Business Continuity 101: Developing a Business Continuity Plan

May 12, 2015
Gail Moraton, CBCP
Business Resiliency Manager
Business Resiliency – one important piece of the IBHS plan for creating safer, stronger communities
Result: $44,769 vs. $4,660

10 times more damage to “Common” than “Stronger” building
2012 High Wind Commercial Test
(videos)

- https://vimeo.com/45921239 (wall failure)
- https://vimeo.com/45989910 (overhead view)
- https://vimeo.com/45920765 (rollup door failure)
Hail – A Persistent Cause of Loss
Manufacturing Realistic Hailstones
(video)

- https://vimeo.com/60100334 (hail introduction)
2013 Hail Demonstration
(videos)

• https://vimeo.com/60091069 (demo highlights)
• https://vimeo.com/59582153 (constructing the test specimen)
• https://vimeo.com/59580611 (developing the cannons)
1 in 4 businesses forced to close after a disaster, never reopens.
If today were ...

- Sunday, October 28, 2012
  ???
- Sunday, August 23, 1992
  ???
- Saturday, May 21, 2011
  ???
- Wednesday, January 8, 2014
  ???
- Monday, January 27, 2014
  ???
If today were ... than tomorrow...

- Sunday, October 28, 2012  
  Hurricane Sandy
- Sunday, August 23, 1992  
  Hurricane Andrew
- Saturday, May 21, 2011  
  EF5 Tornado in Joplin, MO
- Wednesday, January 8, 2014  
  WV Chemical Spill
- Monday, January 27, 2014  
  Atlanta’s Snowpocalypse

10 w/ answers
Natural Disasters Wreak Havoc on Small Businesses

• Majority of small businesses operate from a single location, making them more vulnerable compared to larger companies

• Between 60,000 – 100,000 small businesses were negatively impacted as a result of Hurricane Sandy

• Median cost of downtime for a small business due to extreme weather is $3,000 per day

• 1/3 of small business owners have been personally affected by extreme weather

Per report by the Small Business Majority and the American Sustainable Business Council
Natural Disasters Wreak Havoc on Small Businesses

• 57% of small businesses have no disaster recovery plan, and of those that do have a plan, 90% spend less than 1 day per month maintaining them.

• Sandy cost 86,000 jobs in November 2012 – manufacturing, retailing, leisure & hospitality industries particularly hit.

• Sandy cost the economy more than $50 billion – the most expensive disaster globally in 2012.

Per report by the Small Business Majority and the American Sustainable Business Council.
What is Business Continuity?
Benefits & Value of Business Continuity Planning

• Safeguard human life
• Save property & resources
• Reduce time making critical decisions
• Recover business functions quicker
• Shorten the recovery window
• Ensure customer services & confidence
• Ensure job security
• Increase employee confidence & morale
• Retain share of market
Hazard & Vulnerability Assessment – Know Your Risks

**Frequency** – The likelihood that the event will occur.

**Severity** – The amount of damage the event is capable of causing your business.

**NATURAL**
- Earthquake
- Tornado/Wind
- Hurricanes
- Floods
- Volcanic Eruptions
- Severe Winter Weather
- Wildfire
- Drought
- Sinkholes

**POLITICAL**
- Strikes
- Riots
- Civil Disturbances
- Bomb Threat
- Biological Threats
- Nuclear Threat
- Acts of War

**MAN-MADE**
- Sabotage
- Product Tampering
- Scandal
- Workplace Violence
- Sexual Harassment
- Fraud / Theft
- Arson
- Terrorist Attack

**SECURITY**
- Privacy
- Viruses
- Hackers
- Data Theft
- Counterfeiters
- Cybercrime

**ACCIDENTS**
- Human Error
- Fires/Explosions
- Water Damage
- Building Collapse
- Environmental
- Contamination

**LOSS OF:**
- Key Employee
- Senior Leader
- Subject Matter Expert
- Key Supplier/Vendor
- Premises
- Key Equipment

**OTHER THREATS**
- Pandemics
- Gas/Water Shortage
- Media Crisis
- Special Events
- Mismanagement
- Product Liability
Hazard & Vulnerability Assessment –
Know Your Risks

**Frequency** – The likelihood that the event will occur.

**Severity** – The amount of damage the event is capable of causing your business.

![Frequency and Severity Chart](image-url)
Flooding

• Apply waterproof coating to exterior walls.

