

# COVID-19 - A Massive Disruption but a Big Opportunity

## A case study in managing disruption

### **The Author**

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## **COVID-19 - A Massive Disruption but a Big Opportunity – A case study in managing disruption**

As venues and events internationally come to terms with the impact of the COVID-19 virus shutdown, it's difficult to see many positives out of all this uncertainty. Mandatory closures of small outdoor and indoor mass gatherings, compulsory self-isolation for overseas travelers, as well as social distancing; these are becoming the new norm in the workplace vernacular – at least in the short term. We are still forced to keep businesses operating with, in many cases, our workers operating remotely.

At this point you are hopefully dragging out your well-rehearsed Business Continuity Management Plan and putting into place the contingency plans you have trained for. But if you haven't tested them for some time, or worse still – you don't have a BCM Plan, now is a very good opportunity to document these processes while implementing home-based work.

'Denial of Access,' or being unable to work from your office, is one of the most common scenarios that require a continuity response in business. Whether it's an act of terror, a power failure, a failed sewer main in a neighbouring building, a motor vehicle accident on an arterial road nearby, or the Corona virus; denial of access should be the starting point for disruption scenarios in your BCM Plan.

### **COVID-19 - A Test of Resilience**

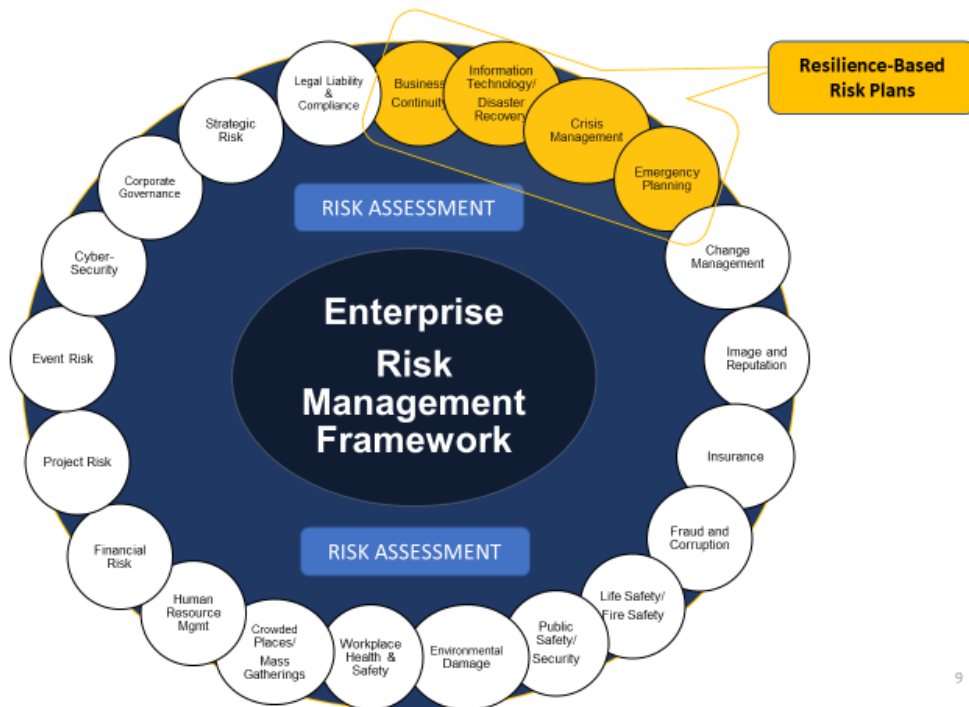
For those who've attended Year Two of the Venue Management Association's (VMA's) Venue Management School, dust off those notes from Year Two's lesson on 'Business Risk & Resilience;' because now more than ever, you need a plan for major operational disruption. This area of risk management relates to resilience planning. Resilience Plans help deal with major operational disruption; to prepare, respond and recover from a major incident or situation.

The Oxford Dictionary says that Resilience is *"the ability of people or things to recover quickly after something unpleasant, such as shock, injury, etc. He showed great courage and **resilience** in fighting back from a losing position to win the game."*

The terms Risk Management and Risk Assessment are used frequently in our industry. Most commonly these terms are applied to safety, security and emergency management, yet there is risk in almost everything we do. Every organisation that operates in the venues and events industries has a different level of risk maturity. Organisations with a low risk maturity focus largely on safety, security, emergency planning and insurance in risk management. Organisations with a higher level of risk maturity apply risk management concepts to other parts of the business including those above, plus legal liability, compliance and resilience-based plans.

