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# Mitigating the impact of COVID-19: A business continuity perspective

The World Health Organisation (WHO) declared the COVID-19 outbreak a public health emergency on 11th March 2020. A week after the declaration, the Malaysian government implemented a Movement Control Order (MCO), enforcing closure of all government and private premises except for identified essential services. While there are huge efforts being made across the world to respond to and contain COVID-19, wider economic consequences such as the displacement of people, disruption of supply chains and restrictions to the movement of goods could undoubtedly leave a long trail of implications for businesses to manage. This is especially so as organisations begin resuming operations under the new rules of the post-MCO period.

Here are six actions that you can take to prepare, respond, and emerge stronger:



**1** Review workforce arrangements and travel



**2** Revisit your business continuity plans



**3** Evaluate the supply chain



**4** Get communications right



**5** Use scenario analysis



**6** Don't lose sight of other risks



# Mitigating the impact of COVID-19: A business continuity perspective



## Review workforce arrangements and travel

It may not necessarily be back to business-as-usual after the MCO is eased or lifted as there are still certain measures such as social distancing at the workplace, travel restrictions and workplace hygiene that should be relooked. Your organisation can still consider maintaining split operations (locations or shifts) for your teams before gradually increasing staff presence in the office.

Clear policies should remain or be in place to address employees working from home, absence due to sickness or caring for relatives, protocol or safeguards for visitors to company sites, procedures for reporting illness, and travel restrictions. You should also plan for policies in the event of continued school and childcare centre closures and policies to address working parents who may need to stay home to care for their children, family members or the elderly.



## Revisit your business continuity plans

Every well-run business has plans in place to ensure the continuity of their operations in moments of crisis or disaster. In most cases, these may be in the form of business continuity plans, crisis management plans or even detailed pandemic plans. However, nothing tests theory quite like reality.

With COVID-19 still fresh in the minds of your management and employees, this would be the best time to review your plans, assess which procedures and solutions work best for your organisation, and implement policies and strategies that are agile and resilient enough to respond to any types of crisis in the future.



## Evaluate the supply chain

A clear understanding of your supply chain will help to expose any potential vulnerabilities. This means identifying your key products and services and looking well beyond the first and second-tier suppliers or third parties. Taking action such as identifying single points of failures, alternative suppliers or third parties where possible, and having clear and appropriate Service Level Agreements (SLAs) embedded in your contracts will go a long way in helping to strengthen your supply chain during times of crisis.



## Get communications right

Although we have seen employers work hard to keep their workforce informed, disinformation and confusion can be hard to manage. Your employees and wider stakeholders will be continuously looking for reassurance from you that they are being protected and that the business is prepared. Consistency and accuracy of messaging is key, as is reassurance from the top. Start by mapping your key stakeholders, which includes both internal and external stakeholders, and have a detailed stakeholder management plan.



## Use scenario analysis

With continued uncertainty in the coming months, scenario planning is a critical tool to test preparedness. What are the best- and worst-case scenarios, and is the business equipped to cope? What could be the impact in the longer term, for example, on working capital, or even rents for shops and restaurants if public places remain closed? Ask searching questions of your finance team to highlight critical sensitivities. Expanding your testing methods to include exercises such as table-top or crisis simulations exercises can also help enhance the resiliency and workability of your plans.



## Don't lose sight of other risks

COVID-19 isn't the only threat on the horizon — and often organisations are at their most vulnerable when dealing with a crisis that dominates their attention. The many other risks that your business face aren't diminished during this time. Cybersecurity, for example, should always be top of mind. We are seeing both the likelihood and impact of cyber attacks increasing as organisations become more technology dependent than ever especially with the shift towards remote working.





## Frequently Asked Questions (FAQs)

As organisations respond to and recover from the impact of COVID-19, we address some of the more frequently asked questions that we have been hearing from organisations across Malaysia.

