



## Companies need crisis planning to cope with terror threat, experts say

**Tim Blue**  
Terror

If markets are the ultimate barometer of fear and greed, they were definitely at the panic end of the spectrum on Thursday night.

As British police claimed to have foiled the biggest terror scare since the September 11 attacks, European markets plunged. Tourism companies and exchange rates were rattled. But airlines were buffered by lower oil prices that offset fears of reduced international travel.

Within 24 hours the markets were back to their greedy best, making up much of the lost ground at the opening yesterday.

Australian stocks barely had time to react on Thursday and seemed uncertain what to do yesterday, ending flat. Qantas shares fell 3c to close at \$3.02.

Local technology company QRSciences, which has developed scanners that can detect explosives in hand luggage, soared more than 18 per cent or 8.5c to 54.5c.

Sydney Airport's majority owner, Macquarie Airports, lost 2 per cent or 6c to \$2.96.

The travel and accommodation group S8, which owns and manages Queensland tourist resorts, dropped more than 4 per cent or 14c to \$3.11.

Travel agency Jetset Travelworld fell more than 4 per cent or 6c to \$1.28.

While financial markets might seem to have taken the latest terror threat in their stride, it has served as a warning to businesses about the dangers lurking in the international market.

Security consultants have reported a surge in inquiries from companies doing business in Europe and the Middle East, amid strong concerns about international travel security. All are revamping their contingency plans for protecting employees and preserving operations.

Thursday's bomb scare in London has given fresh urgency to companies concerned with their duty of care to employees and continuity of operations, following the shock of the London bombings of last year, says Richard Marrison, a partner at KPMG Risk Advisory Services, which provides advice on issues ranging from security to corporate fraud and contingency planning.

"Australian companies should realise that their people could be at risk anywhere in the world at any time," Mr Marrison said.

"This week's scare in London is a particular threat, but their planning should range across to the potential cross-industry impact of crises such as major fraud and pandemic outbreaks.

"Based on recent events, a first step is to check the whereabouts of all staff, and then to cancel all non-essential travel or re-route them wherever possible," he said.

"In business terms, logistical companies would tend to be hardest hit, in that they could lose access to a major transport hub," Mr Marrison said. "It becomes a question of planning to overcome such a loss."

In Singapore and Britain over the past 12 months, a series of "whole of industry" crisis tests conducted by KPMG and others drew a collective involvement of 7000 participants from 180 organisations.

"The focus was twofold: first on how to provide for the security of staff, but then to consider the impact of a big threat."

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Using data gathered from industries' responses to New York's 9/11 attack and the London bombings, KPMG oversaw a series of simulated events involving private business, emergency services, service providers and government agencies who were provided with business issues to manage while emergency events were simulated.

"Each company will have its own contingency plan, but the point is that they need to have one," Mr Marrison said.

"A recent Gartner statistic showed that four out of five businesses severely affected by a major incident will close within 18 months; 90 per cent who lose data shut down in two years.

"One of the things we are suggesting to clients is that they do some scenario building and then, against those scenarios, see what the impact might be on their operations. A retailer may be dependent upon the supply of garments from Europe, while an oil company will clearly have matters to consider," he said.

KPMG believes most industries depend on the co-operation of private business,

civil authorities, and regulators.

However, it is interesting to note that, until recently, crisis-management testing has been undertaken by various entities in isolation.

"Financial organisations are considered the leaders in crisis and disaster simulation yet testing of their contingency planning doesn't often factor how other entities, which have a bearing on their business, will cope. Effective planning also depends on the understanding of how emergency services will respond and what their needs are to best handle an emergency," Mr Marrison said.

Personnel consultants recommend a corporate checklist should include how to resolve personal conflicts among staff.

Australian multinationals employ a mix of nationalities and religions, and can suffer workplace tension following something like the London bomb attacks and even the Sydney beach-side riot at Cronulla earlier this year.

One consultant said: "The key is to establish which events a company regards as vital events, and then plan accordingly on security, communications, logistics and supply and distribution responses."