



# The Backlog Trap

Concealed Business Exposures  
Subsequent to an Incident

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# Looking Back



- The Backlog Trap was first published over 25 years ago
  - A Theory supported by a Formula

$$ABT = ADT \times \left(1 + \frac{100}{WRI}\right)$$

Where

- **ABT** is the Abnormal Backlog Time;
- **ADT** is the Apparent Downtime, and
- **WRI** is the Work Rate Increase, expressed as a percentage.





# Graphics

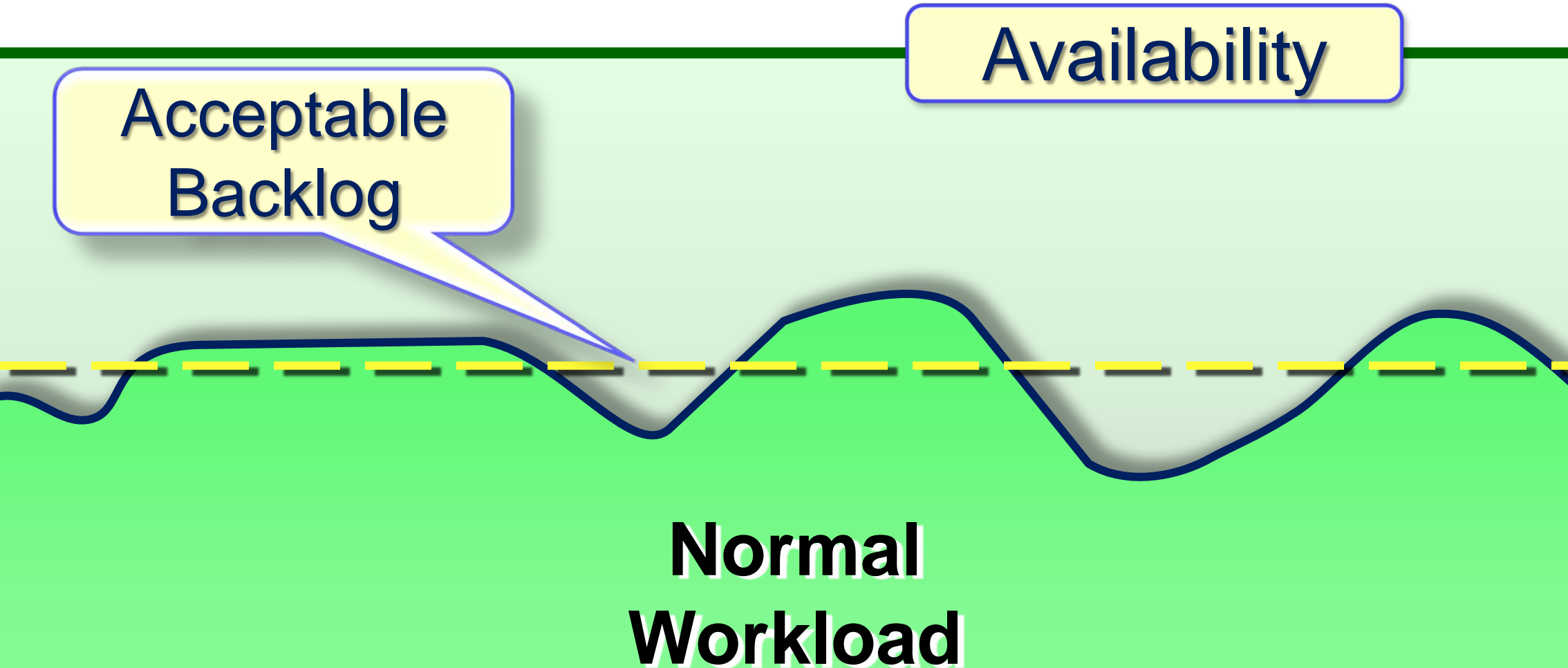


To Demonstrate and explain:

the Backlog Trap, together with its  
Implications and Importance, a set  
of Diagrams were developed



# Normal Business Conditions





# Cost v. Benefit



- Workload and the availability of facilities, staff and materials is the basis of the underlying business model
- Additional resources can reduce the backlog
  - Affecting investment and profit margins
- Restricted resources will boost the backlog
  - Lower costs but increased turnaround times
- The balance determines the quality, cost and value of the overall operation



