

Managing Strategic Change - Contingency Planning

Q1	Fill in the gaps
<p>A _____ plan is when a business prepares for an _____ or an unlikely event. By preparing a plan it allows the business to manage a _____ or an out of the ordinary situation more effectively than attempting to manage it as it happens. For contingency planning to be effective, a _____ range of scenarios need to be planned and prepared for. The key for businesses is to _____ the unexpected!</p>	
	Choose from: <i>expect; crisis; unwanted; contingency; wide</i>

Q2	Identify which of the following are advantages and which are disadvantages of contingency planning		
	1. Increases costs		2. Limits the impact of the crisis on the organisation
	3. Helps to restore "normal" operations as quickly as possible		4. Not every unexpected event can be planned for
	5. Large number of staff involved in assessing risks and drawing up plans in the event of something going wrong		6. Provides the structure for management to respond to the crisis appropriately
	7. Some contingency plans can be demoralising if known to staff		8. Incidents are more easily resolved
	9. Helps to reduce panic aiding rational decision making		10. Avoids time delays when dealing with a crisis

Q3	Identify ONE MAJOR event that each of the following would need to prepare for in their contingency planning process	
	3.1 Airline industry	
	3.2 Oil Industry	
	3.3 On line retailer	
	3.4 UK government	
	3.5 Premiership football club	
	3.6 NHS hospital	

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Q4	Briefly explain...
	4.1 why contingency planning may be viewed by some as a “waste of resources”.
	4.2 how organisations decide which events to contingency plan for.
	4.3 why simulated exercises are very powerful when planning for a crisis.
	4.4 why contingency planning should focus on a broad range of general scenarios, rather than predicting the shape of an event exactly.

Q5	Mini case study...
	<p>Over Christmas localised flooding in the UK hit many towns in Northern England. This was after unprecedented levels of rain falling in areas that had already fell foul to the weather earlier in the month. Some small businesses, such as local pubs and restaurants, who had managed to avoid flooding during the start of December, found their businesses to be underwater on Boxing Day. Some business owners had not acted on the flood warnings issued by the Met Office, as they had successfully traded on Christmas Day and could not imagine how the weather could affect their businesses so detrimentally over the course of 24 hours. They believed the Government’s flood defences would be sufficient to keep their businesses safe.</p> <p>5.1 Identify the crisis that affected many small businesses in the North of England.</p> <p>5.2 How should the local pubs and restaurants have prepared for such an unexpected event?</p>