training, mechanical failures, or inadequate safety procedures. The consequences can be severe, ranging from property damage to serious injuries or fatalities for vehicle operators or nearby workers. Preventing vehicle accidents requires a multifaceted approach, including ensuring that operators are properly trained and certified, maintaining vehicles in good working condition, enforcing safe driving practices, and implementing traffic management plans to safely control the movement of vehicles within the workplace.
- l. Ergonomic injuries** arise from poorly designed workspaces that don't support the natural movements and postures of the human body. Common in office settings but also in manufacturing and other industries, these injuries encompass a range of issues, including back pain, eye strain, and musculoskeletal disorders. Poor seating, improper monitor height, inadequate lighting, and repetitive motions without sufficient breaks are some factors that contribute to ergonomic injuries. These injuries can lead to chronic pain, reduced productivity, and long-term health issues. To prevent ergonomic injuries, it's essential to design workspaces that allow for natural postures and movements,

provide adjustable furniture, encourage regular breaks, and educate employees on the importance of ergonomics.

- m. **Struck against objects** accidents occur when an individual accidentally runs into or is forcefully pushed against stationary objects such as walls, doors, cabinets, or machinery. This type of accident is common across various workplaces, including offices, warehouses, and construction sites. The causes can range from simple human error and cluttered workspaces to being pushed due to a slip or a trip.

The injuries resulting from being struck against objects can vary in severity, from minor bruises or cuts to more serious injuries such as fractures or concussions. Preventive measures include keeping workspaces free of clutter, ensuring adequate lighting, marking potential hazards, and educating employees on awareness and safe practices within their work environment.

- n. **Machine entanglement** accidents occur when clothing, hair, or body parts become entangled in machinery, usually involving rotating parts, rollers, or gears. This type of accident is most prevalent in manufacturing, industrial, and construction environments where heavy machinery is used. Machine entanglement can result in severe injuries, including lacerations, amputations, or even fatalities. These accidents often occur due to improper machine guarding, loose clothing, or inadequate safety protocols. Preventing machine entanglement requires strict adherence to safety regulations, including installing and maintaining machine guards, ensuring that workers wear tight-fitting clothing and proper protective equipment, and providing training on the safe operation of machinery.

- o. Violence at the workplace** refers to physical altercations or attacks within a work environment and can involve confrontations between employees or assaults by outsiders such as customers or intruders. This kind of incident can be prompted by various factors, including workplace stress, personal conflicts, or external criminal intent. The consequences of workplace violence can range from minor injuries to severe physical harm or even fatalities, and it also has a significant psychological impact on the workforce. To mitigate the risk of workplace violence, employers must foster a respectful work culture, implement security measures, provide training in conflict resolution and de-escalation techniques, and establish clear protocols for reporting and addressing violent incidents.
- p. Walk-into accidents** occur when individuals inadvertently walk into objects such as windows, doors, tables, or cabinets, usually causing injuries like bumps, bruises, or cuts. These incidents are common in various workplaces, including offices and retail environments. Factors contributing to walk-into accidents may include cluttered spaces, poorly placed furniture, inadequate lighting, or distractions such as using a mobile phone while walking. Though usually not severe, these accidents can cause discomfort and affect productivity. To prevent walk-into accidents, it's essential to maintain clear walkways, adequately light workspaces, sensibly arrange furnitures, and encourage employees to be attentive and minimize distractions while moving around the workplace.
- q. Temperature extremes** in the workplace involve exposure to extremely hot or cold environments, leading to heat stress, heat stroke, hypothermia, or frostbite. This type of accident is common in construction, agriculture, and manufacturing industries, where workers might be exposed to outdoor weather conditions or work near high-

temperature equipment. In extreme heat, the body may be unable to cool down efficiently, leading to dehydration and heat stress. Conversely, exposure to cold temperatures can reduce blood flow to extremities, causing frostbite. To mitigate risks, employers must implement safety measures such as providing adequate breaks, access to water or warm beverages, proper ventilation, and personal protective equipment suited to the temperature conditions.

- r. **Noise induced hearing loss (NIHL)** occurs when individuals are exposed to high noise levels over an extended period, leading to gradual hearing loss. This type of accident is common in manufacturing, construction, aviation, and music industries, where workers are regularly exposed to loud machinery, equipment, or sounds. The hearing damage can be permanent and affect the quality of life and the ability to communicate. Prevention of NIHL includes monitoring and controlling noise levels, providing and ensuring hearing protection devices like earmuffs or earplugs, educating employees about the risks of exposure to high noise levels, and conducting regular hearing tests to monitor employees' hearing health.

- s. **Collapses or structural failures** refer to the sudden falling or caving in of buildings or structures, often trapping workers inside or under debris. These accidents are most common in construction, mining, and industrial sectors. Causes can include design flaws, poor construction practices, use of substandard materials, natural disasters, or overloading. The consequences of collapses or structural failures are often severe, ranging from serious injuries to fatalities. To mitigate the risk of such accidents, it is vital to adhere to building codes and standards, conduct regular inspections, ensure

that materials meet quality standards, and provide training in safety protocols for workers involved in construction or working in potentially unstable environments.

- t. **Confined space accidents** occur in small, enclosed spaces not designed for continuous occupancy and often have limited entry and exit points. These spaces can include tanks, silos, pipelines, or tunnels. Workers in such environments risk asphyxiation due to lack of oxygen, exposure to toxic fumes or chemicals, or becoming trapped. Additionally, confined spaces can amplify risks associated with fires or explosions. These accidents can result in severe injuries or fatalities. To prevent confined space accidents, it is essential to identify and label confined spaces, ensure proper ventilation, monitor air quality, provide specialized training, and establish rescue procedures and equipment for emergencies.

In conclusion, understanding the twenty most common types of accidents that occur in workplaces is crucial for promoting safety and preventing incidents that can lead to injuries, disabilities, or even fatalities. By being aware of these potential hazards, employers can implement effective preventive measures, provide necessary training and personal protective equipment, and create a safety culture within their organizations.

Likewise, employees can prioritize their well-being by adhering to safety protocols, reporting hazards, and actively participating in maintaining a safe work environment. Ultimately, by working together and prioritizing safety, we can significantly reduce the occurrence of workplace accidents and ensure the health and well-being of everyone in the workplace.

iii. **Common financial and tax risks for MSMEs**

The following are common financial and tax risks for MSMEs :

- **Capital risks.** Capital risks include reduced profitability, a ruptured capital chain, and the improper employment of financial core positions.
- **Equity risks.** They often include the risk of capital loss caused by the improper design of the equity ratio, unreasonable pricing of equity incentives, and an unclear exit mechanism for shareholders.
- **Accounting risks.** Financial and tax accounting risks include various legal risks due to nonstandard accounting management, unsound financial systems, and a lack of awareness of tax risks.

