RISK MANAGEMENT AND BUSINESS CONTINUITY PLANNING IN PROFESSIONAL PRACTICE

There is an implied duty of care in professional practice that extends to cover all activities of the organisation. The ability to undertake one's duties diligently, meeting or exceeding a client's expectations is often a challenge and requires careful management direction of both technical and administrative capabilities.

Risk Management is something all professional organisations must take seriously. It is definitely something many of us feel is a natural extension of business management and, in many respects, our approach to handling of risk is often couched in a 'shoot from the hip' philosophy. Problems are identified quickly and dealt with on the circumstances that arise at the time.

In itself, 'shooting from the hip' is an art that the experienced business manager must nurture and develop. Regrettably it is also prone to causing damage to an organisation, if material risks are not spotted early enough or the resultant handling falls short of what is best to protect the business.

The value of proactive Risk Management is immense. By embedding Risk Management into the principles, practices and procedures of the firm, key positive and negative risks can be analysed more openly and a demonstrable strategy developed to protect the organisation from acutely damaging risks, whilst managing the organisation's efforts to capture the benefits from positive opportunities.

This of course doesn't mean you should pour endless resource and effort into complex Risk Management Systems. But it makes sense to have a stated policy for Risk Management, a Risk Register to summarise your key risks (and how these are managed) and sensible processes to capture and evaluate current and developing risks.

Generally speaking regulators and clients are becoming more demanding in this area. Firms are better positioned, if asked to demonstrate their approach to risk management, if they can present a Risk Management Policy, Risk Register and demonstrable embedded Risk Management processes.

The same is true for Business Continuity Planning, or the level of preparedness of your firm to cope with unplanned disruption, howsoever caused. A sound Business Continuity Plan means that you will have the resources and information readily to hand to help your business continue operations, whatever disruptive circumstances affect your firm. That could be a fire destroying the premises, a flood, denial of access, computer downtime or loss of key personnel.

More commonly, service providers are being asked by clients to demonstrate they have adequate Business Continuity Planning. The question arises because critical service providers form part of that client's supply chain. If you fail, the client suffers disruption and it is naturally in their interests to see you recover quickly minimising the disruption they themselves encounter.

Set against competitors, the professional firm that has Risk Management and Business Continuity already addressed has a distinct competitive advantage. The question is, for a professional firm, what elements of business operations drive the Risk Management and Business Continuity issues that you will need to address?

Fortunately, for professional practice, there are a number of clear areas that you should cover in your preparations. We have listed a few examples of the key issues below, (which are focused on what you would do and need in a crisis scenario):

Information Technology Communications and Data (ICD):

- Do you know what ICD hardware and software you depend on to conduct critical business operations?

- If you lost all your ICD equipment (e.g. in a major fire) do you know how to reconstruct your systems and which elements to prioritise?

- Is electronic data backed up effectively and is this back-up tested so you can be assured the back-up process works?

- Where is electronic data stored? Discs left on top of the server are common, as are discs in fireproof safes (which remain inaccessible if you cannot access your building after an incident)!

- Do you know what paper records you hold and how you would be able to reconstruct key records if these were destroyed?

People:

- Do you have staff (partners, managers etc) who hold a large amount of critical information and without whom the business could struggle? This can be damaging if your business suffers unplanned disruption when the key member of staff is away or if that member of the team resigns or becomes unwell?

- Can you communicate with all staff in a crisis? Holding contact information for staff is vital to enable you to protect them and properly direct them in a crisis. You can do this with SMS text software that costs from as little as a few pounds to set up.

- In the event of disruption do you know how to use your people effectively to help the business recover? Working from home or relocation to alternative offices are perfectly reasonable measures, but they need to be thought out in advance to secure the fastest recovery possible?

Premises:

- What working space and equipment do you need in a crisis, and how should this be prioritised to supply critical elements of the business first?

- Do you have the cash or credit to replace all of your equipment in one go? Can suppliers meet your demands for fast replacement? Will you need to switch to newer models (especially with IT equipment) and how will your back-ups work on new kit?

Clients:

- Do you have a full list of clients and their contact details and is this information available off-site in the event that your office is destroyed or inaccessible? Do you have a clear set of procedures to handle client communications after a major disruption?

- If you are disrupted do you know which client work needs to be prioritised, to reflect the criticality of the client, the sensitivity of their work and any appropriate legal or commercial deadlines?

The list could go on, but in essence an efficient focused analysis of these issues and similar can lead to a very effective Business Continuity Plan for your firm.

A professional firms' reputation and client base can be ravaged by a disruption for which you do not have adequate preparations. However undertaking Risk Management and Business Continuity Planning in advance can help enhance your reputation, win new work and provide information about your organisation, its critical features and operational dependencies that enable you to further enhance the value of your business. With disaster you win, by recovering operations faster. Without disaster you win, by creating a yet more professional and valuable firm.

The Continuity10 Workshop package developed by Value Generation Limited is designed to enable you to implement Risk Management and Business Continuity Planning with minimal disruption, management time and financial cost. Accredited by the Solicitors Regulation Authority the one day Workshop carries 6.75 hours of accredited cpd and provides a vital introduction to Risk Management and Business Continuity Planning. With that knowledge to hand you receive a full pack of detailed templates for a Risk and Continuity Policy, Risk Register and Business Continuity Plan. You add your own business information into the prepared documents and are fully supported as you do this through three months unlimited access to a Business Continuity Professional (who will answer any questions or queries you may have at no additional charge). The Continuity10 approach is one of the quickest and most effective ways to address your compliance duties in this area.