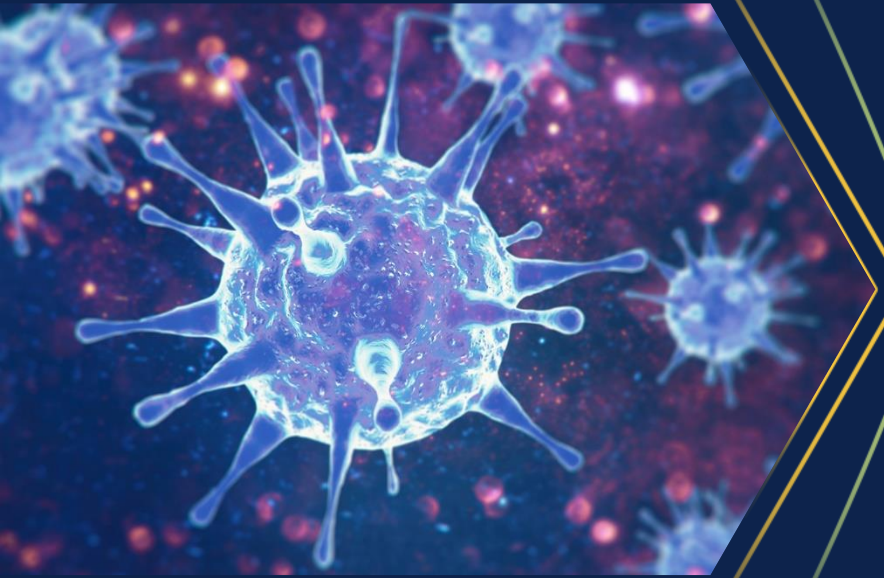
www.thebci.org



Coronavirus

Organizational Preparedness

6th Edition

29 May 2020

Leading the way to resilience

Foreword

Tim Janes
Hon FBCI,
Chair of the BCI

Further positive signals continue to emerge in the responses to the BCI's 6th Coronavirus Organizational Preparedness Survey. The move towards recovery continues at a pace. Over 60% of organizations have recovery plans drawn up.

As explored a fortnight ago, recovery does not mean restoration of everything pre-COVID. Despite lockdowns being lifted, many people are still working from home and over 70% of organizations plan to keep using the remote-working technologies that have sustained their pandemic strategies.

This transitional period will continue until an effective vaccine can be created, tested, and distributed. Some are predicting that COVID-19 will not be fully eradicated and will instead become an endemic seasonal infection. With this concept in mind, just over half of organizations are considering their response plans in the event of a second or third wave.

BCI members are also beginning to consider what the business continuity profession will look like when the pandemic has eventually passed. We know that COVID-19 has increased the visibility of business continuity and resilience practices across many organizations.

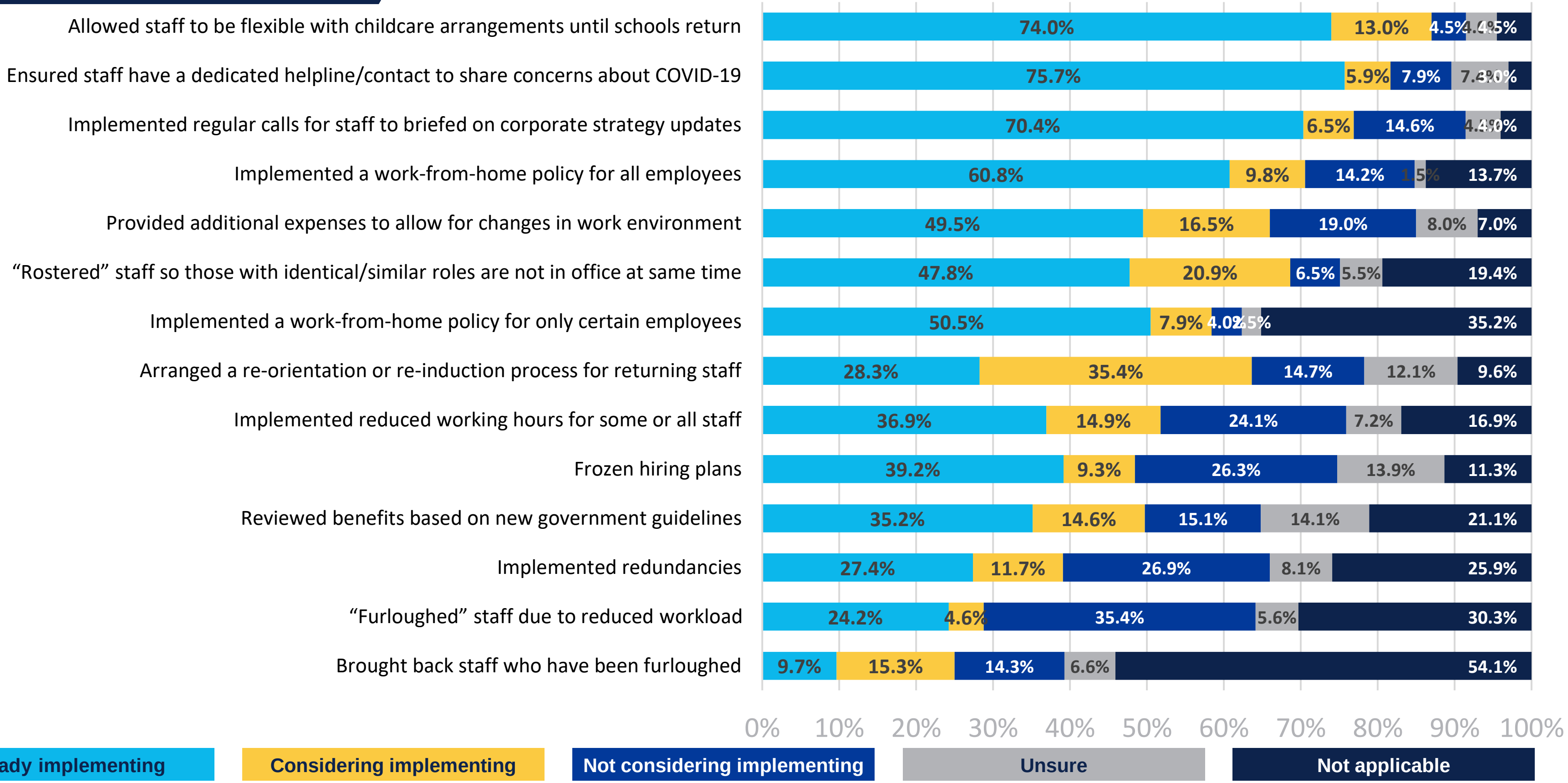
This unusually high level of awareness will not last. Executives move on and corporate memories fade. We have a short window of opportunity to reinforce the relationships built with executives and other resilience professionals during the pandemic to ensure the beneficial knowledge and connections can endure.

