

Evaluation of Business Continuity Management

A case study of disaster recovery during the Covid-19 pandemic.

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During 2020, the Covid-19 pandemic created immense strain on the global economy. Measures introduced by authorities to curb the rate of infection caused significant disruptions in global supply chains, highlighting their vulnerability and forcing companies to reevaluate their exposure to disruptions.

While Risk Management focuses on managing expected specific risks, Business Continuity Management (BCM) and continuity planning in particular, serves as an “all hazards” approach, and aims to achieve recovery, regardless of the cause. When companies face disruptions, a few important questions need to be answered to guide the next steps. For example: *“How long can our business sustain a disruption? Which of our processes and activities should we prioritise to recover? How quickly must recovery be achieved? How can we recover it effectively?”*. By implementing BCM, companies can ensure that these questions are answered before a disaster strikes.

In the context of Covid-19, the authors were invited to a global industrial company to examine the current BCM-practises and the contribution of Business Continuity Planning to the recovery from Covid-19. During the pandemic, the company experienced major disruptions throughout its supply chain and was forced to temporarily close multiple factories.

The thesis was conducted as a case study where interviews were held with strategic managers within sourcing, manufacturing, sales, and business unit management, representing three major Business Units at the company. In addition, a literature review was conducted to develop a theoretical frame

of reference, used to guide the data-selection and analysis.

The evaluation of the current BCM-practices at the company revealed a few key improvement areas; most of which were partly recognised by the interviewees prior to the pandemic. The absence of a business-oriented scope when conducting the analysis and deciding what to protect has resulted in a misalignment between what is critical to the business and what is considered critical at the site. This misalignment propagates in the subsequent development of recovery plans, resulting in the development of strategies based on site-criticality and not business criticality, which are rarely approved for implementation. Further, by having a site-oriented scope with emphasis on infrastructure, functions and processes which transcends sites have been overlooked. Additionally, no clear expectations and objectives of the BCM-program have been embedded in the organisation.

In terms of managing recovery from the Covid-19 pandemic, the findings suggest that the continuity plans had limited contribution. With individual disruptions being limited to a couple of weeks, few plans had been developed to provide the necessary speed of recovery. Hence, the majority of disruptions have been dealt with reactively, either through dedicated Crisis Management Teams or within the regular management structure. However, the findings also suggest that while the direct contribution of continuity plans has been limited, the analysis to understand what is critical, even from a site-perspective, has contributed to the prioritisation and coordination of recovery.