



Alarm Company Call on Tuesday Night at 11:00pm: “Your building is on FIRE!”

How Scenario Planning saved the day

By John Higgins

Several years ago, one of the dealership groups that I lead was a five store Construction Equipment operation in the province of Alberta. This was a very strong group of stores with great customer loyalty and carrying tier one market share brands. Our operations ran six days a week with two shifts a day in most stores.

As part of our yearly budgeting process we always did a Scenario Planning exercise to stress test our budgets and balance sheets. One year we challenged ourselves to try and identify the one scenario that would be catastrophic to our business and have a serious negative impact on our very loyal customers. This first year it was identified as a “Fire” in one of our dealerships.

Exploring this, I challenged the team to come up with a plan that would ensure we could still provide services to our customers within twenty-four hours of a serious fire. One of our key operations leaders agreed to lead the team and think through all the details that we would need readily available to swiftly recover.

When one explores this scenario, you start to see the number of critical things and details that are needed to respond. Here are some examples:

- Where do you find new service bay space?
- What about new tools?
- What about getting access to parts?
- What would be a critical parts list for a quick restock
- What are the afterhours numbers and contact names for the phone company?
- What are the names and contact numbers for local media outlets?
- How quickly can we get wiring and computers up and running?
- What about credit card machines?
- What about temporary office space for Service Writes, Sales Team, etc.?

The list went on and on and was circulated several times to every member of the dealership team to make sure we had it all covered from every angle. Thanks to the exceptional work of our Operations Leaders and employees we now had an action plan in place. Each manager had a hard copy at home and electronic copies on their computers.

Fast forward a year and a half later the Alarm Company call came in at 11:00pm. “Your dealership is on FIRE!” Our team jumps into action digging out their Scenario Plan Binders and head to the dealership. We were fortunate that the fire was in the front of the building and the fire wall between the front and the shop stopped the fire from taking the whole building. However, we lost our showroom, parts department, sales offices, administration offices, service managers office and rental department.

After a short meeting on what we needed to do the calls started going out to get us back in action the next day.

- Temporary offices for Sales, Service, Rentals and Administration were on site the next morning by 8:00am. Afterhours contact names in the binder payed off nicely.
- Temporary washrooms were brought in
- Spare computers and a new printer from other stores were shipped in and operational that day.
- Telephone company had us up and running same day
- We used one of the bays in the shop to set up a temporary parts department. Our other stores filled our critical parts list and they were at the dealership and on the shelves by end of day
- A media release was sent to local outlets to advise that we were still open for business

There is a big long list of things that happened to get us back in business that next day. The “Scenario Plan Binder” was absolutely the best investment we ever made,

and our team was extremely proud of the work that went into it and how well it helped us recover.

The biggest compliment we got was from the local Fire Chief. He said, “I have never seen a business respond as quickly and as organized as we did. Most business owners he sees just feel lost and don’t know what to do”.

As a result of testing the plan and learning from this fire we improved the Scenario Plan in several ways. The “Fire Response Plan Template” was then made available to all seventy of our dealerships so they could localize the critical information.

This is another great example of how adding “Scenario Planning” to your regular business practices and discipline can ensure the long-term health of your organization.

How would you react if you got the call that your business was on “FIRE”?

To learn more about how DFS Consulting can help you plan for your worst-case scenario, get in touch with the author of this article, John Higgins, at jhiggins@dfs-solutions.com or visit www.dfs-solutions.com/services-consulting to learn more.