HR/Staff Measures

- **Organizations are starting to recruit again as staff come back off furlough:** Although 24% of organizations report still having staff furloughed, one in 10 organizations have already brought staff back off furlough with a further 15.3% considering doing so – up a percentage point on two weeks ago. However, as organizations start to make strategic decisions about staffing going forward, we note that 27.4% of organizations have now made staff redundant, with a further 11.7% considering it. Those organizations who have implemented a recruitment freeze is at a similar level to two weeks' ago, with 39.3% of organizations currently not planning to take on any new staff. We are expecting these figures to change over the short- to medium-term as organizations start to reopen and make decisions about which staff are required in the "new normal".
- **Despite lockdowns being lifted, many staff are still working from home:** Nearly two thirds of organizations (60.8%) still have all staff working from home. This figure is elevated by those working in the financial services and professional services sectors who can maintain working from home procedures fairly easily, whilst those in the manufacturing and healthcare sectors are, as would be expected, reporting much lower levels of homeworking. For those organizations which have to have staff present, 47.8% are continuing to adopt a roster system so teams can be split.
- **Organizations are considering re-orientation and/or re-induction processes for returning staff:** With many staff returning to offices around the world for the first time in many weeks, organizations are ensuring that staff are reintroduced to the working environment in a measured way. Nearly a third (28.3%) have arranged re-orientation/re-induction sessions for returning staff, with a further 35.4% considering doing this.
- **As organizations start to reduce the number and frequency of update meetings with staff, are organizations becoming "overly settled" into their "new normal"?** A month ago, 82.7% of organizations were providing staff with regular updates on corporate strategy. Two weeks ago, this figure well to 76.1% and this week has fallen further to 70.4%. Although some organizations are now returning to the workplace, given so many staff are still working remotely, good practice suggests that regular meetings should continue: the recent BCI Pandemic Knowledge Sharing webinar series has demonstrated that those organizations which provide regular update calls with staff (some as many as twice a day) have elevated levels of wellbeing and engagement as staff feel less isolated.

Leading the way to resilience

Which of the following HR and staff measures have you taken or are considering taking in your organization?