• Seal wall penetrations including where utilities enter the building.

• Anchor fuel tanks and other storage tanks to prevent flotation.

• Check gutters & downspouts that they are not blocked by debris.

• Keep vines of exterior walls to avoid cracks in siding.
Wind, Hurricanes & Tornadoes

• Remove loose objects and accumulated debris from roofs.

• Keep trees and branches at least 7 feet away from exterior building surface.

• Secure garbage cans, outdoor furniture, signs, awnings and tools & replace gravel/rock landscaping with shredded material - they can become windborne debris.

• Equip roll-up and overhead doors with wind locks.
Know Your Operations

- People
- Technology
- Premises
- Critical Activity
- Key Product
- Activity
Know Your Operations
(including your supply chain)

Payroll
Accounts Payable
Customer Orders
Sales
Deliveries
Benefits
Know Your Employees

Know Your Employees

Use this form to record information about all employees, including the business owner so that each person can be contacted at any time. Duplicate the form for each employee.

**EMPLOYEE NAME:**
- Position/title:
- Home address:
- City, State, ZIP:
- Office phone:
- Ext.
- Alternate phone:
- Home phone:
- Mobile phone:
- Office e-mail:
- Home e-mail:
- Special needs:

**Certifications:**
- First Aid
- Emergency Medical Technician (EMT)
- CPR
- Hams Radio
- Other:
- Special licenses:

**Local Emergency Contact**
- Full name:
- Relationship:
- Home phone:
- Mobile Phone:
- E-mail:

**Out of State Emergency Contact**
- Full name:
- Relationship:
- Home phone:
- Mobile Phone:
- E-mail:
- Notes:

© Insurance Institute for Business & Home Safety
Download this document at: https://www.iibhs.org
Know Your Key Customers, Contacts, Suppliers & Vendors

<table>
<thead>
<tr>
<th>CONTACT TYPE:</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Current Supplier/Vendor</td>
</tr>
<tr>
<td>☐ Back-Up Supplier/Vendor</td>
</tr>
<tr>
<td>☐ Key Customer/Contact</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Company /Individual Name:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account Number:</td>
</tr>
<tr>
<td>Materials/Service Provided:</td>
</tr>
<tr>
<td>Street Address:</td>
</tr>
<tr>
<td>City, State, Zip:</td>
</tr>
<tr>
<td>Company Phone:</td>
</tr>
<tr>
<td>Website:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Company Representative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Contact:</td>
</tr>
<tr>
<td>Title:</td>
</tr>
<tr>
<td>Office Phone:</td>
</tr>
<tr>
<td>Mobile Phone:</td>
</tr>
<tr>
<td>Email:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Alternate Contact:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title:</td>
</tr>
<tr>
<td>Office Phone:</td>
</tr>
<tr>
<td>Mobile Phone:</td>
</tr>
<tr>
<td>Email:</td>
</tr>
</tbody>
</table>

Notes:

OFBE-Z is a program of the Insurance Institute for Business & Home Safety
Download this document at disasterhelp.org/ofbe-z

© Insurance Institute for Business & Home Safety
Have a Communication Plan for Your Employees

- Call Tree
  - Landline
  - Mobile
  - Text
  - Email

- Call-in Number
  - Employee Emergency Wallet Card

- Social Media (Facebook, Twitter, LinkedIn, etc.)