# Steady State

Under 'Normal' conditions,

**Systems are available**

**∴ Work is in progress**

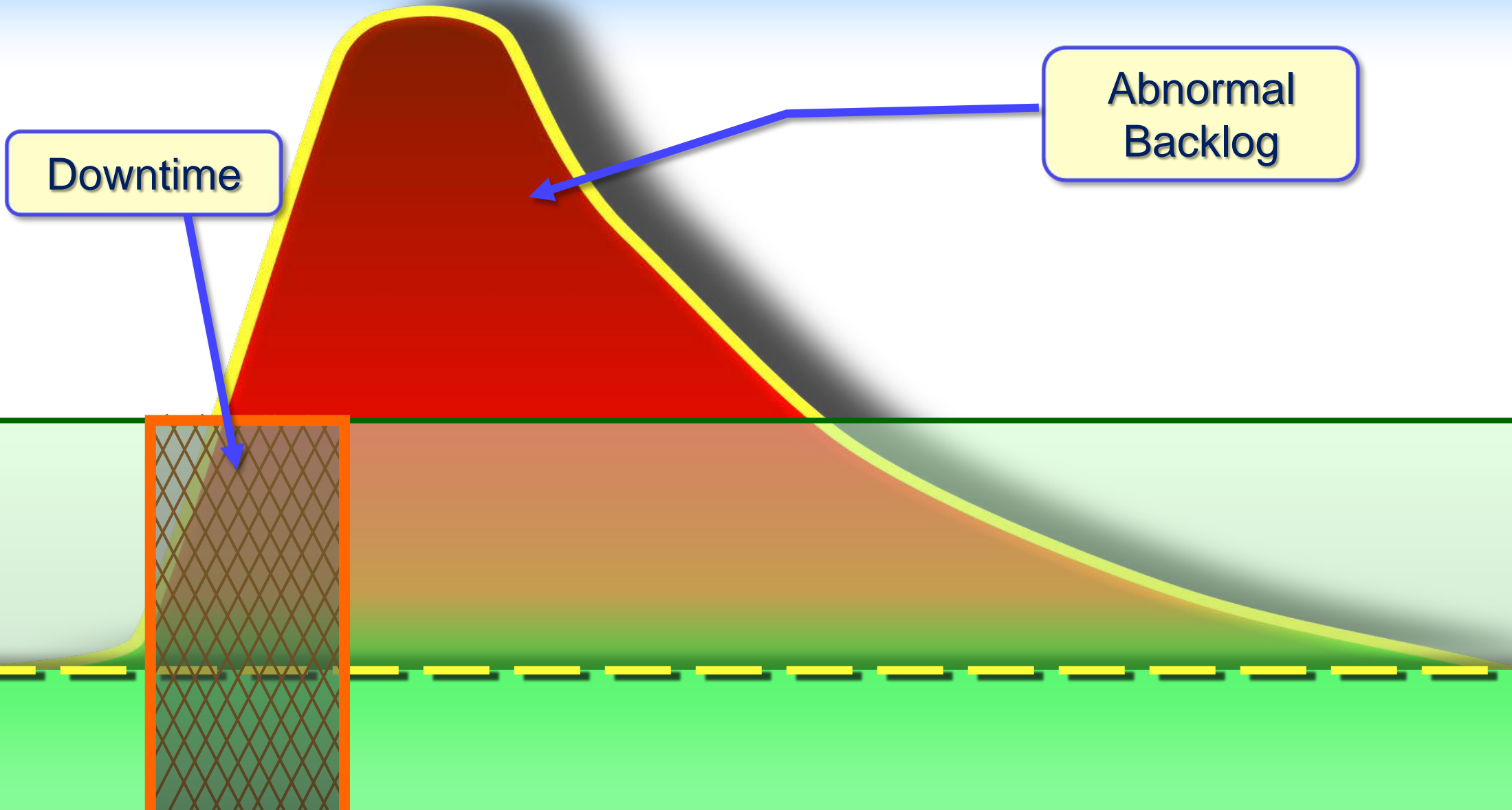
Availability

**∴ Cash is flowing**

Acceptable Backlog

Normal Workload

# Interruption



Downtime

Abnormal Backlog

**It takes time and effort to:-**

**Reduce the Backlog**

**Stabilise the Workload**

**Normalise the Cash Flow**



**About 7 times the Downtime!**





# Seven Times?



This Seven-fold Exposure is based upon the assumptions that: -

- 80% efficiency is Normal *and*
- We can achieve 95% efficiency
  - I.e. increase efficiency by 15%
  - Maintained throughout the recovery
    - Other figures give other results
      - 85% to 95% means an Eleven-fold Exposure
    - **100% efficiency is not a realistic possibility**