### **Resilience-Based Risk Plans**

Organisations that are risk mature may have an established Enterprise Risk Framework that ties all facets of risk together. An Enterprise Risk Framework provides a structured and systemized approach to managing all risks (including disruption-based risks); is commissioned by the Board, led by the Executive, and implemented by the workforce. The successful management of all risks to the business is underpinned by a structured approach to risk assessment.



The suite of Resilience-based risk plans and their current role in a venue’s response to the Corona crisis are below:

Resilience Plan	Purpose	Role in the Plan in the Current Crisis
Risk Assessment (RA)	<p>Assessment of risks in terms of consequence and the likelihood that the selected consequence will occur.</p> <p>Risk categories for consideration include:</p> <ul style="list-style-type: none"> <li>• Health &amp; safety</li> <li>• Disruption</li> <li>• Reputation</li> <li>• Financial</li> <li>• Legal</li> <li>• Technology</li> </ul> <p>The assessment should exist in a risk register (table of risks) and use agreed definitions for consequence and likelihood, and contain evaluation criteria to determine the magnitude of the problem and an appropriate course of action.</p> <p>For health &amp; safety risks you should use the hierarchy of controls to help guide appropriate actions: Eliminate, substitute, isolate, engineer controls, administrative controls, personal protective equipment (PPE).</p>	<ul style="list-style-type: none"> <li>• <u>Health &amp; Safety</u> risks - <ul style="list-style-type: none"> <li>• Impact on people’s health from communicable disease - (staff, contractors and patrons) <ul style="list-style-type: none"> <li>• Eliminate – temporary closure of venue</li> <li>• Substitute – N/A</li> <li>• Isolate – home-based work, self-isolation</li> <li>• Administrative – social distancing, split-shifts (combined with home-based work), cleaning program</li> <li>• PPE – gloves, sanitizer, face masks</li> </ul> </li> </ul> </li> <li>• <u>Disruption</u> risks – <ul style="list-style-type: none"> <li>• Critical business functions affected</li> <li>• Consequential impact on other business functions</li> <li>• Timing of critical functions</li> </ul> </li> <li>• <u>Reputation</u> risks - <ul style="list-style-type: none"> <li>• Stakeholder communications <ul style="list-style-type: none"> <li>• Who are the stakeholders affected? (staff, patrons, owners, neighbours, suppliers, clients)</li> <li>• How are they affected?</li> </ul> </li> </ul> </li> <li>• <u>Financial</u> risks – <ul style="list-style-type: none"> <li>• Lost income</li> </ul> </li> </ul>

