

Establishing Operational Resilience for Your Practice

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Recent news stories of veterinary clinics and hospitals impacted by wildfires, floods, and the coronavirus pandemic underscore the importance of a holistic operational resilience program for your practice. Veterinary practice resilience is the ability to prepare for and adapt to changing conditions caused by natural or man-made events affecting your operations. Three disciplines integrated with proper insurance coverages are vital to recover from adverse conditions: incident management, crisis management, and continuity management.

Incident Management

Incidents or emergencies usually happen without warning and can cause disruption or loss to your business. A simple response structure, a documented plan, and exercises for responding will enable an immediate response and chance to regain control. Incident response actions could include:

- Ensuring local emergency procedures are activated and local responders have been called
- Responding to safety issues (human and animal) as needed
- Notifying the insurance provider of impacts
- Notifying key stakeholders of site impacts (e.g., practice owners, employees, clients, etc.)

Every second matters and failing to establish and practice this response capability can significantly affect the duration, severity, and impact of a disruption.

Crisis Management

Crisis management involves providing a unified voice on the status of practice operations and the impact to patients and clients. Depending on the size and nature of your practice, crisis and incident management plan procedures may be combined or include shared team members, checklists, and response strategies. During the crisis, the team will:

- Convene the appropriate area leaders
- Assess new or emerging impacts based on available facts and potential threats
- Decide on actions, responsibilities, and a timeline for how the organization will respond to current and evolving threats
- Implement the agreed response decisions
- Communicate how the crisis circumstances are being managed

The crisis team will need to provide frequent updates, direction, and support to employees, clients, and others affected by the crisis until operations are fully recovered.

Continuity Management

Resiliency includes maintaining critical services through a period of restoration and returning to “business as usual” as quickly as possible. Plans should be developed in advance of a disruption to ensure your practice has the relationships and resources needed to meet patient and client needs. This includes developing strategies for vital practice elements, such as skilled workers, clinical equipment, facilities, medicines, technology, and key suppliers.

Some examples of strategies for practice elements may include:

- **Impact to people**—utilize contract or partnering veterinary medical practice staff
- **Impact to facilities**—move employees to a temporary facility or partnering practice
- **Impact to assets/supplies**—utilize offsite backup

Insurance coverage decisions can positively affect continuity strategies as well. Below are a few potential coverages:

- Property coverage for damages to facilities and equipment so restoration can begin quickly.
- Business income coverage helps recover the net income loss and continuing expenses (e.g., payroll, rent, utilities) during restoration.
- Ordinary payroll expense coverage helps the company keep the employees needed to run the practice when operations are able to resume.

The insurance policy will provide the actual terms, coverages, amounts, conditions, and exclusions that apply.

A strong resilience framework with incident, crisis, and continuity management disciplines will help ensure your practice is prepared to make thoughtful, fact-based decisions in response to disruptive incidents. By focusing on preparedness, considering challenges, learning from every disruption, and working with insurance brokers and carriers to develop strategic insurance solutions, practice leaders can help ensure that their veterinary medical practices are both financially and operationally resilient. To learn more, please visit cna.com/prepwise and select the “Business Resilience” page. ■

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