Pandemic Recovery: 'New Normal' and the Post-Pandemic Business World

As businesses begin to restart their operations, the 'new normal' could look very different following the pandemic disruption. This document provides practical business continuity guidance for organisations post COVID-19 outbreak.

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Introduction

Business Continuity Management and Planning has the purpose of returning an organisation to 'Business as Normal' following an incident which causes disruption to its ability to provide its usual products and services to customers.

The COVID-19 pandemic has seen a host of changes across the globe, meaning business as normal could be very different after the widespread lockdown and other restrictions which have been in place.

Businesses could not have expected the scale of the pandemic's impact, so may well have to plan for recovery to a new normal.

The Business Continuity Institute published an article in March 2020, entitled *Every Global Crises Leaves a Legacy.* This legacy could be short-term, some could be localised, but many could be long-term and fundamental to the way a business operates.

As we look to the future and coming out of the lockdown the pandemic has forced on the world, there are three areas that these legacies present which organisations need to consider:

• Digitalisation
• Supply chains
• Health awareness

There will be considerations for businesses in each of the three areas listed above, and another that crosses all areas of business:

• Cyber crime

Lockdown and the closure of businesses across all sectors (retail, leisure, manufacturing, sport, etc.) has been essential to slow the spread of the pandemic. As a result, there has been a huge impact on individual organisations and the economy as a whole, including:

• Cashflow - orders cancelled, payments delayed or reduced, etc.
• Reduction in staff levels, furlough, etc.
• Huge increase in the number of employees working from home
• Supply chains hugely disrupted
• Changing customer requirements
• Border closures and restrictions

What Will the World Look Like Post-Pandemic?

On 14 April 2020, the International Monetary Fund Research Department, published a report entitled ['World Economic Outlook. The Great Lockdown',](#) a key section being:

'The COVID-19 pandemic is inflicting high and rising human costs worldwide, and the necessary protection measures are severely impacting economic activity. As a result of the pandemic, the global economy is projected to contract sharply, by 3% in 2020, much worse than during the 2008–09 financial crisis. In a base-line scenario (which assumes that the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound) the global economy is projected to grow by 5.8% in 2021 as economic activity normalizes, helped by policy support. The risks for even more severe outcomes, however, are substantial. Effective policies are essential to forestall the possibility of worse outcomes, and the necessary measures to reduce contagion and protect lives are an important investment in long-term human and economic health.'

This clearly paints a picture of a dramatic economic impact, followed by growth in 2021, but relying on containment measures to tackle the pandemic being effective.

Post-Pandemic Legacies

Digitalisation
Accelerated digitalisation, or doing what a business does, but in a new, different way, facilitated by technology.

There are several ways in which different businesses have had to make changes as a result of the COVID-19 pandemic, and they will have seen that virtual meetings have helped keep staff in contact, gradually becoming an effective part of business and customer service. Staying at the forefront of technology with this aspect post-pandemic, will be essential, as Doctors/GPs for safe patient interaction, schools for remote teaching, and many others will have benefitted from having to operate this way during the period of lockdown restrictions, and will need to explore the advantages and future applications as part of new ways of working.

Companies doing things in a different way to provide customer service in difficult times, has seen a wide range of services become available. Restaurants taking orders for meals over the internet and having a collection or a delivery service, has provided not only good service to customers, it has also ensured a level of income for restaurateurs during difficult times. In short, taking advantage of relatively simple technology to do something they didn't do before, but which has had a great impact. Supermarkets ramping-up their ability to deliver goods, following significant growth in online orders, and an increase in click-and-collect arrangements could see reconfiguration of stores and car parking areas.

Many businesses will have seen their online sales increase during the measures to control the virus spread. Using online technology to take orders and arrange delivery, where it may have been a minor aspect of the business previously, will have assisted in providing income, and building on this will be essential going forward.

An example of an industry that has seen two areas where customer's needs are different to before the pandemic is the brewing industry. With pubs and restaurants closed due to COVID-19, creating the capability to sell their products direct and to deliver to customers has seen great success. The ability to do this has prevented small breweries from going out of business. The other area of diversification has seen breweries and distillers changing production at short notice to produce hand sanitisers. Their normal process of creating products requires a lot of alcohol, which effective hand sanitiser also requires. This example shows how organisations, particularly manufacturers, will need to look at diversification, creating a different product with existing systems, or making the most of a bi-product.