- Company Intranet

- 3rd Party Emergency or Mass Notification Systems
County Emergency Information

http://columbusco.org/Departments/EmergencyServices

http://www.bladenncc.govoffice3.com/

http://www.penderem.com/

http://alertregistration.com/BrunswickcountyNC/

https://nhcgov.onthealert.com/
Have a Communication Plan for Customers, Suppliers & Key Contacts

Customers
- Sign on business door
- Updates on Company website
- Provide status of pending orders, delivery schedules, alternate arrangements

Suppliers & Vendors
- Arrange alternate delivery methods

Creditors
- Payment arrangements
Know Your Information Technology & Vital Records

Know Your Information Technology

<table>
<thead>
<tr>
<th>TYPE:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer Equipment/Hardware</td>
</tr>
<tr>
<td>Computer Software</td>
</tr>
<tr>
<td>Vital Records</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title and Version/Model Number:</td>
</tr>
<tr>
<td>Serial/Customer Number:</td>
</tr>
<tr>
<td>Registered User Name:</td>
</tr>
<tr>
<td>Purchase/Lease Price: $</td>
</tr>
<tr>
<td>Purchase/Lease Date:</td>
</tr>
<tr>
<td>Quantity (equipment) or Number of Licenses (software):</td>
</tr>
<tr>
<td>License Numbers:</td>
</tr>
<tr>
<td>Technical Support Number:</td>
</tr>
<tr>
<td>Primary Supplier/Vendor:</td>
</tr>
<tr>
<td>Alternate Supplier/Vendor:</td>
</tr>
<tr>
<td>Notes:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name of vital record:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of Business Function/Record Supports:</td>
</tr>
<tr>
<td>Type of Media:</td>
</tr>
<tr>
<td>Is it Backed Up?</td>
</tr>
<tr>
<td>How Often is it Backed Up?</td>
</tr>
<tr>
<td>Type of Media for Backup:</td>
</tr>
<tr>
<td>Where is it Stored?</td>
</tr>
<tr>
<td>Can the Record be Re-created?</td>
</tr>
<tr>
<td>Notes:</td>
</tr>
</tbody>
</table>

OFBE-Z is a program of the Insurance Institute for Business & Home Safety. Download the document at disaster preparedness.org/OFBE-Z.
Know Your Finances

Overall Business Needs

- Have you worked with your bank to set up a line of credit for your company?
- Who is responsible to activate it and who has access to it?
- How much cash would be needed to survive a 3-day, 5-day, 10-day, or longer shutdown?
- For what purpose is the cash needed?
- Will you have that cash on hand?
- Who would make the decision to utilize the cash?
- Who would have access to the cash?
- Do you have sufficient cash to pay for various additional services that might be needed, such as janitorial or security services?
- Do you have a company credit card that could be used for emergency purchases?
- Who is authorized to use the credit card?
- Will you be able to pay your bills/accounts payable?
- Do you have procedures in place to accommodate a business disruption?
- Will you be able to continue to accept payments from customers/accounts receivable?
- Do you have procedures in place to accommodate a business disruption?
- Have you identified an alternate location where you can work?

Human Resources

- In the event of a widespread disaster, how will payroll be handled?
- If your business is forced to shut down temporarily, will some or all employees continue to be paid?
- For how long?
- Will they be able to use their sick and/or vacation time without restriction?
- Are there union considerations?
- Have your employees been made aware of your policies that will be in place during a disruption?
- If banks are closed, will your business provide payroll-cashing services?
- What is your business policy on cash advances, check cashing, and employee loans?
- Will your employees be expected to work overtime?
Project:
An assignment wi a start and end
Ongoing Process
Know When to Update Your Plan

• Your business’ risks or hazards have changed.
• Your business added a new department, product, or service.
• The priority levels of your business functions have changed.
• Your business added or changed suppliers/vendors, key contacts or key customers.
• There have been staffing changes.
• Responsibilities assigned to staff have changed.
Know When To Test Your Plan

Know When to Test Your Plan
Table Top Exercise: Power Outage Scenario

It is now 2:00 PM. Employees are asking if they can leave early. The word around town is that the power might not be restored for several days.

