

BUNCEFIELD – What BCM is really all about

2005 has proven to be a uniquely challenging year for all those involved with disasters, emergencies, security or business continuity. Starting with the tsunami, the world has experienced a seemingly endless stream of catastrophic events. Hurricanes in the United States, earthquakes in Pakistan and global terrorism including the London bombings of the 7th July were never out of the headlines or our consciousness. As each awful event was rapidly followed by another, professional pundits were on our TV screens with comment, criticism and the benefit of hindsight. In reality, we had not had time to understand the detail of what had happened before we were being asked about lessons learned and how things could be changed for the future. What did seem clear to most ordinary people, who are not experts in our field, was that despite our technological sophistication we were effectively powerless to prevent acts of god and only marginally better against the evil acts of man. The world seemed to survive only by the heroic efforts of a few, financial donations by those of us shocked by the TV images, government interventions and in some cases pure luck that it was not even worse (London and New Orleans).

Indeed a good healthy debate emerged about whether those of us in the BCM world could really contribute much of any practical value to such large-scale problems. My view has always been that just because you cannot do everything (such as prevent an earthquake), it doesn't mean you should do nothing. The skills of all BCM practitioners involve planning to mitigate the consequences of serious events so in this sense our principles and methodologies could be applied to any event, however catastrophic. However, if we are honest we must admit that the key concerns after such events are disaster management issues, search and rescue, mobilising medical services and providing food and welfare. In the event of terrorism to these priorities are added to by the need to conduct police investigations and prevent further attacks. Although some BCM professionals might have at some point in their careers been police or fire officers, medical practitioners, or even employed by the major disaster relief charities, there are unlikely to have current active roles in these fields. To the casual observer, we in BCM might well appear to be commentators on disasters rather than participants with any contribution to make. If we follow the news agenda and simply become prophets of doom, whether it be about climate change, avian flu, or the war on terror we undervalue the importance of what we do and make it less likely that BCM will be taken as seriously as it should be.

But then came Buncefield. On reflection it almost had to happen after such an eventful year. We had had the major disasters and the usual apocalyptic predictions for the future. What we had not really had was the freak incident, the result of "cock-up" rather than conspiracy, accident not evil, circumstance not design. Whilst the fires burned it was newsworthy but once it was known that casualty figures were relatively low and it there appeared to be no international terrorists in Hertfordshire that day, the media soon forgot about it. It made a bit of a comeback when a few petrol stations were close around Christmas but that was because there was not much else to report.

Yet from a BCM perspective it provides more messages and lessons than all of the other annual incidents put together. Firstly, it just happened "out of the blue", with no obvious reason, warning or prior experience to suggest it might. I suspect that if you had asked 100 oil industry executives the day before if it could ever happen, they would have laughed and said it was inconceivable. The site was totally safe, met and

exceeded all COMAH, EA and HSE requirements and there was no history in Western Europe to indicate an event of such magnitude was possible.

Secondly, it happened at the most inconvenient time, two weeks before Christmas when demand for oil products was at its peak and many organisations were working at full capacity. For retail businesses or companies in warehousing, distribution, transportation or IT supporting retail, this was about the most critical day of the year that it could have happened. Demand was at peak, resource was stretched and resilience was at its lowest level – they were all very vulnerable.

Thirdly, it was the things that many had not planned for that caused the most concern, for example Police and other Emergency Service access restrictions. Lack of access to their own business premises (even if not damaged) caused anger, conflict and major frustration.

I will reflect on the incident not as a narrative (as the media do) but from a changing perception standpoint. The incident occurred early on Sunday morning so there was little business news being reported. All that we heard was the intensity of the fire, the bravery of the fire fighters, and the shock of local residents. We heard that some large companies had some premises in the vicinity, mainly Distribution Centres (M&S, Scottish & Newcastle) and Dixon's had a HQ building. We soon heard from all of the above that "there were no problems, contingency plans had been activated and that normal business processes would not be affected". Strangely we heard almost identical words soon afterwards from the site operators Total UK. As I am writing this article for BCM experts I am sure none of you were surprised to hear those messages (Page1, section 1, Task 1 of the CMP – tell the media all is well!). Excuse my scepticism, as in fact to some extent the tactic does work.