Automation is another area that will almost certainly see increases post-pandemic. For example, warehouses with auto-picking for deliveries will have been affected less than those with personnel picking orders. Apart from the speed and reliability of an automated system, there is the simple fact that machines are not affected by the pandemic as employees would be. Organisations affected by disruption may well consider the expenditure into automation, especially if they've experienced the loss of revenue and customers.

Supply Chains

Supply chains are spread around the globe, providing businesses with the advantage of lower expenses in respect of manufacture, etc. However, in the event of a major event such as the COVID-19 outbreak, contact with suppliers, let alone the actual supplier of the goods, can be very difficult. Lockdown restrictions or site closures can mean that a business loses the ability to provide its normal service to its customers. Many businesses suffering losses in these circumstances are looking to simplify supply chains, by having their key suppliers of products or services closer to home.

It has also been seen that a supplier further down the chain (effectively a supplier to a supplier) has been hit by the impact of the pandemic, drastically affecting supply to the end customer.

A supply chain risk assessment is strongly advised to raise awareness of weaknesses in the entire supply chain, not just looking at the immediate supplier. This will show dependencies, from which a business can make a decision as follows:

• **Accept:** The impact of loss of a supplier might be minimal, or they could be easy to replace at short notice

• **Duplicate:** Where loss of a supply could cause a serious issue, arranging supply of the same product from another supplier(s) (at a different location), to run alongside the existing arrangement reduces the impact of the loss of one

• **Improve:** The situation can often be improved by moving supply to another supplier that has better communications, a stronger continuity plan, or is simply closer to home. The possible additional cost would be outweighed by the additional resilience

Another aspect to consider is the establishing of an agreed Viable Alternative Product where a product is key to the organisation's arrangement with a customer. A high-profile product in a supermarket for example, shelf-space and as a result goodwill, can be lost if supply is unavailable. Establishing beforehand a standard of product that can be a short-term alternative in these circumstances, can provide an element of security whilst supply is re-established.

Stockpiling (at least key products) in warehousing is also an effective buffer against breaks in supply, and the recent issues could well see a lot more businesses increase stockholding at new warehouse locations. However, such changes can create an increased risk in respect of fire and the adequacy of protection systems, all of which require to be considered as businesses change their operating models.

Health Awareness

The SARS (Severe Acute Respiratory Syndrome) outbreak was in November 2002, but in places affected, you may still see people wearing masks, and using gloves or tissues to open doors, etc. as a precaution. There is likely to be similar practices around the world after COVID-19, as people are more aware of the risks and the ways in which a virus can rapidly spread.
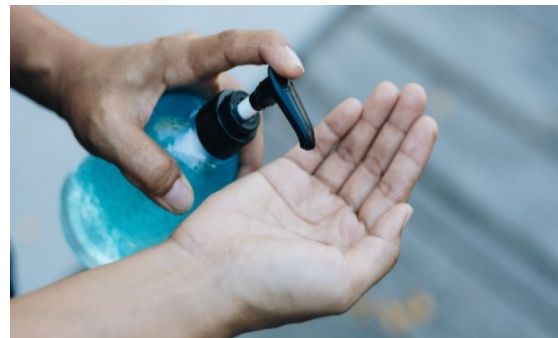
Factories and offices could have to reconfigure production lines and work environments to follow government guidelines on social distancing and hygiene arrangements as staff demand safe working practices. Can an organisation's existing cleaners provide a new deep clean service?

Alongside this there is likely to be higher public health investment, in testing/research facilities and personal protective equipment (PPE) manufacture, providing opportunities for numerous organisations.

In general, awareness of hygiene and health issues has been seen to increase in the aftermath of a pandemic. With the worldwide coverage and impact COVID-19 has had, it is reasonable to expect that a raised health awareness will result, with considerations needed by businesses regarding staff well-being, which may also result in opportunities for other businesses to help in providing this.

Retail outlets will also be affected, with shops re-opening in a world where customers will, for the foreseeable future, be queueing in accordance with government guidance around social distancing and restricted numbers of customers in stores at any one time. Hygiene and cleanliness will be expected to be a high priority, with stations for hand sanitisers and for the cleaning of trolleys and basket handles. Any temporary measures put in place during the initial period of lock-down may require further considerations if they are to become permanent.