1.  How will you communicate this message?
2.  What instructions will you convey to your employees?
3.  Are you going to declare a disaster in order to activate your business continuity plan?
4.  Will you continue with the following questions?
5.  How are people within the organization communicating with each other?
6.  How will you know if communication with other stakeholders is effective?
7.  What are you doing to communicate with your customers and clients?
8.  How will you deal with the impact on your business continuity plan?
9.  What is the current status of your business continuity plan?
10.  How will your business continuity plan be affected?
11.  In what areas will your business continuity plan change?
12.  How will you communicate with your employees and customers?
13.  What is your plan for business continuity?
14.  How will you manage employee needs?
15.  What are you doing to prevent your business continuity plan from being affected?
16.  How will you ensure that your employees and customers are managed?
17.  How will you determine if the business continuity plan will be affected?
18.  What do you do next?
19.  What is the impact on your business continuity plan?
20.  How will you ensure that your business continuity plan is affected?
21.  What is your plan for business continuity?
22.  How will you communicate with your employees and customers?
23.  What are you doing to prevent your business continuity plan from being affected?

Exercise Debrief:

Exercise Wrap Up:

This completes the exercise. In order to maximize what can be learned from this effort, all participants will have the opportunity to read through the exercise and debrief on future meetings.

Notes

Exercise Date: 
Next Exercise Date: 

© Insurance Institute for Business & Home Safety
Test your Plan with Various Types of Exercises

- Scenario-Based Tabletop Exercise
- Building Evacuation Exercise
- Notification Exercise
- Alternate Site Exercise
- Full Activation Exercise
- Pandemic Tabletop Exercise
- Work-from-Home Plan Exercise
Know Where To Go For Help

Your relationship with your community and outside agencies can strengthen your ability to protect your employees and property and return to normal operations. Maintain a channel of communication with community leaders, public safety organizations such as the police, fire, and emergency medical services, government agencies, utility companies, and others. Working together with outside agencies can be beneficial because they can provide a wealth of information to help you recover quickly from a disaster.

Refer to the resources below for more information about implementing disaster safety recommendations to help you prepare for and recover from natural or other types of disasters.

Insurance Institute for Business & Home Safety
In addition to providing this free business continuity tool kit, IBHS provides free disaster preparedness and property protection guidelines, recommendations, and projects for small businesses. The Institute also offers post-disaster recommendations on repairing and rebuilding to make your building(s) stronger and safer the next time a disaster strikes.
http://disasterhelp.org

American Red Cross
Among other disaster preparedness and response services, the Red Cross offers a number of preparedness training programs and resources for workplaces, families, and individuals.
www.redcross.org

Business Civic Leadership Center – Disaster Help Desk
The BCLC Help Desk is designed to enhance community economic recovery after a disaster. The Help Desk provides on-the-ground coordination of information among businesses, local chambers of commerce, NGOs, government responders, and disaster recovery specialists.
http://bclc.uschamber.com/site-page/disaster-help-desk-business

DisasterAssistance.gov
Provides information on how you might be able to get help from the federal government before, during, and after a disaster. If the President of the United States makes help available to individuals in your community after a disaster, you can visit this site to apply online.
http://www.disasterassistance.gov

Federal and Local Emergency Management Agencies
Even the largest, most widespread disasters require a local response. Local emergency management programs are the core of the nation’s emergency management system.
http://www.fema.gov/regional-operations/state-offices-and-agencies-emergency-management

Internal Revenue Service—Disaster Assistance and Emergency Relief for Businesses
The IRS offers tax presentations about planning for disaster. These presentations discuss business continuity planning, insurance coverage, record keeping, and other considerations for staying in business after a major disaster.

