Making your Business Continuity Plan Real: Reacting to Covid-19 and Preparing for the Next Crisis

Lessons learned from Covid-19, realizing virtual shared services, and what is coming next

Covid-19 has been described as a once-in-a generation event, but a proper, tested business continuity plan (BCP) will improve your organization's resiliency to any severe business disruption, regardless of any event's scope and rarity. This session will **review lessons learned** by private and public sector organizations as they take their business continuity plans off the shelf and react to the global pandemic in real-time. We will review what is going well, and what needs to change going forward, in order to prepare for the next pandemic/event.

We will include a **case study from the UCPath Center**, the University of California's transactional hub that supports payroll, workforce administration and benefit services for more than 225,000 employees. The UCPath Executive Director, Dan Russi, will join us and share how the UCPath Center have adapted their business continuity plan for the Covid-19 pandemic, including going live with a remote working approach that has proven very successful.

We have been discussing the possibility and potential advantages of **virtual shared services** for years and now organizations are implementing a variety of virtual/remote models on the fly in reaction to shelter in place, social distancing, and essential services orders. Is there an opportunity for distributed organizations to skip centrally located staffing models and move to more virtual shared services?

The session will close with a discussion on how we can leverage **Intelligent Automation and Robotic Process Automation** to help organizations not only have an effective business continuity strategy, but also a more resilient, scalable, adaptable and efficient operating model for the support of ongoing operations. We will review **macro trends** and what organizations need to do to **prepare for the next business disruption**.

1.0 Introductions

Your Speakers

Dan Russi

Executive Director
UCPath Center

Phil Searle

Founder & CEO
Chazey Partners

Chas Moore

Senior Project
Manager
Chazey Partners

Chazey Profile

![Chazey Partners logo]

Global Management Consulting & Advisory Services

1 **Who We Are**
Founded 2006, headquartered in California, global offices, extensive work in **public sector** and **higher education**

2 **What We Do**
Evaluations & assessments, strategic advice, project management, implementation support, process and market expertise

3 **Where We Focus**
Finance, Human Resources, IT, Procurement, Facilities, Customer Operations & other functions

4 **The Chazey Difference**
Practioners first, staff continuity, high ROI, knowledge transfer, client engagement in transformation

Shared Services
From Business Case to Implementation, plus correction & optimisation of existing operations

Robotic Process Automation
Automation assessment, proof of concept, vendor selection & provider of IA solutions

Business Transformation
"Back office" transformation, M&A integration, organizational design

Enterprise Wide Security
Business Continuity Planning & Organizational Cybersecurity

