

Imperatives for Ensuring Business Continuity Planning (BCP) in a Post COVID-19 World



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COVID-19 – From health crisis of unprecedented scale to impending global economic recession

The number of confirmed COVID-19 cases has exceeded 19 million worldwide, with at least 730,000 deaths as of August 9, 2020, and it seems highly unlikely that the situation will improve anytime soon. The ongoing pandemic has brought businesses to a standstill and disrupted most businesses’ global supply chains. It is now clear that the economic crisis caused by the pandemic will be far-reaching, with economies across the globe likely to experience recession in the coming months if not years.

Countries are easing lockdowns/restrictions in phases in an attempt to bring their economies back on track and combat the massive job losses across industries. As businesses try to adjust to the new normal and sustain their long-term operations, it is important to understand how some enterprises were able to better face challenges and minimize disruption to their operations during the crisis.

While most enterprises experienced some sort of operational disruption due to COVID-19, some were able to handle the crisis much better and mitigate continuity risks quickly. Exhibit 1 highlights the key strategies they had in place.

EXHIBIT 1

Successful enterprises’ key BCP strategies

Source: Everest Group (2020)

Preparedness: Had dedicated resilience management groups and solid BCP protocols for remote working in place



Foresight and planning: Regularly reviewed COVID-19-related developments and worked with partners, customers, and employees



Robust work placement strategies: Ensured that critical activities were spread across locations with FTE thresholds



Flexibility and speed of execution: Made swift decisions to migrate to a work-from-home model; worked with government agencies to obtain necessary support



Location-based strategies: Had intra-city, inter-city, and inter-country BCP strategies in place, including people strategies

Everest Group’s take

While effective in the short-term, **long-term BCP sustainability, scalability, and replicability** measures taken by enterprises to date is a major question mark.

What this means for enterprises going forward

Everest Group conducted a survey recently to understand what enterprises plan to do differently after the crisis abates (Exhibit 2). The survey found that the top things organizations will do differently include:

- Shortcomings in current planning and preparedness strategies highlighted the need for more BCP
- Organizations need to re-imagine processes with a view to streamline, automate, and eliminate
- Companies need to enable secure borderless workplaces

EXHIBIT 2

What organizations will do differently after the crisis has abated

Source: Everest Group (2020)

	Completely Disagree	Neutral	Completely Agree
More business continuity planning	21.1%	10.5%	68.4%
Eliminate processes that we realize do not need to be done	26.3%	10.5%	63.2%
More work-from-home options	21.1%	21.1%	58.0%
More automation	21.1%	31.6%	47.4%
More service provider diversity	42.1%	15.8%	42.1%
More talent training	52.6%	10.5%	36.9%
Less travel and commuting time	42.1%	21.1%	36.9%
More geographic dispersion	63.2%	5.3%	31.5%

Sample set: Based on responses from 35+ enterprises

“ I expect, as we continue in this environment, we're sort of going to end up in the 50% to 60% [range] over time.... We're doubling, tripling the amount of work from home.

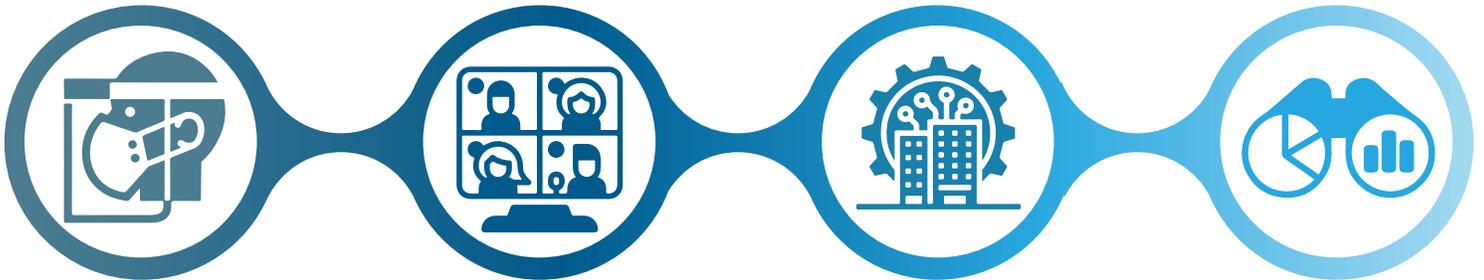
- Pat Gelsinger, CEO, VMware

Everest Group's take

Our discussions with enterprises reveal that they expect a **more proactive approach** and **increased responsibilities** for their IT BPO outsourcing providers to navigate the unprecedented times.

Everest Group recommends the 4E approach to improve your firm’s BCP resilience and ensure dynamic delivery in the future.