Small Business Administration
The U.S. Small Business Administration provides loan, loan guarantees, contracts, counseling sessions, and other forms of assistance to small businesses following a disaster.
http://www.sba.gov/
http://www.abaonline.org/services/ disaster resources/business preparedness/

Small Business Development Centers
The SBDC assists small businesses with financial, marketing, production, organization, engineering and technical problems, as well as feasibility studies.
http://www.sba.gov/content/small-business-development-centers-dsdc/
http://www.abbdc-us.org/
Additional FREE Resources

http://www.readyrating.org/


http://www.ready.gov/

http://www.preparemybusiness.org/

http://www.disasterb2bmentor.org/BBSB/
Insurance will Help you **AFFORD** to Recover

- Business Income & Extra Expense
- Contingent Business Interruption
- Supply Chain
- Services Interruption/Off Premises Power
- Interruption by Civil or Military Authority

- Extra Expense
- Equipment Breakdown
- Cyber Risk
- Key Man
Common Excuses for NOT Planning

• We thought it would never happen to us
• We had more important things to think about
• We thought we were too small to need a plan
• We backed up our computers and thought that was enough
• We didn’t know where to go for help
• We thought we had no risk
• It takes too much time
• It takes too much money
Choosing your Business Continuity Planner
Paper Plans Still Important

How important are paper-based BC plans?

55.6% Essential
24.8% Quite Important
19.7% Not Important

• As backup in case electronic copies are unavailable. Conversely, electronic versions should be available as backup to paper copies. Neither is "better" than the other on their own.

• No electricity - no computers - no business. Hence, paper copies of the BC plan as reference documents are very important.

• Have various copies in all media formats. Paper copies at work, home, trunk of car, including copies in the cloud, company server, etc.

Continuity Central Survey – August 2013
Promote Employee Awareness

- Business Continuity Facebook page or on Company Intranet
- Newsletters featuring BC articles
- Lunch-n-Learn meetings
- Posters & Flyers
- Contests
- Training Videos
- Preparedness Campaigns
- Email Reminders & Alerts
- Business Continuity Day
Promote Personal Preparedness

• Basic necessities - download a copy of the recommended personal emergency preparedness supply list at ready.gov

• Contact information for family members, neighbors, doctors, dentists, utility providers, etc.

• Copies of important documents (birth certificates, marriage license, insurance policies, medical history, etc.)

• Create a plan using a free online tool and/or mobile app
Avoid Business Continuity Pitfalls

- Closely-Guarded Secret
- Outdated
- Lack of Buy-In
- A Book of Lists
- Not Prioritized
- Untested
- Based on a Specific Scenario
Disaster Planning Made Easier

DisasterSafety.org/open-for-business
Disaster Planning Made Easier

OFB-EZ

STAY OPEN
FOR BUSINESS
MOBILE!

Available on the App Store

Created in partnership with
EMC Insurance Companies

GET IT ON Google play
Make Telecommuting Part of Your Business Continuity Plan
A closer look at how telecommuting can be a key business continuity tool.
Commercial Maintenance

FORTIFIED: NEW BHIS COMMERCIAL CONSTRUCTION TOOLS PROTECT THE BOTTOM Line

WHAT IS FORTIFIED?
A BHIS FORTIFIED Building is a set of exterior and interior design, construction, and installation practices that achieve a higher level of performance. FORTIFIED is more than a certification; it is a comprehensive approach to improving the performance of commercial building systems. FORTIFIED is an association of architects, builders, engineers, and contractors that work together to develop and implement best practices for commercial building construction.

Severe weather affects all — every region of the United States is prone to one or more natural hazards, be it extreme winter weather, flooding, or wildfires. But over the past few years, several regions of the country have confronted unexpected weather patterns that have damaged property and disrupted lives. Fortunately, businesses can do more than just complain about the unusual weather — they are tested and cost-effective measures that can be taken to reduce losses from storms that occur outside their traditional geographic boundaries. This is why we highlight some recent weather that has had business owners contemplating and exploring options for what to do about it.

WHAT’S IN YOUR BUSINESS DISASTER RECOVERY TOOLBOX? Plan the plans to help your business prepare, survive, and recover from a disaster. These plans should include an emergency action plan, business recovery plan, and communications plan. Make sure everyone knows what to do in an emergency. EVERA’s Disaster Recovery Toolbox is a comprehensive guide that helps businesses prepare for and respond to disasters.

