

WORKING LIFE

Be prepared - with a business continuity plan

It is vital to minimising losses in crises, like after Japan earthquake

BY HARSHA JETHNANI

CRISES in various corners of the globe of late - including Japan, Libya and Egypt - have refocused attention on the vital area of business continuity planning.

Companies ignoring the possibility that calamity might strike, often without warning, run the risk of long-term damage to their business when it does.

A case in point illustrating how this planning can be vital is OCBC Bank in Japan, whose office in Tokyo was affected by the March 11 earthquake.

Amid risks of nuclear fallout in the capital, along with power, communication and transport woes, OCBC moved seven local employees and their families from Tokyo to Fukuoka last weekend.

Fukuoka, on Kyushu Island, is more than 1,000km from Fukushima, where the disaster-hit nuclear plant is located.

The move to Fukuoka was part of OCBC's business continuity plan. Teams in Singapore and Tokyo liaised frequently to assess the situation and acted speedily to identify a suitable alternative location for staff.

The backup office site, in an unused service office, was up and running in a matter of days, thanks to an "advance party" sent to Fukuoka before staff moved there. Staff who chose to stay in Tokyo are manning the office there.

This sort of planning helps companies

to spot potential threats, identify the steps needed to respond to a disaster or other external events, and determine what would need to be done to resume business within a reasonable time frame.

"Business continuity management (BCM) is more of an insurance policy," said Mr Sigfried Ching, head of BCM at OCBC, which started the full-fledged division in late 2002.

The bank has various types of BCM plans, all addressing three general scenarios - complete loss of people and premises, loss of people or loss of premises.

This is not the first time OCBC has had to activate such plans. In 2009, it had to tackle the threat of pandemic flu or the H1N1 virus outbreak in Singapore.

Then in May last year, its branch in Bangkok, located in the Ratchaprasong area, found itself caught up in riots that paralysed part of the Thai capital.

A backup site had already been identified and staff operated from the other premises temporarily after the main branch was deemed unsafe for employees and customers.

Boustead Singapore found its operations affected by trouble on the other side of the globe this year when 31 employees at one of its units were caught up in riots in Libya, which quickly escalated.

Quick thinking and a decision to evacuate staff early meant a much better chance of getting out, said Mr Keith Chu, Boustead's vice-president of corporate marketing and investor relations.

Boustead has learnt valuable lessons from the incident and is putting in place "additional contingency measures should the same type of severity in political unrest happen in other countries", Mr



Chu told The Straits Times.

Business consultants say BCM is an essential form of insurance for businesses.

Mr John Ho Chi, advisory partner at Ernst & Young Advisory, said these plans enable a business to safeguard the interests of key stakeholders, including employees and customers. They demonstrate the ability of a firm to "protect its people, assets, reputation and brand".

It is critical for firms here to be BCM-certified, said Mr Victor Tay, acting chief executive at the Singapore Business Federation (SBF).

BCM gives a business recognition as a reliable business partner and helps to protect assets and infrastructure, which also

minimises losses and financial damage during crises, said Mr Tay.

SBF encourages companies to take up BCM certification, or the SS540 - Singapore Standard for Business Continuity Management - with the National BCM Programme sponsored by Spring Singapore.

Local companies which implement BCM training and engage BCM consultants to obtain certification are entitled to apply for up to 70 per cent of funding.

So far, the SBF has processed more than 70 BCM applications since the programme was started in 2008, and more companies are expressing interest and applying, Mr Tay said.

It can take a few weeks to several months to develop a working BCM plan, said Dr Goh Moh Heng, president of the BCM Institute in Singapore.

The timeframe depends on factors such as size of the company, complexity of its operations and extent of management support.

Once the initial BCM plan is complete, it is just as important to keep it up to date.

This involves training and awareness sessions for staff at different levels, regular reviews of the viability of plans, and auditing and benchmarking against established standards, said Dr Goh.

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