4Es for BCP of the future



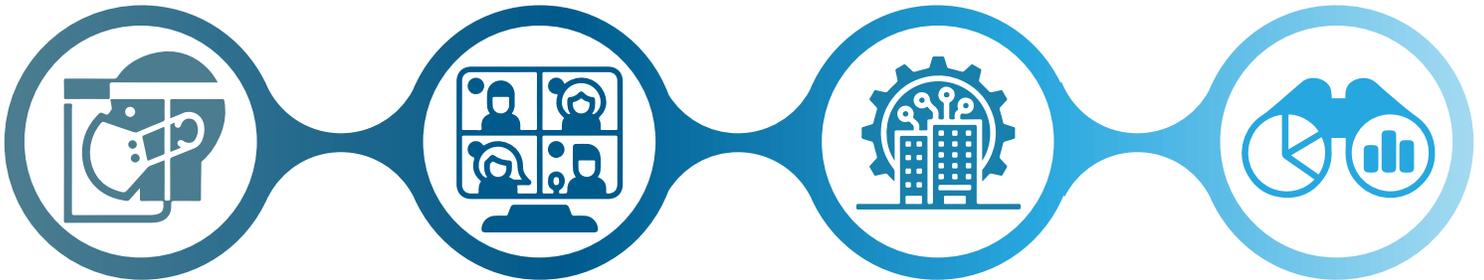
Ensure employee safety and wellness	Empower and engage employees	Enable digitalization	Evaluate global location footprint
<ul style="list-style-type: none"> • Implement contact tracing by taking a tech-enabled approach • Comply with facilities management protocols and social distancing norms • Implement wellness programs that can be executed in a home environment • Ensure open communication to build trust and promote mental wellness • Share basic home safety and health-related reminders and tips • Provide access to remote medical care and mental health resources • Discourage work-related travel and leverage digital connectivity tools 	<ul style="list-style-type: none"> • Ensure ease of transition between onsite and virtual employees through end-to-end workflow orchestration • Ensure borderless workplaces (devices, connectivity, collaboration, etc.) • Provide employees access to the right infrastructure to be productive (for example, Facebook’s bonus for home offices setup) • Invest in smarter operations such as agile methodologies, virtual training, and team-building activities and technologies to build a resilient and responsive workforce • Cross-skill/cross-train the workforce across centers in critical processes 	<ul style="list-style-type: none"> • Reimagine intelligent workflows with digital orchestration to ensure operational resiliency • Leverage analytics to make evidence-based workplace re-opening decisions • Leverage RPA to automate mundane tasks and increase process resiliency • Foster innovation and improve resiliency by empowering employees to leverage automation and build their own use cases • Build operational agility by shifting workloads to the cloud to reduce on-premise dependencies • Ensure data backup and security • Ensure IT operations automation so that the infrastructure remains accessible remotely 	<ul style="list-style-type: none"> • Identify the best balance between control and cost for the right inhouse-outsource balance • For outsourcing, establish the right location mix that provides sufficient backup without bloating costs • Within identified locations, establish the right talent management strategy and working model – in office, work-from-home, freelancing, contracting, etc. • Leverage location intelligence and predictive analytics to ensure supply chain resiliency – predict disruptions and identify alternate supplier and inventory availability

- Holistic design of strategies for both the office and home settings is essential
- It is important to note that the above elements are inter-related – for example, digital intervention is critical to ensure employee engagement and productivity as well as supply chain resiliency

Everest Group’s take
 The ongoing situation calls for a **coordinated approach among enterprises, their outsourcing partners, and vendors/suppliers** given the urgency and magnitude of BCP change required.

Below are four examples in which enterprises worked closely with their IT/BPO service providers to ensure BCP resilience during crisis situations.

4Es for BCP of the future



Ensure employee safety and wellness	Empower and engage employees	Enable digitalization	Evaluate global location footprint
<p>Problem: A large US county’s government agencies’ efforts were already hampered by organizational silos, and came under increasing pressure during an outbreak of a massive wildfire</p>	<p>Problem: COVID-19 posed serious threat to a payroll firm’s operations, as it had no protocols in place for remote work given the sensitive nature of the business</p>	<p>Problem: The entire staff of a large telecommunications company worked in physical office locations; spikes in demand, posed potential challenges during COVID-19 shelter-in-place orders</p>	<p>Problem: A consumer packaged goods company was impacted by potential supply disruptions at the onset of the COVID-19 pandemic</p>
<p>Solution: The county’s service provider designed a rapid response program that unified data from nine government departments, providing personalization, trend analysis, and discovery of vulnerable citizens leveraging 90,000+ underlying client profiles</p>	<p>Solution: Working closely together, the company’s service provider rapidly implemented new plans for business continuity, including setting up the right infrastructure to address security and risk concerns and equip its employees for remote work</p>	<p>Solution: The company’s service provider transitioned its FTEs across three delivery centers globally to a complete virtual working model. It also implemented an end-to-end workflow orchestration program enabling automated tracking and prioritization of critical orders from a large volumes of orders</p>	<p>Solution: The company conducted an in-depth analysis of all 2,500+ products and the existing 500+ supplier base in the regions most affected by COVID-19; it substituted 500+ alternate suppliers from other less impacted regions to ensure continuous product availability</p>
<p>Result: Across two phases, over 200 of the county’s top users of services and clients are being served to ensure citizens’ safety and wellness</p>	<p>Result: Nearly the entire team (98%) transitioned to work from home within two weeks with portable laptops, physical desktops and Wi-Fi dongles, ensuring operational continuity</p>	<p>Result: The company avoided service interruption and positioned itself to accommodate the 18% volume increase, manage 900+ orders, and bring backlogs to an all-time low</p>	<p>Result: The company significantly improved its supply chain resiliency and ensured continuous production</p>

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