



## **Business Continuity**

### **The Impact of Everyday Threats**

- 15-40% –The number of businesses that fail following a natural or manmade disaster.\*
- 35% –The number of small to medium-sized businesses that have a comprehensive disaster recovery plan.\*\*
- 94% –Number of small business owners who believe a disaster could seriously disrupt their business within the next two years.\*\*\*
- 51% –Number of Americans who have experienced at least one emergency situation involving lost utilities for at least 3 days, evacuation from their home or office, loss of communications with family members or had to provide first aid to others.\*\*\*\*

\*Insurance Information Institute, \*\*Gartner, \*\*\*American Red Cross and FedEx Small Business Survey, 2007, \*\*\*\*American Red Cross/Harris Poll Survey, 2009.

### **10 Steps to Preparedness**

1. Assess your risk –both internally and externally.
2. Assess your critical business functions.
3. Prepare your supply chain.
4. Create an emergency management plan.
5. Back-up your data.
6. Create a crisis communication plan.
7. Assemble an emergency kit.
8. Review your insurance coverage.
9. Plan for an alternate location.
10. Test your plan.

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## **Starting Your Business Continuity Plan**

- **Team Members**
  - Even if you work alone, you will still need strategic partners in the event of a disaster. These partners may be vendors, customers, neighbors, emergency services personnel, etc. If you work in a larger company, your team members will be recruited mostly from within your organization.
  - Before assembling your team, try and predict what kind of business disruptions you are most likely to face. For example, if you live near the coast, you will be more likely to encounter flooding than a colleague in the mountains. Once you have identified the threats, you will be in a better position to determine the identity of the people you will need to partner with in order to continue business operations.
  - In a larger organization, you will want to assign specific roles to staff members. For example, one individual may be responsible to retrieve the off-site backup tapes needed to rebuild your company data. If you are a sole proprietor, then it all falls on your shoulders. But that doesn't mean you can't develop a list of people you know you can call on in an emergency. In a wide spread disaster, such as a flood, you won't be the only one suffering, so developing some cooperative relationships ahead of time makes sense.
  
- **Communication**
  - Once you have identified your team members, you will need to decide how to communicate in an emergency. Your communication plan may be as simple as having a call list saved on your cell phone. Besides communicating with your disaster recovery team, remember to contact customers and other stake holders as soon as possible. Let them know what your situation is, and what steps you are taking to keep your business moving.
  
- **Temporary Production and Distribution**
  - How will you keep goods and services flowing in the event of a disaster? You may need to store some critical components and supplies off-site. Or you may need to have distributor's drop-ship directly to your customers. If you are a manufacturer, can you arrange for other shops to assemble your product on a temporary basis? However you deal with temporary production and distribution, make sure you think this one through before a fire or tornado destroys part of your facility.

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- **Data Backup**
  - Regular data backup is critical for any business. If you aren't backing up critical data regularly, stop reading this article and get to it now. Your data backup can be as simple as an external USB drive. But regardless of the medium, arrange for off-site storage and develop a plan for bringing critical computer services back on line.
  
- **Backup Power**
  - Ice storms, hurricanes, floods, fires and other disasters can cause long term power outages. Consider how long your business could survive without power. This will help you determine whether you need a simple UPS or a back-up generator.
  - An Uninterruptible Power Supply, or UPS, can keep your computers running for a limited time and then allow them to power down safely. A generator is designed to kick in a black out. The right generator can keep your entire business running as long as fuel is available.
  
- **Taking the Next Step**
  - Considering these five items will start you down the road of creating a Business Continuity Plan. But it's only a start. The next step is to take this information and create a formal document. The Association of Contingency planners can provide support that you can use for creating and maintaining your plan.

## **Business Continuity Links**

- [FEMA Preparedness for Businesses](#)
- [SBA Disaster Planning](#)
- [Tip Sheet: Emergency Plans for Businesses](#)
- [Institute for Business and Home Safety](#)
- [FEMA: Ready.gov](#)
- [Red Cross Ready Rating](#)