BCP Strategies

Chazey Partners

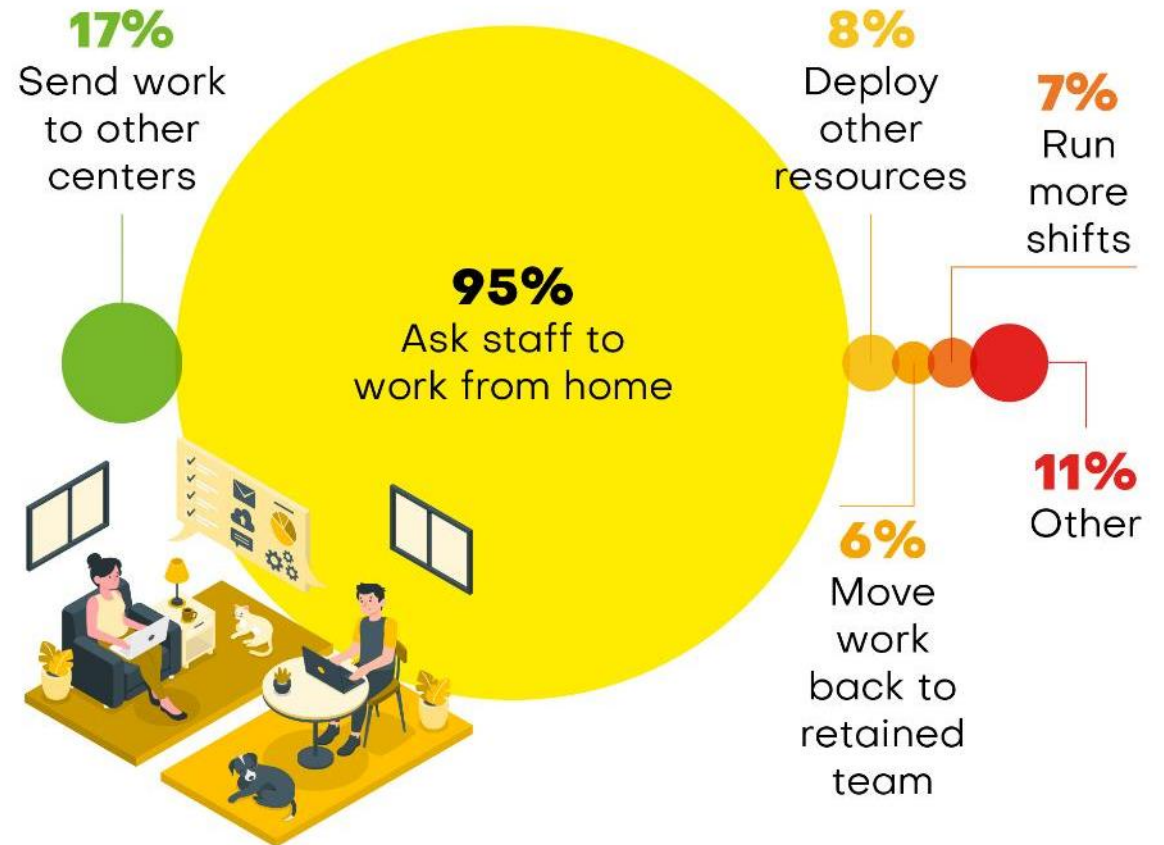## *What strategies are organizations employing for Covid-19?*
(Source: Shared Services & Outsourcing Network, March 2020)

Social distancing via
- *Spreading staff across extended shifts*
- *Reduce staffing by providing only essential services*
- *Mandatory work from home*
- *Cordons within service centers*
- *Change shift start/end time to avoid peak/rush hours*

Other strategies
- *Deferred discretionary travel*
- *Shut down certain locations*
- *Provide access to PPE*
- *Cancel/defer face-to-face events*
- *Increased sanitation at facilities*

17% Send work to other centers

95% Ask staff to work from home

8% Deploy other resources

7% Run more shifts

11% Other

6% Move work back to retained team

Shared Services

How does business continuity plan change in the context of shared services?

- While Covid-19 is a once in a generation event (we hope), **business disruption is not**
  - 80% of organizations experiencing a disaster without a plan will fail in a year*
  - 43% will not re-open and 93% with significant data loss fail within five years

- **Risk is higher for shared services organizations**
  - Shared Services demands a higher level of business continuity
  - Customers may accept some risks when managing own information, but not an option for business critical data and processes
  - Also becomes even less tolerable when providing services for other organizations

- **Centralization can increase exposure**…but also enables business continuity management due to visibility, standardization, documented processes, well-trained staff, higher volumes and capacity.
  - Tools are available that can protect multiple platforms
  - Business continuity can be a good candidate for a Shared Service (where day-to-day function continues to be managed by client)
  - **Virtual shared services** models are becoming a reality (centralization doesn't mean a single location anymore)

* Per Aveco, who provides complete solutions to large broadcast facilities (www.aveco.com)