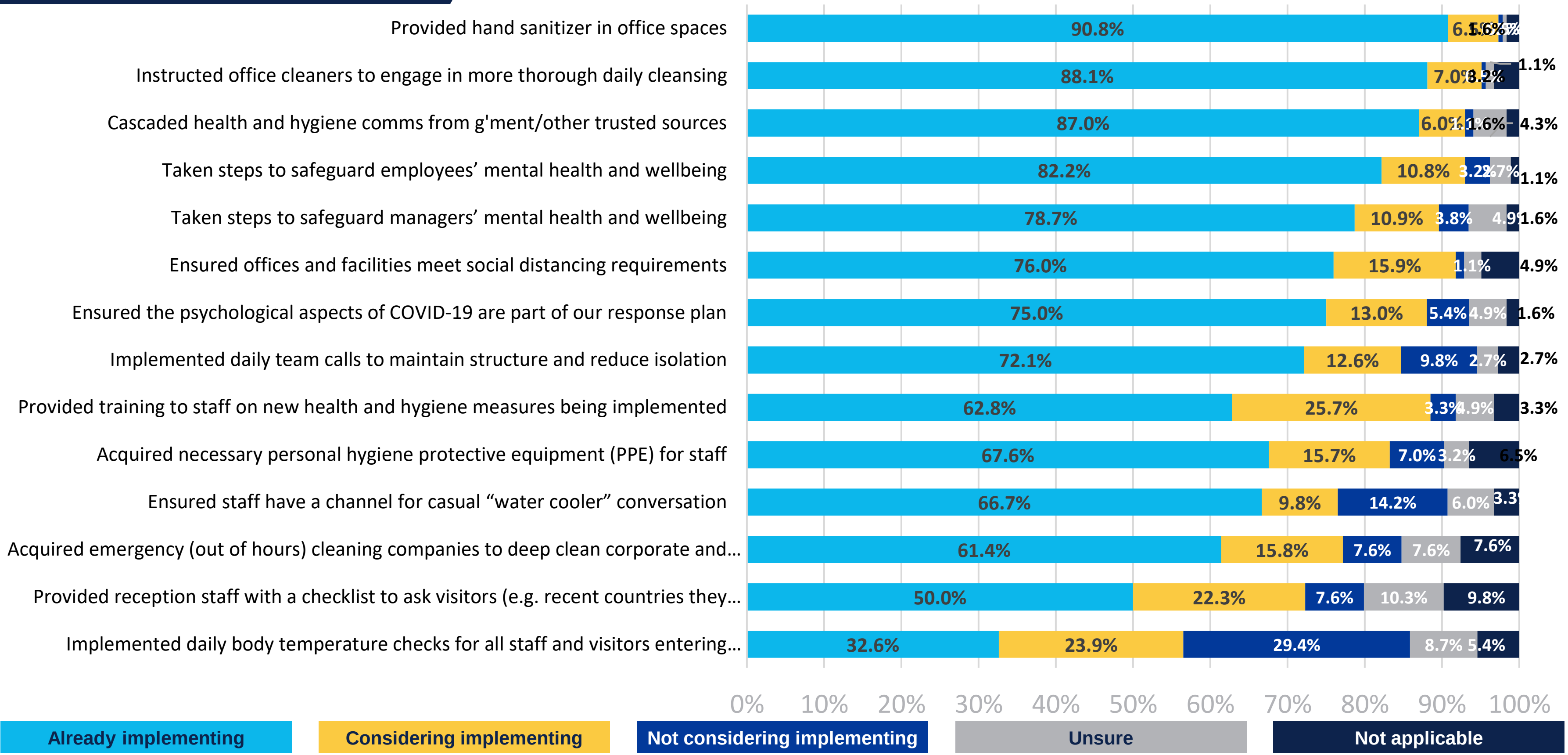
bci Leading the way to resilience

Health & Hygiene

- **As staff return to the office, are basic health and hygiene measures slipping?:** We have kept questions in this survey each week to monitor the changes organizations are making to their health and hygiene measures as staff return to the office. At the beginning of the pandemic, the provision of hand sanitizer in workplaces was nearly universal. This week, 90.8% of organizations are providing sanitizer in workplaces, with a further 6.5% considering doing so. Furthermore, “only” 88.1% have instructed office cleaners to engage in more thorough cleaning. Although it could be argued that many organizations still have yet to return and we should expect these figures to be lower, they represent a significant fall on two weeks ago when more staff were still home-based.
- **Although some organizations may be slipping on basic measures, others are planning in earnest for getting staff back in the office:** New questions introduced this week show that over two-thirds of organizations (67.6%) have acquired necessary personal protective equipment (PPE) to allow staff to return to the office and work in a safe environment. Half of organizations (50.0%) have provided reception staff with a checklist to ask visitors (e.g. questioning recent countries visited, whether any close contacts have been recently infected) and a third of organizations (32.6%) are ensuring daily temperature checks are carried out on all staff and visitors – a figure which some may find surprisingly high.
- **Mental health is increasingly being considered in response plans:** We are continuing to note a rise in the number of organizations who are now including mental health in response plans. Six weeks ago, just over half of organizations (57.8%) had ensured the psychological impacts of COVID-19 are included in the response plans. This week, the figure stands at three-quarters (75.0%). This suggests organizations have realised that mental health issues should have been included in the early stages of response plans, and also hints at concerns from management about losing their best talent once we emerge from the pandemic.
- **Are organizations relaxing their communications policies?** In the previous section, we noted how the number of organizations providing staff with regular update calls on corporate strategy had fallen. This week, we can also see a similar drop in the number of organizations which are providing daily team calls and/or outlets for staff to “chat”, as if they were in the office. 72.1% now have daily team calls (down from 77.7% four weeks ago) and 66.7% have provided staff with a facility such as WhatsApp group for remote staff to engage in casual conversation (1 May: 73.2%). Even though organizations and staff may be becoming more comfortable with regard to remote working, best practice suggests that communication channels remain open.

Leading the way to resilience

Which of the following health and hygiene measures have you taken or are considering taking in your organization?

