

Ensuring Business Continuity Management Capabilities

Business Continuity Management considerations during the novel coronavirus (COVID-19) outbreak



To succeed during a crisis or economic downturn, businesses require strong leadership and the ability to adapt and improvise as conditions change. They must ensure the safety of their workforce, comply with relevant laws, and take steps to preserve their brand and ensure continuity of operations.

Historically, many businesses have developed Business Continuity Management (BCM) plans to address cases where their buildings, systems, equipment, and products or services are damaged, with the assumption that at least a few employees can return to their work sites after the incident. However, as the COVID-19 outbreak has showed, when access to both employees and work sites is limited for a long period of time, it can severely impact businesses' ability to recover.

Here, KPMG has compiled a list of key considerations for enterprises during a public health crisis. Through proper BCM planning that applies modern technologies to work agilely and wisely, organisations can reduce the impact of an outbreak on their operations and better defend against longer-term underlying risks.



BCM considerations during a public health crisis

Outbreaks can pose a serious threat to BCM. Unlike other incidents such as natural disasters, fires or terrorist attacks, major outbreaks can last for extended periods of time, and their potential impact on businesses can be unpredictable. As time passes and a disease spreads to more and more locations, the combined effect of the threat to public safety as well as the fear it causes can trigger a chain reaction that can multiply the economic impact.

Traditionally, enterprises have developed BCM plans to address cases where their buildings, systems, equipment, and products or services are somewhat damaged, with the assumption that at least some employees can return to their work site(s) after the incident. However, a major outbreak can limit their access to both employees and work sites, which are the two critical elements for business recovery. Due to the potential ripple effect that public health crises can cause, enterprises should pay special attention to their implications for BCM.



Best practices for organisations

To enable businesses to effectively respond to unexpected disruptions during a major outbreak, a BCM strategy should incorporate the following aspects:



Contingency plans for affected work sites

In the past few years, enterprises have tended to centralise their mid-and back-office functions (such as operations and finance), leading to the concentration of manpower and capacity at fewer locations. As a result, in the event of an outbreak, these businesses will face major disruption as soon as their employees cannot access these work site(s). In developing BCM plans, organisations that operate functions from centralised locations must develop contingencies to be able to ensure business recovery in the event of work site closures.



Effective, transparent and responsive communication channels

During an outbreak, ensuing panic will have an immediate impact on people who may be affected. As the situation develops, it becomes harder to distinguish real news from fake news, and disinformation spread through social media can further exacerbate existing fears. To ensure that employees are well-informed and protected, enterprises should ensure timely coordination and communication among their departments, and establish orderly, effective, transparent, and responsive communication mechanisms.



Clarity in the role that HR plays

During an outbreak, human resources (HR) departments play key role in ensuring business continuity. Naturally, it has an important role to develop BCM policies in advance of emergencies and execute them if and when they occur. In any crisis, the primary concern of HR should be ensuring employees' safety. Next should be taking steps to ensure they can safely resume their duties (remotely if necessary) so that business operations can recover as quickly as possible.



Steps to safeguard information security

During a crisis, the number of phishing scams and other cyber attacks can increase, and a large number of employees working remotely can pose increased data security risks. As such, appropriate data security and cybersecurity controls as well as an effective cyber risk communication strategy should be built into BCM plans.





Preparing for potential long-term impacts

The COVID-19 outbreak has caused enterprises to reconsider the BCM capacities as well as their future operating models, including the following aspects:

Flexible service delivery methods:

Using trainings as one example, enterprises can change from face-to-face lecturing to online interactive tutoring catered to employees' or customers' requirements

Upgrading technology applications:

Businesses can apply convenient and stable high-speed communication technologies including 5G to ensure business continuity in an emergency

Developing BCM strategies:

Developing a range of BCM plans in advance of crisis can help minimise the impact on a business's operations

Flexible modes of working:

Utilising video conferencing, multi-party collaboration software, and online interactive business procedure management

Developing a cash management strategy:

Effective cash management can help businesses optimise resources during a crisis and help them recover more quickly



For more information:

KPMG has compiled a series of Business Continuity Insights to provide guidance to businesses across all sectors during difficult times. Further guidance can be found by visiting <https://home.kpmg/cn/en/home/topics/business-continuity-insights.html>.

Contact us



Frank Mei

Head of Risk Consulting
KPMG China
T: +86 (10) 8508 7188
E: frank.mei@kpmg.com



James Zheng

Partner, Financial Services and
Business Continuity Advisory
KPMG China
T: +86 (21) 2212 3630
E: james.zheng@kpmg.com

kpmg.com/cn

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