



THE TIMES 100

BUSINESS CASE STUDIES

Contingency planning - Eurostar

Eurostar is the high-speed rail service directly linking the UK to France and Belgium via the Channel Tunnel. It started operating in 1994, providing city centre to city centre services. Transport is never far from the headlines, particularly when services suffer severe delays or cancellation. Apart from the obvious annoyance and inconvenience suffered by the passengers, the reputation of the company can be affected by adverse publicity. For this reason Eurostar proactively manages risk and potential risk to ensure that customers receive the services they expect and demand. Eurostar is very aware of the need to provide a safe, reliable, convenient and comfortable service. In order to ensure that this is the case, the company has established a business and service continuity department. Business continuity can be described as the strategic and tactical ability of the organisation to plan for and respond to incidents and business interruptions, in order to continue business operations at an acceptable pre-determined level. It also involves managing the recovery itself or continuation of business activities in the event of a business disruption. Business continuity management, also known as contingency planning, is the process that identifies potential threats to an organisation and the impacts to business operations that those threats might cause. It also provides a framework for enabling the organisation to develop resilience so that it can respond effectively in order to safeguard the interests of its key **stakeholders**, reputation, **brand** and value-creating activities.

An effective business continuity plan and programme has several benefits:

- ~ Proactive identification of risks and their impacts contributes to proactively avoiding their effects
- ~ Provides an effective response mechanism, should the risks become reality, which minimises their impacts
- ~ Encourages cross-team working
- ~ Demonstrates a credible response to customers
- ~ Enhances the business reputation
- ~ Gains competitive advantage
- ~ Supports continuous and sustainable business improvement.



Each Eurostar department is asked key questions so that a relevant set of risks can be established. Examples of the risks considered range from losing the main offices due to fire (long-term) or a bomb scare (short-term) to a train derailment, a major financial catastrophe or the loss of one or more of the vital computer systems. Each department has nominated a business continuity representative (champion). The champions are responsible for:

- ~ assessing the business impact
- ~ assessing the risk of undesired events
- ~ identifying who has the responsibility for ensuring that all actions required are being carried out
- ~ considering whether further actions could mitigate risk even further
- ~ co-ordinating business continuity within their departments
- ~ investigating failures
- ~ spreading the word, briefing and training within their departments.

To ensure its staff are well-trained to deal with events when they do go wrong, Eurostar has a full programme of exercises that allow them to experience what it will be like if a disaster occurs. This programme includes major exercises on site (Eurostar carried out evacuation exercises in the Channel Tunnel recently in partnership with Eurotunnel and the Emergency Services) through to table top discussions where each participant informs others about what they would do at particular moments. It is important to understand whether the risks are still current and whether any new ones have appeared. Through regular review processes every 6 months, Eurostar can say with confidence that it knows what can go wrong and has taken action to prevent it. It has also carefully considered what it will do if any disruption to the business does occur.



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Questions

1. Define contingency planning (business continuity management).

2. Using the case study, describe the different stages within Eurostar's business continuity management.

3. Explain why it is important to review contingency plans on a regular basis.

4. Analyse the reasons why contingency planning is so important for businesses like Eurostar.

Task

Scenario: You are considering starting your own business providing secure digital data storage for business clients. Carry out the initial stages of business continuity planning by completing a table, as below, of at least five risks that may be associated with this business.

Possible risk/crisis	Likelihood (high/med/low)	Preventative measures	Contingency plan

What have you learned?

Create an information leaflet for new entrepreneurs explaining the purpose, benefits and stages of business continuity management (contingency planning).