



CASE STUDY 4

2.2103 Case Study 4 PH.MRE AV2.0 14-03-10

Disaster Recovery for real, this is no table top exercise..

A true life business interruption caused by a Fire in a GRP production unit.



You go to work as normal with a head full of jobs for the day. Just like any other day at the office, you tell yourself, not expecting that, within three hours, your whole world will be turned upside down. The picture shows the results of an acetone fire which despite fire suppression systems ravaged our building within minutes. The drums in the foreground were recovered by the fire brigade from the local fields due to explosions during the event.

Business Objectives Defined.

"In manufacturing your business objectives are clearly defined", says Mark East. "The decisions you have taken though, before the event and the contingency plans you put in place, will very quickly come back to haunt you when the disaster strikes". This is when forward planning really comes to the fore. Clearly every business needs an Emergency Plan but there is a difference between Business Continuity and Disaster Recovery. "To get back into production as soon as possible that means having the resources and plans in place to be able to maintain production at an alternative site within a period of less than 24 hours" If you are confident that you can achieve this, and you've tested it, you are truly running a Business Continuity



Fig 1

The source of fire a faulty earth connection. Acetone fumes are heavier than air and burn rapidly with little more than a spark of static.

Management System".



Fig 2

Smoke damaged offices and technical specs ruined by heat quickly added delays to our alternate production plans.

"We quickly found that without the production plans and technical specs, some of which were only in paper format now ruined by smoke damage, added delays and quality problems in transferring production to our other production unit and subcontractors that we had not anticipated would be there". Said Tom Henry Production Director.



CASE STUDY 4

2.2103 Case Study 4 PH.MRE AV2.0 14-03-10

Resourcing and Associations



We were a small team and we'd lost our main production plant. Thank goodness we had our sister company in the south who were immediately put on 24 hour production. The problems though started within the second day of the incident. We had to move staff, moulds and equipment down to Dorset for an unknown length of time. "Where were they going to stay?", "Who would look after the children?", "When will be coming home?" all questions that came up that we had to deal with.

"We knew in theory what we would do if something like this happened, we'd discussed it and even identified possible subcontractors in the area. But we'd never done production runs with them to make sure they had the specs, the raw materials (we'd lost all of ours in the fire) in stock, and tested their quality" said Tom. Resourcing the different elements of the business recovery was one of the hardest problems to manage. The smaller your management team the more difficult it is to handle something like this, you quickly run out of resource. "We had quality inspectors in subcontractor's production units, or down south staying in hotels which, at first when the adrenalin was running, was quite exciting. We soon realised though that we couldn't keep going for long like this, the fatigue and shock started to take its toll". Steve Howes, QMS Manager. "Raw Material Stock very quickly became a problem, as did cash, we were spending money everywhere and despite the encouragement of our insurers to get back in production our overdraft quickly hit the agreed facility which needed careful management with the bank." Nick Smith Finance Director

Communication

We had to keep feeding our customer's production lines, many of which were running on a JIT (Just in Time) schedule. Even with overtime and 24 hour production we were quickly falling behind. We had to make some decisions and, most importantly, keep our clients informed. It was also crucial to maintain the confidence and trust from our staff that we would get through this and their jobs were secure. Communication in a crisis is probably one of the most important areas that you need to pay attention to. It's knowing what to say when, when to pull the team together, when to let them get on with the job in hand and when to make critical resumption decisions. You can't do anything without good information. The MD's role and his Board of Directors is very a delicate and needs a lot of experience during a crisis. Too hands on and you lose the bigger picture, too hands off and you lose your pivotal Command & Control role.



CASE STUDY 4

2.2103 Case Study 4 PH.MRE AV2.0 14-03-10

Lessons learned and the birth of Sapira.

So what were the lessons learned?

