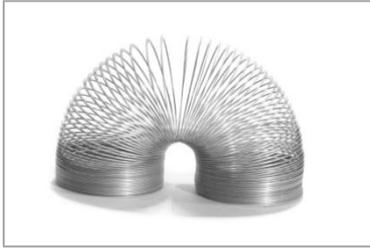


## Retail & Distribution Manufacturing & Engineering Case Study – Fast Food Provider



### The Client

Our client is a fast food provider with over 1,000 stores which has experienced significant growth and has a high dependence on technology as most orders are placed through ecommerce channels. The client recognises it has to protect services to customers and maintain the quality and speed of delivery. As a PLC, the organisation has a requirement to demonstrate its corporate responsibility by managing risks appropriately and satisfying shareholders they will continue to receive a return on their investment.

### The Challenge

Business continuity plans were in place although were not felt to be sufficiently comprehensive to deal with changing risks and increasing dependence on technology. Previous plans and solutions were based on a physical loss of office premises, rather than looking at challenging disruptions that could occur at manufacturing and distribution hubs, data centres and key suppliers.

A much wider scope was needed to build upon work done before and to provide assurance that risks were addressed to take account of rapid growth. There was an element of external interest from shareholders and franchisees who needed to be satisfied the business could meet its obligations, whatever happens.

With a significant dependence on some suppliers, thought was needed to mitigate the consequences of the unavailability of key ingredients. In addition, if certain sites were unavailable, it could have been challenging to ramp up production and distribution at other sites to meet demand.

On the technology side, there appeared to be an underinvestment in recovery and resilience; more focus on day-to-day services, rather than worrying about the what-ifs. However, it was recognised that any identified improvements needed to be achievable with the limited resources available.

Awareness of BCM had decreased since the initial project and a more formal BCM system was required to ensure BCM was embedded and did not 'drop off the agenda' in the future.

### The Solution

Teed's consultants initially carried out a technology analysis with an in depth review of the technology, how it was managed and what response and recovery capability there was for different events, both physical and cyber security, to really understand the current position. This was important in order to help with the development of the business impact analysis (BIA) methodology. The consultant conducted BIA interviews with business area representatives who were asked questions covering a diverse range of risks including loss of office, IT, stock, suppliers, manufacturing capability or other dependency.

The analysis gave a clear view of priorities across the business and sites, minimum resource requirements, the feasibility of workarounds and contingencies including the transfer of activities elsewhere within the company.

Planning and strategy workshops were then designed and facilitated by the consultant to focus on specific scenarios: IT disaster recovery, supplier continuity, manufacturing and warehouse facilities. The client had previously done work focusing on key suppliers, identifying alternatives where available and providing analysis and support to suppliers to ensure their business continuity was appropriate, including testing of plans.

The workshops enabled business representatives to explore in more detail the business continuity risks and vulnerabilities identified during the analysis, and tease out the appropriate response and recovery strategies that would ensure operations continued to meet key production and distribution requirements and maintain sales.

Existing business continuity plans and documents were updated following the refresh with a single business continuity plan covering all locations and risks. Pre-incident actions identified as being necessary to ensure the effectiveness of the planning, were logged to be tracked through to completion. The BC plan linked in with the organisation's Crisis Communications plan which had already been tested for events such as product recall.

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The next phase of the project was to seek buy-in and promote awareness of the company's approach to BCM. The consultant designed and facilitated a tabletop exercise with evolving scenarios for the incident management team and business recovery representatives. The exercise proved a real revelation; whilst giving comfort there was sufficient in place to carry on. The exercise also showed where the opposite was the case and the impact of certain scenarios would be unacceptable.

The consultant had highlighted gaps at the outset of the project, but it was the exercise that really brought it home. Within hours, work was being done "to shore up the defences".

### The Result

The project did not finish there and the consultant provided a schedule of activity to enable the client to maintain plans, take forward actions, raise staff awareness of responsibilities and generally keep BCM up to date.

Internal BC coordinators were identified to represent business areas and provided with training by Teed to ensure they understood what was expected of them and how business continuity planning would be managed in the future.

The BC Policy was updated clearly stating ownership and a BC steering group established. Directors now meet on a regular basis to review the current state of play, referring to a proven method of status review which has been implemented to show where focus is needed. This keeps BC alive with exposures known and addressed. Importantly the organisation knows the residual risks it is exposed to prior to improvement and mitigation activity being taken.

Ironically, during the project, another fast food organisation suffered a significant failure of supply causing hundreds of temporary store closures which certainly focused the minds.

Teed continues to work with the client to support its BCM programme and provides input every few months in areas where it adds most value, thus helping to reduce the time spent by internal resource and ensuring plans continue to be effective.