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### **IBM Podcast**

#### ***The Human Side of Business Continuity Planning***

MALE NARRATOR: This podcast is brought to you by IBM.

FEMALE NARRATOR: In this podcast, Matt Barthel, editor of IBM's Executive Interaction Channel, speaks with Eric Lesser, Associate Partner with IBM's Institute for Business Value. The topic: the human side of continuity planning. We now join Eric and Matt.

BARTHEL: Eric, why does human capital management get short shrift within the realm of business continuity planning?

LESSER: Typically when doing business continuity planning, companies tend to focus on physical assets: office buildings, plant, and data information systems.

Clearly these are important as without these assets it's very difficult to keep your business going on a day-to-day basis.

However, what most companies have not comprehensively addressed are their people, which perhaps is their most important asset. They fail to provide both upfront preparation and also backup systems to ensure that they can prepare employees for

potential crisis situations, locate key employees, bring people together to resolve problems and allow people to continue working in the event of a crisis.

In today's environment, as we shift into a more knowledge intensive economy, the ability to keep people connected to one another becomes increasingly important.

In addition, many of the crises that companies are preparing for today such as Avian flu have a direct effect on employees themselves and only a secondary effect on buildings and data.

BARTHEL: Eric, can you outline some general steps in building a comprehensive human capital management plan?

LESSER: Sure. There are some key areas companies should focus on in building a comprehensive HCM plan to deal with business continuity issues.

One is around HR policies and procedures, ensuring that issues such as absenteeism and travel are covered under business continuity plans. Two, communications: making sure that the company has a way of contacting all employees in the event of a disaster.

Three, education: ensuring that employees know what to do in the event of a business interruption. Support: allowing people to focus on their work by providing either in-house or third party resources to assist employees in the event of a disaster.

For example, Oreck, a major vacuum cleaner manufacturer after Hurricane Katrina

provided grief counselors and also provided individuals who helped employees fill out FEMA relief applications.

We've also seen examples of hospitals who have provided roof repair services to their employees allowing their employees to focus on their real tasks at hand.

Virtual infrastructure: enabling employees to continue to work from home in situations where it may not be feasible for them to work in the office in the case of flu outbreaks or even transit disruptions.

Succession planning and job training: ensuring that key people and skills are available and cross trained in the event that individuals are unable to come to work. And then lastly, looking at HR and payroll systems, ensuring that individual information can be accessed and that people can be paid. This is especially true if an organization is using a third party provider.

BARTHEL: Can you highlight some typical mistakes made in human capital management continuity planning?

LESSER: Well, I think there are three traditional mistakes that we see. The first one is not knowing who has the key skills needed to either deal with various crises and also who has the skills to keep the business running. These may be two separate skill sets that are definitely needed in the event of a crisis.

Another typical challenge we see is companies that have only done succession

planning from the top. That succession planning often needs to be much more pervasive throughout the organization in the event that people can no longer come to work.

And then lastly, thinking everyone gets paid by direct deposit. Many people still rely on receiving checks which can make it difficult to distribute payroll in the event of a crisis.

BARTHEL: Eric, how scalable and flexible do these continuity plans need to be?

LESSER: Well, I think business continuity plans need to be able to address a wide range of different situations. They need to address both small disruptions such as a transit strike, and then more large-scale disruptions as well.

They need to be able to address the needs of front line workers as well as executive resources. They need to build in plans that address an entire ecosystem of suppliers, customers and partners in thinking through human capital issues.

So for example, issues such as, can we shift either work or employees to our partners or customers in the event of an emergency, or can our partners or our outsourcers provide us with assistance or resources during these times of crisis.

BARTHEL: What unique capabilities does IBM bring to the table when it comes to business continuity resiliency services?

LESSER: IBM business continuity and resiliency services recently launched a

new offering: IBM Contingency Planning Assessment.

This service is designed specifically to help clients prepare for a pandemic disaster and address the unique risks related to human capital. This service leverages the capabilities and experience of the IBM Crisis Response Team, which has extensive experience in responding to disasters around the world.

The IBM human capital management practice also offers a number of services that can help companies plan for and address the challenges of building resiliency into their workforce.

The practice's core offerings fall under Next Generation Human Resources, Workforce Enablement and Learning and Development.

**BARTHEL:** Planning for a pandemic or other large scale disaster seems like an overwhelming task. Where should a company get started, and how can the CIO and senior level IT executives in particular help?

**LESSER:** From a human capital perspective, companies should start looking at the following. They should review their existing HR policies and procedures to ensure that they cover contingencies such as employee contact information.

They should review HR information systems including their payroll. They need to take a look at their current skills and capabilities that might be needed in an emergency situation, and potentially explore partnerships to provide support services in the event

of an emergency.

For the CIO, areas where they should be focusing on include the resiliency of HR systems, particularly those that enable payroll. This is especially true for companies that work closely with third party providers.

The development of systems that allow companies to identify individuals with key skills and capabilities, and the ability to maintain a virtual infrastructure so that people can continue to do their work when they are located outside of the office.

BARTHEL: Thanks, Eric. For more information on this subject, you can read the IBM white paper, *In the Spotlight: the Human Side of Business Continuity Planning*.  
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