COVID-19: AN UNCERTAIN FUTURE

MAY 2020: WHITE PAPER

Covid-19: Where are we now?

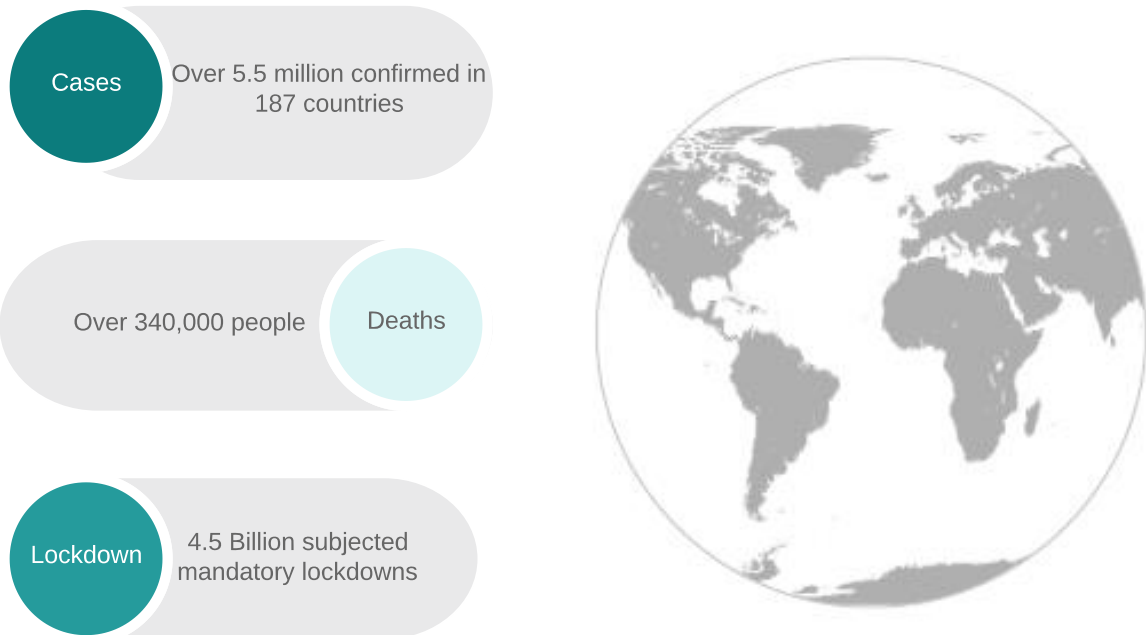|	
Cases	Over 5.5 million confirmed in 187 countries
Over 340,000 people	**Deaths**
Lockdown	4.5 Billion subjected mandatory lockdowns

Figure 1 – Coronavirus facts (Source: Adapted from BBC News May 2020)

The International Monetary Fund are warning that the world now faces the worst recession since the Great Depression of the 1930s (*BBC News, 2020).* The truth is the total impact to the economy is not yet completely understood despite the various government attempts to support.

It has also led to an unparalleled shake up of the conventional working environment. For example, currently 85% of bank employees worldwide are working remotely (Zawya, 2020). The remaining 15% are thought to be essential workers, who can only work from a secure office location whilst maintaining key functions and systems to ensure the business can remain operational.

Although there was already a movement gaining momentum towards remote working and satellite offices, the current pandemic has accelerated this considerably, and also forced this shift to take place in work environments and industries in which previously it may not have been thought viable.

One of the key questions now is: how long will all of these industry changes and work life adaptations be effective and sustainable?

What is the future of the virus?

There are several predictions and theories unfolding regarding the forecast for COVID-19. It is evident to most that this will likely linger in some capacity, for the foreseeable future. The exact duration is yet to be seen, but there is a common acknowledgement that it will be at least a number of months if not potentially years.