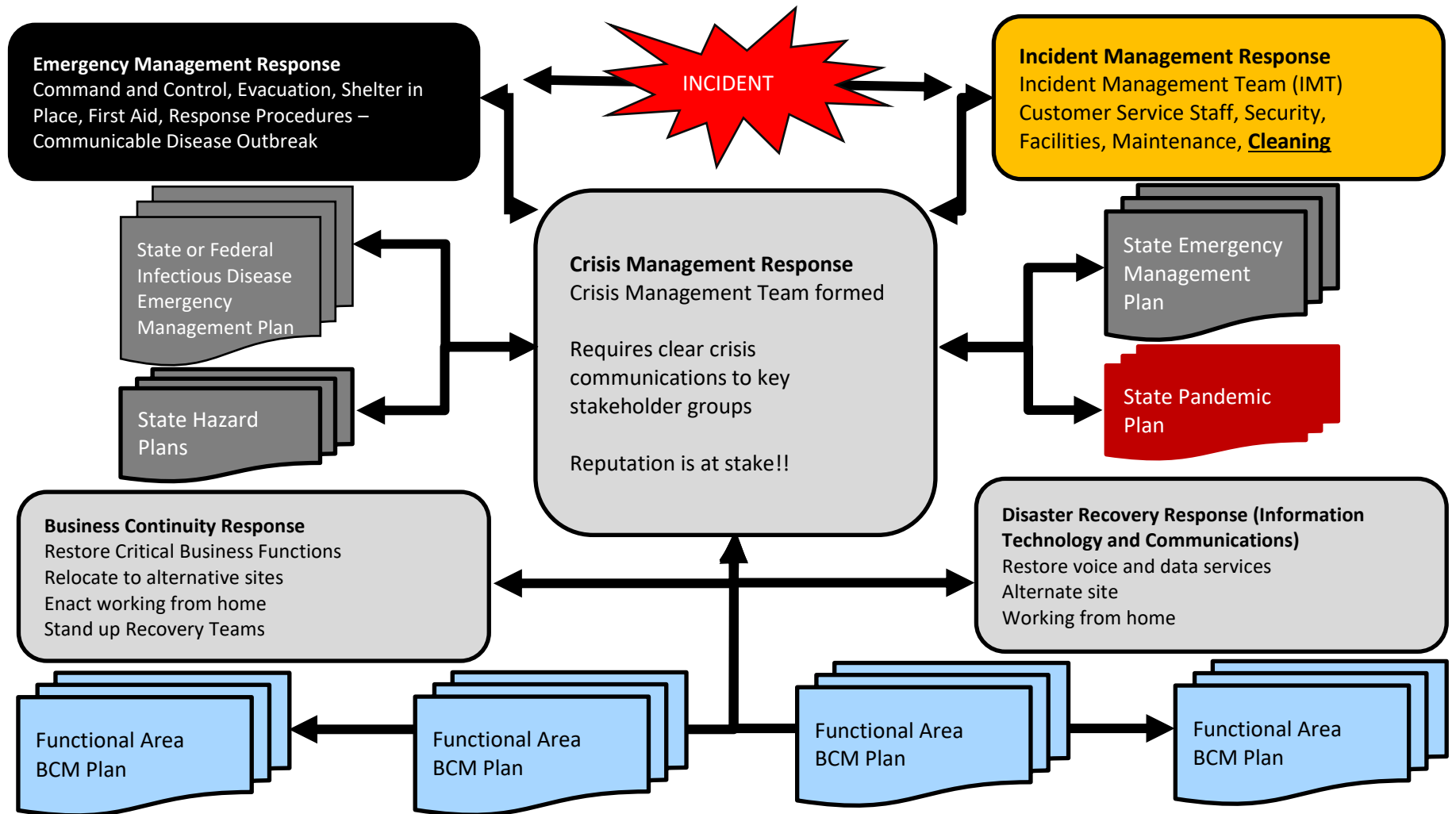
Resilience Plan	Purpose	Role in the Plan in the Current Crisis
		<ul style="list-style-type: none"> <li>• Accrued leave</li> <li>• Additional costs</li> <li>• <u>Legal</u> risks – <ul style="list-style-type: none"> <li>• Venue hire agreements</li> <li>• Ticket refunds</li> <li>• Insurance – cancellation, forced majeure</li> <li>• Sponsorship</li> </ul> </li> <li>• <u>Technology</u> risks – <ul style="list-style-type: none"> <li>• Information systems integrity</li> <li>• Software and hardware capabilities</li> <li>• Remote systems access</li> <li>• Cybersecurity</li> </ul> </li> </ul>
Emergency Management Plan (EMP)	<p>An Emergency Management Plan (EMP) should help guide an initial response to an incident or situation to protect people and property from harm.</p> <p>It is a written document containing the emergency arrangements for a facility, generally made during the planning process. It consists of the preparedness, prevention and response activities and includes command and control structures, roles and responsibilities and specific emergency response procedures.</p>	<p>Set out prevention and response procedures for communicable disease outbreak:</p> <ul style="list-style-type: none"> <li>• Venue lock down, access control and head count; indoor and outdoor limits to gatherings, staff &amp; visitor sign in and out</li> <li>• On-site health and medical care</li> <li>• Sanitization – cleaning program, contaminated waste removal</li> <li>• PPE requirements</li> <li>• Reporting and recording requirements</li> <li>• Emergency service and communicable disease testing</li> <li>• Links to state pandemic plans</li> <li>• Department of Health, Federal Government Policy and other important information sources</li> <li>• Venue’s Communicable Diseases Policy</li> <li>• Staff welfare – Employee Assistance Program</li> </ul>
Crisis Management Plan (CMP)	<p>Crisis Management Plans (CMP) are for responding to incidents or situations that threaten the organisation and its <u>reputation</u>.</p> <p>A CMP provides a coordinated strategic executive management response to the immediate, short term and long-term effects of the situation.</p> <p>They are characterised by:</p> <ul style="list-style-type: none"> <li>• Scenarios that are (generally) unforeseen and that occur rapidly</li> <li>• Require quick decisions</li> <li>• Not necessarily impacting upon critical business functions but can affect achievement of the</li> </ul>	<p>Preparation of the <u>Crisis Management Plan</u> should involve:</p> <ul style="list-style-type: none"> <li>• Establishing a Crisis Management Team</li> <li>• Understanding potential impact risks (see above)</li> <li>• Develop a Crisis Management Plan <ul style="list-style-type: none"> <li>• High impact foreseeable risks</li> <li>• Crisis management team <ul style="list-style-type: none"> <li>• Roles, responsibilities, contact details</li> </ul> </li> <li>• Action plans and checklists <ul style="list-style-type: none"> <li>• Where do we meet?</li> <li>• What will we need?</li> <li>• Who do we call?</li> </ul> </li> </ul> </li> <li>• Training and testing schedule</li> <li>• Crisis Communications Plan</li> </ul> <p>The <u>Crisis Communications Plan</u> should include:</p> <ul style="list-style-type: none"> <li>• Clear, concise, honest and timely information</li> </ul>

