

Chapter 21 Contingency Planning

Key terms

1. Business continuity plan: shows how a business will operate after a serious incident and how it expects to return to normal in the quickest time possible.
2. Business interruption cover: a type of insurance that covers the loss of income that a business suffers after disaster.
3. Contingency planning: the creation of plans for how particular crises might affect a business in some way, such as a fire which destroys the premises or cyberattack.
4. Risk assessment: identifying and evaluating the potential risk that maybe involved in an activity that a business proposes to do, and then ensuring compliance which health and safety laws.
5. Risk mitigation plans: identify, assess and prioritize risks, and plan responses to deal with the impact of these risks on the operation of the business.
6. Succession planning: identifying and developing people who have the potential to occupy key roles in a business in the future.



1. What is contingency planning?

- **Contingency planning**; an Effort to deal with these crises. It is not about trying to predict future events. It is a strategic planning method designed to identify potential crises that a business might experience.

2. Risk assessment

- **Risk assessment**: is to attempt to identify the possible crises it might face in the future.
- The purpose of risk assessment is to help comply with health and safety laws.

3. Possible crises

- Natural disasters
- IT system failure

4. Planning for risk mitigation

- **Risk mitigation plans** ; identify, assess and prioritise risks. They also plan response to deal with the impact of these risk to business operations.
- Business can use mitigation strategies to reduce damage caused by disruptive events.

4.1) Business continuity plan

Business continuity plan ; shows how a business will operate after a serious incident and how it expects to return to normal in the quickest the possible.

↳ 4 stages in business continuity plan

1.) Carry out a business impact analysis.

2.) Formulate recovery strategies.

3) Plan development

4) Testing and training

4.2) Succession planning

- Part of risk mitigation involves identifying current employees who have the potential to play key roles in the future and helping them develop skills.