Recent studies by Dr. Lipsitch at the University of Minnesota have distinguished three possible scenarios describing the variety of shapes the current pandemic wave may follow in the near future.
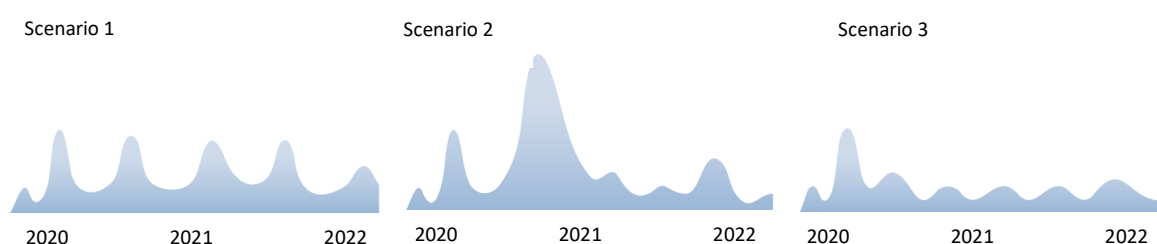

Figure 2: Scenarios for COVID-19 (Source: NY Times 2020)

1. Scenario No. 1 shows an initial wave of cases — the one we are experiencing now — followed by a consistent number "peaks and valleys" that will slowly decrease over a year or two.

2. Scenario No. 2 indicates the wave we are experiencing now will be followed by a larger "fall peak," or perhaps a winter outbreak, much like the 1918-1919 flu pandemic.

3. Scenario No. 3 displays a singular spring peak followed by a "slow burn" with small ups and downs.

Although each scenario provides a different outlook on how exactly the next few months may play out, there are a couple of key observations that can be seen across all three scenarios: the first being that this pandemic will be with us for a prolonged period, likely heading into at least 2022. And the second observation being, that there are going to be many further peaks and troughs throughout the next few months and years, meaning businesses have to be prepared to be flexible. There will not be a one size fits all management approach to suit all organisations, or likely even a single approach that will be truly effective for a single organisation over the whole period. Therefore, planning ahead; understanding what is coming in both the short and long term, and having the infrastructure and leadership to adapt quickly will be critical for any organisation.

What should organisations be planning for now?

Many common crisis management practises define three distinct phases to any crisis. These phases (shown below in figure 3.) are relevant when discussing the evolution of any crisis type and can be used to map recovery actions for our current situation managing COVID-19.
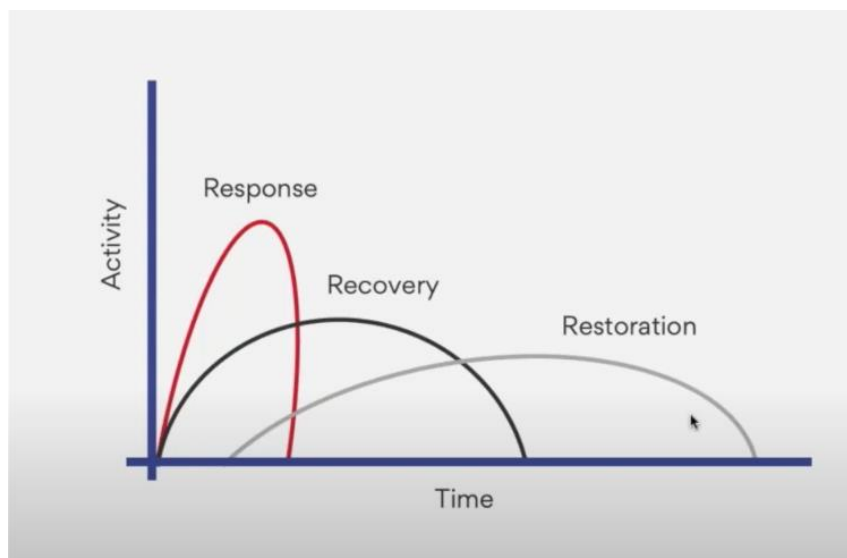

Figure 3: BC Phases (Source: Data barracks, 2020)

Phase 1 – The 'Response' phase
The Response phase is the initial actions taken to minimise the impact of any incident as well as mitigate any further immediate risk to both personnel and the organisation. This first phase is often seen as the fight or flight phase. In order to manage this period effectively, most companies have also had to adapt to government-imposed lockdowns and social distancing measures to maintain business operations. Organisationally, this includes actions such as: increased hygiene measures within the office, splitting shift patterns, remote working as well as utilising digital tools for team meetings and interaction with customers. For the majority of countries, organisations are still currently working within their Response phase, but many, for example New Zealand and Australia, have also settled their initial response and are now moving within or planning to move to phase 2 - the 'Recovery' phase.

Phase 2 – The 'Recovery' phase
The Recovery phase looks at managing the new working environment effectively in which you find yourself. In this phase there will not be many new challenges, but it will be more about streamlining what is in place to ensure it can continue effectively throughout the crisis period. This phase may also include the gradual easing of the current restrictions and slowly returning staff to the workplace to reinvigorate the operation of business. It will not be a simple matter of returning to Business as Usual (BAU). Any return to work within the Recovery phase will still include steps to minimise interaction between staff, as well as with external stakeholders, all of which must include new procedures and infrastructure to ensure that operations can still happen effectively.