Resilience Plan	Purpose	Role in the Plan in the Current Crisis
	<p>organisation's mission, goals and objectives</p> <ul style="list-style-type: none"> <li>• Potentially resulting in real or perceived risks that invoke outrage and media attention</li> <li>• Information traveling fast due to electronic media</li> </ul>	<ul style="list-style-type: none"> <li>• A nominated competent media spokesperson with a clear and consistent voice</li> <li>• Targeted audience identified</li> <li>• Pre-scripted communications</li> <li>• Appropriate responses - provide brief explanation of approach, regular updates, future preventative actions</li> <li>• A desire to nurture goodwill now with important stakeholders</li> </ul>
Disaster Recovery Plan (DRP)	<p>Disaster Recovery Plans (DRP) usually integrate with the Business Continuity Plan, given an organisation's heavy dependence on information technology and telecommunications equipment.</p> <p>The DRP is a technical document that sets out details of information systems, back up arrangements and cybersecurity protections in place to ensure the efficacy and resilience of information access and sharing.</p>	The DRP is important for documenting IT and telecommunications arrangements for the hosting of data backup, secondary remote office sites, and home-based work.
Business Continuity Management Plan (BCM)	<p>Business Continuity Management involves the integration of the organisation's planning and management processes to provide operational resilience.</p> <p>It involves developing a plan for the:</p> <ul style="list-style-type: none"> <li>• Ongoing management of disruption-based risk</li> <li>• Building a resilient and sustainable business</li> <li>• Achieving business goals and objectives</li> </ul> <p>It should cover:</p> <ul style="list-style-type: none"> <li>• Continuity response <ul style="list-style-type: none"> <li>• Resources, processes and controls provided</li> <li>• Focus on maintaining critical business functions</li> </ul> </li> <li>• Recovery response <ul style="list-style-type: none"> <li>• Resources, processes and</li> </ul> </li> </ul>	<p>There are a number of stages to achieve Business Continuity Readiness. They include:</p> <ol style="list-style-type: none"> <li>1. <u>Vulnerability (Risk) Assessment</u> (as set out above); and a <u>Business Impact Analysis (BIA)</u></li> </ol> <p>The BIA should explore:</p> <ul style="list-style-type: none"> <li>• Critical business functions. These may involve: <ul style="list-style-type: none"> <li>○ Important/critical people</li> <li>○ Key facilities, infrastructure or equipment</li> <li>○ Core services that you deliver for the next 3-6 months</li> <li>○ Key information – from meetings, databases, server access</li> <li>○ Resources – what systems, funding or tools are heavily relied upon to deliver critical business functions?</li> </ul> </li> <li>• Impacts to other parts of the business</li> <li>• Dependencies on IT applications</li> </ul> <ol style="list-style-type: none"> <li>2. Developing <u>response strategies</u> – <ol style="list-style-type: none"> <li>a. Who is the Business Continuity Coordinator?</li> <li>b. What is the process for determining the crisis?</li> </ol> </li> </ol>

Resilience Plan	Purpose	Role in the Plan in the Current Crisis
	<p>capabilities restored</p> <ul style="list-style-type: none"> <li>• Implement improvement</li> </ul>	<ol style="list-style-type: none"> <li>3. Developing <u>resources and interdependencies</u> – contact lists, checklists, hardware needs, software needs, WHS/OHS requirements for home-based work. Link to other source resources such as:               <ol style="list-style-type: none"> <li>a. State or national Pandemic Plans</li> <li>b. State Hazard Plans</li> </ol> </li>   <li>4. Continuity <u>plans/contingency plans</u> – what are the workarounds for each critical business function, and who will do it? How do we recover back to normal business? – THIS IS HAPPENING NOW               <p style="text-align: center;"><b>IN THE CURRENT CRISIS – DOCUMENT YOUR WORKAROUNDS/CONTINGENCY PLANS FOR EACH CRITICAL BUSINESS FUNCTION AFFECTED!!</b></p> </li>   <li>5. <u>Communications strategy</u> – linked to the Crisis Management Plan. Communications matrix – who speaks to which stakeholder and when.</li> <li>6. <u>Training and testing</u> – THIS IS HAPPENING NOW. WE ARE BEING TESTED!!</li> <li>7. <u>Evaluation and Review</u> – Document what you can, as it is happening and conduct a formal review once it's over. Make further changes and use the opportunity.</li> </ol>

