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Contingency Planning To Ensure Business-As-Usual

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Abstract – In this paper, we will discuss a contingency plan and its effectiveness in an organization. Planning for contingencies will provision Business-As-Usual for an organization during the events that threaten the execution of critical business processes. Since formulating a Contingency Plan can be expensive for a larger organization, we will also be looking into the benefits of a continuity plan to push the organizations to invest in defining the strategy. We will also review some of the types of planning available for organizations to mitigate risks when it occurs

Keywords – Contingency Planning, Organizational Strategies, Disaster Recovery

I. INTRODUCTION

With Innovation and Globalization driving the global economy forward, combating new threats to the Continuity of Business is vital. Disasters and accidents could strike a business anytime, be it natural or artificial or due to the decline in the economy or business revenue. These threats occur unexpectedly and quickly, leaving less time to analyze and initiate countermeasures. These reasons define the broad adoption of contingency plans as a pre-disaster remedy. During a disaster, the main goal will be to ensure that the business can run and stay afloat. Global events like Olympics, International Tournaments, and National or International Summits are where contingency planning showcases itself the best. Threatening acts such as acts of terrorism and natural disasters such as earthquakes, wildfires, and floods could pose life-threatening conditions to the eminent personalities participating in the gathering. In Information Technology, disaster planning and recovery have evolved to focus on continuing business-critical activities while securing the business resources and reputation from damages. Current times require a fast execution of recovery activities as soon as the disaster strikes, well ahead of the competition. For a large organization to implement recovery activities, take time [2]. Hence it is vital to detect the disasters ahead of time and provision a comprehensive plan for such activities to avoid any delay in the implementation. Also, note that for a larger organization, it will be costly to implement such planning. The higher cost should not deter the organization from creating a comprehensive disaster plan.

II. WHY DO ORGANIZATIONS NEED CONTINGENCY PLANNING?

Responding to predefined sets of actions attempting to sabotage the business processes and countering such acts can be defined as a Contingency Plan [2]. Formulating a strategic plan for managing unfortunate and unfavorable events would minimize business risks and hasten disaster recovery. Such a plan would also smoothen business process execution. Minimizing the

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business impact during threatening disasters is vital for ensuring business livelihood and continuing critical business processes. This characteristic of Contingency Planning results in its reference as a Business Continuity Plan. It is not always easy to produce a contingency plan for an organization. Depending on an organization's size and the business domain, the contingency plan could be simple to highly complex. The uncertainty in the resources and time involved in cooking a Contingency Plan may deter organizations from initiating the efforts to create a plan. Failing to begin the process of contingency planning early on can be detrimental to an organization. In this paper, we will review the reasons why an organization should initiate this process.

2.1. Reacting to disasters on time

Planning for disasters provides increases the reaction time available for an organization.

2.2. Disaster Mitigation

When there is a plan to know what to do when the disaster strikes, it will be easier for an organization to plan the steps to take while the disaster happens and when it is over.

2.3. Provides a sense of security

Once a plan is studied and set alternatives in place for disaster management, it provides a sense of security to the business owners. It helps them spend time on other business-critical processes.

III. What are the Benefits of Contingency Planning?

A safety net to minimize the negative results on a business during a disaster is essential for organizations. Such measures can provide several benefits as follows:

3.1. Operational Loss Aversion

A disaster can impact the employees' productivity and revenue generated for the organization. When planned adequately for mitigating activities, it will be possible to reduce the revenue loss due to the lack of operation. In some cases, it could also be possible to continue the business operation safely. [1]

3.2. Organizational Study

Evaluating the business for risk management will provide a better understanding of the organization's strengths and weaknesses. This estimate could help fortify the company, not just for worst-case scenarios but also to get ahead of the competition.

3.3. Fear Aversion

One of the reasons why organizations fail during disasters is the incorrect decisions taken by the business owners in a state of panic. If there is a way to avoid making those decisions in a state of panic, it could mean life or death for the business for the organization.

3.4. Public Image

When an organization overcomes a disaster by rapidly responding to the disasters, it shows the resilience of an organization and improves the Trust in the business owner. A comprehensive plan could provide such luxuries to the organization. [5]

3.5. Business Risk Aversion

Once an organization shows resilience towards disasters and performs well in such events, it improves its credibility in the eyes of lenders and investors. An organization can enjoy the benefits of lower insurance and much higher investor engagement with an adequately documented risk mitigation plan.

IV. What are some of the types of Contingency Plans?

A contingency plan requires security management and emergency management strategies to recover the business processes in the threat of a disaster. Formulating a well-defined array of plans is critical to ensuring proper business process continuity and incident response. The following types of plans can be framed: [7]

4.1. Business Continuity Plan (BCP)

The BCP aims to strategize implementations for the sustenance of Business Processes and reduce the impact of business disruption.

4.2. Continuity of Operations Plan (COOP)

COOP aims to guide the sustenance of critical functions of an organization through business provisions from another site located at a different geographical location for a month; this is a federal directive. [6]

4.3. Crisis Communication Plan (CCP)

The purpose of a CCP is to offer internal and external communication strategies to be in place for each type of disaster and formulate a command hierarchy. A hierarchy of command enables the organization to react accordingly depending on the disaster characteristics avoiding miscommunications and redundancy.

4.4. Cyber Incident Response Plan (CIRP)

CIRP offers mitigation activities to perform in the event of an Information System compromise through a threatening third party such as a cyber-attack, virus infection, Trojan Horse, or Ransomware.

4.5. Disaster Recovery Plan (DRP)

DRP focuses on transferring the impacted business processes to a different point of production to ensure that the business is as usual. [6]

V. Conclusion

In this paper, we have discussed the characteristics of a Contingency Plan and provided the reasons why such planning is vital for an organization to ensure the continued business process even during a national emergency or a business threat. This planning formulates a practical approach to evaluating disasters before they happen and lists the requirements essential for responding to such disasters. With a contingency plan in place, the business owners can focus on effectively responding to disasters without the need to evaluate, formulate and communicate the plan to the organization. There is no need for such activities because once a plan is in place and circulated throughout the organization, it will be easier for the employees to refer and act accordingly as one team.

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