

Planning for a Catastrophe: Creating an Effective Business Continuity and Disaster Recovery Plan

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With recent events in the news regarding the devastation by hurricanes of entire cities and geographic areas, many business owners and governmental leaders are starting to realize the crucial nature of emergency planning. An indicator of the importance of such planning is that the Occupational Health and Safety Administration (OSHA) requires that any organization with ten or more employees have a written disaster plan. Is your organization or department ready to deal with utter loss of key personnel or destruction of your infrastructure and logistical support network? Many businesses in the Gulf region of the United States were not and will now simply have to close up shop because they were not prepared for a “what if” scenario, which they now are dealing with as a reality. Are you?

Look at a business continuity and disaster recovery plan as a form of insurance. Would you operate your business or car without insurance? If not, then why would you risk your livelihood and that of others by not preparing for potential breakdowns in your operating system?

The following tips are a starting point in planning for your own business future. Whether you are a business owner or a frontline employee, it is crucial that you consider a back-up plan just in case catastrophe befalls you and your organization.

Develop a plan of action. It has been said that successful people always “have a plan and work that plan.” What that means is that they take the time to think ahead of potential issues and situations that might occur, set goals, and then follow through on their planning. In preparing for a disaster, have a written plan in place that details what will be done in time of emergency to restore the business to operational status. This includes such things as names and phone numbers of key people, resources, vendors, and organizations, the location and any access codes for backup files, steps to follow (a checklist), and alternative locations where you can move to conduct business without interruption of service to customers.

Test your backup plan periodically. Things change from time to time. To ensure that your plan is current and meets your needs, periodically review it and test the contents. Annually is a good minimum measure.

Establish a recovery team. After a disaster occurs is not the time to start thinking of who has what responsibility in the recovery process. Create a list of recovery team members and their individual responsibilities, time limits for accomplishing key tasks, resources, and other information that they will need to reactivate the organization following a catastrophe. Give each member a copy and have a master and backup copy know to everyone on the team as well as key management members. Also, make sure that your plan includes locations for the team to meet in case of an emergency, who is

in charge and their backups, and the location of any equipment and information that they will need to do their job.

Backup all data. Get in the habit of backing up operational data and files daily and storing them in a secure location. This might be electronically as well as in hard copy. As we saw with Hurricane Katrina, even bank vaults may not be a good location for storage. Consider using companies that specialize in protecting data and look at using such a company that is in another geographic region. There are many businesses on the Internet that specialize in this area.

As part of your backup system, make sure that all data is password protected to prevent hackers or others from contaminating or sabotaging your files. Also, keep copies of all your current software applications, operating systems, startup disks and any security patches for these systems in a secure location that allows quick restore and recovery of your operation. This might be accomplished by having all the systems on a backup computer or server. Again, this should be offsite and backed up daily or even more if the volume of customer interactions and amount of information received is large.

Have logistical backups. Look for alternative telephone and electrical backups before a crisis hits. If you use landlines, consider cell phone alternatives and vice versa. Also, consider installation of a backup server and a generator large enough to handle your operational needs. If you have an e-commerce site that is web hosted by another company, consider a company in another geographic location. That way, even if your desktop computers cannot receive data, customers can still access your site and information and place orders. You can also post updates on the website for anyone to access. Additionally, consider having your operational office and order fulfillment warehouse in different locations.

Have a communication plan. Effective communication is more important during a crisis than it would normally be. Make sure that there is a plan for contacting key players in the organization, vendors, customers, and anyone else who needs to know the status of your operation. Remember that even when you have a breakdown in your operation, others may not. Customers continue to have needs and expect service, vendors still have products and services to deliver, and employees need to know what is expected of them and the impact of recovery efforts. Develop and use an open communication system to get the information out and make sure that there is a backup plan in case the primary means fails.

Create backups for payroll. During time of disaster or emergency situations, employee expectations and need for pay are not diminished. In fact they are typically accelerated. Part of your planning process should be how you will get payments due to employees as soon as possible and a consideration of making advance payroll payments to help employees through the crisis. Establishment of alternative pay systems (e.g. electronic deposit, paycheck distribution, or cash payments) should be reviewed. If there is electrical failure and electronic deposits cannot be made or banks cannot distribute cash, other options might be needed. For example, getting cash

from another geographic region to pay employees.

In the case of advance payments, adjustments can be done to future paychecks to recover any money paid, but not due employees. On the other hand, such payments may be reallocated as bonuses or other categories to allow employees to keep the money to aid their personal recovery, if this is an option for your organization. Imagine the employee loyalty that might be generated as a result of such benevolence.

These tips are just a few to get your thinking started. There are many other considerations. Search the Internet for sample plans already in use by other organizations and consider using a company that specializes in the development of business continuity and disaster recovery plans. The time to do this is NOW.

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