In another module (Digital Financial Management Module of APCICT or the UN Women BCP Toolkit), some of the exercises can test whether your business is financially at risk and can be used to gauge this as a risk factor.

iv. **Market and compliance risks in crisis situations**

Migration to online marketing can open challenges and risky situations for entrepreneurs.

Contract implementation conditions are divided into failure to implement all of the obligations; failure to implement some of the obligations; failure to implement for the moment; and cases in which changes in the external environment have made implementation unfair to one party and require review. Difficulties in contract implementation caused by governments' administrative measures are considered as falling under force majeure. However, difficulties in work resumption and sharp rises in human resource and material costs may be classified as market risks. This can lead, in turn, to compliance risks.

v. Legal risks

Legal risks in business can be a serious concern for any company. From legal sources here are some of the most common legal risks that can impact your business

- **Breach of contract.** This occurs when a party fails to fulfill its obligations or liabilities in business agreement.
- **Employment law violations.** These occur when employees are subjected to workplace harassment, discrimination, wrongful termination, or underpayment.
- **Intellectual property infringement.** This occurs when a business uses or copies another's trademark, patent, copyright, or trade secret without permission.
- **Product liability.** This occurs when a business is held responsible for any harm caused by its products to consumers or third parties.
- **Environmental law violations.** These occur when a business causes pollution or damages to natural resources.
- **Tax law violations.** These occur when a business fails to comply with the tax regulations or obligations.
- **Contract disputes.** These occur when a business has a legal conflict with a customer, stakeholder, or community member over the terms or performance of a contract.

It is important to note that while some risks are accepted as a part of business, others relate to legal matters that can have serious, adverse effects on a business. Therefore, it is essential to identify and manage these risks to avoid negative consequences.

vi. Human capital risk factors

Human resource risks or human capital risks refer to the potential threats and uncertainties that arise from workforce-related factors impacting on the ability of the business to achieve its goals.

These may manifest in various forms to include, among others, recruitment talent shortages, skills gaps, employee turnover, lack of succession planning, and inadequate workforce diversity and inclusion.

The implications of human capital risks are wide and far-reaching, and if not managed or addressed could be costly and detrimental to business. For example, human errors in the workplace, like falling for phishing emails, weak password practices, or accidental data leakage, can make an organization's fortified network vulnerable. These mistakes are not just limited to junior staff, even executives fall prey to such attacks. Thus, creation and enforcement of company policy procedures in relation to cyber security must be in place, and should be a culture that can be promoted to ensure business protection and lessen vulnerabilities.

In the case of health events like the recent pandemic, there will be considerable employee management challenges brought about by this public health emergency, and there will be conflicts between the maximization of profits and the rights and benefits of employees. This may lead to especially fragile and sensitive labor relations, or even legal risks. Examples of these conflict situations may arise from: (1) salary reduction or delay and (2) reducing the number of employees due to economic reasons.

The premise of human resource management is to maintain continuous and frank communication between managers and employees. Top-level management should guide front-line managers, so that they can themselves help employees to cope with the crisis and formulate emergency plans. It is recommended that there should be a channel by which workers or employees can express opinions and concerns.

2. Use reference standards to assess.

Reference standards serve as internationally recognized benchmarks. Organizations can compare their risk management practices against these standards. By aligning with best practices, companies can enhance their risk management effectiveness and governance.

- i. **The damage to your business**, for example, loss of lives and loss of properties or assets must be quantifiable and based on monetary value. The table below provides you a reference standard for rating risks according to possible damage a risk factor will pose to your business.

Table 3. Example of Reference Standard for Risk Rating and Possible Damage

| Risk Rating | Possible Damage | |
|-------------|--|------------------------|
| | Degree of Damage | Estimated Losses (USD) |
| E | More than one person died | Over 1,000,000 |
| D | Many person were seriously injured or infected | 40,000 - 1,000,000 |
| C | One person was seriously injured or infected | 10,000 - 40,000 |
| B | Many people were slightly injured or infected | 2,000 - 10,000 |
| A | One person was slightly injured or had close contact with a confirmed case | 0 - 2,000 |

ii. Frequency and grade

The risk factor must also be measured according to frequency (lower row) and we grade it accordingly (first row).

Table 4. Example of risk factor assessment by frequency and grade

| | | | | |
|------------------------|-------------------------------|-----------------------------|----------------------------|------------------------|
| Insignificant | Minor | Medium | Significant | Catastrophic |
| Never likely to happen | Once every more than 10 years | Once every 10 years at most | Once every 5 years at most | Once or more in a year |

iii. Risk Matrix Analysis

Table 5. Example of Risk Matrix Analysis Tool

| | | | | | | | |
|---|---|---------------|------------------------------|-------|--------|-------------|--------------|
| Grade of Occurrence or possibility | E | Very High | II | III | III | IV | VI |
| | D | High | II | II | III | III | IV |
| | C | Medium | I | II | II | III | IV |
| | B | Low | I | II | II | III | III |
| | A | Extremely Low | I | I | II | II | III |
| Risk Assessment Matrix | | | 1 | 2 | 3 | 4 | 5 |
| | | | Insignificant | Minor | Medium | Significant | Catastrophic |
| | | | Degree of Risk Impact | | | | |
| Risk rating: I – acceptable II – slight III – medium IV – significant | | | | | | | |

A risk matrix is a visual tool that depicts or illustrates the potential risks that will affect the business. It is based on two intersecting variables: the grade of occurrence or possibility of the risk factor and the degree of impact of the risk factor.

The table above shows these variables and can help the viewer see in different colors the grade and in roman numerals the degree ratings of the impact of the risks.

Using this risk assessment matrix, each of the risk factors will be assessed to show its magnitude and severity.

Something to do:

Using a risk assessment template provided in the BCP Workbook provided as a supplementary material, identify risk factors, and assess the impact of these risk factors in your business.

***** Notes to Trainers**

As an activity, ask the participants to group themselves according to industry.

Once organized into groups by industry, ask each group to select a leader who will facilitate the group activity, and also someone from the group to record the agreed answers to the following questions:

- What are the risk factors in your business industry? List risk factors that affected or will affect your business.
- Assess the likelihood and severity of the risk factors that you have identified. Use the reference standards discussed in the lecture.
- What are strategies that you can employ to minimize or avoid the risks threatening your business.

After 20 minutes discussion, each group will report in 5 minutes.