Support your People

BCP creates capacity for your people to manage the unexpected

- Successful recovery from a crisis event **depends on how your people react**
  - Not your organization's size, infrastructure, equipment, or technologies
- The people handling the **initial response generally have no or little training** in crisis management
- Doubt, fear and inertia can impede crisis management
- Important to **navigate internal relationships** and accountabilities to avoid overlap and gaps as managers work a crisis together
- People perform better when they believe they have control
  - **Prepare for what can be foreseen** during crisis events
  - Provide training and test the plan
- A major failing during crisis events is lack of consistent and **effective communication**

Lessons Learned

Chazey Partners

*What are lessons learned in **reacting** to the current crisis?*

1. **Strong operating models** not only drive efficiency & effectiveness, but also improve resiliency & enable remote working:
   - Governance for coordination, resource allocation & prioritization
   - End-to-end process understanding & approach
   - Proper & robust documentation
   - Performance management framework
   - Data management, distribution & analysis
2. Certain goals of **traditional shared services can weaken resiliency:**
   - Eliminating redundancy
   - Just-in-time supply chains
   - Co-location in centralized location
3. Organizations are **re-evaluating service models** that rely heavily on outsourced, offshore and/or out-of-country providers.
4. **Robots do not get sick** (but IT is more than ever an essential service).
5. Centralization is critically important, but it is less about location and more about standardized, **virtual operating models** and reporting lines.

Lessons Learned

*What are lessons learned in **preparing** for the next crisis?*

Chazey Partners

1. Assign **one lead** who is ultimately accountable
2. Aim for **80/20 rule** (no perfect response that will fit every disaster)
3. **Maintain plan** with regular updates
4. **Test your plan** (critical functions at least annually)
   - Variety of realistic test scenarios, both planned and unannounced
5. **Design for stress/confusion** of disaster environment
   - Simple terminology (may not have subject matter experts at hand)
   - Initial response likely handled by those with little or no training in crisis management
   - Easily accessible in hard copy and electronic
   - 2nd & 3rd backup person for each critical response/recovery function
6. Recognize protection has **cost**: testing, infrastructure, cross training
7. Consider **key partners**, vendors, customers
8. Prioritize and plan for **critical functions** to recover first
9. Ensure recovery infrastructure compliant with **regulatory framework**
10. Obtain senior **management support** (cost, prioritization, culture, risk mitigation)

Virtual Shared Services

Shared services is no longer just about being together in a central building.

Chazey Partners

- **Shared services**: The organization that provides non-core services to the business, employing a specialist team, geographically unconstrained, and focusing on the requirements of the internal client.

- **Virtual shared services**: Leverages a robust Client Interaction Framework, governance & technology to achieve effective and efficient shared services that is organizationally centralized, while not relying on physical co-location

- **Challenges**:

  - Requires **additional focus to enable collaboration** & working together

  - Can be used as an excuse to do nothing ("**branding exercise**")

  - **Technology is an absolute prerequisite:** digitization of records and transactions, telephony, document management, case management, and performance management for remote team management

Virtual Shared Services

The Client Interaction Framework is foundational to virtual shared services.

Chazey Partners

Account Management
SSO to client; via reporting, interaction, escalation & communication

Client Contact Management
Client to SSO; to manage and resolve queries & drive learning/improvement

Service Partnership Agreements
SPAs are 2-way agreements clarifying both SSO services and client inputs

Client Feedback
Client satisfaction continuously monitored both informally and formally

Continuous Improvement
Mechanisms to identify the areas for improvement and to develop solutions

Process Control Database
Documents end-to-end SSO processes; highlights activity of both SSO & client

Performance Measurement
Comprehensive framework of output, input, operational & individual KPIs

Performance Reporting
Process performance will be reviewed monthly by SSO and client

Recharging Methodology
Define basis for charging for SSO services to turn consumers into clients

Case Study

UCPath Center has approximately 400 staff located in Riverside, CA, who provide payroll, workforce administration & benefits services for more than 225k UC employees

They adapted their existing BCP plan with the following overall goals:

