

# RISK ALERT #6

## Road to Recovery

### Developing a risk-based plan for Recovery

July 2020



#### Risk Alert #6 provides:

- **Recovery Plan** guidance to assist you to develop your plan
- **Governance and Risk Management** advice to support successful implementation
- A **Planning Framework** to build and take steps for recovery and resumption
- A suite of risk-based **Planning Tools and Support Options**

These are times like we have never seen before. The pandemic is continuing to cause disruptions to many, changing the way organisations do business and identifying challenging risks to manage. On the upside, many have found new ways of doing things; buoyed by constructive adaption to new circumstances and the creation of options to do business and deliver services in different ways.

Planning your road to recovery may feel like a paradox; we are all still very alert to managing a crisis and protecting our organisations and vulnerable people from the consequences of Covid-19. **However, developing a recovery plan and navigating a new future is good governance.**

# Good Governance and Risk Management

How an organisation plans for and manages its recovery will define its reputation and performance for potentially years to come. Many organisations are now keenly looking to next steps.

## Three Good Governance steps to consider:

### 1. Develop a plan endorsed by Board



**Directors and Officers have specific responsibilities** to ensure plans have appropriate governance, resources and risk processes aligned. Engaging your Board with the plan is important and helps meet obligations.

*"I'm concerned we have become Covid-fixated"*  
– CEO Disability and Aged Care Service



**Looking for opportunities ahead will actually reduce overall risk** in your organisation. Alternatively, planning a return to business as usual comes with significant risks given the enormous changes brought on by the pandemic.

*"I need to get our Board and our organisation out of the 'now' "*  
– CEO Community Care organisation



**Don't spend forever planning;** harness urgency as an enabler of change, be prepared to be agile and take some risks and focus on being a more resilient organisation.

### 2. Get ahead of risks and vulnerabilities

We have all become more vulnerable; being conscious of the impacts of forces that have emerged are important for risk managing and planning next steps. These include:

- Cash flow
- Not for Profit revenue hits
- Staff health and wellbeing
- Consumer demand uncertainty
- Property impacts – building / closing / re-opening
- Technology – new options, new experiences and cyber security
- Supply chains
- Compliance and expectations of regulators
- Social distancing – the new norm

Significant pre-pandemic risks haven't gone into quarantine: Reassess your strategic risks – it is likely these risks will have changed or have increased. As a minimum include review of:

- Governance and Compliance Risk
- Financial Sustainability Risk
- Clinical/Care Governance Risk
- Consumer Involvement and Engagement Risk

*"One of the biggest risks for any organisation is not looking for opportunities from this enormous disruption"*  
– Diana Borgmeyer, CEO, Ansvar Risk



Download our **Risk Alert #1** for more information on pandemic risk assessments and key risk sources to consider.

### 3. Incremental resumption of business and services is key

The **objective is not to return to normal**. Plan conscious of your resources and capabilities. Don't underestimate the impact on your culture and proceed with caring concern.

**Weak data systems and unchecked risk management will set you back** and potentially expose you; take time to understand the maturity of both.



Visit our [website](#) for further risk management advice and risk information systems. Click [here](#) to download information about our Risk Consultancy and Workshops.

## Recovery Planning Framework



We have created a framework to help your organisation resume and navigate the times ahead.

There are many ways for an organisation to recover and resume its strategy and operations from the pandemic. We have created a Planning Framework to assist you to build your approach, mindful of the risks and opportunities ahead.

We have backed up the framework with a suite of tools; these will assist to measure the impact of the pandemic to your business, reassess your strategy and operating environment, examine readiness and capabilities to resume and offer templates and tips to take up now or tailor for your purposes.

**Our tools can be used to assess your business across priority areas**

Our planning tools are designed for you to revisit and assess your organisation's strategy and objectives and help you assess the impact, risks and opportunities going forward.

## Planning Framework

Take a **risk-based** approach to your planning - the following 3 connected and important components will assist you to establish a **short to medium term strategic recovery plan** that considers governance, resources and the processes required to successfully execute it.

### 3 Areas of Focus

Strategy

Operations

Workforce

Establish a "new norm"

### 4 Key Enablers



Governance and Risk



Financial Modelling



Community & Stakeholders



Technology Capability

Fortify your response  
Navigate uncertainty

### 5 Strategic Steps

Position

Perspective

Plan

Projects

Preparedness

Incremental resumption

## 3 Areas of Focus

### *What's in play, what's on hold and what's new*

Revisit your strategic objectives and operations and consider workforce implications.

#### Determine for each:

- **What has happened:** What has the organisation learned from the pandemic?
- **Its impact:** What impacts has the pandemic had on the organisation to operations, workforce and community?
- **Opportunities and risks:** What opportunities and risks have been identified?



The **Business Impact Review** tool and **Workforce Checklist** gives you a framework to help assess the impact the pandemic has had on your organisation for recovery planning considerations.

Strategy

Operations

Workforce

## 4 Key Enablers

### *Strengthening your response*

The review of key enablers and influences is crucial to managing the objectives you will set in your recovery plan. Great plans are frequently let down because these 4 areas have not had sufficient oversight or assessment.



The **Key Enabler Checklists** will provide you with thought provokers to help you with your planning and start your recovery.



