

Scenario Analysis

App icon



Description

Scenario Analysis helps you to make better decisions by challenging your assumptions about the future. Exploring a range of alternative scenarios allows you to identify potential risks and plan how you will counteract or mitigate their impact - as well as maximising opportunities.

Screen 1 **Scenario**

Description - "Establish Scenario Context - identify and describe assets and hazard characteristics."

Scenario Analysis

Scenarios

Establish Scenario Context – identify and describe assets and hazard characteristics.

No Scenarios yet!



Field 1

"Assets"

Prompt

"Compile a list of assets. Consider significant operational processes, activities, and the resources upon which they rely including people, facilities, machinery, equipment, infrastructure (including premises), technology (including plant and equipment), data, and proprietary information (digital and analog), supply chain (supplies and suppliers), raw materials, finished goods, and information technology."

(Note: This flexible data entry field allows the user to enter "Assets" - singly or as a group. The user can group assets together as necessary to reduce the total number of "Assets" listed, but should use a separate entry for each of those assets that are highly valued or critical.)

Field 2

" Hazards"

For each asset, list hazards that could cause an impact.

Use the list of Hazards from NFPA 1600 while still allowing other hazards to be added.

Subfields.

For each hazard allow the following - subtitle, descriptive text and up to three images

(2.1) **Past recurrence**

How many events which could have impacted your operation have occurred in the last 100 years?

(2.2) **Future likelihood of occurrence**

Is frequency increasing?

(2.3) **Speed of onset - or warning time**

How quickly might it be upon us?

(2.4) **Magnitude**

How big might it be?

(2.5) **Impact threshold**

How long before significant operational and/or financial impact will occur?

Aside - Should this be a scroll wheel (or slider)?

- Less than 1 hour
- Between 1 hour and 8 hours
- Between 8 hours and 24 hours
- Between 24 hours and 72 hours
- More than 72 hours
- More than 1 week
- More than 1 month

(2.6) Point in time

Does significance vary at different times of the day/month/year

Identify point in time when interruption would have greater impact (e.g., season, end of month/quarter, etc.)

(2.7) Potential area of coverage

What is the area of spatial impact? Are there secondary, knock on effects into other things you rely on (such as supply chains)?

(2.8) Perception

What is the level of fear or dread invoked by this hazard in the minds and beliefs of people you rely on?

Field 3

Scenario Significance

Estimate the significance of the scenarios on a scale of "L" for low, "M" for medium and "H" for high. Use a seven point slider labeled "Scenario Significance"

Allow the thresholds to be flexibly adjusted and calibrated by the user but set them as a default to tip to High at and above 24, and tip to Medium at and above 12. (Grid below).

[You will see I am moving from a ten point spread to a seven point spread (Reference '1-7 Likert Scale', after Rensis Likert, 1932)]

	1	2	3	4	5	6	7
1	1	2	3	4	5	6	7
2	2	4	6	8	10	12	14
3	3	6	9	12	15	18	21
4	4	8	12	16	20	24	28
5	5	10	15	20	25	30	35
6	6	12	18	24	30	36	42
7	7	14	21	28	35	42	49

Screen 2 - **"Analyze Impacts"** _

Prompt - "As you analyze potential impacts, identify any vulnerabilities or weaknesses that would make it susceptible to loss".

Rate each of the impact areas using a seven point slider. Includes a notes section and up to three images under each slider.

Field 1

Operational Impacts

Considerations (customize for your business)

- Lost sales and income
- Negative cash flow resulting from delayed sales or income
- Increased expenses (e.g., overtime labor, outsourcing, expediting costs, etc.)
- Repairs or reinstatement
- Regulatory fines
- Contractual penalties or loss of contractual bonuses
- Customer dissatisfaction or defection
- Delay executing business plan or strategic initiative

Field 2

Financial Impact

Prompt "In the note under the slider quantifying operational impacts in financial terms."

Field 3

"Entity"

Prompt "Analyze regulatory, contractual, and brand *image* reputation impacts".

Field 4

"Overall Risk Rating"

The risk dial combines the rating for "scenario significance" and the highest rating from "analyze impacts".

Any HIGH risk using the seven point sliders combined as described in the diagramed grid above will trigger the need for an action plan.

Screen 3 **Action Plan**_

Include the following note under the screen header:

“Carefully review scenarios with potential impacts rated as “moderate” or “high.” What actions can you take to prevent the scenario or to reduce the potential impacts?”

Include a link to our free Disaster Management Decision Maker app with the note “Select an appropriate business continuity software tool to support your resilience” under the image as a hyperlink.



Disaster Management

Disaster Management App



Action Plan Structure

← Implementation Plans **DONE**

HEADER

Header name

DESCRIPTION

Write description here

WHAT NEEDS TO BE DONE?

Describe here

WHAT IS NEEDED TO DO IT?

Describe here

RESPONSIBLE PERSON

Responsible persons name

TRACK
Is this work progressing in a way that is likely to achieve what is required?

BUDGET
Is this work progressing within the amount you have available to spend?

TIME
Is this work progressing within the schedule you have agreed to meet?

PROPOSED
Has this work been proposed?

APPROVED
Has this work been approved?

IMAGES:

Next    

Screen 4 **Communicating and Reporting**

PDFs - Default Report will include all fields. Allows tailoring of the communication and reporting structure.