

SASMA Portal 2010

How much can cost us winter weather? - LRQA - Maciej Liszko

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Looking through the window at the beautiful winter weather and reading news reports related to it, some questions might come to our mind not always connected with winter holidays. What happens if we have no access to our company office for some time, if there is a lack of energy supply, if our manufacturing halls are flooded or 70% of our employees have flu or our key suppliers withhold their business for some time?

What period of time can we afford not to deliver our product or service to our clients? One hour, one week or one month? What consequences of that might be? What answer will the boss of our company give the journalists asking questions related to the loss of the continuity of our service supply, the consequences of which are very serious for our society?

In a word, what shall we do, if “the unexpected” happens, that is to say an event we usually think as of a road accident that others have except for us? What direct and indirect financial consequences of that will be? Were the expenses on our company safety assurance invested properly?

There is a limit to clients’ patience, sometimes surprisingly strict. What about social liability? What will happen if the main employer in a region brings his business to an end abruptly?

If we are not able to give solid answers to the questions mentioned above that means that we are not ready yet and when “the unexpected” occurs it will affect adversely on the realization of our business plans and sometimes even on further existence. Lack of answer, means that we are not prepared to reconstruct our business, in reasonable time and with reasonable money, yet.

Do we have to know, do we have to be into WHAT actions should be taken? It depends on how high we rate our company, how valuable it is for us. Business management systems, which currently

operate in companies, are based on good practices and international standards as ISO9001 or ISO14001 the aim of which is, inter alia, to prevent from some inconveniences to befall. However, the systems do not manage to cope with the situation when “the unexpected” occurs. The issue is dealt with by Business Continuity Management (BCM).

BCM enables a company to be prepared for the arrival of “the unexpected”, for servicing “it” and finally to restore our business with the use of reasonable amount of both time and money.

Is there a need of having the Business Continuity Management system by a company? Certainly, yes, because due to its implementation and when “the unexpected” occurs, WE will command not the CASE. A scope of a system and kinds of taken up activities lie with type and dimension of a company. Reactions of owners are sometimes baffling. To the question: „What will you do when the manufacturing halls burn down?” one of them has given the answer (I think that was a joke):”I will take compensations for damages and retire”. However, there are owners who hold an additional office in a different localization to move there immediately in case of a disaster and continue the business without any delays noticed by clients. A procedure is chosen due to various factors but first of all it must result from knowledge about functioning our company and expectations of our clients. How to obtain the knowledge? BCM should be implemented with the use of existing standards and compendium of good practices (e.g. BS25999-1, BS25999-2 or BCI Good Practice Guidance). Implementation of Business Continuity Management system, first of all, enables to understand the way of our company functioning, to find out the importance of the processes being realized and their impact on maintenance or reconstruction of the business. We shall also know how to act facing an incident, how to deal with the press and stakeholders. The system raises awareness and engagement of our employees in the matters of physical and business safety of our company. Furthermore, it gives the opportunity to rationalize the expenditures on safety and minimize costs of the business reconstruction.

Standard BS25999-2, edited in 2008, enables to audit a business internal continuity management system that is to get a confirmation that the system works effectively. Is it worth having the audit done? It depends on our expectations towards that. Companies that are aware of its weight have the audits done to improve the functioning of their businesses. The professional external audits act as strong stimulus for a company’s both a board and staff improvement than any internal procedures and directives. What is more, these are tools to find out how a company is perceived by others and to identify what areas might be improved. Having the audit done we become more trustworthy to our partners.

Is a client ready to pay more for our products or services, when we have BCM system implemented? To our surprise (As having BCM system implemented is an obligatory standard, I haven’t heard about clients who would like to pay extra money for that) according to the researches done in 2009 by Business Continuity Institute (BCI) in Great Britain 4.1% companies paid their suppliers extra premium, if they had the business continuity management system implemented.

Thus, how much can cost us winter weather?

In Great Britain, during the above mentioned BCI research, 29.1% of companies confirmed that weather conditions triggered some breaks in their functioning. 21.7% of them confirmed that the breaks resulted with the loss of incomes. And in Poland?

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