On Monday I was interviewed by the BBC and asked bluntly if Business Continuity really mattered much at all. The argument went: "despite such a big explosion and fire everyone seemed to be copying well. The initial press releases had indicated there would be no business impact. Perhaps BCM was a bit over-hyped, after all Primark had copied easily even though they lost 50% of their stock just before Christmas. Wasn't all that was really needed was sharp and imaginative management?"

I told the interviewer to wait a while; I agreed that big companies with good plans would probably be fine if they lost an HQ or Administration building. Big companies who lost a Distribution Centre in the area would not go "bust" but would suffer significant "knock-on" affects throughout their supply chain. What really concerned me were the SME businesses in the neighbourhood. They might be devastated and many might not survive.

By Monday afternoon my warnings seemed to be coming true. The BBC website had started reporting that one company had applied to have its shares suspended whilst it assessed the affect on its business. An IT service company who processed a large number of the public services payroll was also reported to be in difficulty. Tuesday morning's newspapers covered much of the same ground highlighting S&N writing off £10m of stock, M&S and McDonald's closing their food depots on the adjacent site, Dixon's relocating 1500 staff and serious problems with on-line retailer ASOS and IT company Northgate. Total and Texaco announced they were fully covered by insurance, which must have been a great comfort to those with homes and/or businesses destroyed.

By then of course the plight of residents and small business owners was getting heard. TV news reported a small haulage operator who had backed up all his computer records, restored them at home and was ready for business except that the police had cordoned off his three lorries. Angry business people were getting increasingly forceful with the police; they needed to get to their offices to collect records, computers or documents but were not allowed to do so. The need for better “terms of engagement” between the public and private sectors discussed recently in Continuity by Paul Kirvan could not have been better illustrated. On Thursday, the BBC reported that up to 5000 people were unemployed for Christmas as a direct result of Buncefield. On Boxing Day people were warned of possible petrol shortages at Shell, Total and Texaco service stations. The oil companies that did not use Buncefield were unaffected.

This is the point at which the media ask “what lessons have we learned?” Well I hope the answer is that as BCM practitioners we have learned little that we have not been telling people for 20 years. Hopefully some more businesses will listen more intently than they have in the past. I imagine that at some time we have all heard many of the following points made to us:

- a) Our Health and Safety record is second to none, our site design and contingency plans are well above the level required by COMAH/EA/HSE or international standards.
- b) We see great benefits in consolidating our Distribution Centre network into a nationwide mega-centre close to the hub of the motorway system, where we can get massive economies of scale and provide better service to our stores and customers
- c) BCM for our IT systems is very important to us. We have a tested plan that covers all our major business processes and key locations should we have a serious IT failure.
- d) As a SME business, our managers are alert and focused on the every day business risks. BCM is too rigid for us, we need flexibility post-disaster not a formal plan.
- e) As a very small company, I think all we need is a computer and an office – we can probably work very well from the home of our MD.
- f) We have excellent relationships with the police and the fire authorities. I am sure that in the event of a major incident we could get special dispensation to access premises to at least get out key documents and equipment.
- g) Our approach to BCM is via our operational risk programme in which we identify risk priorities and address them accordingly. We concentrate on realistic risks like system outage rather than improbable calamities.
- h) Our problem is that a serious incident would have a relatively low impact for most of the year but on a few days before Christmas, or on Mothers Day or Valentines Day it would be devastating. You cannot build a plan just for a few days so we have to live with the risk?

Next time you hear anyone say any of the above or similar, don't pull your hair out – just say very calmly “Do you remember BUNCEFIELD?”