- *Provide full service to UC Medical Centers*
- *Pay every UC employee, including whether live in UCPath or in a legacy system*
- *Continue rollout of UCPath for UC San Francisco, UC San Diego and Lawrence Berkley National Laboratory*

Mark Cianca · 2nd
Interim Vice President / Chief Information Officer at University of California
21h · 🌐

We flexed our business continuity plan to deal with COVID-19 impacts. Our secret sauce? Our employees, who took a huge challenge and made it work. Their commitment and passion provided the operational resilience #ucpath needed to deliver uninterrupted service. #inittogether

Support from the UCPath Center: Help is one colleague away
ucnet.universityofcalifornia.edu

Case Study

Discussion with Dan Russi on background for UCPath Center, prior experience with business disruption, and what was learned...

Business Continuity Plan

- Summarized plan for two triggers
  - Significant employee absence
  - Building unavailable
- Execution plan by department outlining:
  - Communication & meeting plan
  - Escalation pathway
  - Productivity reports
  - Monitoring staff with Genesis Time Management, Interactive Intelligence and Salesforce
- Prioritized services by department into three categories: regular, limited & not provided

Telecommuting Framework

- Guidelines for telecommuting
- Each telecommuting employee signs agreement:
  - Work issued laptop with VPN
  - Stable Internet connection
  - Phone connectivity & two factor authentication
  - Start date for arrangement
  - Continue work standards
  - Overtime agreement
  - Expenses to configure remote workspace not reimbursable
  - Injury reporting
  - Specify work city & state

Communication Plan

- Daily meetings for
  - All staff by department
  - Managers & supervisors
  - Leadership
- Communication protocols
  - Zoom
  - Slack channels
  - email & telephone
- Point of contact documents
- Regular communications with:
  - UCPath Center employees
  - UC Locations
- Media & external communications

1.0   Introductions

2.0   Covid-19, Shared Services & Lessons Learned

3.0   Realizing virtual shared services

4.0   UCPath case study

5.0 What comes next

What Comes Next

What are the macro trends we are expecting as a result of Covid-19?

- **BCP no longer a theoretical best practice** and will need to be integrated into daily operations
  - Key consideration in supplier and partner agreements
  - Regular and more robust testing and training of BCPs
- Organizations will be expected to maintain efficiency while **retaining redundant capacity**:
  - Increased emphasis on regional locations from global central organizations
  - Increased technology investment
- **Robotic Process Automation and Intelligent Automation** will become standard practice enabling organizations to bring supply chains closer to home, leveraging a hybrid workforce
- **Remote working will become normal and even expected**
- **Travel will likely return at lower level**, eliminating one-meeting trips & achieving needed savings
- **Changing world dynamics** will result in companies demanding tighter control & more flexibility over their supply chains, including shared services

Recommendations

Leverage the business slowdown to build a more resilient, scalable, adaptable & efficient operating model

- Use this time to assess and **strengthen your operating model**
  - Assessment, building & deployment can be done remotely
  - Change management & stabilization need different consideration
- Integrate **business continuity plan best practices** into operations
- Address the gaps in your **Client Interaction Framework**
  - End-to-end process documentation/control
  - Full performance management framework of output, input, operational & individual KPIs
  - Formal account management & client management
- Lean into **Robotic Process Automation & Intelligent Automation**
- **Get started**

Q&A

Our Experience. Your Success.
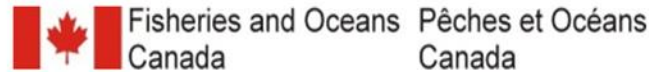
Leverage Our Experience for Your Success

THANK YOU

CONTACT US

Founder & CEO
Phil Searle
philsearle@chazeypartners.com
M: +1 408 460 0785

Senior Project Manager
Chas Moore
chasmoore@chazeypartners.com
M: +1 25 258 2589

www.chazeypartners.com   www.linkedin.com/company/chazey-partners   @ChazeyPartners | #ChazeyPartners