# Backlog Reduction Options

**Increase the Work Rate**

**Extend the Work Period**

**Expand the Work Force**

More

Workers



# Messages



**WHILST THE BACKLOG PERSISTS;  
THE BUSINESS IS AT RISK**

**Cash Flow is Delayed**

**BUSINESS EXPOSURE IS AT LEAST 5  
TIMES THE DOWNTIME**





# Recent Development



- We now realise this model is rather more sophisticated than we thought
- At a detail level
  - Consequences are complex
  - The dynamics change over time
  - Memories diminish
  - Urgency recedes
  - Responsibility reduces



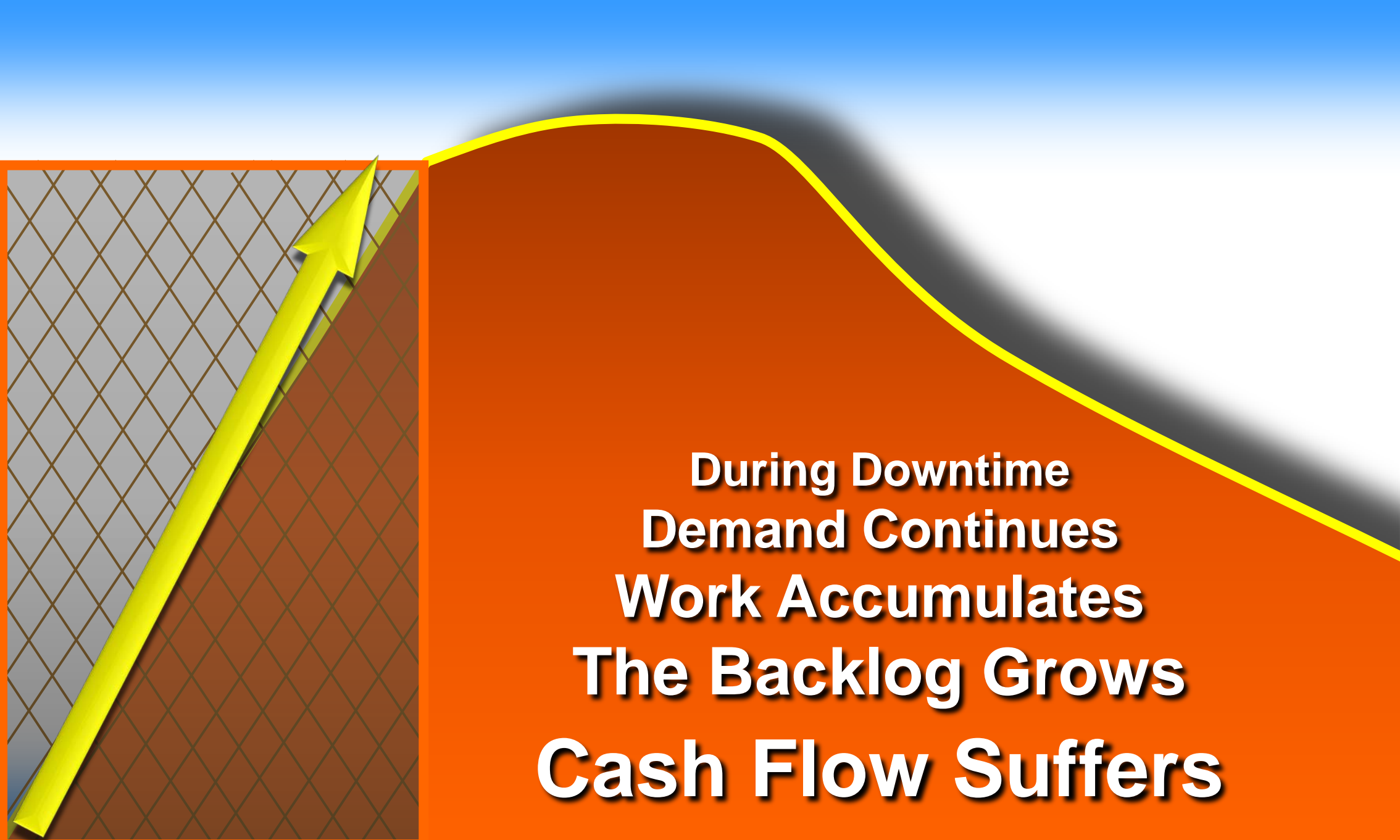


# Complexity Creeps In



- The Backlog Build-up and Reduction process is complex, involving
  - Several Stages
  - Different Pressures
  - Levels of Responsibility
  - Changing Attitudes





**During Downtime  
Demand Continues  
Work Accumulates  
The Backlog Grows  
Cash Flow Suffers**

Gold  
Control

# Strategic Demands

Emergency Response  
occupies people and  
absorbs resources

Crisis Management  
overrides concerns about  
the Backlog

Not much progress with the Backlog



Silver  
Control

# Tactical Concerns

Heavy demands on the workforce to reduce the Backlog and handle the full Normal Workload

Fatigue sets in, we start to relax.  
The Backlog is going down !?!

