

Contents

Introduction	3
The importance of a strong contingency plan	4
Areas of risk to include	5
Resources	6
Financial	7
Environmental	8
Conclusion	9



Introduction

Good management in business requires careful planning, and this includes making preparations for potential problems that could cause significant damage to your company. Whether it's the failure of crucial equipment such as heating and air conditioning systems, a flood or fire in your premises or an IT security breach, you need a contingency plan in place so that you can deal with situations as quickly and effectively as possible if they arise.

In this eBook, we explain the importance of contingency planning and take a look at the types of risks you may need to mitigate.



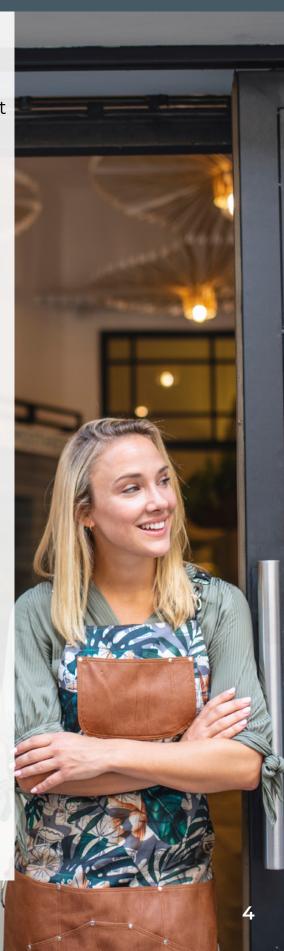
The importance of a strong contingency plan

Essentially, a contingency plan is a backup plan that comes into effect in the event of an incident that prevents your company from operating normally. You may never need to activate it, but it is highly advisable to have one in place.

Drawing up 'plan B' scenarios for foreseeable risks can make the difference between the long term success or failure of your business. Highlighting the importance of this, research carried out by market intelligence specialists IDC suggests that for large companies, an infrastructure failure can cost as much as £75,000 an hour.

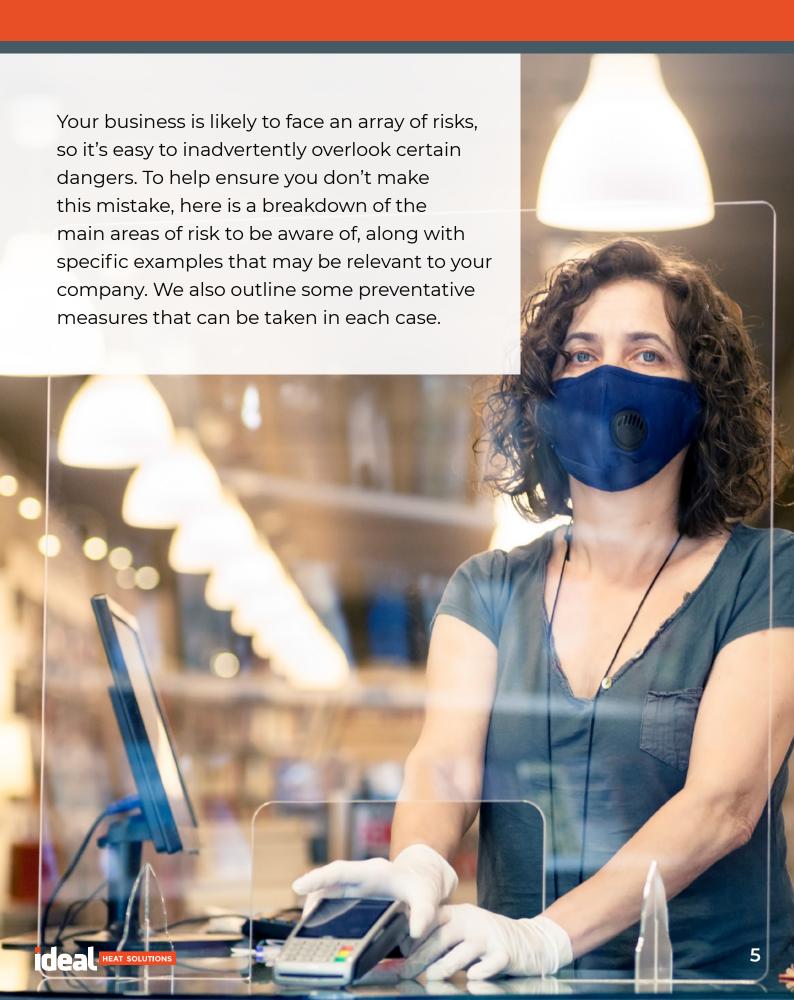
In the event of a disaster, the benefits of a contingency plan can include:

- Preventing panic among employees
- Minimising the loss of production
- Enabling a quick transfer into recovery mode
- Maintaining effective communication with workers and customers
- Limiting reputational harm
- Keeping workers and members of the public safe





Areas of risk to include





Risk - Failure of essential equipment, such as your power supply or HVAC systems.