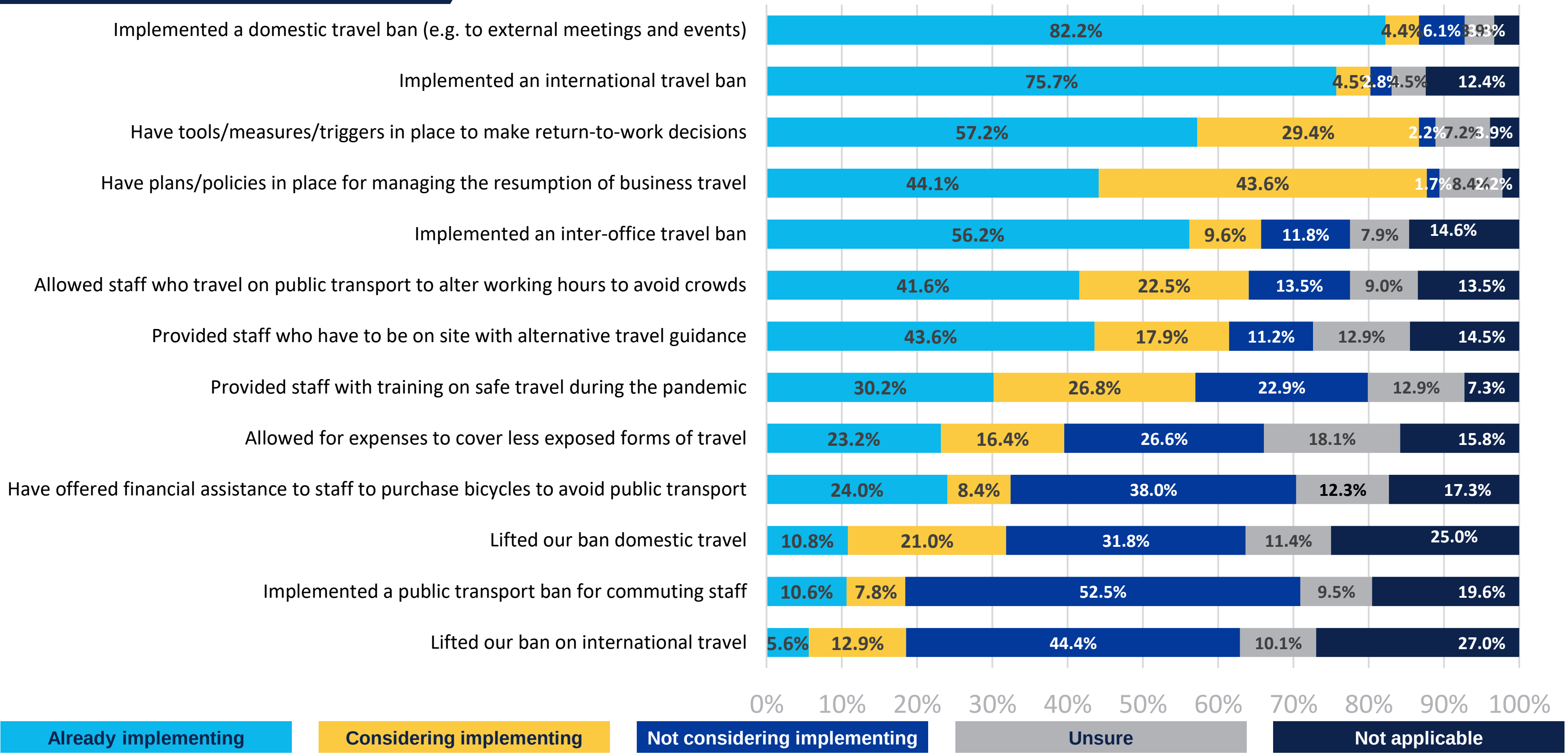


Leading the way to resilience

Travel

- **Travel bans are continue to be lifted:** Whilst the number of organizations who still have national and international travel bans in place has remained the same, some organizations are now starting to lift those bans, depending on their country. 5.6% of organizations have now lifted their ban on international travel, whilst 10.8% have lifted their ban on regional travel. These figures have slightly dipped from two weeks ago suggesting organizations have made little changes to their policies over the past month. Interestingly, despite Asia being ahead in terms of virus progression, *no* Asian respondents have yet reported a relaxing of travel bans. The percentage continues to be lifted by organizations in North America and Africa who are reporting bans are being lifted.
- **Organizations are continuing to seek to support staff on safer ways of travelling to the office, although hints of the “old normal” are returning:** Two weeks ago, we saw that 36.7% of organizations were offering staff expenses to use other of “safe” transport to get into the office. This week, the figure stands at just under a quarter (23.2%). This suggests that as public transportation companies are introducing social distancing measures on public transport and requiring passengers take precautions such as wearing masks, employers feel more comfortable about staff using shared transportation. However, other companies continue to make more drastic changes: the number of organizations who are providing financial incentives for staff to acquire bicycles to travel to the workplace has risen to 24.0% this week – up from 20% two weeks ago.
- **Organizations are starting to make preparations for post-pandemic travel plans:** 57.2% have tools, measures or triggers in place to make return-to-work decisions after lockdown measures are lifted. This is up from the 53.5% reported four weeks ago and shows that with restrictions being lifted around the world, organizations are now actively preparing for staff to resume travel plans. 44.1% now have plans in place to manage the resumption of business travel post-pandemic. Qualitative research by the BCI has revealed that many organizations are waiting on Government advice before they make decisions within their own organizations. However, with many countries now coming out of lockdown, it would be wise to consider this issue before employees find themselves faced with demands for business travel.
- **Organizations who have to have staff on site could do more to help with alternative travel guidance:** Just 43.6% of organizations have provided staff who have to be on site with guidance for alternative travel whilst just 41.6% have allowed staff who have to be on site to vary their travel hours to avoid crowded periods on public transport. Given the difficulties of effectively social distancing on public transport, providing staff with guidance and/or allowing them to vary hours could help protect staff and reduce feelings of anxiety.