1. Desk top exercises based around emergency plans which amount to nothing more than “theory” are a waste of time unless you approach them properly and prove that they can be put into practice.
2. You don’t know what you need until you realise you don’t have it anymore. It’s a little bit like the results of a burglary. The simplest things, like software passwords, or ways of doing things that were done without reference suddenly become essential. A specification or cutting list programmed into a machine or system a year ago, which now needs to be repeated elsewhere, can sometimes be the straw that breaks the camel’s back. The best way to find these things out is to go to a secondary site and make it happen there.
3. There is a big difference between disaster recovery and business continuity which gives true resilience, if you need to stay in business and keep operating through a significant business interruption.
4. Business Continuity isn’t just for the big Corporates. In fact their size and diverse locations probably helps their resilience. The single location business, with a small staff of highly qualified people carrying a lot of information in their heads, is probably the most vulnerable.
5. It’s all too easy to convince yourself that because your existing controls and processes produce the goods on time and to your client’s satisfaction that it won’t happen to you. As a large car manufacturer or a well know high street jewellery store have found to their cost in recent months business interruptions are not just about Fire, Natural Disaster or Terrorism. In many cases they are self inflicted.

“None of the above can be truly implemented and tested without the help of experienced guidance from people who have been through this and can see the gaps. You get to close to things sometimes and can’t see the wood for the trees” says Mark

Where next?

Mark and his team realised that these lessons learned had value and most importantly could and should be applied to any organisation. “I wouldn’t say that the Sapira process was a direct result of the fire” says Mark, “But it started a thought process, which stayed with me through the years ahead, about how you could ensure that potential business impacts are identified and controlled within every project and the identified risks are managed by all members of the organisation in a timely manner, at an appropriate level and with adequate consideration being given to mitigating the potential for business impact.



CASE STUDY 4

2.2103 Case Study 4 PH.MRE AV2.0 14-03-10

Survey, Assess, Plan, in other words..... Preparation, Preparation, Preparation

Setting the Scope and Undertaking the Business Impact Analysis

It doesn't matter what the topic is, be it Business Continuity, Health and Safety or Security to deliver a successful result we all need a process to follow which allows us to assess the scope and resources required to make a project run smoothly. Taking notice of Argenti's Corporate Planning Cycle and Demings Plan Do Check Act approach as applied to Corporate Planning and Quality Management Systems, Mark started to develop the concept behind the Sapira Process.



Fig 4

How do you manage the implementation of the management system itself ?

Is it possible to develop a process of implementation which can be applied to any organisation, any project and any topic ?

How do we make it memorable and sufficiently high level to allow adoption across any sphere ?

The SAPIRA process started to take shape in 1992 but became reality in 1996.

Phase 1 – SAP (Survey, Assess, Plan)

The SAP element of the Sapira process is designed to ensure that a whole business impact analysis is considered for every project. This is not just about Business Continuity. “ Implementing a management system is a skill and process in itself “, says Mark. In the early days of BS 5750 all too often companies who started with Deming's methodology and applied it to their Quality Management Systems created a monster which was unsustainable. Today ISO 9001:2008 is a totally different standard and, whilst still being designed to give process improvement the PDCA approach is confined to the management system itself and the processes and activities that deliver the product.



Fig 5



CASE STUDY 4

2.2103 Case Study 4 PH.MRE AV2.0 14-03-10

The SAPIRA process takes one step back from the management system and looks at the implementation of any project as a whole within an organisation. Effectively what is the process that should be used to input the Management System itself for example, taking into account existing processes and activities and integrating them into a single management system, that's SAPIRA.

Phase 2 – IRA (Implementation, Review and Audit)

Once the project objectives have been established and the scope and extent of the differing management systems to be implemented then Phase 2 – IRA begins, Fig 5. Embedding the new culture and system is achieved by regular review meetings.

Whilst all Sapira projects have a defined project goal and end point, they tend to go through a phase of metamorphosis and end up in a supporting role within the organisation providing client side guidance or external audit testing.

For further information or to discuss your ideas for an integrated approach in your organization please contact:-

Sapira LLP: Tel: 01886 821014. Web www.sapira-ims.co.uk

E-Mail either mark.east@sapira.co.uk or phil.heath@sapira.co.uk