## How do all these Plans fit Together?

The following diagram shows how these plans all fit together:



## **Other things to Consider**

### Functional Area BCM Plan

Each functional area within your organisation should have a BCM Plan that shows:

- Crisis Management Team Members & Lead Crisis Manager
- Chief Warden or person in charge of emergency response and back up person
- Business Continuity Coordinator & back up person
- Functional Area Recovery Team Leader & back up person for each functional area
- Alternate site if teams are separating – names of people/teams and IT requirements
- Procedure for invoking the Contingency Mode
- Procedure for returning to Normal Business Mode
- List of Critical Business Processes, Functional Area affected, Maximum Acceptable Outage - (how long can we afford to lose the function for?); risk rating, and impacts if it fails
- Employee IT hardware needs (laptops, tablets etc.)
- Functional Area Allocation – List each functional area and alternate site – Day 1, Day 2, Day 3, etc.
- Critical Business Function (CBF) – List the CBF - Day 1, Day 2, Day 3, etc.
- Functional IT applications needed
- Contact numbers – Crisis Management Team, Business Recovery Teams, Employee Contacts, Key Stakeholders, Key Suppliers, Emergency Services

### Functional Contingency Plans

Contingency Plans are 'workarounds' given the denial of access/work from home scenario. They might include for example:

- Human Resources - Payroll system & superannuation
- Box Office – Ticket sales and refunds
- Compliance reporting
- Servicing key suppliers' contracts



Examples of Contingency Plans for Critical Business Functions might be:

Contingency Plan – Functional Area x				
Venue Name: Stadium M		Your Name	John Smith	
BCP Contingency Number: BCP 1: Emergency Planning Committee meetings – required quarterly		Your Contact	+61 55 555 87692	
Continuity Plan				
Recovery Objective: Undertake emergency planning review consistent with agreed review period.			Maximum Acceptable Outage (MAO): 2 weeks	
Who is Responsible?	How do we Respond to the Situation?	Who is Responsible?	How do we Recover from the Situation?	Who is Responsible?
<ul style="list-style-type: none"> <li>• Chuck Harris, Venue Manager</li> </ul>	<ul style="list-style-type: none"> <li>• Circulate current draft to Emergency Planning Team members remotely, T-1 week before meeting</li> <li>• Establish agenda and circulate by email</li> <li>• Host Skype teleconference</li> <li>• Utilize screen share technology to direct group to sections of the document requiring update</li> <li>• Assign responsibilities</li> <li>• Maintain minutes of meeting</li> </ul>	<ul style="list-style-type: none"> <li>• Name x</li> <li>• Name x</li> <li>• Name x</li> <li>• Name x</li> </ul>	<ul style="list-style-type: none"> <li>• Circulate minutes and record onto shared server</li> <li>• Implement recovery checklist</li> </ul>	<ul style="list-style-type: none"> <li>• Name x</li> <li>• Name x</li> </ul>

### Where can you get Help with Business Continuity Planning?

There are a number of international and Australian Standards available to help guide this process.

- *ISO 22301:2012, Societal security – Business Continuity Management Systems* – Requirements, will help organisations, regardless of their size, location or activity, to be better prepared and more confident to handle disruption of any type.
- *AS/NZS 5050:2010 – Business Continuity – Managing Disruption-Related Risk* - Describes the application of the principles, framework and process for risk management, as specified in ISO 31000:2018, to disruption-related risk.
- *ISO 31000:2018 – Risk Management Guidelines* – Describes guidelines for managing risk faced by organisations. The application of these guidelines can be customized to any organization and its context. It offers a common approach to managing any type of risk in the venues and events industries.

### In Summary

So, whilst the current Corona crisis appears to present few opportunities in the venues and events industries, it does allow us to consider all the activities we've been too busy to get to. This pending shutdown period could be the perfect opportunity to update Enterprise Risk Management & Resilience Plans. If you are a Graduate of VMA's Venue Management School, review your Year Two Risk Management notes, and if you're not a graduate, drop me a line, and I'll try to steer you in the right direction.

We all hope this crisis passes swiftly and that our industry recovers to a place that's even better than it already was.

**Additional Resources**

The VMA's, Australian based, Venue Management School [Business Risk and Resilience Course Notes](#).