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Business Continuity & Disaster Recovery Planning Tip Sheet

Is Your Business Prepared?

Business continuity/disaster recovery planning is a prudent strategy for every business, no matter how large or small the operation, from a small “mom-and-pop” retail store to a large manufacturing enterprise. When developed and executed effectively, it can help ensure a company’s ability to maintain operations and service to its customers in the face of a disruptive event.

Some businesses neglect to develop a plan, under the assumption that “nothing is going to happen.” But think about the very real possibilities – something like nearby construction taking out your equipment’s power or severing your Internet connection and access to critical customer and vendor information and putting your workers out of commission for several days; what about a computer virus bringing down your systems, resulting in costly downtime and an inability to service your customers? These and other scenarios are unfortunately all too common.

The Benefits of Proper Planning

- Provides awareness, preparedness and protects the safety of employees
- Minimizes or eliminates the potential impacts of a crisis
- Demonstrates due diligence
- Meets insurance, legal and regulatory requirements
- Protects assets and financial investment
- Maximizes defense of reputation and brand image
- Because it's the right thing to do

Failing to plan is planning to fail. When you thoughtfully plan for worst-case scenarios, not only are you more prepared to handle a serious situation, but you're far more able to manage a less severe (and more likely) one. Consider this: firemen spend a tremendous amount of hours maintaining and cleaning equipment, developing and communicating their plan of action, training and rehearsing for an event that may or may not occur. And, when that event does occur, they spring into action and are ready to respond on a moment's notice. Could you do the same in responding to and recovering from an unplanned incident or crisis?

According to the Institute for Business & Home Safety, an estimated 25% of businesses do not reopen following a major disaster. You can protect your business by identifying the risks associated with both natural and man-made disasters, and by creating a plan for action should a disaster strike. Take small steps to begin your planning process:

- Determine the Who, What, Where and How as it relates to recovery of your business operations. Who will be involved and perform the recovery? What will be needed to be recovered? Where will you go to recover? How do you recover?
- Think through different scenarios – what is likely to happen, what are your risks?
- Develop contingencies, recovery strategies and a written plan
- Test and practice the plan based on varying scenarios – were any gaps exposed?
- Train all employees in their roles in both preventing disasters and helping the company and customers deal with the aftermath

- Plan to access additional staff resources if needed
- Conduct an annual assessment of your continuity of operations plan and your insurance plan and coverage
- Maintain valuable papers and company records off site in a secure facility
- Include specific triggers in your plan that will set it into motion as foreseeable situations approach

Regardless of the formality of your plan, one simple step is to have contact information on hand (in your plan and/or on your mobile device) for management, employees, customers and third party vendors.

Business continuity and disaster recovery planning is critical, yet the process doesn't have to be exhaustive. Reach out to your independent insurance agent to talk about your risk exposures and how to develop an actionable plan that provides both peace of mind and a clearly outlined process for recovery.

For more information about the importance of business continuity and disaster recovery planning, contact your local independent insurance agent .