Lesson 2: Mitigating strategies for risk factors and crisis conditions

In addressing the impact of crises situations in business, the participants will be presented with mitigation and continuity strategies that will help in business recovery and resumption. They will also gain knowledge on continuity strategies that can be applied in crises situations.

As mentioned in Module 1, mitigation of risk factors refers to strategies or ways to lessen, reduce, or avoid the impact of the risk factors and crisis

conditions. Some strategies that can help businesses become resilient utilizes change management strategies that include vulnerability and resilience culture, leadership continuum, and redundancy of systems. For negative risks, an example of mitigating strategies is the M.A.T.A. acronym shown in the figure above. The mitigating strategies mean Mitigate, Avoid, Transfer risks, and Accept.

Having a BCP Plan by involving your staff is one of the “mitigation” strategies that your business is doing to ensure that you are preventing harm and protecting your business. A plan that prepares you to reduce damage to life, property, and assets can lessen your worries about your business challenges.

Mitigation strategies

i. Mitigating crisis through culture and risk management.

Women entrepreneurs must be open to identifying points of failure in the business. Asking questions like: what are the weaknesses and vulnerabilities in one’s business strategy, operations, and resources? A small oversight can cost millions in recovery efforts and lawsuits, and cost of lives. So, how can these be prevented?

One step is creating a culture of openness and responsibility where employees at every level feel that they can openly bring up issues, failures, vulnerabilities, and fears and are listened to without repercussion. Enabling operational risk assessments by creating awareness and embracing vulnerability can lead to ameliorating risk and preventing the unforeseeable.

Embracing vulnerability does not mean that leadership is weak, or employees are weak, but rather vulnerability can create an environment of positive action towards identifying risks – whether risks in human behavior or risks in the operating environment and managing them. Taking time to create opportunities

for conversations with the staff is crucial to productivity and innovation. This can be infused with proper onboarding, regular training to identify risks and creation and implementation of risk management frameworks and standard operating procedures.

ii. Mitigating crisis through the leadership continuum and system redundancy.

Another preparation is building a system of emergency management. Coming up with a standardized approach that provides a framework for how command, control, and coordination will be organized between internal and external components of an organization responding to an emergency. In some US jurisdictions, the emergency response standards are exemplified by FEMA (Federal Emergency Management Agency), for fire departments, police departments, non-profits, city governments and the like.

Companies hire human capital based on organizational gaps and the specific skills needed to fill these. However, executive and management teams need to also think about how their teams will perform during crisis and establish a course of action ahead of time for response. Your most skilled engineer who leads a small team during “blue skies” (normal operations), might not be the best person to lead the team during “gray skies” - he might lose his grit, not perform well under pressure, or not have the decisiveness required to make quick decisions in tough situations.

Leadership continuum in critical time of crisis, especially when people start stepping down, employees become unavailable or incompetent in the face of crisis, or the need for extra resources demands individuals to step into roles other than their normal one. Having a plan for resource management when response is needed is critical, but only if leaders know their people’s skills and strengths. In business, leaders should not just foster upward mobility but encourage employees to learn the next role up and managers to know the role below. It is important for women entrepreneurs to think of training their staff to take leadership roles in preparation for crisis situations.

Another preparedness technique is creating redundant backup systems. Companies should back up leadership (as noted above in leadership continuum), product safety systems, and in case of supply chain disruptions: vet vendors ahead of time on supply chain agility.

Resource allocation decisions can easily (and understandably so) get prioritized toward short-term Return on Investments (ROIs), tangible Key Performance Indicators (KPIs), and putting out household fires that are happening every day within the company. However, taking the time to take a step aside and adjust focus to the long-term risks, preparedness, and planning for crisis could mitigate the high turnover rates, leadership failures, and constant reactivity that many companies face in their early years before they succeed.

Avoid strategies

In a crisis, it is important to have a well-defined crisis management strategy that can help you navigate through the situation. One of the strategies that can be employed is the avoid strategy. This strategy involves avoiding the crisis altogether by taking proactive measures to prevent it from happening in the first place. This can be achieved by identifying potential risks and taking steps to mitigate them before they escalate into a crisis.

For instance, if a company identifies a potential risk of a data breach, it can take steps to secure its systems and data to prevent the breach from happening. This can include implementing security protocols, conducting regular security audits, and training employees on how to identify and prevent security threats.

It is important to note that the avoid strategy may not always be feasible or practical, especially in situations where the crisis is beyond your control. In such cases, it may be necessary to employ other strategies such as the contain strategy or the resolve strategy.

The **contain strategy** involves limiting the impact of the crisis by containing it within a specific area or department. This can be achieved by isolating

the affected area, evacuating people from the area, and preventing the crisis from spreading in other areas.

The **resolve strategy** involves taking steps to resolve the crisis as quickly as possible. This can be achieved by identifying the root cause of the crisis, developing a plan to address the issue, and implementing the plan in a timely and effective manner.

In summary, the avoid strategy is one of the strategies that can be employed in a crisis situation. It involves taking proactive measures to prevent the crisis from happening in the first place. However, it may not always be feasible or practical, and other strategies such as the contain strategy or the resolve strategy may need to be employed instead.

The **transfer risk strategy** refers to the use of insurance companies that can take on some of the risks that the business carries.

The **accept risk strategy** is also known as risk retention. It is a conscious strategy of acknowledging the possibility for small or infrequent risks without taking steps to hedge, insure, or avoid those risks. Risk acceptance is a status quo risk response. Risk owners acknowledge the risks exist but accept the risk with minimal response. If the cost of other risk responses exceeds the value that would be gained, a risk acceptance strategy may be appropriate.

Companies may select risk acceptance in some circumstances for a variety of reasons. The most common rationale is that the price of alternative risk management strategies, like risk avoidance or risk limitation, may be higher than the price of the risk itself.

Aside from learning resilience and accepting vulnerability and having “what would happen if ...” exercise, some other suggestions to add in the list of strategies, include:

- i. **Change according to the times and your people.** When developing a strategy, it is important to understand the times you are in and the people you serve. The strategy cannot be based on a situation that occurred twenty years ago because business personalities and the makeup of companies have changed, and so should the approach.