Possible action(s) - Develop a working relationship with an accredited provider of temporary equipment such as boilers, air conditioning systems, generators and so on. Create a plan for the installation of temporary equipment and rehearse procedures for switching to this equipment. If an uninterrupted power supply is critical to your organisation, install a permanent backup generator.

Risk - The death or serious illness of an important employee, or an outbreak of illness that prevents multiple personnel from working.

Possible action(s) - Take out key employee insurance, have an outsourcing plan in place, train members of staff to be able to cover for colleagues in critical roles.



Financial

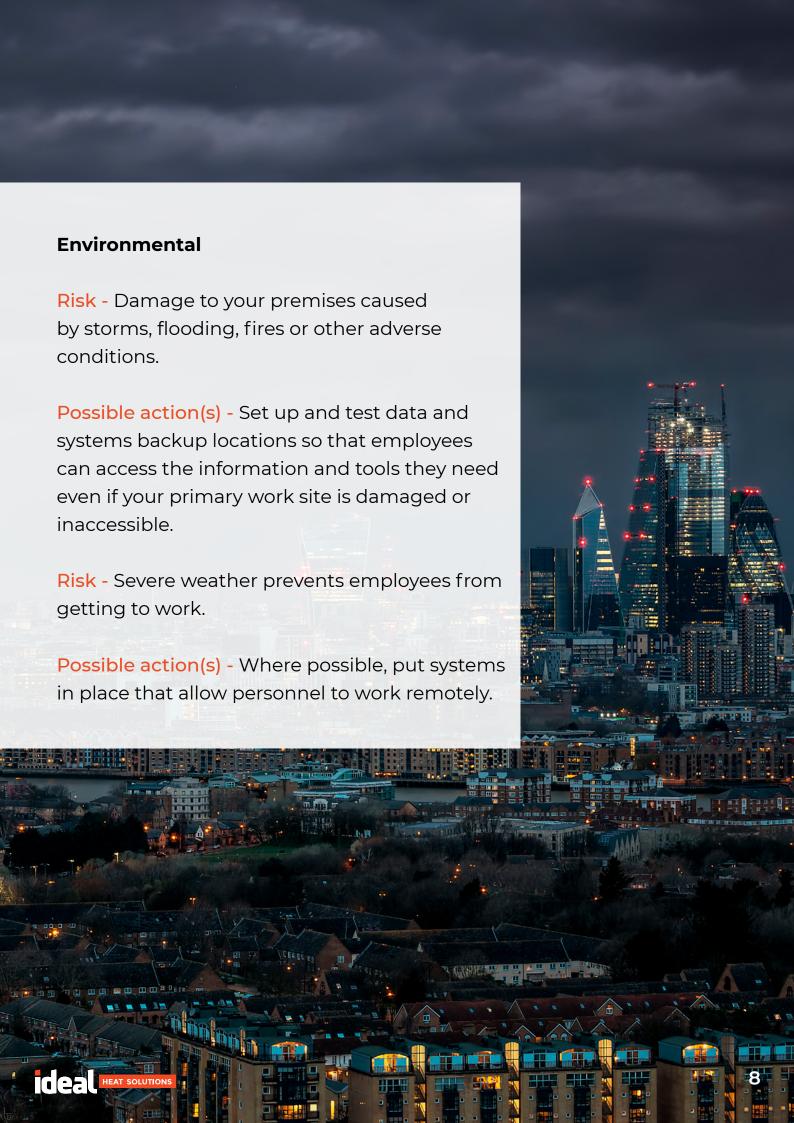
Risk - Unexpected expenditure that puts your budget under strain.

Possible action(s) - If possible, set aside significant reserves of money. Proactively open credit lines to help ensure you have access to borrowing in less favourable periods.

Risk - Major expenses incurred due to business interruption, damage or loss of property, or legal action.

Possible action(s) - Make sure that you are insured against all relevant risks, and that your policies meet your specific requirements.





Conclusion