Focus on the Backlog



Bronze  
Control

# Operational Realism

We are nearly there!  
It was a close shave but we  
survived. Well done!

A form of New Reality  
becomes acceptable.  
A Backlog is normal.

We get used to the idea of a Backlog



# The New Reality



- After the storm, calm weather allows us to relax in the sunshine
- Our worries recede
- It might never happen again
- We are doing alright
- You can't turn the clock back
  - Wouldn't want to try
- Plenty of other customers      ... ..
  - Oh, Dear. What was that?





# Smart Planning



- **IF** we can reduce the Downtime then the **‘Backlog Mountain’** becomes a **‘Manageable Molehill’**
  - Embedded Business Continuity
  - Rapid Response
  - Early Invocation
  - Effective Procedures
  - Trained Personnel
  - Adequate Resources

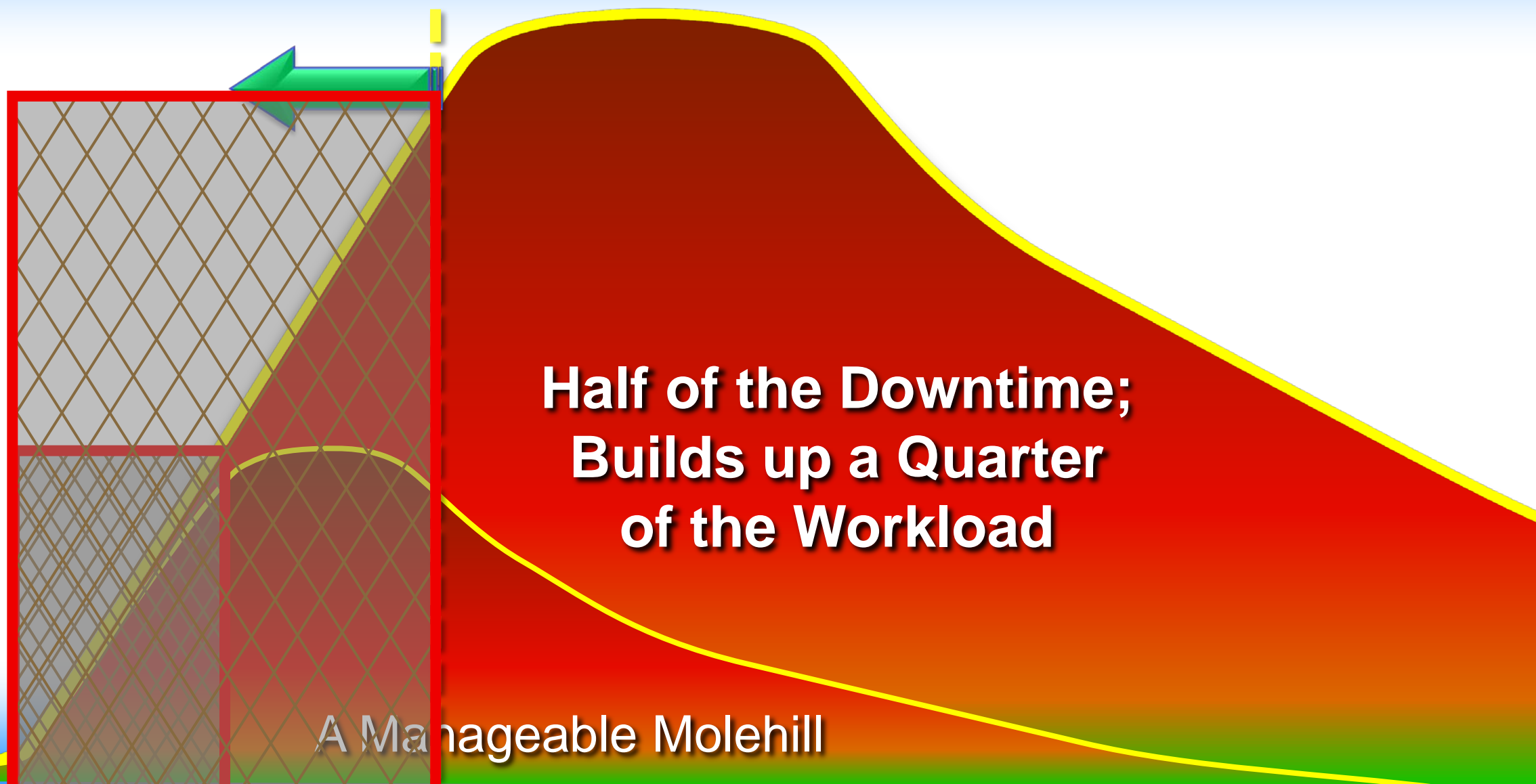


# Downtime Effect



**The Backlog builds  
up as  
a Mountain of  
Outstanding Work**

# Downtime Reduction



**Half of the Downtime;  
Builds up a Quarter  
of the Workload**

A Manageable Molehill



# The Messages Remain



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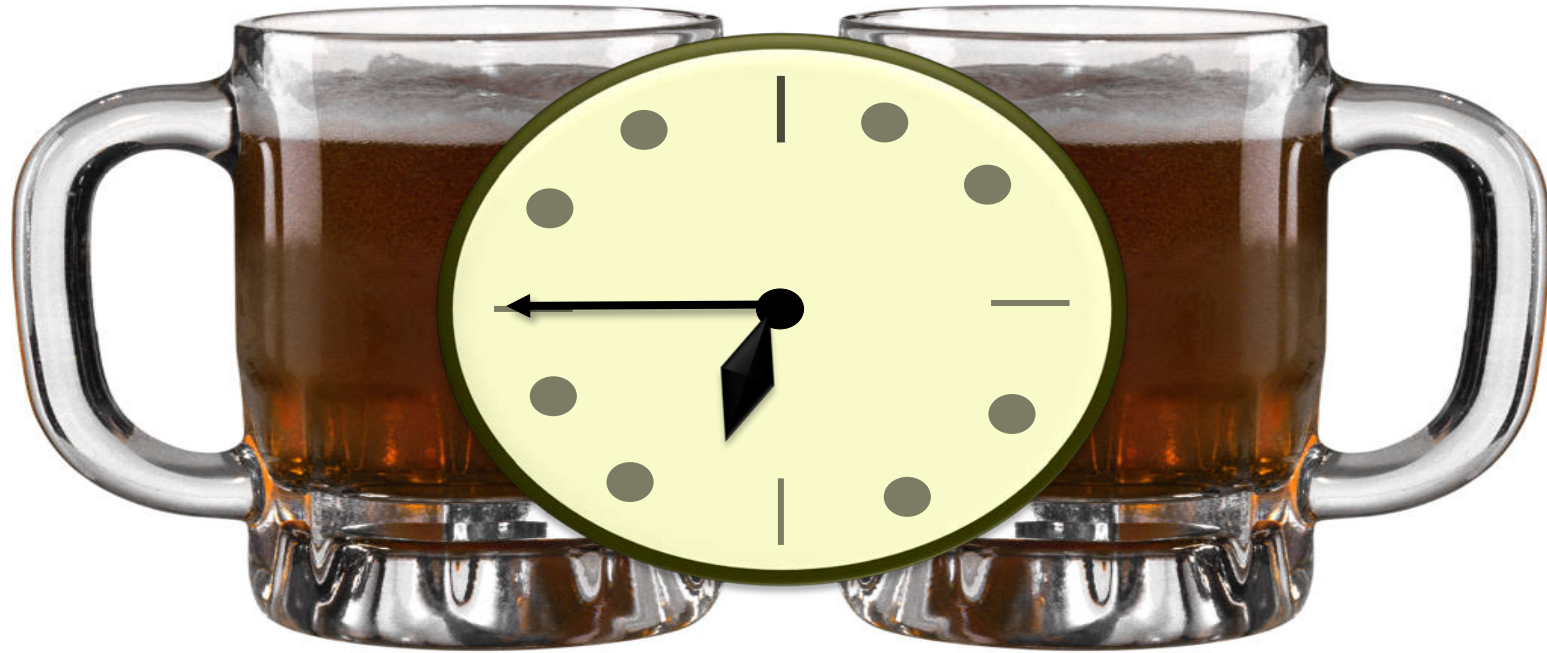


# Food for Thought?





# Or Time for a Drink?







**Any Questions?**





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