Governance and Risk



Financial Modelling



Community & Stakeholders



Technology Capability

The image shows four overlapping checklists from the 'ROAD TO RECOVERY' series by ansvar. The visible checklists are:

- Governance & Risk:** Focuses on reorganising governance and risk, with sections for business and digital settings, and a table for assessment.
- Finance:** Focuses on financial health and recovery, with a table for assessment.
- Technology:** Focuses on digital technology and recovery, with a table for assessment.
- Community & Stakeholders:** Focuses on recovery planning for communities and key stakeholders, with a table for assessment.

## 5 Planning Steps

### Build a recovery plan

Consider these 5 strategic steps to finalise and execute your plan:

*A lack of a plan exacerbates disorientation and uncertainty, giving rise to risk and limiting opportunities.*



### POSITION

What is the organisation now in the eyes of its community and stakeholders?

Determine where you sit in your community and market:

- Who are the competitors?
- Have you lost ground?
- Is solvency a risk?
- What developments during the pandemic can you lever from?
- Has compliance been monitored and achieved?
- Is a new value proposition warranted?



### PERSPECTIVE

Has the business and operating landscape changed for your organisation?

- How prepared was the organisation for significant disruption and how well has it coped?
- What aspects of your culture and identity will change as a result of the pandemic?
- Will the future bring the organisation closer together or drive it apart?
- Will you see the organisation differently when this is all over?
- Are you more resilient?



### PLAN

What will you do and what must you do?

- A lack of a plan exacerbates disorientation and uncertainty, giving rise to risk and limiting opportunities.
- Having reviewed the key areas of focus and assessed key enablers, what actions can you take; what risks and opportunities will you pursue and how?



### PROJECTS

What elements of the plan require high priority and careful coordination?

- What are the priorities for the organisation's resources?
- Be clear on the projects that will contribute to future proofing the organisation.
- Too many initiatives can overwhelm an already stressful environment.
- Use project methodologies to manage elements that are higher risk and require close monitoring.



### PREPAREDNESS

How prepared are you?

- Do you know the risks associated with executing your recovery plan?
- How resilient are you for the next disruption?



By using the 5-P analysis and the Road to Recovery tool kit you can identify your short to medium term priorities (**Strategic Priorities**) and what actions you need take (**Action Plan**) to start your planning (**Strategic Plan** and **Risk Assessment**) and trigger your recovery.

These tools intend to be a starting point that should be adapted to each organisation's specific context. They may not apply to everyone and are not intended as complete advice.



# Risk Alert Series

## Risk Alert #1

**RISK ALERT**  
Considerations & Information  
Pandemic Risk

**Good Governance & Risk Management**

An organisation with a pandemic decision plan, it is ready for operations to proceed in the event of a pandemic. This is a particularly important responsibility for senior leaders and senior managers who are responsible for the organisation's future. Senior leaders and senior managers should take action now to prepare their organisations.

**Background**

As the global outbreak of a pandemic decision plan, it is ready for operations to proceed in the event of a pandemic. This is a particularly important responsibility for senior leaders and senior managers who are responsible for the organisation's future. Senior leaders and senior managers should take action now to prepare their organisations.

**How does Insurance respond to a Pandemic?**

Insurance is a critical part of an organisation's risk management strategy. It provides a financial safety net in the event of a pandemic. However, insurance coverage for pandemics is complex and varies significantly between different types of insurance policies. It is important to understand the scope of your insurance coverage and to ensure that it is up to date and reflects the current risks faced by your organisation.

**Develop a Pandemic**

Developing a pandemic decision plan is a complex task that requires the input of senior leaders and senior managers. It involves identifying the risks faced by your organisation, assessing the potential impact of a pandemic, and developing a plan to respond to a pandemic. This plan should be reviewed and updated regularly to ensure that it remains relevant and effective.

## Risk Alert #2

**RISK ALERT**  
Communications Plan

The COVID-19 pandemic has highlighted the importance of having a communications plan in place. This plan should outline the roles and responsibilities of senior leaders and senior managers in the event of a pandemic. It should also outline the communication channels and processes that will be used to keep stakeholders informed and to coordinate the organisation's response.

**SAMPLE PANDEMIC COMMUNICATIONS RESPONSE PLAN**

STAGE	DESCRIPTION	RESPONSIBLE PARTY	CONTACT INFORMATION
STAGE 1	Designate a communications leader	Communications Leader	
STAGE 2	Designate a communications team	Communications Team	
STAGE 3	Develop a communications plan	Communications Team	
STAGE 4	Implement the communications plan	Communications Team	
STAGE 5	Review the communications plan	Communications Team	

## Risk Alert #3

**RISK ALERT #3**  
Important Aged Care  
Guidance for Brokers

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## Risk Alert #4

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Unoccupied Properties

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## Risk Alert #5

**RISK ALERT #5**  
Outbreak Management  
A CEO's Real-time Experience

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## Contact us

If you have any specific Risk Management queries please contact Ansvor Risk, see below for details. Please contact Ansvor Insurance on 1300 650 540 or [insure@ansvar.com.au](mailto:insure@ansvar.com.au) regarding insurance coverage, claims support and advice.



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As our National Care Sector Leader, Anthony works with organisations throughout Australia to support governance and risk management capability; supporting boards, senior managers and staff to implement effective approaches to support decision making, improve performance, optimise objectives and prevent harm.

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