- ii. Form a crisis management team.** Form a crisis management team made up of stakeholders from various departments, product lines and locations. Include someone gifted in communications, an IT leader, someone representing your talent and someone close to your clients. Gather that group to brainstorm a list of potential crises you may face. Then, prioritize those to identify the most likely crises this group should plan for first.
- iii. Identify your key risks.** The primary step toward developing a solid crisis management strategy is determining where you are at risk. In today's environment, the way we conduct business has introduced a far greater field of risk, but it's also brought more options. If you know your key risks, you can create a solid strategy that will keep you in business and out of long-term recovery.
- iv. Prioritize a 'crisis focus' with the team.** Meet with your team to create a "crisis focus." Leaders typically juggle too much, and a crisis sucks up attention and resources. This causes balls to drop. Decide what your priority needs to be throughout the crisis. Keep it in line with your long-term vision and values. Identify what balls you will drop or set down and how. Clarify the steps needed to accomplish your priority objectives.
- v. Forget traditional hierarchical barriers.** Rip up the organizational chart and remove traditional hierarchical barriers. Pull in the leaders with the knowledge, experience and passion for the work that needs to be done, regardless of their titles or roles. Then, create a flexible strategy that empowers everyone to do what needs to be done to address the crisis.
- vi. Outsource the development of a framework.** Outsource the creation of a crisis management framework to experts in the field. This is not your company's core competency. Invest in a framework and a plan, and then get your organization's input. Your teams can provide more detail, identify more potential crises, and help ensure that the plan will meet all stakeholders' needs. Finally, task an internal team with rolling the plan out to

all levels of personnel in the company. Be sure to update the plan annually.

- vii. Plan on adjusting to many unknowns.** A solid crisis management plan needs to cover many dimensions. Ensure that you are evaluating critical infrastructure needs, process impacts and people impacts. Recognize that you cannot plan for everything. A good plan includes monitoring how the crisis itself shifts, and then replanning as details are uncovered. It's not just about the actions you'll take, but also how you plan to adjust to myriad unknowns.
- viii. Document processes and do drills.** Asking tough questions to see what is on the other side of the mountain is essential. Ask yourself about every possible pitfall, problem and detour that can (and will) happen, and then plan for them. Document workflows and processes, role play and do spontaneous drills involving a variety of team members who will take on different lead roles in the crisis to boost their problem-solving momentum and critical thinking.
- ix. Work backward on a plan to fail.** Define everything you need to fail. Then, determine with your people what's needed to avoid those things that would lead you to fail and work backward. Then, move forward into actions to avoid failure. Watch how your people's creativity helps your efforts soar to success. Then, watch how your team comes together as a result!
- x. Share a communication plan with all teams.** Creating a solid communication plan that clearly identifies the team members involved and their roles is one of the most important steps to take in crisis management. This plan should be integrated into an overall contingency plan, and it should be shared with all team members. The desired outcome happens so much faster when you focus on finding effective solutions.
- xi. Take responsibility for any crisis.** Take responsibility for any crisis that is happening, could happen or might happen.

Procrastination and neglect will be costly. Developing a crisis management strategy involves research to inform preparations, leadership and team building to ensure responsiveness and resiliency, and systems and processes to implement the strategy and maximize talents.

- xii. Stress-test your strategy regularly.** A solid crisis management strategy should be stress-tested at least once a year. Have organizational leaders and/or a crisis team review the strategy by conducting a “fire drill” to spot any gaps in the plan. Also, ensure that all new employees, managers and leaders are trained on the key components of the crisis management plan you put in place. They should understand what their roles will be in the case of a business disruption.

The ‘wartime’ top-level design of a crisis

Three principles for high-risk situations. When high-risk events occur, business organizations should quickly enter a ‘war-ready’ state and adhere to three principles:

- Centralized management,
- Encouraging morale and
- Seizing opportunity.

The governance structure of a company should be adjusted from ‘vertical’ to ‘flat’ mode, to ensure that the decision-making level can obtain first-hand information as soon as possible. This means from a pre-crisis hierarchical or vertical structure; the formation can change into a one-command and all-follow order.

At the same time, managers should motivate the team and their respective responsibilities for emergency management. Finally, opportunities should be seized to exceed the curve and create value for customers.

a. Maintaining a stable cash flow

Managing cash flow during a crisis is crucial for business survival. Some key strategies to help maintain stable cash flow are as follows:

i. Plan ahead in detail:

- Estimate your expected income and expenses for the coming months.
- Create a cash flow plan that considers recurring expenses (like salaries) and expected income.
- This planning helps you anticipate liquidity bottlenecks and gives you time to mitigate their effects.

ii. Plan for the worst case:

- Develop a worst-case scenario based on your default plan.
- Consider scenarios like supply chain disruptions or production halts.
- Ensure that you cash reserves can cover at least six months of expenses without any income.

iii. Review costs and agreements:

- Evaluate all costs and identify areas for reduction or renegotiation.
- Review existing agreements and explore restructuring options.
- Assess capital investments and delay or modify projects as needed.

iv. Monitor cash flow regularly:

- Use appropriate tools to track cash inflows and outflows.
- Regular monitoring helps you stay informed and make timely decisions.

v. Improve receivables management:

- Promptly collect accounts receivable.

- Review credit policies, invoice promptly, and follow up on outstanding payments.
- Incentivize early payments and offer flexible options for customers facing financial difficulties.

vi. Build an emergency fund:

- Maintain sufficient working capital to cover financial obligations.
- Set aside reserves to handle unexpected expenses and seize investment opportunities.

We must remember that cash flow management is essential not only during crises but also in better times. Establishing robust practices at the onset ensures you have reliable data and can respond effectively when challenges arise.

Additional suggested examples to ensure liquidity during crises times are the following :

b. Look at areas of liquidity for cash flow management

Table 6. Examples of areas of liquidity for cash flow management

| No. | Suggested example | Description |
|-----|----------------------------------|---|
| 1 | Rent and Business Contracts | If the company adapts its focus or scale to national policies, or it is possible to reduce or delay the payment of rent, collect the certificate of force majeure, and strive for contract fulfillment, adjustment, or delay. |
| 2 | Preferential Policies | Conduct research and adapt to supportive policies to help companies relieve operational pressure. |
| 3 | Bank Loans | Standardize company governance and strive for preferential loans from banks. |
| 4 | Equitable Financing | If the crisis is worldwide like the recent pandemic, capital can flow to countries or regions with stable prevention measures and control situations, and companies should seize the opportunity to develop equity financing (employee shareholders and financing from the capital market). |
| 5 | Comprehensive reduction of costs | Reduce operational costs (technologies, materials, inventory, etc.) to shore up cash flow. |

c. Take a flexible approach to human resource management.