### What are some key considerations that need to be addressed before allowing subsets of our workforce to return to company sites after the MCO has been eased or lifted?



**Type of work:** Identify critical business functions that require in-person interaction and understand where risk and compliance issues are magnified if jobs are not managed on-site; this will help management prioritise which teams should return to office and which should continue working remotely.



**Health and safety:** Establish workplace hygiene which includes conducting temperature checks, providing masks and hand sanitisers, applying more stringent and regular sanitisation of the office premises, staggering employee work times, and defining visitor protocols and screening processes. Please refer to the National Security Council, Ministry of Human Resources and respective state guidelines for additional details.



**Social distancing guidelines:** Implement and communicate social distancing guidelines in the office to employees, such as restricting or limiting the capacity in common areas (e.g. pantry, cafeteria and prayer room etc.), reviewing seating arrangements, placing safety distance markers in lifts, and conducting meetings and trainings virtually.




**Employee needs:** Understand how your employees' personal situations may impact their ability and willingness to return to work, such as continued school closures, which may mean fewer employees would be able to return to work due to lack of childcare, or at-risk populations who may need to stay home for extensive or indefinite periods.





## Frequently Asked Questions (FAQs)



### **We have Business Continuity Management (BCM) plans but they did not work as we did not consider a pandemic situation. Should different plans be developed to cater to different scenarios (e.g. fire, flood, civil unrest etc.) similarly to a Pandemic Plan?**

We believe that plans should be focused on impact areas rather than specific scenarios to ensure that the plans will be able to cater for any type of situation. For example, access to buildings: companies should think ahead about what they would do if employees are not able to enter the building and how they can keep their most important services running remotely.

The focus does not need to be on what causes this eventuality, which might range from fire, floods, travel disruption, strikes, civil unrest etc. At the end of the day, the impact of these scenarios remains the same: the inability of staff to access the building. By changing the focus from scenario to impact, a great deal of time and effort can be saved on creating exhaustive lists of potential events and scenarios. Additionally, it would be easier to gain the support and commitment from the board that you need to help drive forward an effective BCM programme when the impact areas are highlighted.

Having said that, a pandemic is a very unique scenario; the response procedures and strategies to be put in place during a pandemic (e.g. split operations, regular sanitisation, temperature checks etc.) are vastly different from the aforementioned scenarios. Therefore, organisations should consider the benefits of separately developing scenario-specific plans (e.g. Pandemic Plan) as an additional measure in strengthening its organisational resilience.





## Frequently Asked Questions (FAQs)

**An alternate site has been identified as part of our overall BCM programme. However, the current situation (during the MCO) has demonstrated the capability of a Work-From-Home (WFH) arrangement. Hence, is an alternate site still required then?**

Firstly, and most importantly, organisations should follow and adhere to the latest government advice of where to work - whether it is from home or at the business premises. While WFH is feasible for the current situation due to the enforcements in place, it may still be more effective for critical teams to work together from an alternate site during a crisis; this would foster better command and control in managing the crisis and achieving your minimum business continuity objectives, especially during a crisis that may only impact your organisation (i.e. not a nationwide crisis). Additionally, alternate sites could also be used to host split operation teams during a pandemic such as the one we are facing now.

However, organisations can now leverage their experience during the MCO to relook at alternate site allocations and ensure that only key functions or resources are allocated a space at the alternate site.