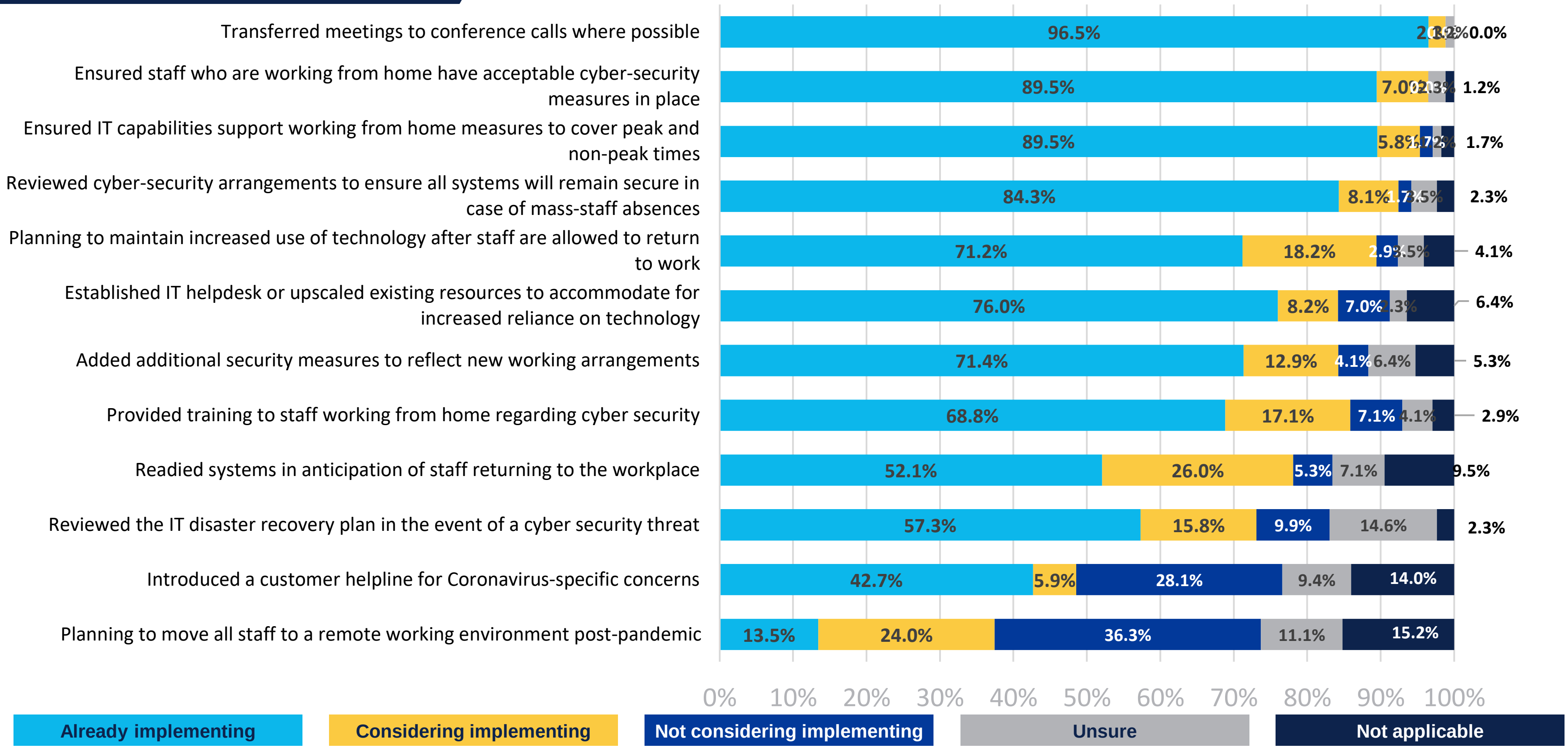
Which of the following travel measures have you taken or are considering taking in your organization?



IT, technology and telecoms

- **Nearly all meetings are now moved to virtual environments:** Moving meetings to conference calls and/or video calls is something which is became nearly universal eight weeks ago. We will, however, continue to ask this question so we can monitor when, and if, the switch returns to having face-to-face meetings again. Google Meet is the latest provider to offer its virtual meeting services for free.
- **Cyber security arrangements have now caught up with the number of staff who are working from home:** 89.5% of organizations have now ensured homeworkers have the necessary cyber-security arrangements in place, a similar figure to two weeks ago. When this question was first asked ten weeks ago, many organizations were still trying to ensure staff *could* work from home, and cyber security issues had yet to be finalised. It is encouraging to see that measures are now in place for most organizations.
- **The "new reality" is likely to lead to different working practices going forward:** The number of organizations who plan to continue making increased use of technology is post-pandemic is continuing to rise sharply. Six weeks ago, we reported that 55.2% of organizations are planning to maintain their increased use of technology when teams can return to work. This week, the figure stands at 71.2% - a similar figure to two weeks ago, but still indicates only a quarter of businesses will not be making changes to their technology strategies. This suggests Management are realising how technology can help to increase – rather than reduce – productivity and working from home strategies are allowing staff to be more productive than may previously have been expected.
- **Systems are being readied in anticipation of staff returning to work:** Over half (52.1%) of organizations have now readied systems in anticipation of staff returning to the workplace, with a further 26.0% considering doing so. Some organizations have told us that this "readying" has involved making more robust changes to working in a new environment (e.g. systems which are better able to cope with workers who work from home on a more permanent basis).

Which of the following IT, technology and communications measures have you taken or are considering taking in your organization?