Table 7. Examples of flexible human resource management approach

| No. | Suggested example | Description |
|------------|---|---|
| 1 | Employees who have not returned to work | Companies that cannot accommodate telecommuting can negotiate with employee to use various vacations such as paid annual leave. |
| 2 | Home-based office management | Increase the intensity of performance assessment and ensure constant training even during shut down. Negotiate with employees to adjust the structure of their salaries, by changing the proportional relationship between fixed wages and floating wages |
| 3 | Diversified employment | Companies with short project periods can solve personnel problems with business outsourcing, labor dispatching and flexible employment. |
| 4 | Personnel outsourcing | Companies in special difficulty can sign contracts with third-party labor dispatching companies to outsource employee for the short term, to relieve the pressure of personnel costs |

d. Pursue marketing innovations and business re-adjustment.

Table 8. Examples of marketing innovations and business adjustments during the rises.

| No. | Suggested example | Description |
|-----|---|---|
| 1 | Take on social responsibilities and become social influencers | The founders of The Lancet Barbecue restaurant chain previously worked in hospitals. The Lancet Barbecue opened a restaurant after the pandemic just to provide medical workers with free take-out lunch, which was highly praised by society. The founders of The Lancet Barbecue restaurant chain previously worked in hospitals. The Lancet Barbecue opened a restaurant after the pandemic just to provide medical workers with free take-out lunch, which was highly praised by society. |
| 2 | Innovate marketing ideas and promote product values | Zara's parent company, Inditex, halted production of fashion goods and redirected their efforts towards creating masks and hospital gowns for first responders in Spain. Their commitment to fighting COVID-19 by manufacturing essential medical equipment demonstrates agility and social responsibility. |
| 3 | Implement multi-channel marketing based on new media | Senior managers of BESTORE in Wuhan, China actioned a rapid 'self-help movement' via networks and new media, along with a take-out and delivery service. |

Other strategy sources may be found in the reference annex section specific to finance and tax compliance, and human resource and legal risk factors.

For positive risks, an example of risk management strategies is the E.A.S.E. acronym which means Enhance, Action, Share, and Exploit. Opportunities to discuss these strategies may be found in other sections of the manuscript.

Below are case examples, using the EASE strategy.

In the aftermath of volcanic eruptions in the Philippines, resourceful businesspeople have found innovative ways to utilize volcanic ashes and address both environmental and economic challenges. Here below is an example:

Creating bricks from volcanic ash and plastic waste:

In Binan City, which was blanketed in ash from the nearby Taal Volcano, residents turned adversity into an opportunity. They mixed the fine gray ash with discarded plastic waste to create bricks for rebuilding houses and schools. The process involves combining the volcanic ash with sand, cement, and plastic. These bricks are sturdy and can be used for local building projects that were damaged by the Taal eruption. The Mayor explained that their plan is to turn these bricks into hollow blocks and sell them to interested companies. The proceeds will be donated to residents affected by the volcano.

Environmental sustainability and disaster response:

By repurposing volcanic ash and plastic waste, Binan City demonstrates a commitment to environmental sustainability. This approach not only helps rebuild communities but also reduces the amount of plastic in landfills. It is an inventive response to the country's persistent problems with pollution and frequent natural disasters.

Turning adversity into opportunity:

Rather than merely piling up the ashfall, Binan City's residents transformed it into something useful. The combination of volcanic

ash and plastic waste provides a practical solution for reconstruction efforts. This initiative showcases resilience, creativity, and a commitment to community well-being in the face of adversity.

Lesson 3: Practical steps in creating a BCP

The lesson illustrates an actual BCP and navigates participants into the application of creating their own business continuity plan. It hopes that participants will be acquainted with the details and practical steps in preparing and developing a BCP, be more familiar with the contents of the BCP templates, and helps the participants think through the details of the planning process most relevant to your business.

Creating your own BCP

The following tables may be used as templates in preparing your own BCP. These tables include checklist of the BCP version document, checklist of key functions (roles and responsibilities) and BCP tasks, BCP Operational Mechanism, BCP approach and related duties, and checklist on the management and integration of BCP documents.

1. Checklist of BCP page version document

Table 9. Example of a Document first page to show code, edition or version number, date of issue, number of pages, authors, approving authority and reviewer

| | | | |
|----------------|------------|-------------|-------------|
| Document Codes | Issue Date | Drafted by | Reviewed by |
| Edition | Page | Approved by | |

2. Checklist of key functions and BCP tasks

Table 10. Sample checklist template of BCP roles and responsibilities

| BCP Roles | Positions | Assignment | Check |
|------------------------|----------------------------------|---|-------|
| BCP Team Leader | Chair | Planning and managing the operation of the overall BCP implementation | |
| Deputy BCP Team Leader | Manager | Assist the team leader to manage the operation of BCP team | |
| BCP Secretary | Secretary to the Leader & Deputy | In charge of the actions of the BCP team | |
| BCP Team Members | Lead for every unit | Participating and coordinating with the operation of the BCP team | |
| BCP Execution | Key members of every unit | Emergency execution of BCP | |

3. Checklist: BCP Operational Mechanism

Table 11. Checklist of BCP Risk Treatment Operational Mechanisms and Procedures

| BCP Planning | | |
|--|---|--|
| Leading units | General administrative office | |
| Risk rating assessment | Please refer to the risk assessment matrix model in the context for details | |
| Risk treatment operation mechanism BCP team members BCP execution | Low risk | If this situation occurs and is handled by each responsible lead, the results should be reported to the deputy team leader of the BCP team |
| | Medium risk | If this situation occurs and is handled by launching the emergency plan, the results should be reported to the leader of the BCP team. |
| | High risk | If this situation occurs and is handled by launching an emergency plan and crisis management plan, the BCP should be launched and entered into the 'wartime' state immediately |

4. Checklist: BCP approach and related duties

Table 12. Sample Checklist of BCP Approach and Related Duties

| Composition of a BCP | | | |
|-------------------------|---------------|---|-------------------------|
| Emergency Response Plan | Risk judgment | If the risk will cause losses or business disruption to the company, take emergency action within 2 hours of the disaster to minimize loss. | |
| | Response Plan | Content | Persons in Charge |
| | | The emergency response plan for earthquakes | Administrative head |
| | | The emergency response plan for fire disaster | Administrative head |
| | | The emergency response plan for flooding | Administrative head |
| | | The emergency response plan for epidemic/health events | Administrative head |
| | | The emergency response plan for Major product problems | Head of quality control |

| | | | | |
|-------------------------|---------------|--|---|--|
| Emergency Response Plan | Response Plan | The emergency response plan for Supply interruptions | Product production | |
| | | The emergency response plan for Industrial Accidents | Administrative head | |
| | | The emergency response plan for Mass employee turnover | Administrative head or product production | |