## Frequently Asked Questions (FAQs)

### What measures can we take to ensure that key stakeholders are efficiently managed in any future crises?

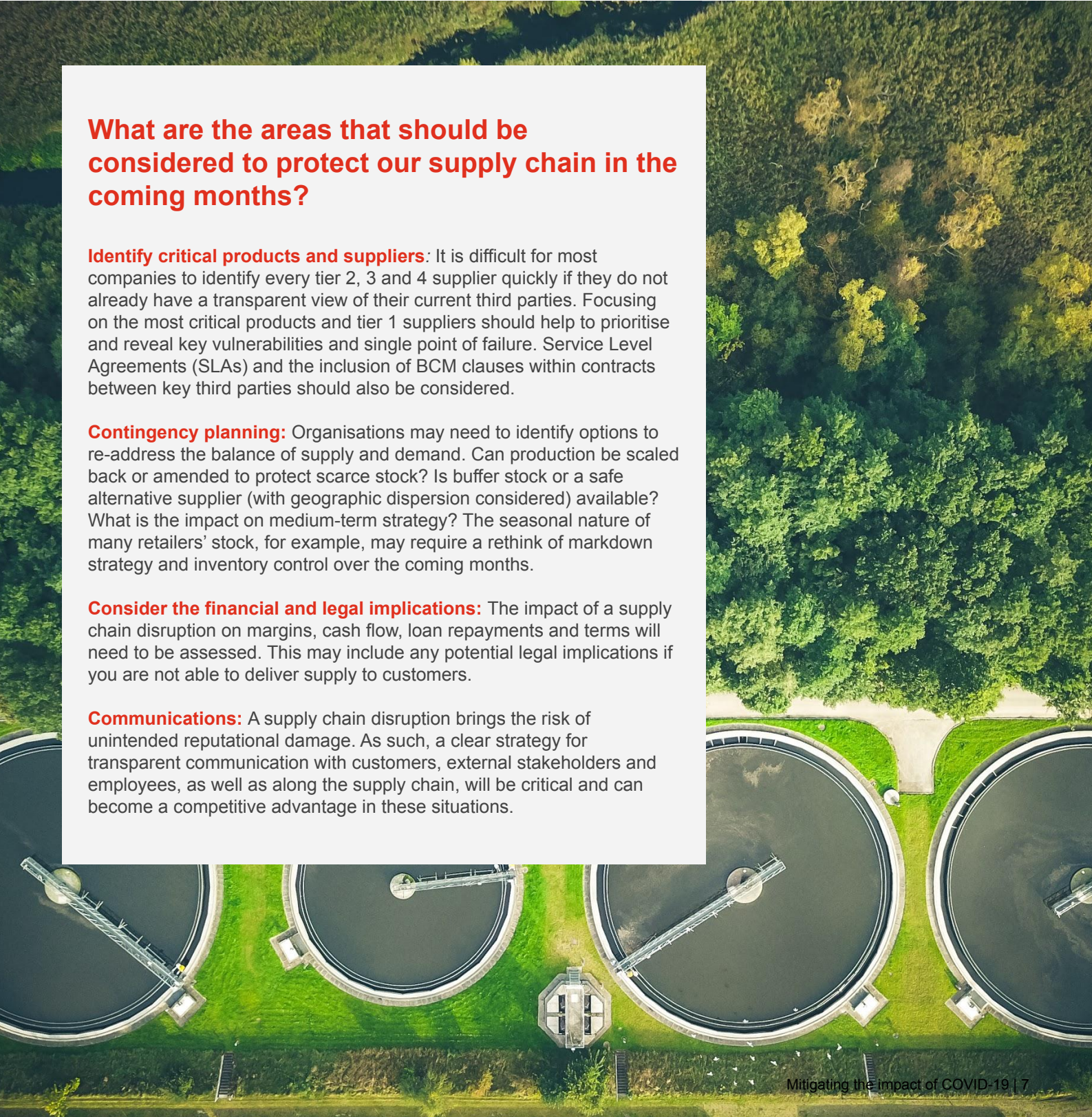
**Develop a stakeholder matrix:** Identify all stakeholders and the person-in-charge of managing the respective stakeholders. Additionally, establish the frequency and mode of communication to support the matrix.

**Establish the communications process and protocol:** The end-to-end communication process from the development to the dissemination of the communications should be established and made aware to the relevant personnel. Ensure that the communications are vetted and approved by the relevant personnel before being disseminated. Employees should also be made aware of the communications protocol, such as what information should and should not be shared.