The webinar will cover:
- The importance of having a disaster recovery plan
- How to develop a plan that is specific to your business needs
- The benefits of a disaster recovery plan

COMMERCIAL HABITATIONAL PROPERTY ROOF COVERS: Creating a first line of defense against hail and wildfire

Commercial Habitation and Roofing properties include commercial, industrial, and institutional buildings that are not primarily used as a residence. These properties are subject to a variety of risks, including fires, natural disasters, and weather-related events.

The roof covers should be designed to provide maximum protection against the effects of weather-related events. They should be durable and able to withstand high winds and other harsh conditions. The roof covers should also be designed to be easy to maintain and repair.

KNOWING YOUR ROOF COVER
The setting and climate in which your roof is located can significantly affect its lifespan and performance. The roof cover, which is the outermost layer of a roof, is subject to a variety of weather conditions and environmental factors. These factors can include temperature, humidity, wind, rain, and snow.

Commercial roof covers can be either single-ply or multi-ply, and they may be flat or sloped. Single-ply covers are made of one layer of material, while multi-ply covers are made of multiple layers of material. Flat roofs are often used in commercial buildings, while sloped roofs are more common in residential buildings.

The roof cover is not only a protective layer, but it also plays a role in the building’s energy efficiency. A well-designed roof cover can help reduce energy costs by reducing heat transfer through the roof and improving the overall energy performance of the building.

MAKE TELECOMMUTING PART OF YOUR BUSINESS CONTINUITY PLAN
Telecommuting is becoming increasingly popular as a work-from-home solution. This trend is driven by a desire to reduce office space costs, improve employee satisfaction, and increase productivity. Telecommuting can also be a key component of a business continuity plan, especially for businesses that operate in hazardous environments or have critical business processes.

Blizzards, Illness and Road Closures, Oh My!
The winter of 2015-2016 was especially challenging for businesses in many parts of North America. Winter storms, such as the one that affected the Northeastern United States, can cause a variety of problems for businesses, including power outages, transportation delays, and supply chain disruptions.

In an extreme weather event, businesses may need to take immediate action to reduce the risk of property damage and business interruption. The first step is to assess the situation and determine the best course of action. This may include evacuating employees, securing property, and communicating with customers and suppliers.

IMPLEMENTING TELECOMMUTING AS A RECOVERY STRATEGY
Telecommuting can be a successful business continuity strategy, especially in the event of a severe weather event. However, it is important to plan ahead and prepare for potential challenges, such as technical issues or disruptions in internet service.

- Identify key personnel who can work remotely
- Establish clear communication channels
- Develop contingency plans for critical systems
- Prepare for potential IT issues

Identify the Telecommuting Force
Telecommuting is an option only for employees who can work remotely and have the necessary skills and equipment. For example, employees who work in customer service or sales may be able to telecommute during a severe weather event.

Manage Team Concerns
When implementing telecommuting, it is important to address any concerns or issues that may arise. This can include concerns about productivity, communication, and work-life balance.

- Communicate regular updates on the status of the situation
- Provide support and resources for employees who are struggling
- Offer flexibility and support for employees who need it

Implementing a comprehensive telecommuting plan can help businesses weather the storm and reduce the impact of severe weather events.
Are you ready for tomorrow?

- Monday, October 29, 2012
  Hurricane Sandy
- Monday, August 24, 1992
  Hurricane Andrew
- Sunday, May 221, 2011
  EF5 Tornado in Joplin, MO
- Thursday, January 9, 2014
  WV Chemical Spill
- Tuesday, January 28, 2014
  Atlanta’s Snowpocalypse
Using Real Life Events

• 75,000 gallons of Crude MCHM leaked into the Elk River in Charleston, WV;
• 300,000 people in 9 counties unable to drink, bathe, cook or wash clothes with tap water;
• All businesses with a health permit were instructed to close;
• Surgeries were postponed;
• Schools closed;
• Flights were cancelled at Charleston’s Yeager Airport;
• The “Do Not Use” order lasted from Thurs, Jan 9 until Fri, Jan 17
  o Unaffected laundromats were booming
Thank you

Questions?

Contact:
Gail Moraton, CBCP
Business Resiliency Manager
813-675-1054 | gmoraton@ibhs.org