| | | | | |
|------------------------|---------------|--|--|--|
| Crisis Management Plan | Risk judgment | In the case of a 'high' risk, the information should be reported to the president or general manager quickly and accurately so that the management can make correct decisions and start the business recovery plan smoothly. | | |
| | Risk response | Duties | Persons in charge | |
| | | Seize the 'golden period' in the early stages of the disaster and expedite internal and external communication channels in a timely manner. | Head of general administrative unit | |
| | | Communicate with customers, suppliers, shareholders, employees, family members of employees, governmental departments and media effectively. | Person in charge of the sales department, the purchasing department, the human resources department, and the external relations department | |
| | | Start the business recovery plan within 24 hours of an accident | Leader of the BCP Team | |

| | | | | | |
|------------------------|-----------------------|--|--|--|--|
| Business Recovery Plan | When to start the BCP | After the accident emergency treatment is completed, the business recovery (aftercare) stage of the BCP should be launched | | | |
| | The recovery plan | Content | Persons in charge | | |
| | | Specify lockout time required | Team Leader or Deputy team leader of BCP | | |
| | | Confirm the resources needed to resume business operations, such as electricity, raw materials, suppliers, etc | Secretary of the BCP team and related business departments | | |
| | | Evaluate and confirm the alternative scheme for business operation | BCP Team Members | | |
| | | Start the recovery plan based on the actual situation | BCP Execution | | |

5. Checklist: The management and integration of BCP documents

Table 13. Sample Checklist of Management and Integration of BCP Documents

| Management and Integration of Documents | | |
|---|--|---|
| General Requirements | The above plan should be clearly defined in internal documents and integrated with other organizational documents of the company, keeping the BCP plan and files updated regularly, and relevant personnel aware | |
| Detailed content (6 lists and 3 plans) | Lists | Names and contact number list of the BCP team |
| | | Contact list for external agencies |
| | | Emergency escape procedure |
| | | List of important mechanical equipment |
| | | List of auxiliary equipment |
| | | List of important suppliers |
| | Plans | Production capacity transfer plan |
| | | Financial continuity plan |
| | | IT continuity plan |
| Document Management | BCP files must be archived and backed up outside the company to avoid losing them in an accident. | |

| Practice & Optimization | Content | Time | Objective | |
|-------------------------|----------|-------------|---|--|
| | Exercise | 1 year | Familiarize each department with the BCP response process to ensure that it is truly effective | |
| | Records | 1 year | Record the conditions required for the BCP and revise accordingly | |
| | Revise | Irregularly | Revise the BCP to meet the actual situation of the company and ensure the applicability and effectiveness of the plan | |
| | Review | 1-2 years | Ensure that the plan can meet the demands of the company in scale and nature | |

Activity/Something to do

Go over the above checklists and make a list or fill in the areas that you can immediately identify to start your BCP (see BCP template in Annex).

Something to remember:

As women entrepreneurs, let us think about the UN's Women's Empowerment Principles (WEPs) and how we can promote this in our business:

- **Principle 1:** Establish high-level corporate leadership for gender equality
- **Principle 2:** Treat all women and men fairly at work – respect and support human rights and nondiscrimination
- **Principle 3:** Ensure the health, safety and well-being of all women and men workers
- **Principle 4:** Promote education, training and professional development for women
- **Principle 5:** Implement enterprise development, supply chain and marketing practices that empower women
- **Principle 6:** Promote equality through community initiatives and advocacy
- **Principle 7:** Measure and publicly report on progress to achieve gender equality

Summary of the Module 2

The discussions on Module 2 included the identification of the business risk factors that may be relevant to the participant. To assess the impact of the risk factors and conditions, the use of reference standards will help to estimate the possible damage that the risk factors can create in your business, know how frequent and infer the degree of risk impact. Some strategies to mitigate risk factors and crisis conditions were also offered in this module.

Lastly in preparing a BCP, a checklist as to its contents were described in the five tables, namely: the checklist of BCP document, checklist of

key functions and BCP tasks, the BCP Operational Mechanisms, the BCP approach and related duties, and the checklist for the management and integration of BCP documents.

Test yourself (quiz)

- a. What were the risk factors and conditions that were mentioned in Module 2?
- b. What are the scales used to measure the frequency of risk factors?
- c. What are the scales used to measure the degree of the risk impact?
- d. Name some mitigating strategies that can address crisis situations that are relevant to you.
- e. In preparing your BCP, what lists and plans need to be given more details?

*****Notes to Trainers**

Another activity that you can conduct with the participants is having to write their own BCP using a template. In Annex 2 BCP Worksheets are provided accompanying this manuscript.

MODULE 3: ICTS IN BCP PREPARATION AND ACTION PLANNING

Description

The module will show the link between BCP and digital transformation and present examples of how ICTs help in integrating into continuity strategies and proceed to action planning of the participants and discussions. The module also provides an opportunity for participants to outline continuity strategies and action points in developing their own BCP.

Objectives

The learning objectives of this module are:

- Identify ICTs that can be helpful in the planning and integration process of BCP.
- Outline continuity strategies and action points in developing the BCP.

Learning Outcomes

- Recognize the use of ICTs in the BCP process.
- Participants will be able to draw action points to continue preparing their business continuity plan.

Key messages

The module key messages:

- ICTs can be useful in the preparation of the BCP.
- There is a need to provide time to reflect on and outline key action points to prepare for their business continuity plan.

Lesson 1: Digital technologies for BCP

This segment connects BCP with digital transformation. The participants will be shown examples on how ICTs are integrated in the business continuity planning.

What is the connection of BCP with digital transformation?

Business continuity planning (BCP) and digital transformation are closely linked to today's business landscape. While BCP is a strategy that ensures critical business functions can continue during and after a disaster or unexpected event, digital transformation, on the other hand, involves integrating digital technology into all areas of a business, fundamentally changing how it operates and delivers value to customers. Below are factors that show the connection between BCP and digital transformation:

- 1. Resilience in the digital age.** Digital transformation can enhance business continuity by creating more resilient systems and processes. With digital tools, businesses can better anticipate risks, respond to disruptions, and recover from them more quickly.
- 2. Remote workforce support.** The shift to digital enables businesses to support remote work, which is crucial for continuity during events that disrupt physical operations, such as the COVID-19 pandemic.
- 3. Agility and flexibility.** Digital transformation provides the agility and flexibility needed to adapt to new challenges that may arise, ensuring that business operations can continue without significant interruptions.
- 4. Proactive risk management.** By digitizing processes, businesses can proactively manage risks, including cybersecurity threats, which are critical to maintaining continuity in the digital era.

5. **Continuous change adaptation.** Modern BCP is not just about recovery, it is about continuously adapting to change. Digital transformation equips businesses to handle ongoing changes and maintain operations under various conditions.

