We are here to help you.

Organisational Resilience:
Guidance on moving from Response to Recovery

The COVID-19 outbreak resulted in restrictions on business activities and the closure of many workplaces. This Risk Insight has been developed to provide an overview of the steps that organisations can take to safely resume work activities and manage the risks following a suspension of workplace operations.

Important Note

Whilst reopening is taking place, please ensure that Government guidelines and restrictions continue to be observed.

Safety is the number one priority when restoring power and utilities to your building. Please contact qualified engineers such as approved electricians, heating engineers or plumbers if you require assistance.

Please note that this is intended to provide generic guidance only, to help you identify what practical steps may need to be taken to reopen your building safely. Please continue to refer to all Government, regulatory and legislative guidance to ensure your organisation's continued compliance with their regulatory obligations with regards to building safety.

Continuing our Risk Topic series covering Organisational Resilience, in which we have covered effective planning, we now turn to the subject of business recovery.

A crisis plays out over three timeframes:

Respond, in which the organisation deals with the present situation and manages continuity;

Recover, during which the organisation learns and emerges stronger; and

Transform, where the organisation prepares for and shapes the new normal.

As the COVID-19 pandemic continues to disrupt the world, the first priority in the work environment has been crisis response, with the focus on health and safety and essential services.

Now, as organisations start to emerge from this initial response phase, the focus needs to shift to the challenges of Short/Medium/Long-term recovery.

However, it is important to realise that this period of recovery won't be static and may well involve several strategic changes of direction to meet the various regulatory/health & safety/people and workplace challenges.

Given the lack of medically effective treatments at present, and uncertainty of large-scale vaccine protection in the near future, the pandemic will not suddenly end. Indeed, we may see multiple waves and a continuing uneven global response footprint. Government restrictions will remain under constant review and will change in response to local conditions.

Amid such a dynamic environment it is essential that leaders debate and decide key strategic questions to form recovery strategies that are flexible and adaptable. Defaulting to a checklist approach is simply not appropriate. Leaders must now focus on "tomorrow", shifting the thinking from keeping the organisation functioning to managing the transition back to a restored future whilst looking to seize opportunities to redesign the business. The five core areas to consider are:

- **Work** – are we returning to the way we worked before or adopting new ways of working;

- **Workforce** – how do capacity and capability affect workforce design after the crisis;

- **Resources** – how will workspaces, assets and technical infrastructure need to change to support the new norm;

- **Supply Chain** – understanding and responding to possible constraints in each area of the supply chain, such as raw material and production availability or logistics capacity.

- **Finance** – ensuring the continued financial viability of the organization.

In the following pages we pose a range of questions covering each of the core areas that need to be considered in order to identify appropriate recovery strategies and tactics. It is important to view these as prompts to support structured discussion with Leadership and Recovery Teams and not as an exhaustive checklist.

As the focus moves from **Response** to **Recovery**, organisations should also consider changing the blend of the Response Team to include more operational expertise. The Team must also ensure that there is a balance of internal operating metrics and external indicators that can provide real-time insight into macro recovery indicators.

Whilst resource must be prioritised to support recovery, it is important that learning opportunities are not overlooked or forgotten. Provision should be made to ensure that feedback from key stakeholders is captured on a continual basis. Equally, it is important to maintain the **Actions and Decisions Log** throughout the recovery phase, which will provide input into the post-crisis review as well as supporting investigations into any legal disputes and/or regulatory investigations.

Summary

Many organisations believe that they are prepared to respond to a business disruption. However, it is important to stress that this is not a normal post-crisis recovery. The COVID-19 crisis is far from over. Organisations need to be planning for a return to business as unusual – how to operate in a continued period of uncertainty and challenge. By reviewing aspects of work, workforce, resources, supply chain and finance with strategic, tactical and operational lenses will support the development of recovery plans that are both focused on business priorities and flexible to respond to the fluid risk environment.

For leaders embarking on recovery it is important to remember that a "**resilient organisation**" is not one that is simply able to return to where it left off before the crisis. Rather, the truly resilient organisation is one that has/is continually transforming, having built the attitudes, beliefs, agility, and structures into its resiliency planning approaches that enable it to not just recover to where it was, but go forwards with purpose and a universally agreed strategic direction.

Action and Review Items

This section of the document provides a list of prompts to help organisations develop a detailed plan to resume business operations in a prioritised, staged and controlled manner. It is broken down into five focus areas to guide thinking. Some items cover strategic and tactical issues whilst others are operational, but they all reflect areas that will need consideration in the coming weeks.

