



Addressing the impact of COVID-19 Crisis management and resilience planning

Despite significant efforts to contain the spread of COVID-19, including travel bans, closure of businesses and working from home, a growing number of geographies, people and organizations have been affected by this human disaster. With the total number of people infected growing daily, COVID-19 has become a public health emergency of international concern and containment of the virus, and providing health care to the victims remains a top priority for many governments and businesses.

Besides the clear visible impact on people's lives, families, and communities, COVID-19 has economic, operational, and financial ramifications as well. Although the full impact of COVID-19 is still unknown, many organizations that do significant business with the affected areas are being impacted by declining sales and reduced consumer demand, supply chain disruptions, transport restrictions, lack of personnel mobility, and production difficulties. These issues will have a domino effect on global markets.

This escalating risk has led organizations not yet directly impacted to consider their pandemic preparedness measures as well. It is important that organizations are proactive and prepared, focusing on risk identification and organizational exposure, identifying critical dependencies, and developing pragmatic and effective crisis and resilience solutions when planning for the (potential) impact of COVID-19.

Managing the risks of disruption

Preparing for a complex and fast-moving crisis like COVID-19 can be extremely challenging. Many organizations are overwhelmed by the scale of information and the escalating risk and are focusing on immediate and operational incidents and challenges only. They fail to understand the impact and strategic consequences of the crisis. Organizations want to move quickly and demonstrate action to stakeholders. However, experience shows that organizations are most successful when identifying and assessing the strategic impacts of a crisis like COVID-19 before planning their response. After carefully assessing the impact on employees, assets, operations, stakeholders and reputation—building situational awareness about the organization's risk exposure—a proportionate crisis and resilience response plan can be developed. Key questions for consideration in this context are:

- What does the organization really value and want to protect? What high impact consequences is the organization really worried about?
- What does the organization need to be able to function during a disruption?
- Is the organization's crisis management plan and function fit-for-purpose to assure business viability?

Practical next steps

- **Assemble a cross-function crisis response team.** Set up an integrated and cross-functional crisis response team to get an organizational-wide understanding of the impact and to coordinate efforts. Create sub-teams to manage specific work streams such as communications, legal, finance, or operations. The crisis team should operate within a clear mandate provided by executive management. It should have high levels of decision-making authority to allow for swift and effective action.
- **Assess organizational exposure.** If you have a large presence, extensive business travel to and from, or key dependencies in affected areas (e.g., supply, revenue generation or outsourcing activities) you will need to take more decisive action. Conduct strategic business impact assessments to identify and map critical services and functions to operational dependencies including key systems, staff, third parties and operational hubs.
- **Prepare for a proportionate response.** Many organizations will have prepared pandemic plans for the outbreak of H1N1. The current outbreak is a reminder that ensuring plans are up-to-date and fit-for-purpose is essential to organizational resilience. If not already included in your pandemic plans, determine meaningful organizational activation and deactivation triggers.
- **Scenario planning/playbooks.** Organizations should plan ahead for potential business disruptions caused by extensive employee absences, shutdowns of geographies, supply chain disruptions, etc. This includes crisis response playbooks to be activated based on certain events.
- **Keep plans, policies and procedures actively under review.** Organizational preparedness is an iterative process. Plans, policies and procedures should be adaptive and flexible to the emerging threat to ensure an organization remains prepared and protects its people, reputation, strategy and bottom line.

For more information on how to respond, recover and thrive:

- Connect to Deloitte leaders www.deloitte.com/COVID-19-leaders
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