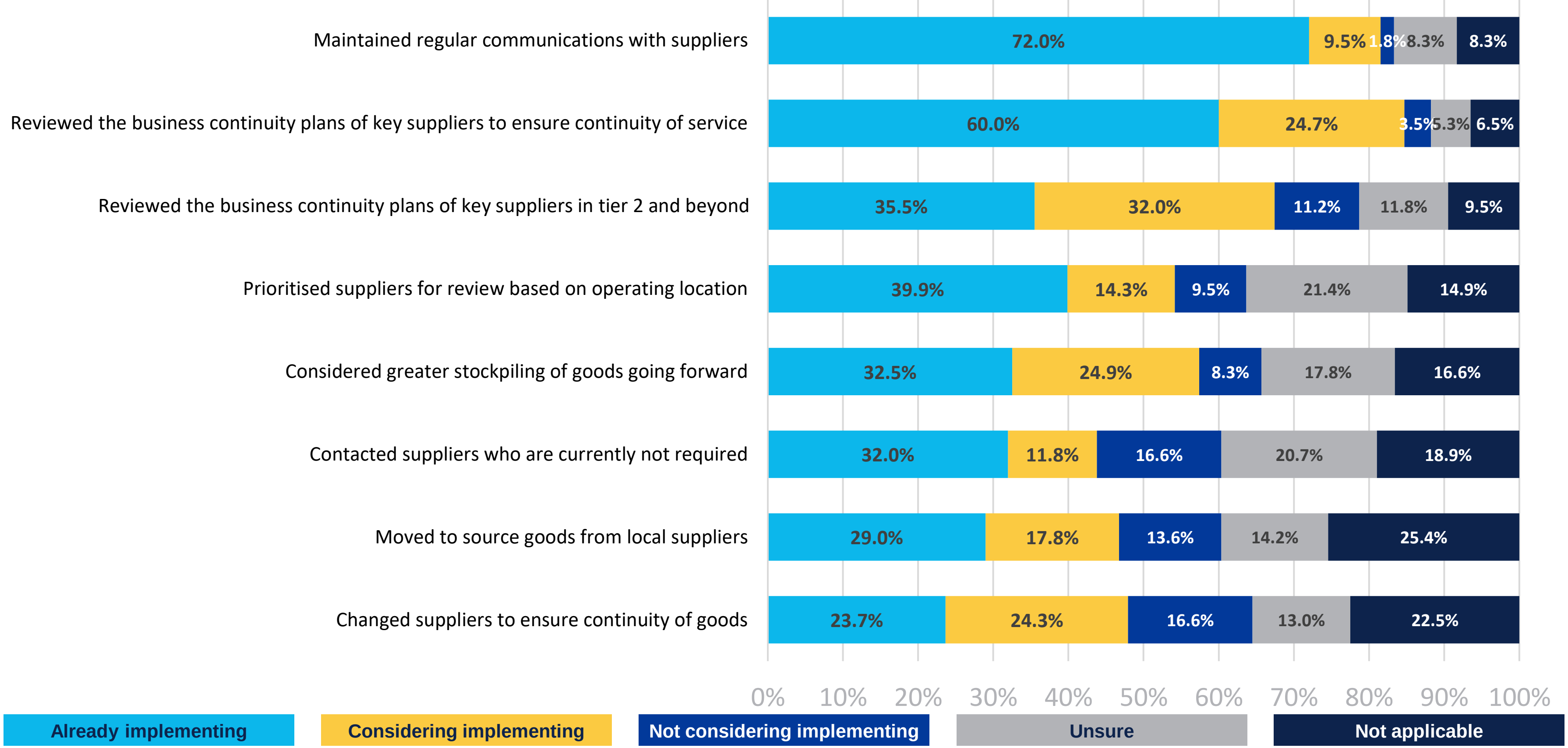


Leading the way to resilience

Supply Chain

- **Organizations have now reviewed their supply chains, with many now going beyond tier 1:** Whilst the number of organizations that have reviewed the business continuity plans of key suppliers is remaining similar week on week (this week the figure stands at 60.0%), a high number are still only “considering” it (24.7%). Many organizations have told us that they are now regularly reviewing the business continuity plans of suppliers as suppliers’ plans – rather like their own – are having to adopt a degree of agility to cope with the unknown progression of the virus. After further interviews with members this week have indicated an intent by many organizations to go deeper into their supply chains for critical suppliers, we introduced a new question this week to determine how many organizations were going beyond tier 1 given the BCI *Supply Chain Resilience* report shows majority of disruptions happen in tier 2 and 3. The figure remains low, however: just a third (35.5%) of organizations are carrying out due diligence beyond tier 1.
- **Organizations are continuing to reorganize their suppliers:** The number of organizations who have switched suppliers and/or moved to more local suppliers is staying at around a third each week. Additional research from the BCI this week suggests that one in five organizations will continue to keep their new local suppliers post-pandemic: one of many changes we anticipate seeing in the supply chain post-pandemic (see closing paragraph on this page).
- **Organizations are looking at increasing levels of stockpiling to help with supply shortages:** Whilst moving to more local suppliers is one way organizations are looking to better manage their supply chains going forward, another is increasing levels of stockpiling. Increased levels of stockpiling can help with supply issues that many organizations have encountered throughout the pandemic, as well as helping to reduce the reliance on Just-in-Time manufacturing models as discussed in the below paragraph. A new question this week shows that a third (32.5%) of organizations are implementing increased levels of stockpiling going forward, with a further 24.9% considering it.
- **Starting to see a the “new supply chain world”?** More local sourcing has already been discussed above, but many organizations are starting to look at their supply chains with new eyes: the pandemic has put pressure on the Just-in-Time (JiT) model many manufacturers have been employing since the 1970s, and we are likely to see organizations take a more critical view at dual-sourcing strategies: BCI research has told us that organizations have found, to their cost, that when their primary supplier could no longer deliver goods, their secondary supplier also sourced from the same supplier so they were left without supplies.

Which of the following supply chain measures have you taken or are considering taking in your organization?