Phase 3 – the 'Restoration' phase

At some point a decision will have to be made to enter phase 3 – the Restoration phase, of the crisis, which will mean a lifting of restrictions and protective measures, allowing an organisation to return to its BAU. Though this may not necessarily mean a return to all its associated procedures and infrastructure, as there may still be lasting effects of COVID-19 that mean it is not practical to do so. There may also be a number of learnings from the current situation that mean it does not make sense to fully return to the old ways.

The 'New Normal' is a particularly hot topic at the moment amongst business and government leaders, as well as other analysts and onlookers. It is widely agreed though that COVID-19 has left such a deep-rooted effect on society, that there will most likely be a very different 'normal' resumed in the near future.

While the economic landscape is continuously changing and the future still very much unknown, it may be some time until organisations are able to progress from their current Response or Recovery phases. It is essential that organisations begin to plan their required recovery and restoration strategies for the next phases, and consider how they will operate and hopefully thrive during the next few months and years. It is also essential that businesses are agile and anticipate plans for the transition. This will be the lasting legacy of the success or failure of business in the challenging climate facing us all.

Is it possible to plan for such an unprecedented 'Black Swan' event?

A number of organisations have highlighted that they either didn't have a Business Continuity Plan in place or it did not cover a pandemic scenario in much detail. In many circles COVID-19 has been called a 'Black Swan' event. The definition of this is an unpredictable event beyond normal expectation with severe consequences.

COVID-19 however, is not a 'Black Swan' event, strong warnings for such an event were apparent. Many warning signs were outlined in Bill Gates 2015 Ted Talk: 'The next outbreak – we're not ready', as well as within learnings gathered from other previous pandemic like incidents such as Severe Acute Respiratory Syndrome (SARS) in 2003 and the H1N1 influenza pandemic in 2009, all of which showed how easily new disease could be spread within the modern world.

Recent Pandemic Incidents

| *2003: SARS* | *2009:H1N1* | *2012: MERS* | *2014: Ebola* |
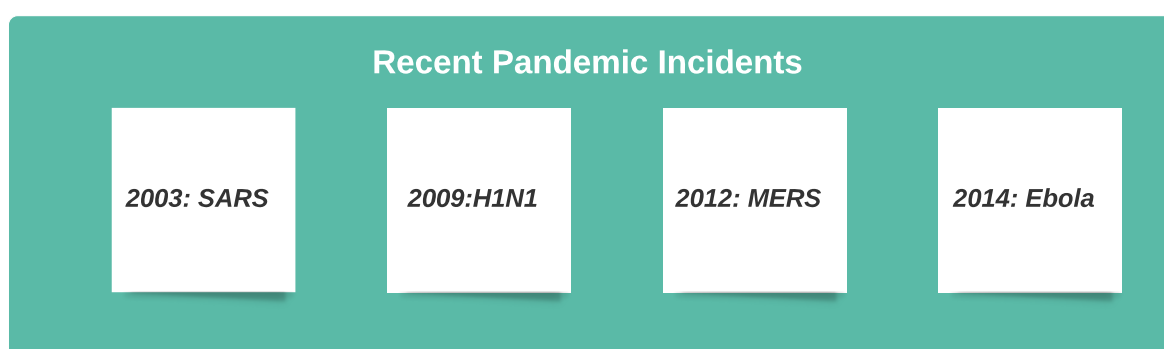
Figure 4: Recent Pandemic Incidents

For many years, Standby Consulting have been including pandemic response details as one of the likely scenarios within their Business Continuity Plans. Planning how to manage staff during a potential sickness outbreak, what communication channels will be most effective, as well as what are the critical areas of the business to protect; these are all key areas which should have been well planned for before Covid-19 struck.

That said, until any crisis actually happens and develops, there is no way to plan for all eventualities and therefore no way to be completely resilient in advance; it may be that in this case only the Response phase could have been initially planned effectively, with the later phases having to be designed and implemented 'on the fly'. Whether pandemic plans were already in place or not though, adapting any existing processes or plans is much easier and more effective with strong risk governance and resilience management practices already in place.

We now have a strong plan to manage this crisis, why do we need to worry?

