

## What Are We Going To Do Now?

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*A look at how manufacturers can benefit from continuity planning, and [resources](#) [1] for handling everything from supply chain shortages to natural disasters.*



We're fascinated by the photos and video of the earthquakes and tornadoes – both during the event as well as in the wake of their destruction. We're captivated by the interviews and news reports with those who were caught off-guard by changing business dynamics that have negatively impacted their company's ability to produce or deliver finished products.

And in viewing such pieces, we're all probably thinking the same thing – how could they have not been ready?

Preparedness is the result of planning. In manufacturing, numerous forecasts are done in regards to matching customer demand with inventory, logistics, overhead costs, and production capabilities. However, the one facet that is easily overlooked involves business continuity planning.

For those unfamiliar with the term, Brian Zawada, the Director of Consulting Services at [Avalution](#) [2], offers a definition. "A number of synonyms are used interchangeably with the term *business continuity*: organizational resiliency, business recovery, disaster recovery, emergency management, crisis management, emergency response, or preparedness.

"Regardless of the choice of words, business continuity planning simply means working to decrease the likelihood of disruption, and preparing an organization to continue the delivery of its products and services following some form of disruption." And in this instance "disruption" can range from a natural disaster to logistics errors to new equipment installation to instituting a chain of command in the case of a key individual's death or illness.

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Although it's often the more horrific events, such as the tragedy in Japan earlier this year, that get people thinking about continuity planning, its scope can and should be much broader. The problem is that once the tragedy or challenge at hand is dealt with, the need for business continuity is out of sight and the planning is out of mind.

In a recent interview with *Industrial Maintenance & Plant Operation (IMPO)* Jeff Karrenbauer, President and Co-Founder of [INSIGHT, Inc.](#) [3], a provider of supply chain planning solutions, offered his perspective. "People are going to forget. If they can forget 9/11, they can forget this (Japan).

"I've been evangelizing about supply chain vulnerability and specific options to reduce vulnerability for about seven years. I, like everyone else in this business, have come to the conclusion that people find reasons not to do it (planning).

"One of my favorite expressions is that industry is placing the biggest bet in the history of Las Vegas. The bet is nothing is going to happen, or at least that it won't affect them. All too often, the strategic plan consists of activating a disaster team, calling a meeting and saying, 'Let's get the phone lines going', and asking, 'What are we going to do now?'"

So instead of waiting for the challenge and attempting to respond accordingly, many manufacturers are benefiting from the more proactive approach of continuity planning. Case studies on resilient operations and the associated best practices can be found in resources such as [Continuity Insights](#) [1], an on-line publication produced by Advantage Business Media.

Although the process might initially sound daunting, Zawada offers the following thoughts on the benefits of going through such a process and putting together a solid business continuity plan.

"First, it helps address customer demands and expectations regarding preparedness," he states. This can be a dynamic selling point when it comes to garnering internal funding, as well as in attracting new business, talent, or investment to any enterprise. "Health and safety drivers, i.e. protecting employees, customers, and the public will also be achieved," Zawada continues.

"Additionally, regulatory demands, protecting against possible reputational impairment that result from downtime, decreasing financial loss exposure, and the possibility of market share deterioration are all benefits." So while the initial scope of planning might be focused in nature, the benefits are far-reaching in helping to ensure the viability of your company, its processes and products for the long term.

However, it is important to note, as Karrenbauer did in the *IMPO* interview, that even though the benefits involved with proper planning do far outweigh the challenges, it's not a simple process. "These things take time to implement," he states. "Some things are costly. It's like buying insurance. You have to know where your vulnerabilities are." An improved understanding of these vulnerabilities, from a continuity and competitive perspective, are additional, inherent benefits to such

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planning.

### Initiative Breeds Confidence

While the process can be a challenging one, Zawada points to five core outcomes that continuity planning will produce:

“1. Risk Mitigation: Process-specific controls will help minimize the likelihood of a disruptive event.

“2. Response Techniques: An ability to respond to a disruption, which includes a situation assessment, objectives setting and leadership of the recovery effort.

“3. Recovery Processes and Solutions: Procedures and methods to minimize downtime and enable a resumption of production.

“4. Communications Strategy: Procedures and methods to deliver updated information and direction to internal or external audiences.

“5. A Culture of Preparedness: Longer-term, the organization moves from implementing response and recovery solutions to designing resilience and recoverability into day-to-day processes from the beginning.”

While there are a number of [resources](#) [1] available, including Zawada’s and Karrenbauer’s firms, Zawada also offers the following recommendations, especially when first getting started.

“Identify a program sponsor that has visibility across the entire business, and the authority to make decisions,” he states. “Consider establishing a committee to solicit input and feedback regarding planning activities, as well as a team that can assist with continuous improvement activities long-term.”

The synergies between continuity planning and many Lean initiatives found throughout the manufacturing enterprise can also help. “Leverage other analytic efforts (Lean, Six Sigma, regulatory analyses, etc.), and consider speaking with and involving key customers to help establish requirements,” adds Zawada. “Proper business continuity planning will result in more than just documents – it leads to a risk management culture that will protect an organization.

“Proper business continuity planning also allows an organization to understand its threats and develop strategies to protect its ability to deliver core products and services. However, business continuity is not a one-size-fits-all solution. It’s a combination of organization-specific risk treatments designed to keep bad situations from occurring and minimizing the impact if anything does,” offers Zawada.

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### Links:

[1] <http://www.continuityinsights.com/subscribe>

[2] <http://www.avalution.com/>

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[3] <http://www.insight-mss.com/>