Business Continuity Planning for an Influenza Pandemic: Case Study from a Milling/Animal Feed Company

Introduction
This case study is one of ten written as a part of a study undertaken on Business Continuity Planning for an Influenza Pandemic. The objective is to raise awareness among business enterprises in Ireland of the need for business continuity planning (BCP) for the possible arrival of a ‘flu pandemic in Ireland.

The case study is based on a real company, but is fictionalised in some respects. Key details, including the company’s name, have been altered to protect its identity.

As this company, like many in Ireland, is only beginning to appreciate the need to plan for a ‘flu pandemic, its plan is not yet complete. The case study reflects this continuing planning process.

Background
- Tirhomin Milling Limited was a traditional mill. It now produces a variety of animal food products. It employs 80 staff.
- Products are distributed via a network of wholesalers throughout Ireland using an in house fleet of 10 lorries.
- As an animal food producer, the company has coped with the consequences of ‘mad cow’ disease on animal food production and distribution and has been alert to the potential risks of an avian ‘flu outbreak in Ireland and the associated risk of a ‘flu pandemic.
- As a company in the food sector, it is also aware of the need for business continuity planning to address potential food specific issues such as product contamination and recall, as well as common issues such as computer failure and factory or warehouse fire or flood.
- Including preparation for a ‘flu pandemic as part of Tirhomin Milling Limited’s business continuity planning has been a priority for the Finance Manager. He has undertaken the planning process as set out in the steps below.

1: Planning Activities
Planning involved the following steps:
1. The Finance Manager has developed a planning schedule with action steps, deadlines and associated responsibilities. He has assembled a small project team.
2. He has identified various sources of information e.g. Department of Health and Children, World Health Organisation, about the pandemic threat and impact, and collected relevant information.
3. Employee representatives were contacted and made aware of the issues and their cooperation and involvement sought for the planning process.
4. Tirhomin Milling’s suppliers include numerous farmers supplying grain on a seasonal basis, a supplement ingredients supplier and a packaging supplier. The supplement ingredients supplier and the packaging supplier were contacted to gain an understanding of their business continuity plans to cope with a ‘flu pandemic. Farmers’ representative bodies were contacted to understand what planning was proposed for this sector.

5. Based on the WHO ‘Alert Framework’ the finance manager identified trigger points to be included in the plan.

2: Issues to be Addressed
The finance manager identified critical activities within Tirhomin Milling’s business, essential for business continuity. These included:

1. Raw material and packaging supplies
2. Production including production maintenance
3. Quality Control and Laboratory Testing
4. Logistics
5. Cleaning

The project team assessed the possible impact of these critical activities suffering around 40% absences.

- Tirhomin Milling has many suppliers of raw materials, and single suppliers of supplement ingredients and packaging. As stated above, farmers representative bodies were contacted as well as the suppliers of ingredients and packaging. The company would be vulnerable to an interruption in supplies from the ingredients supplier or the packaging supplier.

- Milling is now largely an automated process with a minimum of human involvement. Tirhomin Milling employs two full-time maintenance engineers who respond to particular maintenance issues and also undertake a continuous maintenance programme. While the operation of the mill should not be a major issue in the event of a pandemic, and adequate cover for operating the mill is in place, maintenance could be an issue if both maintenance engineers were absent. The Finance Manager is investigating the possibility of sourcing alternative maintenance cover, possibly using a sister company to provide cover in an emergency.

- As in any food company, quality control and laboratory testing cannot be compromised, even in a situation of significant employee absences. The project team have started a process to identify staff who could be cross trained to undertake some of this work.

- Tirhomin Milling’s logistics is largely an internal activity with only a very small element handled by third parties. This creates exposure in the face of significant employee shortages. The Logistics Manager has been asked to prepare a contingency plan to cater for a pandemic, with the possibility of using third party hauliers of whom there are many in the locality.

- Tirhomin Milling’s cleaning is conducted by internal staff. The Finance Manager has identified an agency which can provide the cleaners with appropriate training to cater for a pandemic situation. Other staff who could be used for this purpose in an emergency situation have been identified and will also be given training.
Most of Tirhomin Milling’s raw material supplies come from farmers at harvest time, and are held in grain stores for use when required. Unless the pandemic hits in the middle of harvest, Tirhomin Milling does not expect it to disrupt these supplies.

Tirhomin Milling’s sales are through wholesalers. Because there are a manageable number of these, the Finance Manager has contacted each of them with assistance from the sales manager, asking how they are planning to cope with a ‘flu pandemic. He does not expect there will be any major disruption to the business, as the farming community will certainly need animal feed, and will arrange to collect it if necessary (as most do in any case).

Based on the information received to date, and on the assumptions made, the Finance Manager has prepared a financial impact statement for the business for review by his management colleagues. This assessment does not envision any significant disruption to the business because of the nature of its supplies and the channel of distribution for its products.

In relation to administrative employees, the Finance Manager has identified those tasks which could be managed from home (e.g. administrative, finance and some IT work), and has identified the IT resources required to make this happen. Sales contact with wholesalers will be essential during a pandemic to keep customers advised of the status of supplies. This contact can be by telephone or e-mail only. Delivery staff cannot avoid contact with customers but will be trained to minimise the risk of infection and will be supplied with hygiene kits (including handwipes), for their vehicles.

The Finance Manager has identified a small number of employees potentially at high risk to receive medical advice in the event that an influenza pandemic appears imminent.

The Finance Manager has developed a plan to manage day to day financial requirements.

3: Measures to Underpin Continuity

1. Based on medical advice, the Finance Manager has developed policies for returning to work after infection, and for those showing symptoms while at work.

2. He has also developed policies to facilitate working from home where this is appropriate, including expenses related to telephone.

3. A contingency plan for key employee replacement in event of illness has been prepared.

4. A communications plan has been developed. This includes:
   - Obtaining, with employee representative approval, all contact details for all staff including home and mobile numbers (and e-mail addresses where available) for use in an emergency only.
   - A briefing package to inform and educate employees in the event of a pandemic including information for individual employees and their families to be circulated in the event of a pandemic, on topics including: hygiene; identification of symptoms; and policies on absence from work.

5. Tirhomin Milling’s insurance company has been asked to review all policies and to advise on any necessary amendments to cater for a pandemic.
4: Response to Workplace Risk

1. Hygiene notices have been drafted for printing, using suggested wording drawn from various informed agencies.
2. Tirhomin Milling’s cleaning is conducted by internal employees. These staff, together with additional back-up resources, will receive appropriate training in advance of any pandemic.
3. Stocks of hand wash, towels, tissues and other necessary materials have been ordered.
4. Based on advice from the various information sources, policies to reduce face-to-face contact internally, particularly in Tirhomin Milling’s open plan administrative office, have been developed.

Challenges of Planning for a ‘Flu Pandemic

1. Should a pandemic strike during the harvest period, this could represent a serious problem for Tirhomin Milling, as it could disrupt harvesting and processing of grain.
2. Food, including animal food, will be an essential commodity during a pandemic. Ensuring continuity of supply will be important.
3. Planning without creating unnecessary panic has been another challenge.

Conclusion

Tirhomin Milling operates in a sector where disease (albeit among livestock) is a familiar business issue, as it has been affected by BSE and foot & mouth disease in recent years.

It is also a sector where supplies of raw materials are held in stock on an annual basis which is an unusual situation and one which helps greatly in ensuring business continuity.

Tirhomin Milling’s distribution is concentrated in a relatively few wholesalers making the supply chain manageable. The ultimate customer is typically used to collecting the product and has suitable transport for this purpose.