Most organisations have now implemented a new working environment and established new achievable expectations for that new environment, and the general feeling is that we are mainly all settled in our current new regime. So, things can only get better right?

That depends… does the management of your new regime take in to account your newly increased reliance on key factors within your business? Managing any crisis effectively should involve continuous risk management and horizon scanning to ensure we are not blindsided by anything that can take us even further from our recovery goals. The new remote environment in which we are all now working places a much heavier reliance on a few factors such as data connections, cloud infrastructure as well as remote staff interaction and productivity. So, has your organisation looked at whether you are still resilient on those fronts, or is one small fault or outage somewhere about to cause a much greater problem? Perhaps even becoming the straw that will break the camel's back?! Some key points worth reviewing immediately may be:

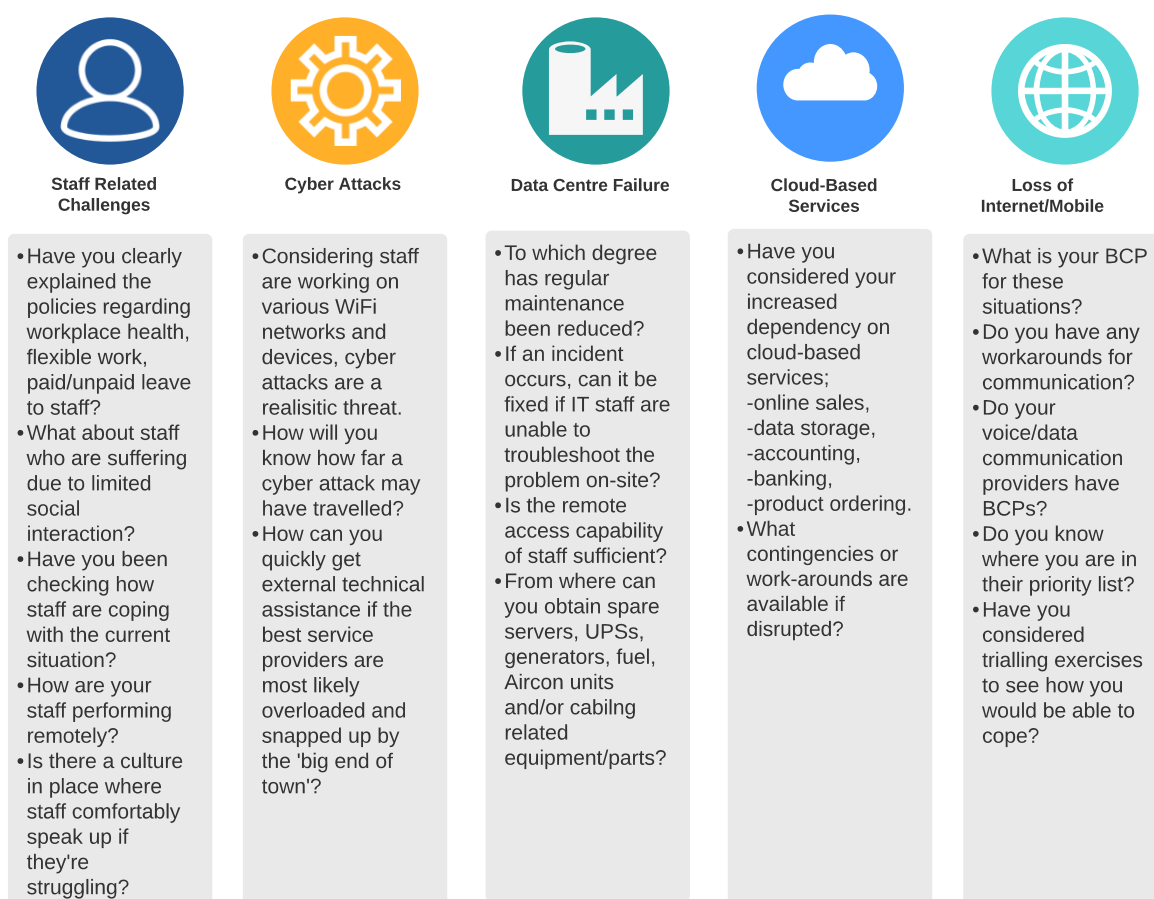| Staff Related Challenges	Cyber Attacks	Data Centre Failure	Cloud-Based Services	Loss of Internet/Mobile
• Have you clearly explained the policies regarding workplace health, flexible work, paid/unpaid leave to staff? • What about staff who are suffering due to limited social interaction? • Have you been checking how staff are coping with the current situation? • How are your staff performing remotely? • Is there a culture in place where staff comfortably speak up if they're struggling?	• Considering staff are working on various WiFi networks and devices, cyber attacks are a realisitic threat. • How will you know how far a cyber attack may have travelled? • How can you quickly get external technical assistance if the best service providers are most likely overloaded and snapped up by the 'big end of town'?	• To which degree has regular maintenance been reduced? • If an incident occurs, can it be fixed if IT staff are unable to troubleshoot the problem on-site? • Is the remote access capability of staff sufficient? • From where can you obtain spare servers, UPSs, generators, fuel, Aircon units and/or cabilng related equipment/parts?	• Have you considered your increased dependency on cloud-based services; -online sales, -data storage, -accounting, -banking, -product ordering. • What contingencies or work-arounds are available if disrupted?	• What is your BCP for these situations? • Do you have any workarounds for communication? • Do your voice/data communication providers have BCPs? • Do you know where you are in their priority list? • Have you considered trialling exercises to see how you would be able to cope?