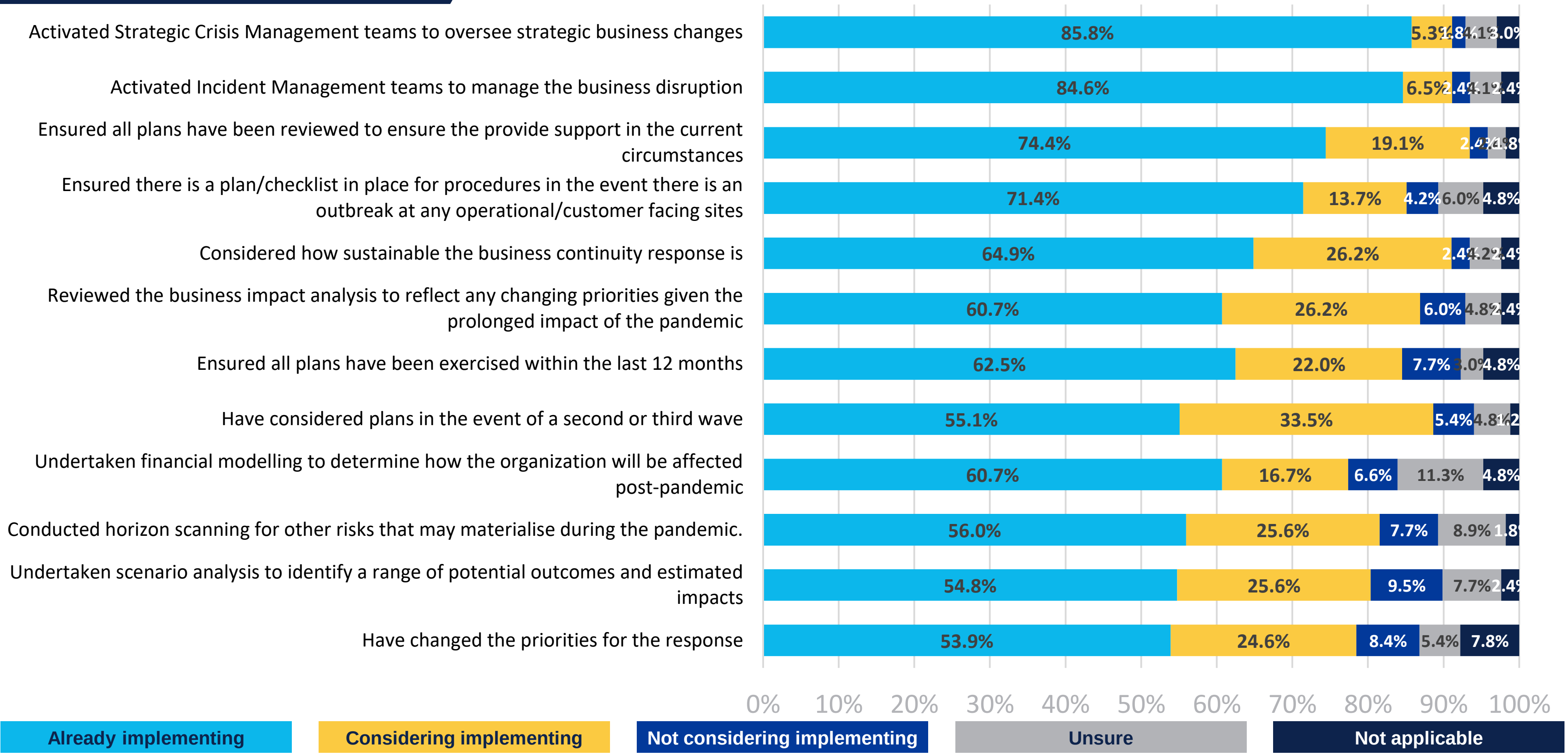


Leading the way to resilience

Business Continuity Plans

- **Incident management and crisis management teams continue to be activated:** The number of organizations who have now activated their incident and/or crisis management teams is holding steady at around 85% for both. Although these are up significantly from the 69.2% and 70.9% respectively from the first report published six weeks ago, we do not now expect this to rise much more as organizations move towards recovery. We will, however, continue to ask this as our report published last week, *Coronavirus – A Pandemic Response*, shows a small minority of organizations are only planning to implement teams in the recovery stage.
- **Organizations are increasingly looking towards the sustainability of their plans:** 60.7% have now reviewed their BIAs to reflect changing priorities given the sustained impact of the pandemic, a substantial rise on the 53.5% reported only two weeks ago. Two-thirds of organizations (64.9%) have also reviewed plans to ensure they continue to provide the level of support required despite the longevity of response required. Many organizations are adopting a phased approach to their response, with some telling us that they have adapted these phases as they gain more knowledge of how the pandemic is progressing and Government measures which are being introduced.
- **Two-thirds of organizations are conducting scenario analyses and/or financial modelling:** We recently included some new questions to determine the levels of strategic planning organizations are doing to determine future strategies. 54.8% have now undertaken scenario analysis to identify a range of potential outcomes and estimated impacts for the business and a similar number (60.7%) have undertaken modelling activities to determine how the organizations will be affected from a financial perspective post-pandemic, a number which has increased by seven percentage points from the previous week. As organizations start to move towards the recovery phase from the response phase, an increased level of interest is being taken in the ultimate outcome for the organization.
- **Planning for the next phase is limited:** Just 55.1% of organizations have considered their plans in the event of a second or third wave. Given multiple reliable sources hinting that this is a real possibility, good practice would suggest the threat of a resurgence in some countries should mean organizations take this into account in their planning.

Which of the following measures have you taken regarding your organization's business continuity plan?

