

Coronavirus, rail blockades: Crisis management plans protect companies

March 9 2020, by Sean Spence



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[The outbreak of the COVID-19 virus in China](#) and [the railway disruptions across Canada](#) represent two different yet similar classic case studies.

They remind us that nations and global economies are becoming

increasingly interconnected. Incidents thousands of kilometres away are being felt locally.

This is a result of the increasing importance of critical infrastructure. In order to mitigate these [negative consequences](#) to organizations —like lost revenue, lost customers and reputational damage —they must have well-structured and defined [contingency plans](#) in place to meet operational objectives.

What's known as [critical infrastructure](#) (CI) has many different definitions within academic literature and among different governments worldwide. But essentially, CI can be defined as infrastructure so vital that its incapacity or destruction would have [a debilitating impact on the economy and/or the defence of the country, and therefore becomes a national security issue](#).

The Canadian government has [defined 10 sectors deemed critical](#) to its national security. They include transportation, health, manufacturing and government, just to name a few.

Infrastructure linked

Prior to the events of 9/11, many of those CI sectors [were physically and logically separated with little interdependence](#). However, advances in [information technology](#) and the requirement to improve efficiencies has resulted in infrastructures becoming more automated and interlinked.

But this has resulted in increased [interdependencies between infrastructure elements and sectors, and created new systemic vulnerabilities](#) that can have catastrophic cascading effects.

For example, the unavailability of parts of the railway system (transportation CI) due to the blockades translates into serious disruption

of the supply chain system that other CIs rely upon. [Perishable food on trains can't reach retailers and consumers](#) (food CI) and [steel needed to create goods cannot be delivered to businesses](#) (manufacturing CI).

The [domino-like effect](#) can occur when salt travelling on trains cannot reach [chemical companies](#) (manufacturing CI) that are then unable to make hydrochloric acid intended for sale to the food industry (food CI).

Overwhelming public health agencies

As for the COVID-19 virus, it is overtaking and [overwhelming hospitals in China](#) and the [public health systems in other countries](#) (health CI).

Many Chinese manufacturers (manufacturing CI) [have slowed or even stopped production](#) as they encourage workers to stay home. Since Chinese goods [form a large portion of the global supply chain for companies in the West](#), it means the delayed delivery of essential products to the Western market.

To compound the problem further, there are few aviation delivery options because most major airlines (transportation CI) [have cancelled flights to mainland China](#).

For some medium-sized businesses in Canada, the simultaneous occurrences of both the COVID-19 virus and the railway disruptions serve as [a "double whammy" that negatively effects operations](#).

So what's the solution? How can organizations remain resilient and continue to meet their business objectives in such an unpredictable and highly interdependent environment?

Protecting critical infrastructure

One solution is to protect the different sectors of [infrastructure from experiencing major disruption from all types of hazards](#). [Critical infrastructure protection \(CIP\)](#) programs involve various levels of government working together with large private sector partners to share vital intelligence, information and resources to protect the economy and the national interest.

Post-9/11, governments have had to heavily partner with the private sector on CIP initiatives. This is because [around 85 percent of critical infrastructure assets are owned and operated by private organizations](#).

A recent example of CIP was demonstrated when the [Canadian government secretly worked with both CN & CP Rail](#) to quietly move vital goods by collaborating to share railway lines.

The second solution is critical for small- and medium-sized businesses that don't have immediate access to government resources and cannot rely on quick intervention like CP and CN Rail.

They must proactively control their own destiny by having up-to-date business continuity and crisis management plans in order to minimize the impacts of CI disruptions to their operations.

Same goods, different country

Business continuity plans are essentially operational contingency strategies that [ensure the continuous delivery of critical services and products](#) for the organization.

For example, a Canadian business normally relying on imported goods from China may have pre-established agreements to obtain the same goods from another country during the COVID-19 outbreak, or even have mutual-aid agreements with competitors for assistance.

[Conducting business impact analyses](#) internally will identify essential services or functions within the organization that require plans for continued delivery during operational disruptions.

Crisis management plans are meant to guide management's response to dealing with the crisis itself until things get back to normal. Much of the crisis management process [involves defining the decision-making structure](#) of an organization, and the communications between decision-makers and relevant stakeholders.

Crisis management and [business](#) continuity plans are powerful tools for organizations [to remain resilient during operations when unforeseen circumstances disrupt the availability of critical infrastructure](#).

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