## Frequently Asked Questions (FAQs)



### What are the areas that should be considered to protect our supply chain in the coming months?

**Identify critical products and suppliers:** It is difficult for most companies to identify every tier 2, 3 and 4 supplier quickly if they do not already have a transparent view of their current third parties. Focusing on the most critical products and tier 1 suppliers should help to prioritise and reveal key vulnerabilities and single point of failure. Service Level Agreements (SLAs) and the inclusion of BCM clauses within contracts between key third parties should also be considered.

**Contingency planning:** Organisations may need to identify options to re-address the balance of supply and demand. Can production be scaled back or amended to protect scarce stock? Is buffer stock or a safe alternative supplier (with geographic dispersion considered) available? What is the impact on medium-term strategy? The seasonal nature of many retailers' stock, for example, may require a rethink of markdown strategy and inventory control over the coming months.

**Consider the financial and legal implications:** The impact of a supply chain disruption on margins, cash flow, loan repayments and terms will need to be assessed. This may include any potential legal implications if you are not able to deliver supply to customers.

**Communications:** A supply chain disruption brings the risk of unintended reputational damage. As such, a clear strategy for transparent communication with customers, external stakeholders and employees, as well as along the supply chain, will be critical and can become a competitive advantage in these situations.





## Frequently Asked Questions (FAQs)

### How can we prepare to deal with a large portion of our workforce getting sick at the same time and requiring isolation?

You may consider cross-training personnel to perform essential functions so that business operations can continue even with absent key members. At least one person who is not based at the same location should be included, if applicable. If cross-training does not prove to be a viable option, then the process will need to be documented in detail or automated to ensure continuity of operations.





## Frequently Asked Questions (FAQs)



### **With movement restrictions set to be lifted gradually in the coming months, what should we do as BCM practitioners moving forward?**

Firstly, conduct a post-mortem to gather feedback and improvement points to your BCM programme. This can be done via several methods: it could be a meeting with the crisis response team and senior management or even a survey rolled out to your employees to better understand how the programme catered to their needs and that of the company, as well as learning points. Based on the information obtained, BCM practitioners can then work with senior management in reassessing the organisation's BCM strategies and priorities, and subsequently, update the BCM plans including the Crisis Management Plan and Pandemic Plan accordingly.





# Emerge stronger from COVID-19

## Sharing of industry insights and best practices relevant to COVID-19

We are currently sharing insights and best practices relevant to COVID-19 through various publications and reports. The following snapshots are some recent points of view we have developed locally and globally.



### Managing the impact of COVID-19 on cyber security

As organisations become more technology-dependent during COVID-19, there are several key actions that can be taken to reduce cybersecurity risks.

[Read more](#)



### PwC's COVID-19 CFO Pulse: Insights from global finance leaders on the crisis & response

PwC is currently conducting a bi-weekly survey among finance leaders globally. The survey reveals current CFO sentiments on the impact of COVID-19 and shares how they plan to respond.

[Read more](#)



### Cash conservation and management COVID-19 and beyond

How a 13-week dynamic Short Term Cash Flow Forecast ("STCF") can help companies manage liquidity during uncertain times. [Read more](#)



### strategy + business: How to respond when a crisis becomes the new normal

As the world comes to grips with the effects of COVID-19, businesses can focus on six areas in order to help both their people and their bottom line. [Read more](#)

## PwC's COVID-19 Navigator

PwC has created a digital assessment tool to help you understand the potential impact of COVID-19 to your business and gauge your readiness to respond in several critical areas: crisis management and response, operations and supply chain, to name a few.

Click [here](#) to find out more and to access the tool.



## Get in touch



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## COVID-19 Preparedness Checklist

PwC has developed a checklist covering several areas that can serve as a guidance in managing the business impact of COVID-19. Click [here](#) to access it.



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