Workforce

Planning

- Are further changes in demand for products and services anticipated?

- Where are the critical skill gaps? Can you utilise existing staff who may have previous experience in different roles in the organization?

- Consider new types of labour supply for critical roles/skills or for new emerging needs (e.g. upskilling opportunities, gig workers, retirees)?

- Are these new skills needed on site or can they be accessed online/in a hybrid work/home based environment?

Policy & management

- Develop strategies and set expectations for employees that have been on reduced pay or furloughed: Do you need to unwind these provisions for all and, if so, how will you do this?

- Review paid time off and holiday status across the business and take appropriate steps to clarify this for individuals. Consider offering extended PTO/holidays for those who were/are impacted?

- Review changes required for travel policies as economies start to re-open. Consider the business response if employees refuse to travel due to perceived risks.

- Policies

    o Do sickness policies support the employee and business and reflect changes in working practices? Is there a need for change looking forward? Does your organization need to re-affirm the need for caution when sick and actively discourage presenteeism?

    o Review carry-forward policies for those who have not taken their allocations and consider implications for furloughed staff.

    o Where attendance bonuses are in use, do these reflect the need of the business or do they drive the wrong behaviours from employees when sick? Is there a need to review and revisit?

    o Revisit or create the work from home policy as your organisational capability for remote working may have been proven and might now be able to be incorporated into business as usual. Explore this, recognising that partial or full home working has wellbeing and environmental benefits in addition to supporting the continued recovery.

    o Redefine performance expectations for modified working arrangements and review approaches and resources to handle performance reviews.

Well-being

- For colleagues returning to work, consider adopting a formal social distancing framework that is signed/agreed by all those returning to work. This should be mutually agreed and adopted to ensure a safe work-based environment for all.

- Will any social distancing failures/breaches require formal/informal disciplinary measures?

- Consider how you will support staff with loss either within their community or family? How will you handle the loss of a colleague? Recognising those affected and remembering those lost will be important.

- Do you have access to counselling services or other such external support agencies or bodies?

- Develop or review Employee Assistance Schemes to make sure they are fit for purpose. Ensure that the programmes offer mental health support to help manage additional anxiety, concerns about risk and loss.

- Support individuals when returning to work if they feel colleagues are not abiding by social distancing requirements.

Communication

- Develop a clear, consistent and regular communications strategy for ALL employees.

- Key Leaders/Senior Managers must communicate in a clear and decisive way and any instructions must be easy to interpret and implement. In times of uncertainty people need clarity, not ambiguity, around your expectations for them and their expectations of you.

- Give staff at least seven days' notice of requirement to return.

- Actively seek out concerns from front line staff, prioritizing them and acting on them accordingly.

Work

- Determine the kinds of work that will shift to virtual on a permanent basis. What processes and practices are anchoring employees to the physical workspace? Can these be changed?

- Review demand profile and requirements with your customer base and understand how these will inform

short-, medium- and long-term priorities. Challenge the outcomes you want to achieve through the work you deliver.

- What work can still not be completed because information or resources have not been fully digitized, and how can these challenges be resolved quickly?

- Consider staff re-deployment to other key roles within the organization to meet demands.

- Consider the need for split processing, having teams spread among multiple locations, using different work strategies and working practices (staggered working hours) to reduce risk.

- Review any changes made to team structures, succession plans and reporting lines. If you have experimented with cross-functional teams during the response, consider where there may be opportunities to do more of this.

- In each office, divide critical process teams and spread them out to work in specific areas of the building to ensure that critical processing can continue. If one group is exposed, others can continue.

- Review goals and performance indicators and re-set these to reflect changed priorities.

- Has our reputation changed through the crisis, through either our own actions or those of our industry? How do we want to continue or reverse this shift?

- Are there community groups that reflect our purpose that we could partner with to support their recovery efforts?

- Ensure clear communications to customers confirming the operational position, future contact methods, update cadences, and support procedures.

Supply Chain

- Quickly ascertain whether your asset register of suppliers has been robust in the initial phase. Do you need to identify other potential partners or suppliers?

- Determine if this asset register of suppliers is still fit for purpose, what you should enhance, and what can be restarted as-is. Is your supply chain still aligned to customer demand and your business restart profile?

