

Planning to avoid and manage catastrophic risk

5 July 2010

It is crucial that organisations have plans in place to both avoid catastrophic risks and to manage the situation in the event that such risks do occur. This was illustrated by the tragic plane crash which killed all six members of the Sundance Resources board on June 19. Sundance Resources are now in the process of reconstructing their company after this loss.

Business continuity planning involves identifying potential serious loss events and formulating a plan to deal with them, whilst maintaining all critical business functions. Successful continuity planning can help an organisation to remain profitable and ensure shareholder security even when the worst case scenario arises.

It is even more important that organisations reduce the likelihood of catastrophic risks occurring in the first place. This can be achieved through the implementation of effective risk management processes at every level of the organisation.

Jon Piercey, VP of Methodware Australia says, "*When crisis strikes, companies are often in the worst possible position to deal with the situation. Well defined business continuity plans mean that the organisation has documented processes to fall back on and can focus on execution of the plan rather than having plot a way forward in the midst of the crisis.*"

For further reading on how good business continuity planning can help reduce operational risk, click [here](#).