Contingency Plans For Companies And Organizations

Posted on September 5, 2019

Purpose of Organizational Contingency Planning

A contingency plan is vital for any business to operate smoothly and achieve its goals and objectives. Organizations or companies are not in a position to plan for the occurrence of a risk when it has occurred. However, with a contingency plan, guidelines on how to deal with specific matters in case they happen are laid down, thus guiding the firm or organization to act swiftly, no matter how difficult a situation is. Having emergency plans in place helps an organization reimburse itself and get back to its normal operations, thus reducing any further inconveniences to its customers. During the interview, I discovered that every company or organization needs to have a contingency plan in place to work efficiently. For instance, the company where the interviewee works has a call center that is in place because of the frequent power outages; thus, the company can transfer its operating lines to another site to avoid shutting down its operations. This helps the inconveniences suffered by the company's customers due to the power shutdown.

Business Risks and Preparedness

Companies and organizations are prone to many risks. This makes it vital for every company to have a contingency plan in place in case such a risk occurs. Contingency plans are prepared to help an organization during times of crisis in case. It lays out clear guidelines on how everyone should act and what to do in the case of an eventuality. During the interview, I also discovered that every organization has a possibility of a situation that will affect its operations adversely. The response to such cases determines whether the business will be operational in the future or not. This calls for a contingency planning process that should take into consideration four specific steps. First, the organization should analyze all the possible risks. Second, the company should determine the likelihood and impacts of the hazards, develop a process for each one of the risks above, and finally, plan the execution process.

Creative and Critical Thinking in Planning

Effective managers always think creatively and critically when coming up with any decision regarding the operation of the organization. The setup of a contingency plan is not different for him or her. The tools of creative and critical thinking are used to analyze how to handle different situations appropriately. (Swanson et al., 2010) Managers need to use essential communication, problemsolving, and leadership skills in any situation that may arise and pose a threat to the organization's day-to-day operations. However, a contingency plan is not all that is needed to get an eventuality under control. Managers have to be fast in thinking and be able to switch to alternatives at any moment, depending on the situation at hand. For example, if there is a fire that breaks out in a plant and the contingency plan calls for everyone to exit the building through exit C. But at that point, exit C is out of operation or not clear. The manager should be able to think creatively and critically about how to redirect the staff out of the building. A scenario like the one above needs a person to be fast in thinking and be able to make and execute a plan in a swift manner.

Creativity in Scenario Development

Blending creativity into the planning process is the primary indicator of the success of the plan. The planning process requires that a person critically analyze all the possible solutions and the possible outcomes. This requires not only critical thinking but also the highest degree of creativity. Having the right set of tools in place is not all that is needed in the planning process; one has to be able to choose the best tools out of the variety available and integrate them into the planning process. What I learned through the interview regarding how to incorporate creativity into my planning process is always to start with a good brainstorm. This gives me the chance to improvise, and that is what makes me successful people. Integrating creativity into planning means that I have to always think out of the box. Thinking differently helps one stand out to be different in anything. Therefore, incorporating such skills into the planning process will ensure that the plan stands out and achieves the desired objectives. Finally, creativity helps integrate innovation into the planning process thus giving a chance for me to try new ideas.

Decision-Making and Competitive Survival

Creativity and decision-making are the keys to the success of any organization. Decision-making helps in driving an organization forward. However, due to the competition that exists in virtually all sectors of the economy, every manager needs to be creative in the decision-making process. Creativity in decision-making is what gives an organization or company the opportunity to stand higher than its competitors. The interview helped me learn what defines a winner in the competitive corporate world, and that is speed. (International Organization for Standardization, 2019) The only way one can be fast and make prudent decisions is if he or she incorporates creativity into the decision-making process. Each decision should have a contingency, and being creative when applying it in the planning process gives a person more options and even allows him or her to compare between options, thus taking the best possible action.

Steps in Developing a Contingency Plan

In setting up a contingency plan, one has to follow preset steps. The first step is to identify the key risks. This includes determining the potential areas in the business that could lead to an adverse occurrence. Secondly, one has to prioritize the risks. To set the ones that have the highest probability of happening at the highest level of the plan. The fourth step will set up the plan while taking into consideration all the risks prioritized. Finally, maintaining the program. This includes studying the plan and making sure it conforms to the current standards of the organization and the changes in the risks.

Lessons from Planning and Decision-Making

The decision-making process is something everyone encounters every day. However, from the interview and the discussion above, most people don't even realize that some plans and steps are followed in the decision-making process. The interview helped me view the decision-making process and the planning process from a different perspective, thus allowing me to see the big picture. In addition to that, I was able to learn how to integrate creativity into the planning process and the decision-making process. This will help me in my future decision-making and also develop a viable contingency plan, thus ensuring success for my organization or company.

References

Swanson, M., Bowen, P., Phillips, A. W., Gallup, D., & Lynes, D. (2010). *Contingency planning guide for federal information systems* (NIST SP 800-34 Rev. 1). National Institute of Standards and Technology. https://doi.org/10.6028/NIST.SP.800-34r1

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