In essence, digital transformation empowers businesses with tools and capabilities to ensure continuity in a rapidly changing digital world. It is about being prepared for the future, whatever it may bring.

Digital technology and business crisis situations

Digital technologies can provide solutions to fit the needs of the business, and it can help ensure that your business can always maintain critical operations

1. Crisis mitigation strategies

- a. **Cloud Computing.** Cloud computing is a technology that allows users to access computing resources such as servers, storage, databases, and software over the internet, without having to manage them on their own. It provides a flexible and scalable infrastructure that can be used to store and process data, run applications, and perform other computing tasks. This technology can help in storing important information. For example, to actively maintain BCP and regularly update them, as they can become dated and obsolete. Cloud computing offers opportunities for MSMEs to access business intelligence solutions without committing to the upfront software, hardware and personnel investments required for their inhouse implementation

Cloud computing can help in crisis situations by providing a reliable and secure platform for storing and sharing critical information, such as emergency response plans, evacuations, routes, and weather forecasts. It can also help

organizations quickly deploy and scale up applications and services to support disaster response efforts. For example, cloud-based analytics tools can help organizations quickly analyze large amounts of data to identify patterns and trends that can inform decision making.

b. Communications, collaboration, and data sharing software applications.

Communications is important in incident and crisis situations. Investments into a business firm's digital infrastructure can facilitate access to networks and promote the integration of knowledge, allowing MSMEs to communicate, collaborate and share their data with partners and suppliers.

During the pandemic, communications tools both mobile and computer, communications software and applications could easily bring together people for different purposes. Video calls, video conferencing for business, education, and similar purposes became the mode for communications, collaboration, and data sharing.

Can you name some software applications that you used during the time of pandemic crisis? What was your experience then?

In summary, digital technology can help businesses in crisis situations in several ways.

- Firstly, digital communication tools can be used to communicate rapidly and effectively with employees and customers. Video conferencing apps can be used to hold virtual meetings, while social media channels can be used to disseminate important information to customers in real-time.

- Secondly, data can be used to predict future demand, which is helpful for resource and inventory planning.
- Thirdly, digital and online distribution channels can help businesses to recover from the peak of the crisis in no time.

Digital transformation can build more resilient businesses by modernizing supply chains and prioritizing cybersecurity.

2. BCP Preparation

Some of digital technologies and applications that can be useful for BCP preparation. Aside from this course, there are websites that contain BCP manuals and templates that use Microsoft Word, PowerPoint and PDF formats. Some of these websites offer Business Continuity Plan Situation Manual, a Business Continuity Plan Test Exercise Planner Instructions, a Business Continuity Plan Test Facilitator and Evaluator Handbook, and Business Continuity Training Videos.

Lesson 2: Action planning and discussion

The lesson will involve a guided action planning and discussion. A template is provided for the participants to prepare their BCP. Key points in developing an action plan are also given.

Activity/Something to do

A workbook template using excel sheets will be distributed online (or offline) to participants to prepare their BCP. This will be a guided activity. The facilitator will provide a step-by-step guide to accomplish the template.

The participants will share their ideas, thoughts, and insights after the activity.

*****Notes to Trainers**

Trainers must be familiar with the template and understand each category mentioned in the template.

Summary of Module 3

The first part of Module 3 discussed how digital technologies can help business in the BCP preparation and during and after crises situations.

The second part of the module is a planning activity that the participants can immediately make use of after the training. The planning activity can be facilitated by the BCP Workbook introduced in Module 2 Notes to Trainers.

COURSE WRAP UP

The purpose of the course is to prepare participants to protect themselves and their business in times of crises. In business, the goal of the course is to prepare the participants to gain knowledge on how to make their business more resilient and proactive for business continuity and sustainability.

In summary, the course prepares the participants to:

- **Design recovery strategies aimed at protecting the most critical business functions and restoring lost functionality as soon as possible.** First and foremost, entrepreneurs must protect critical business functions during a disruption in order to maintain operations. Then it is important to develop strategies for relocating operations, restoring lost business functions, and any other activities required to protect key business units and restore normal operations. For instance, initiating remote working policies can allow businesses to stay functional when employees cannot work on-site, as organizations discovered during the COVID-19 crisis.
- **Create a plan of action that will be implemented by business continuity teams.** The plan will describe the sequence of actions to take in the event of a disruption, communication protocols, and the responsibilities of team members. One of the most important tasks to start with is notification – that is, contacting business continuity team members, business leaders, customers, and other relevant parties.
- **Develop and conduct training for those teams, well before they are needed.** Employees should become familiar with a plan before it is ever needed. Providing pre-emptive training can ensure that employees stay prepared and can perform their duties effectively when the time comes.

When business becomes bigger, organizations can develop these plans internally. In other cases, however, they may outsource or hire agencies

that specialize in business continuity management (BCM). Whatever the preference of the business is, what is vital is having the BCP in place to ensure a more vibrant, safe, and secure business.

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ANNEX 1

Annotated Outline of Business Continuity Planning

The purpose of this paper is to present the
 (1) readiness assessment questions relevant to BCP,
 (2) the assessment method during the actual course presentation; and
 (3) the main features of the course, Business Continuity Plan.

1. Readiness Assessment Questions:

- i. On a scale of 1 to 5 (1 being the lowest and 5 being the highest), how prepared is your business to deal with emergency situations? Check only one that applies.

| | | | | |
|-------------------------|--------------------------|---|-----------------------------|-------------------------|
| 1 very unprepared | 2 quite unprepared | 3 neither prepared nor unprepared | 4 moderately prepared | 5 highly prepared |
|-------------------------|--------------------------|---|-----------------------------|-------------------------|

- ii. On a scale of 1 to 5 continue (1 being the lowest and 5 being the highest), how prepared was your business to resume your business after the pandemic? Check only one that applies.

| | | | | |
|-------------------------|--------------------------|---|-----------------------------|-------------------------|
| 1 very unprepared | 2 quite unprepared | 3 neither prepared nor unprepared | 4 moderately prepared | 5 highly prepared |
|-------------------------|--------------------------|---|-----------------------------|-------------------------|

- iii. Do you have an emergency plan for your business?

- Yes
- No

If yes, check which ones you have:

- Plan in case of natural hazards (earthquakes, floods, typhoons, tornadoes, landslide)
- Plan in case of accidents (key equipment failure, energy supply failure, production accidents, fires)
- Plan in case of health events (pandemic, epidemics)
- Plan in case of personnel crises (core personnel labor shortage)
- Plan in case of information crises (network attack, record tampering, core information leakage)
- Plan in case of legal risks (labor disputes, scandals, major financial and tax cases)
- Plan in case of credit or image loss (brand image damage)

If you choose no or only 3 plans from the above list, what could be your reasons for not having these plans? Tick all that apply.

