

Contingency planning: is your business covered?

Research suggests that many businesses do not have in place proper contingency plans for dealing with potential disasters. While the current economic climate may mean that resources are stretched for many businesses, at the same time the global crisis also serves to demonstrate the importance of planning ahead in order to protect your business from the impact of unexpected events.

From global pandemics to natural disasters, employee fraud, or the loss of key data, an unexpected incident can cause significant problems for a small firm. If adequate protective measures are not in place, they could even spell the end of the business.

Minimising the risks

While all business ventures involve a certain amount of risk, you should never expose your business to risk unnecessarily. Contingency planning allows you to protect your business by quantifying the risks and putting in place specific procedures for dealing with them.

An unexpected event could affect any aspect of your business, so you should begin by compiling a list of the key assets your business needs in order to continue operating. These might include: premises and vehicles; stock; plant and machinery; data and IT systems; intellectual property; and staff resources. Then consider all of the potential events that could affect your business, from floods and fires to bouts of illness. Rank them according to their likelihood of occurrence, and the level of impact they would have on the business.

Planning for recovery

Once you have determined the risks, you need to set out a strategy to deal with them. Begin with those scoring the highest in terms of likelihood and level of impact. You should involve members of staff from all areas of the business, and make sure that everyone in the firm understands their own specific role.

When you have drawn up your plan, it should be rigorously tested. Thereafter, the plan should become part of your standard operating procedure. Remember to train your staff on the procedure and update your contingency plan on an ongoing basis to reflect any changes within the business.

✓ Top tips for averting disaster

Have a 'clear desk' policy — making sure that working areas are kept clean and free at the end of the day will help to reduce the risk of fire and flood damage, while also improving security

Hold regular staff briefings — asking staff to update each other regularly on their current projects will assist them in covering each other's roles in the event of a disaster or a bout of illness, and will improve communication

Read the small print — check that you have the right type and level of insurance cover, including business interruption insurance and key

personnel cover, and that you are aware of any exclusions

Be flexible — if an outbreak of illness occurs, consider allowing staff to work from home to minimise the risk of infection

Finally, act now — it is all too easy to put off your planning, but remember that the whole point of contingency planning is to protect your business against an unexpected event, which could occur at any time!

Contingency Planning Checklist		
Consider the following statements, to help determine how well your business is protected.	Yes	No
1. Our contingency planning covers all areas of our business		
2. We have access to alternative premises and equipment in an emergency		
3. We have investigated alternative suppliers		
4. Staff are trained in procedures and have access to an emergency contact list		
5. IT and information systems are fully backed up and protected, with copies kept in a separate location		
6. Important equipment and records are kept away from high risk areas (eg away from the floor, or water pipes)		
7. Employees understand our disciplinary procedures and only key personnel have access to sensitive data		
8. Staff can cover each other's roles in an emergency situation		
9. Our insurance policies are up-to-date and cover our needs		
10. We review and update our contingency plans at least once a year		
Any 'no' answers indicate an area where your contingency planning could be improved.		

Taking action now to minimise the risks to your business will help to ensure that you are able to continue trading through a period of difficulty, and that recovery from an emergency incident is swift and efficient, with losses kept to a minimum.

Taxpayers warned over HMRC 'tax rebate' scam

Taxpayers are being advised to be wary of emails purporting to be from HM Revenue & Customs or HM Treasury, which inform individuals that they are entitled to a tax rebate.

The messages come from a variety of different email addresses which are seemingly Government-related, and invite taxpayers to complete a form (in some cases an online form) with their personal details, including credit card information.

HMRC states that it would not inform customers of a tax rebate via email, and is advising taxpayers not to visit the website contained in some of the emails, or to surrender any of their personal or payment details.

The messages form part of a series of HMRC-related 'phishing' scams. As with all such correspondence, taxpayers are advised to remain vigilant and not to disclose any personal or payment information unless they are certain that the source is legitimate. Suspicious HMRC emails can be forwarded to phishing@hmrc.gsi.gov.uk.