- Have you have used new suppliers during the restrictions that you might want to continue to use? Do you need to formalise the relationship? Have you involved procurement/legal or followed your normal on-boarding policies – did they deliver?

- Do you need to adjust contracts and/or terms for any suppliers?

- Do you need to re-visit service level agreements and performance measures for key suppliers?

- Tactically address identified gaps. Are additional multi-threaded supply lines required to address immediate gaps?

- Will changes to usage patterns trigger any rebates or cost negotiations with external vendors?

Resources

Facilities & Infrastructure

- Consider restart processes for deep cleaning of sites, air conditioning, and other infrastructure before re-

occupying buildings.

- Determine ongoing maintenance and management procedures for facilities and infrastructure and whether these need adjusting.

- Consider what training cleaners need and what materials/supplies are required to support.

- Staff and visitor management: consider isolation procedures, temperature-checking (people), and building loads/routes (one-way systems, lifts to limited floors, number of people allowed in lifts, etc.).

- Social distancing measures: How will you manage this in lifts and other building facilities such as canteens, toilets, showers, and changing rooms? Do you need to take additional measures in any locations, such as plastic protective screens, or partial closure?

- Plan how you will quickly reinstate facility closures should a hotspot outbreak occur or government guidance change.

Technology

- Determine what hardware challenges employees encountered while transitioning to remote work (e.g. difficulty procuring office tools) and assess whether these challenges been successfully addressed.

- Are there shortcuts that were developed during the initial crisis response that need to be reversed? Are there any behaviours that need to be promoted with employees to ensure the continued reliability of systems and infrastructure (e.g. direction to preserve bandwidth)?

- Review any relaxed technical controls specifically around remote access, use of personal devices, etc. and ensure these are either formalised, adjusted, or removed as required.

- Consider investment in remote work technologies or expand use of Bring Your Own Device programmes, including subsidies (e.g. laptops) for workforce segments that did not have them before.

- What tools and platforms continue to be most effective for supporting a blend of physical and virtual work? How are employee preferences understood?

- Are there any persistent challenges employees are facing with existing platforms? Where can enhancements be made?

Finance

Government support

- Establish whether your sector has access to Government grants or schemes to support in the short term.

- Maintain access to Government and state support actions where possible and appropriate.

Liquidity

- The crisis will already have triggered a re-baselining of economic forecasting and planning – as a Senior Leadership team ensure you understand the measures and metrics and what this means for continued business longevity.

- Engage in financial modelling to build out various scenarios (best case to worst case) for workplace reopening and recovery, with an eye to preserving cash/liquidity and ensuring adequate cashflow. Stress test the scenarios to provide a clear perspective of the organisation's resilience.

- Review and ensure sufficient cash support as business restarts and ramps up and to reflect any change in business priorities linked to re-engineered business plans/forecasts.

- Ensure alignment of key lending and investor stakeholders on terms, timing, and capital availability.

- Identify relevant indicators to track liquidity and earnings performance.

- Identify savings that could be realised through, for example, reduced office space requirements, wider use of on-line services and e-commerce.

- Treasury Management/Investments – are your cash/assets tied up in long-term bonds – if not, can these be liquidised to ensure a financial buffer?

- Speak to your bank/lenders about possible debt restricting or debt forbearance.

- Contact your external accountants for advice and support.

Insurance

- Check insurance to understand exposures based on what you might be doing differently now. Do you need to change the basis of cover? Review any changes that have been made to risk control measures and discuss these with your Insurers.

Compliance

- Are there missed regulatory or compliance activities that need to be re-started?

- Has any compliance requirement been relaxed? If so, do these need review or reinstatement?

- Update your risk view/profile based on your risk assessment of the new normal.

Further Reading

1. Organisational Resilience: Guidance on Pandemic Planning. Zurich
https://insider.zurich.co.uk/app/uploads/2020/02/Organisational-Resilience-Guidance-on-Pandemic-Planning.pdf

2. Building Reopening: Risk Management Guidance. Zurich
https://insider.zurich.co.uk/app/uploads/2020/05/Building-Reopening-Guidance.pdf

3. Covid-19 Organisational Resilience. Zurich
https://newsandviews.zurich.co.uk/wp-content/plugins/spec-grab-article/pdf/2020-05-06-covid-19-organisational-resilience.pdf

4. Working safely during coronavirus (COVID-19). HM Government
https://www.gov.uk/guidance/working-safely-during-coronavirus-covid-19

Zurich Insurance Group