Cyber Crime

It has been shown that cyber criminals do all they can to take advantage of disaster events, preying on weaknesses at a time of difficulty. The COVID-19 pandemic has given them topical, high profile subjects for phishing attacks, such as free vaccines, virus trackers, discounts at stores where people would buy their essentials during lockdown, and many others.

They have also taken advantage of weaknesses introduced by staff working from home. Aviva Risk Management Solutions have produced a Loss Prevention Standard entitled Cyber Security Homeworking Guidance which provides further guidance on this topic.

Post-pandemic it may be that companies have more staff permanently working from home. If so, companies will need to consider the data and sensitive information issues, and provide staff awareness training, and up to date equipment and software, with enforced updates and password control, to help put in place barriers to cyber intrusions.

The pandemic situation will no doubt have put stresses on organisation's IT support teams and this area needs consideration too. What staffing and resources are required for increased numbers of remote workers? The COVID-19 lockdown arrangements will have given organisations numerous challenges and putting in place measures from the learnings of lockdown will help smooth the process of getting set up for new ways of working. Addressing any gaps found in the lockdown period will help protect against cyber intrusions, e.g. forcing patches and updates, blocking the use of employee's own equipment and denying access for memory sticks and other removable media. All subjects that may have been an issue during the lockdown should now be part of a strict policy.

Business Continuity

The COVID-19 pandemic situation has impacted the way many businesses operate, or whether they can operate at all. This could be for a number of reasons such as staff illness due to the pandemic, government restrictions on travel, and the lockdown required, or impacts in another part of the world to a branch, or to part of a supply chain. This gives rise to requirements in Business Continuity Management and Planning as we head for a 'New Normal'.

The pandemic will have shown organisations how essential strong business continuity arrangements are, and where the areas for attention will be. A full review is highly recommended, but it is likely all Business Impact Analysis' previously completed will need to be reviewed, and following that, the list of highest priorities re-visited to assess the continuity and recovery processes.

It is likely that the following areas will need consideration, but all businesses are different, so there may well be others specific to particular industries/sectors.

People

Will a 'New Normal' need the same number or type of people? Will they be in the same roles? Training in changing roles or processes will be required. Considerations for staff well-being will be needed as well as robust risk assessments on the changed environment. Looking at business continuity planning, are those with roles and responsibilities in Incident Management or Business Recovery the same people? As roles within the business see changes, its likely those within business continuity will also.

Premises

Post-pandemic, consideration needs to be given to the premises the organisation operates from. Have changes during lockdown, etc. given rise to changes in what the business does, or its requirements for the building? For example, larger warehousing for stockpile of key products or increased storage in existing premises?

Process and Activities

Have any processes and activities changed? Social distancing requirements, etc. may have altered the building layout, or the size of area needed for a process. The pandemic lockdown procedures may have pushed some processes to phase-in automation, as mentioned earlier. Do changing processes require changing resources? If the operations in one department have been adapted, does this affect the operations in another department? Is there an effective management of change process in place that considers the changing risks to the business?

Machinery and Equipment

If automation has come online during the current pandemic, how does this affect continuity? The recovery options could be significantly different to before. Sub-contracting could be harder to come by. How does any change in machinery and equipment affect availability and spares when it comes to tooling or the level of maintenance required?

Supply Chain

Part of Business Continuity Planning is to consider resilience at each link in a business' supply chain. The current pandemic situation has shown that understanding where the pinch points and weaknesses in a chain are, and acting upon those, can safeguard an organisation's future and protect its market position. A full supply chain risk assessment is strongly recommended, and if one is in place, a revisit should be completed to assess any changes, such as where smaller suppliers may have gone out of business or have difficulty in providing a consistent supply of goods or products.

IT

What stresses did high numbers of remote workers put on a company's IT systems and access? Are there improvements needed to hardware, software or data protection, and do staff require training, perhaps in cyber awareness? What are the business continuity recovery options, and have they changed? If an IT Consultancy is contracted by the organisation, can they fulfil any required new needs?

This is not an exhaustive list but should help in raising some areas for consideration in business continuity and planning when discussing the requirements of new ways of working.

Sources and Useful Links

The Business Continuity Institute (BCI)

The International Monetary Fund

Additional Information

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