Figure 5: Considerations for current continuity risks

Planning and managing your next recovery phases?

Businesses need to ensure that lessons currently being learned during this period are documented and used to design a strategy which is applicable and effective for the next few months, as well as the disrupted business sphere we are likely to eventually emerge into.

As we shift into the next phases of this crisis, the parameters around reopening will be challenging and most organisations will face similar challenges and questions;

- Where do we start planning?
- How do we keep people protected?
- When should we communicate? With who?
- How do we move forward and make progress in this unpredictable environment?

Where to start preparing for the next steps and beyond

Here at Standby Consulting we advise you to be proactive and see the current climate as an opportunity to develop a comprehensive and robust strategy which will be paramount not only for survival but also success.

The longevity of the current crisis means that the lines between the three crisis phases discussed earlier may merge or be a little blurred. For instance, some departments or processes within your organisation may be able to progress to the next stage of recovery earlier than others.

Managing any progressions on individual timeframes is completely acceptable,but doing it effectively will still require a high-level overview of the whole organisation and will involve continual assessment and reassessment of numerous different organisational, personnel and environmental factors.

Planning needs to begin with collaboration between essential personnel and stakeholders to consider a number of different topics.

Outlined in figure 6 are some key considerations to help facilitate and kick start your planning process for creating your **New Normal.**

COVID-19: AN UNCERTAIN FUTURE

What have we learned so far?

Lessons Learned

- What have we learned from this event?
- Can we gather and record this information efficiently to use?
- What are the mission critical functions/services?
- Who are the Key Personnel?
- How did we deal with the situation?
- Where are our shortcomings?
- How can this help us in the future?

What are our business requirements?

Review Business Impact Analysis

- Is this up to date?
- Can we identify additional risks and horizon scan for future risks.
- Determine dependencies - investigate your supply chains thoroughly.
- What are the risks to the mission critical functions/service?
- What do we need to keep the business operating?

Have do we lead?

Leading and considering changes

- Are we building a plan that is coordinated in its response and promotes compliance, efficiency and empathy?
- Have we built a change management approach to drive awareness, understanding and commitment from our people?
- Can we utilise the CMT team to lead a tranistion team?

How can we protect staff?

Staff Welfare

- What are the Health Organisations guidelines?
- Have we planned sanitization and cleaning protocols?
- Have we identified who really needs to be onsite?
- Do we need a rota?
- Have we developed a visitor policy?
- Have we considered the impact of another surge in COVID-19?

What are our infrastructure capabiliies?

Changing Facilities and Technology

- Have we checked the building for maintenance to ensure there are no issues prior to returning?
- Do we have the IT security and Infrastructure to work remotely
- What is our plan for collaborative spaces?
- Have we invested in the infrastructure to enable virtual collaboration to avoid further business disruptions?
- Have all staff received the training required for remote working?

Is our supply chain effected?

Trade and Supply Chain

- Have we considered the dependencies on our supply chain?
- Do we need to reconsider our logistics?
- Are we able to connect with cusotmers?
- Do we need to consider more communication with the supply chain and customer to ensure awareness?

What opportunities are available?

Opportunites

- Have we identified opportunites which we can shift our business towards to thrive?
- What can we do to promote a postive future?
- How can we boost morale within the business and imporve the mood?
- How can we make a difference?
- What training and development to help drive the business?

How can we maintain and improve operation?

