

Top 10 business continuity issues South African companies will face in 2010

Businesses will face a number of different continuity issues in 2010, the company says.



ContinuitySA

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The news that South Africa is officially out of the recession and has not been as badly affected as some first-world countries has certainly been welcomed in all quarters, even if some sectors of the market are still feeling the pinch.

And, while views on 2010 are generally cautiously optimistic, there are serious issues South African businesses will have to face during the year, issues that have nothing to do with soccer or economics.

"Whether it's crumbling infrastructure, lack of skills, social unrest, failing health standards, a larger tax bill or any combination of these events, 2010 in South Africa will be a good year to be sure your business continuity plans are in good shape," says Allen Smith, CEO of ContinuitySA. "There are, of course, always issues that force organisations to implement their business continuity plans, but with reduced budgets, less certainty in all spheres and the continuing brain drain, we expect a busy year for business continuity professionals."

With that in mind, Smith believes the following make up the top 10 issues businesses will face in 2010 that will cause them to invoke their business continuity plans.

1. Effect of the global recession

While South Africa seems to have missed the worst of the global recession, it was not and will not be immune to its impact and future consequences. Expect to see commodity and food prices increase, more job losses, and the consequential increase in volatility among the unemployed. Companies must ensure they continuously monitor the global and local socio-political landscapes.

2. Threat of pandemics

The threat of a pandemic has been looming large for a while, however, South Africa must look beyond the news-making issues such as swine flu and pay more attention to African diseases that are often ignored. Being aware of the potential dangers of Congo fever, malaria, tuberculosis or cholera, for example, is crucial.

We should also realise that the World Cup takes place in the winter, which will increase the threat of outbreaks. It is highly advisable that local companies ensure they have a pandemic aspect to their business continuity and crisis management plans.

3. General infrastructure disruptions

World Cup or not, we will all have to adapt to more outages in all spheres of life. We hope the road chaos will be over in June, but don't count on it. Expect more drama from Eskom's old infrastructure and don't think the water supply will escape the general outages experienced in the country. Gauteng, for example, will have to deal with rising cyanide levels in its underground water table.

Moreover, if a major incident, such as a terrorist attack or derailing occurs on the section of the Gautrain that is operational, authorities may be required to cordon off certain areas, such as the Sandton CBD. Are businesses prepared for these emergency measures?

Of course, the strain on communications resources, be it voice or data, during the World Cup may or may not overwhelm the communications mechanisms vital to business.

How prepared is business for major supply chain disruptions?

4. Skills flight from SA

The skills issue won't go away. Business is in a global fight for skills and South Africa is not in a position to create enough new skills to make up for those being lost. Once recessionary caution vanishes, international opportunities will attract more of our best and brightest away. In light of this, companies need to ensure that they have sufficient succession planning in place for all key employees.

To make matters worse, if government goes ahead and implements its national health scheme, national pension scheme, major Eskom price hikes and so forth, effectively increasing taxes significantly, the average taxpayer will be crippled. The National Health Scheme, if implemented in its present format, is not only unaffordable, but will drive a substantial numbers of the medical profession out of the country, and consequently, we should expect to see a new drive by skilled professionals to leave the country.

5. Non-delivery of basic services

The continuing lack of basic services amid rampant corruption is fertile breeding ground for criminals and those wishing to disrupt social order. The effect of their actions can hinder business by harming infrastructure or employees, or preventing them from getting to the workplace. Companies are advised to ensure that they have factored denial of access scenarios into their business continuity plans for 2010. The government is making the right noises, but we still need to see decisive action and remedies.

Moreover, the increased influence of Cosatu and the SA Communist party in the ANC should not be underestimated. The danger is that instead of addressing the real issues of non-performance by government departments, the government will follow a populist policy designed to appease the masses.

6. Climate fluctuations

Climate problems are another global phenomenon we all have to get used to. Companies need to ensure that they have the necessary contingency plans in place to deal with everything from flooding to riots due to food shortages.

7. Terrorism challenges

While South Africa considers itself a neutral country and not on a terrorist hit list, the World Cup is a soft target and a temptation that may not be resisted. It would also be a mistake to ignore the threat of internal sabotage by disenchanting South Africans. A disgruntled employee has already caused a panic in one of the country's large banks, there is no reason to think this will not happen again. A target such as the new Gautrain might prove irresistible to those with malicious intent.

8. Companies reducing business continuity management (BCM) spending

Cost cutting in many companies has resulted in reducing the budget for BCM planning and testing. If all goes well, these cuts will have the desired impact of reducing costs. If any or some of the above do occur, the cuts could result in serious consequences for businesses unable to deal with emergencies when they arise.

Corporate directors and managers would do well to ensure they meet new governance requirements in the Companies Act as well as King III. Accountability may not be rife in government, but there will shortly be legally enforceable rules in business.

9. Crime, corruption, civil unrest and illegal immigration

These are old South African stalwarts and are unlikely to change in 2010, with the exception of an increase in civil unrest. The lack of new jobs even as the business environment recovers, called a jobless recovery, could also lead to increased and more violent xenophobia. The potential impact of these issues on business always needs to be incorporated into continuity plans.

10. Information security vulnerabilities

The increased bandwidth available to business, coupled with new technologies, has made it easy to conduct business remotely. Uncontrolled traffic chaos and unsafe neighbourhoods have also encouraged business to allow, and in some cases, encourage people to work remotely. This may improve productivity and reduce office

space costs, but if the appropriate security measures are not in place, we could see data theft becoming as prevalent as violent crime in South Africa.

Business leaders should take advantage of technology to reduce their costs and increase productivity, but only after ensuring their systems and data are safe from digital thieves and disasters.

Of course, these are not the only information security treats we will face. Despite many press articles and even more horror stories, companies will still fail to backup their critical data, or for those that do backups regularly, nobody will bother checking that they work and can be restored until an emergency strikes, after which it's too late to discover a problem. Many companies that have moved to mirrored systems have also become complacent about the need to have offsite backups and to test recovery from these backups. It's a disaster waiting to happen.

The role of business continuity is to prepare for a worst-case scenario and it is therefore unlikely that all the above will happen. It is likely, however, that one or some of them will happen, but we can't predict which or when. Business leaders need to ensure that their organisations are geared to handle any changes in the social, weather, political or business environment. The alternative can be catastrophic.

ContinuitySA

ContinuitySA is Africa's leading provider of business continuity consulting and related services. The company boasts some of the continent's most highly skilled and qualified business continuity and disaster management experts who help companies, organisations and government departments of all sizes prepare for and deal with all eventualities. These include potential threats, events, incidences and unforeseen or sudden disruptions due to human error or natural events.

ContinuitySA operates the largest recovery facilities in southern Africa. It has a number of recovery centres in South Africa with over 20 000 square metres of recovery facilities in Midrand, Gauteng. A smaller site of 3 000 square metres is located in Cape Town. The company has already established a 1 500 square metre site in Gaborone, Botswana, and is in the process of further expanding business into Africa through Mauritius and Mozambique and also in the Middle East.

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