

Washing Off All this Oil



By ANNA WELLS, Executive Editor, IMPO

What's scary about running a business is the sometimes latent and foreboding knowledge that there are far-reaching effects to *everything*. As we've seen time and again—and especially lately—natural disasters can have the ability to shut us down completely, whether or not we even operate in the hard hit areas.

When most people hear the words “oil spill,” visions of seals and seagulls covered in black sludge come to mind. But I bet I'm not alone in this crowd when I say the words oil spill also make me think of the supply chain ramifications of restricted fishing areas and increased pricing on seafood in anticipation of a shortage.

The impact of this oil spill will surely be difficult for those in the food processing and restaurant industries, especially for those who live closest to the spill. Louisiana—an area that could do without more tragedy—will likely be hardest hit, considering it provides 1/3 of the shrimp, oysters, crab, and crawfish in the country. For food processors without a price lock, this could mean a catastrophic increase in the costs of their raw product. As the banned fishing areas were expanded yesterday by 46,000 square miles, it appears that this industry will take a fair amount of time to become right-sided again.

This is not the only way manufacturers have been affected this month by events in their own backyards. Recent flooding in Tennessee displaced dozens of manufacturers, many of which are still barely beginning to recover. According to *The Tennessean*, in assessing the damage, these business owners “are finding that the waters drenched industrial machinery, soaked records and swept away chemicals, raw materials and inventory.”

These disasters ought to serve as a reminder to the rest of us that there are numerous things out there that can hop out and surprise us. While it would have

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been extremely difficult for the folks of Nashville or Louisiana to anticipate disasters of such magnitude, it does raise an interesting discussion: As manufacturers in an age of predictive maintenance, we spend so much time focusing on how to plan for and prevent internal catastrophe, when perhaps all it really takes is a few days of aggressive rain to make everything we've worked for unravel in front of us.

Granted, manufacturers can't foresee every turns of events, or create a completely airtight plan to save everything from every possible disastrous cause. That said, there are a few things to consider when it comes to mitigation strategies:

- **Electronic back-ups:** Not all disasters are the same, and in today's web-based society, a technological disaster—like a server meltdown or a network hacker—can mean more problems for your day-to-day business than ever.
- **Business continuity plans:** Remaining flexible is critical, which sometimes means securing secondary suppliers or having options for alternate facilities that can take on more production work.
- **Cross-training:** When P&G was hit by Hurricane Katrina, it was able to get its Folgers business back up and running partly due to its consistency of operational processes. According to an interview with ComputerWorld.com, Jake Barr, an associate director of supply network operations at P&G, explained that this meant that personnel from other business lines could step in to help with operations without needing site-specific training.

Just keep in mind that disaster preparedness and response is not just something we ought to pay lip service to—and it's definitely not something that we should shutter in a dusty binder for decades. Odds are your environment, personnel, production, and technology will change fast enough to keep chasing your disaster response plan into obsolescence if you're not careful.

And unfortunately, our businesses will always be vulnerable to multiple avenues of attack. Before it reared its ugly head a year or two back, I never envisioned we'd be sending folks home from the workplace over swine flu scares. It's also a bit alarming to consider how many of us still have teeth marks on us from recent economic disasters—much of which we could do little to pinpoint, let alone prepare for.

But if we've survived worse, then we've gained a little knowledge from it. In this case, if we can't save the wildlife in the Gulf, maybe we can keep some manufacturers alive. Here's hoping we can find a way to wash off all of this oil.

Has your facility ever had to face a natural or technological disaster? Email me at anna.wells@advantagemedia.com [1].

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