Operations

- Have we established an operations shcedule?
- Can we ensure the continued operation of the business if future spikes continue?
- Can we modify our operation to meet changes in demand by cusotmers?
- Have we established any controls to monitor operational effectiveness?
- Can we clealy communicate with customers?

How can we manage the risks?

Risk Management

- Have we conducted a horizon scan?
- Have we got an up to date risk register?
- Have we considered what is the likelihood of the risks?
- Have we defined the impact of the risk if it were to happen?
- Have we put strategies in place to firstly reduce the likelihood of the risk and also to reduce the impact of the risk if it were to occur?

Figure 6: Considerations for planning the new normal

Some other points listed below have also been put forward by the Business Continuity Institute (2020) as key considerations for planning your new normal:

- **Rapid acceleration of digitalisation** – Non-contact collaboration, variety of online platforms for meetings and access to files. Adoption of Cloud-Based systems. Virtual Desktops.
- **Challenges to Staff Availability** – Likely to see continued or periodic lockdowns preventing staff from attending the office.
- **A re-think of Supply Chains** – The dependencies for the supply chain will be more thoroughly analysed to mitigate risk of supply chain break down.
- **An increase in public health awareness and civic responsibility** – Guidelines from local and international health organisations will have to be respected and maintained.
- **Re-think of Business Impact Analysis** – Expanding this to all activities and dependencies including demand.
- **Diversification Communication** – The realisation that communication and collaboration can be done through a number of mediums, reducing the reliance or need for face to face visits.
- **Changes in Travel Attitudes** – Policies for travel are extremely likely to change as restrictions are likely to be in place and meetings can be achieved through different mediums.
- **Financial Challenges** – Likely that we will face a recession.
- **Customer Platform Evolution** –Businesses need to adopt new methods of enabling access and the provision of services to clients.
- **Different Working Practices** – A survey conducted by Gartner one of the worlds' leading research and advisory companies, found that 74% of companies plan to permanently shift to a more remote work.
- **A Second or Third Wave** – Chance that this could reoccur and impact again.

Ensuring long term survival

The importance of business' resilience has now become indisputable. Being a resilient organisation may take many different forms, but in general will mean being able to absorb and adapt to any new circumstances to survive and prosper. These attributes will not only help to make your business more resilient during the current crisis, but should also create the skills, infrastructure and versatility to able to thrive in any new and challenging world economy. If you have not done so already, use this next period of planning and implementing your new normal to also ensure you build underlying resilience in to your organisation to help build your long-term survival and success.

Business Continuity and Incident management documentation is an important part of building a resilient organisation, but there are also a number of other key requirements when building a resilient organisation:

- Understanding your business criticalities and pain points.

- Implementing adaptable command and governance structures.

- Implementing strong risk identification, mitigation and ongoing management procedures

- Continually training all staff and managers to ensure they are up to date.

- Cross training and cross working throughout all departments.

- Understanding your supply chain dependencies.

- Ensuring resilience is a core factor in any decision making when implementing new or changed procedures or technology

How can we help?

Standby Consulting have the capabilities to lead and manage an organisation to develop a fit for purpose strategy to guide through the challenging times. It is our aim to develop resilience within organisations to ensure you have the ability to adapt, overcome and thrive.

Standby are specialists in organisational resilience based out of New Zealand and the Middle East with a presence in Bahrain, UAE and Saudi Arabia. With a wide range of experience across most business sectors, Standby is here to support your organisation in the development and implementation of your critical Business Continuity, Disaster Recovery and other resilience activities. We help our clients and partners by offering independent, honest and experienced advice to ensure that all of your resilience needs can be met in a timely and cost-effective manner. At Standby Consulting we like to work closely with our clients to truly understand their business environment and their ultimate requirements. We feel really listening to the client in this way helps us to truly offer the most cost effective and bespoke solution for each and every organisation.

Further Reading and Viewing:
- OSHA COVID-19 Guidance and MOH
- Data Barracks: Pandemic response- How to continue and thrive. <https://youtu.be/r2L5ajhV_q4>
- Gartner Research <https://www.gartner.com/en/insights/coronavirus>
- Harvard Business Review. 2020. Lead Your Team Into A Post-Pandemic World. https://www.bbc.com/news/world-51235105

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Harvard Business Review. 2020. *Lead Your Team Into A Post-Pandemic World*. [online] Available at: <https://hbr.org/2020/05/lead-your-team-into-a-post-pandemic-world> [Accessed 12 May 2020].

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