

Article

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Next Y2K

Last month I received an email from Paul, a friend and former client who is senior executive at a prestigious Canadian corporation. The note said, you better look at this. It's the next Y2K. The attached note concerned the potential impacts to their business in the event of a pandemic. Coincidentally, I had been doing some work for the Canadian Food Inspection Agency, related to their deep concerns about the risks of on-farm, avian flu infection. Even a casual consumer of the news will know some of the implications of this disease, particularly its threat to mutate into a human-to-human transmissible virus. In fact, World Health Organization experts claim that a worldwide pandemic is a certainty; only the timing and severity are now in question.

What I had not considered beyond the public health considerations, were the ways in which institutions, particularly corporations, will face severe challenges to remain on-going, for long periods of time. With globalization, supply chains can stretch across several continents. Customers can be located throughout the world. Business functions in organizations are often spread around the globe. For example IT could be outsourced to India and customer service call centers could be operating in Puerto Rico.

Why is this important? A pandemic will not be a one-time event. It is likely to arrive in waves at any one locale and spread to regions at different times. If your operations are confined to one geographic area, the principle challenge may be limited to operating for up to six months with only 40% of staff willing and able to report for work and customers unwilling to visit you.

If on the other hand, your business is dependant on non-local inputs and your customers reside elsewhere, sourcing supplies, sustaining operations and generating revenue all become huge risks. Unlike Y2K there is no technical fix for a pandemic. If however, something is inevitable and potentially catastrophic would you plan in advance to deal with it? I believe that having a Pandemic Readiness Plan will improve the odds of corporate survival.