- No time
 - No staff to help think about these things.
 - Have not thought about these.
 - Not important
 - Other reasons, please specify _____
-

2. Course Assessment Method

- i. Quiz.
 - Multiple choice quiz to find out the extent the participants were able to understand the lessons. This is also an opportunity to reinforce the learnings.

- ii. Participation in the discussion
 - Sharing of experiences that resonate with the topics being discussed
- iii. Preparing Action Plan
 - This allows the participants to assess their personal and business needs moving forward.

ANNEX 2

BCP WORKSHEETS

1. Identify and assess risk factors and strategies in your business:

WS Table 1: Sample Template For Risk Factors, Assessment & Strategies

| List Risk Factors in your business | | Probability/ Frequency/ Occurrence | Degree of Impact | Damage/ Value to Business | Mitigation Strategies |
|------------------------------------|--------------|--|------------------------|---------------------------------|--------------------------|
| # | Risk factors | SEE REFERENCE | | | |
| 1 | | | | | |
| 2 | | | | | |
| 3 | | | | | |
| 4 | | | | | |
| 5 | | | | | |
| 6 | | | | | |
| 7 | | | | | |
| 8 | | | | | |
| 9 | | | | | |
| 10 | | | | | |

2. List Persons Responsible for Drafting and Implementing the BCP.

WS Table 2: Checklist of BCP Persons Responsible for Crisis Situations

| BCP Lists of Persons Responsible | | | Check if Done | Action Plan | |
|----------------------------------|----------------------------------|---|---------------|-------------|---------------------|
| BCP Roles | Positions | Assignments | | Your list | Contact information |
| BCP Team Leader | Chair | Planning and managing the operation of the overall BCP implementation | | | |
| Deputy BCP Team Leader | Manager | Assist the team leader to manage the operation of BCP team | | | |
| BCP Secretary | Secretary to the Leader & Deputy | In charge of the actions of the BCP team | | | |
| BCP Team Members | Lead for every unit | Participating and coordinating with the operation of the BCP team | | | |
| BCP Execution | Key members of every unit | Emergency execution of BCP | | | |

3. List of Risk Factor Assessment and Corresponding Protocols

WS Table 3: Template Guide to Writing your Business Protocols

| BCP Protocols | | | | | |
|---|---|--|---------------|---------------------------|------------------------|
| Leading units | General administrative office | | Check if done | YOUR ACTION PLAN | |
| Risk rating assessment | Please refer to the risk assessment matrix model in the context for details | | | Your List of risk factors | Your Business Protocol |
| Risk treatment operation mechanism BCP team members BCP execution | Low risk | If this situation occurs and is handled by each responsible lead, the results should be reported to the deputy team leader of the BCP team | | | |
| | Medium risk | If this situation occurs and is handled by launching the emergency plan, the results should be reported to the leader of the BCP team. | | | |
| | High risk | If this situation occurs and is handled by launching an emergency plan and crisis management plan, the BCP should be launched and enter into the 'wartime' state immediately | | | |

4. Fill in your action plan to prepare and complete your BCP.

WS Table 4: BCP Composition Action Plan

| Sample BCP Composition | | | YOUR ACTION PLAN | | |
|-------------------------|---------------|---|---|------------|---------------------------------|
| Response | Risk judgment | If the risk will cause losses or business disruption to the company, take emergency action within 2 hours of the disaster to minimize loss. | | Check list | Notes specific to your business |
| Emergency Response Plan | Response Plan | Content | Example of Persons in Charge | | |
| | | Earthquakes | Administrative head | | |
| | | Fire disaster | Administrative head | | |
| | | Flood | Administrative head | | |
| | | Epidemic/health events | Administrative head | | |
| | | Major product problems | Head of quality control | | |
| | | Supply interruptions | Product production | | |
| | | Industrial Accidents | Administrative head | | |
| | | Mass employee turnover | Administrative head or product production | | |

| | | | | | |
|------------------------|---|--|--|--|--|
| Crisis Management Plan | Risk Judgment | In the case of a 'high' risk, the information should be reported to the president or general manager quickly and accurately so that the management can make correct decisions and start the business recovery plan smoothly. | | | |
| | Risk response | Duties | Persons in charge | | |
| | | Seize the 'golden period' in the early stages of the disaster and expedite internal and external communication channels in a timely manner. | Head of general administrative unit | | |
| | | Communicate with customers, suppliers, shareholders, employees, family members of employees, governmental departments and media effectively. | Person in charge of the sales department, the purchasing department, the human resources department, and the external relations department | | |
| | Start the business recovery plan within 24 hours of an accident | Leader of the BCP Team | | | |

| | | | | | |
|------------------------|---------------------------|---|--|--|--|
| Business Recovery Plan | When to start the BC Plan | After the accident emergency treatment is completed, the business recovery (aftercare) stage of the BCP plan should be launched | | | |
| | The recovery plan | Content | Persons in Charge | | |
| | | Specify lockout time required | Team Leader or Deputy Team Leader of BCP | | |
| | | Confirm the resources needed to resume business operations, such as electricity, raw materials, suppliers, etc | Secretary of the BCP team and related business departments | | |
| | | Evaluate and confirm the alternative scheme for business operation | BCP Team Members | | |
| | | Start the recovery plan based on the actual situation | BCP Execution | | |

5. Use BCP outline and checklist of Management of Documents

WS Table 5: Checklist of Management and Integration of Documents

| Management and Integration of BCP Documents | | | |
|---|--|---|--|
| General Requirements | The above plan should be clearly defined in internal documents and integrated with other organizational documents of the company, keeping the BCP plan and files updated regularly, and relevant personnel aware | | Your Notes and Checklist |
| Detailed content (6 lists and 3 plans) | Lists | Names and contact number list of the BCP team | |
| | | Contact list for external agencies | |
| | | Emergency escape procedure | |
| | | List of important mechanical equipment | |
| | | List of auxiliary equipment | |
| | | List of important suppliers | |
| | Plans | List of customers | |
| | | Production capacity transfer plan | |
| | | Financial continuity plan | |
| IT continuity plan | | | |
| Document Management | BCP files must be archived and backed up outside the company to avoid losing them in an accident. | | |
| Practice and Optimization | Content | Time | Objective |
| | Exercise | 1 year | Familiarize each department with the BCP response process to ensure that it is truly effective |
| | Records | 1 year | Record the conditions required for the BCP and revise accordingly |
| | Revise | Irregularly | |
| Review | 1-2 years | | |



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