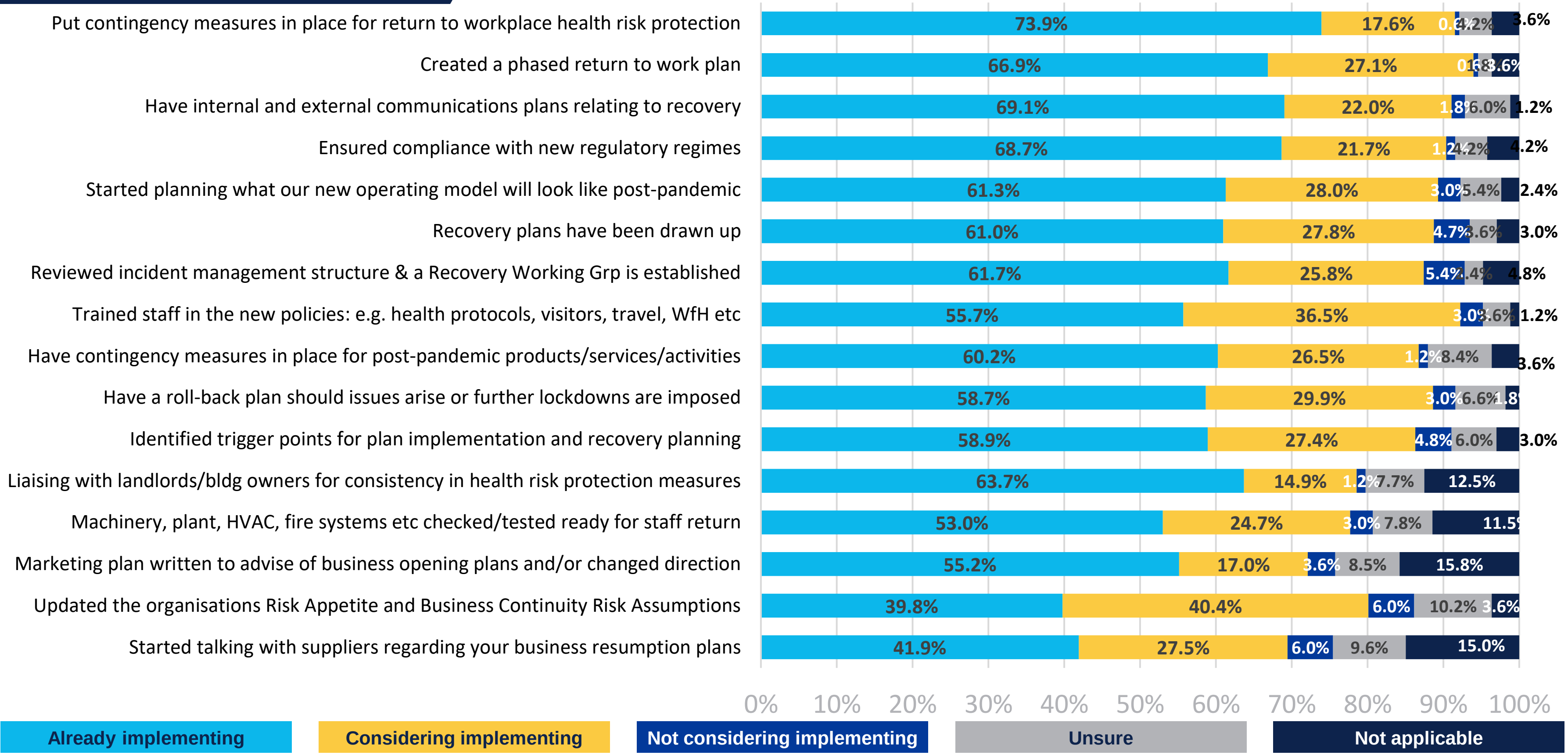


Recovery

- **Organizations are now widely starting to look towards recovery:** The number of organizations that are looking towards recovery is continuing to increase markedly every two weeks: 60.1% now have recovery plans drawn up compared to 58.1% two weeks ago and 54.0% a month ago. 58.9% have now identified trigger points for plan implementation and recovery planning (15 May: 58.1%), and 61.7% have reviewed their incident management structure so a Working Recovery Group is established to address recovery issues (15 May: 60.7%). We noted a month ago that no single criterion had over two-thirds of respondents implementing it: this week, four questions have been answered positively by over two-thirds suggesting recovery is now being looked at in earnest.
- **Operational plans for "return to work" are being considered:** Nearly three-quarters (73.9%) of organizations are putting contingency measures in place for health risk protection as they plan for staff returning to the office, up from 69.0% two weeks ago. 53.0% have also ensured machinery, plant, HVAC, fire and other safety systems have been checked and tested ready for staff to return to the office, a substantial rise on the 44.8% reported two weeks ago.
- **Organizations are already planning phased returns to work:** Now Governments are providing organizations with defined steps they should take in terms of operational requirements for returning to the office, two-thirds (66.9%) of organizations have already created a phased return to work plan, up substantially on the 60.7% figure reported two weeks ago. Furthermore, some 55.7% have already trained staff in new policies (e.g. health protocols, visitors, illness reporting, working from home) – up over ten percentage points on two weeks ago. Many professionals are reporting that staff are more receptive to training since the pandemic started due to an increased visibility of business continuity/resilience and the procedures attached to it.
- **Communication plans have already been kicked off:** At the start of the pandemic, we saw how organizations were slow to communicate to their staff, stakeholders, suppliers and customers. This has perhaps ensured they have better plans in place for the recovery phase: over two thirds (69.2%) now have internal and external communications plans relating to recovery (15 May: 64.9%) and 55.1% have a marketing plan in place to advise customers/stakeholders they are now open for business or have changed strategic direction (15 May: 50.0%)
- **The importance of cohesive, community resilience is being practiced by many organizations:** Some two-thirds of organizations (63.7%) have consulted with landlords and/or building owners to ensure that their plans for return to work in a safe environment match those requirements of landlords, building owners and other building tenants.

Leading the way to resilience

Which of the following measures have you taken regarding your organization’s recovery plans?



bci Leading the way to resilience

About the authors

Rachael Elliott (Head of Thought Leadership)

Rachael has twenty years' experience leading commercial research within organizations such as HSBC, BDO LLP, Marakon Associates, CBRE and BCMS. She has particular expertise in the technology & telecoms, retail, manufacturing and real estate sectors. Her research has been used in Parliament to help develop government industrial strategy and the BDO High Street Sales Tracker, which Rachael was instrumental in developing, is still the UK's primary barometer for tracking high street sales performance. She maintains a keen interest in competitive intelligence and investigative research techniques.

She can be contacted at rachael.elliott@thebci.org

Catherine Thomas (Research and Insight Manager)

Catherine comes from a resilience background in central and local government with a particular focus in public health and community incident response. She holds a Masters degree in Forensic Investigation from Cranfield University and a BSc in Forensic Investigation from Canterbury Christ Church University. She has a background in research from an analytical and qualitative perspective and has a particular interest in delving into the qualitative detail behind our surveys through investigative research.

She can be contacted at catherine.thomas@thebci.org

The BCI would also like to thank Martin Fenlon FBCI and Rina Singh MBCI for their assistance with the survey questions.

Leading the way to resilience

238

respondents

44

countries

18

industries