



# Vermont Division of Emergency Management and Homeland Security Business Disaster Preparedness Workbook



# Continuity of Business Planning

Each year thousands of businesses and organizations are affected by manmade and natural disasters. Fires, tornadoes, hurricanes, storms, hazardous materials spills, and many more hazards cause extensive damage and can disrupt an organization's operating ability. Many businesses that close due to a natural, technological, or human-caused disaster never reopen – as we saw in Vermont in the aftermath of Tropical Storm Irene. Without a pre-defined plan, most organizations find it very difficult to survive a major business outage.

This workbook is intended to provide a brief introduction to business continuity planning. The workbook provides suggestions and guidelines on how to prepare your business continuity plan. The term “business” applies to virtually all economic activities in the private and public sector and the information on business continuity planning is intended as an overview of the concept rather than providing a detailed methodology.

## **Continuity of Business Planning**

Business continuity planning can be defined as “planning to ensure the continued availability of essential services, programs, and operations; including all the resources involved.” Business continuity planning prepares an organization to respond to an interruption of essential business functions and provides the guidelines to fully recover operations, services, and programs.

## **Why have a business continuity plan?**

Every organization is at risk to some extent. A fire, earthquake, or explosion could seriously damage your building. Floods originating outside your building could affect your operations. A prolonged power outage, sabotaged computer system, or damaged equipment can also shut your organization down. Your facilities, inventory, and essential information could be inaccessible for a prolonged period. If any of these dramatic events occur, or any other of a less drastic nature, your organization may be unable to continue operating. If the interruption continues, the ability of your business to survive may be threatened. Before that happens, you should arm yourself with a Continuity of Business plan.

## **How can a business continuity plan help an organization stay in business following an unplanned interruption?**

A good Continuity of Business plan:

- Identifies the pre-set arrangements you need to have on “stand-by” in order to get vital functions operating again with as little delay as possible.
- Ensures the availability of necessary resources including personnel, information, equipment, financial arrangements, services, and accommodations.
- Helps an operation survive the unplanned interruption by making sure essential clients' needs are met until normal operations are resumed.

## **Steps toward producing a good business continuity plan**

- Clearly define the essential aspects of the business you are in.
- Determine the essential activities that must continue in order for your organization to continue functioning. List them in order of urgency and importance.
- Conduct a business impact analysis to determine the impact on your organization of the loss of those essential functions in dollars and cents.
- Involve your operations managers and key employees in the development of the plan. It's their plan as well as yours. Implementation of the plan will be easier if they have helped develop the plan and feel responsible for its success.
- Develop a recovery strategy by determining what resources are needed, where they can be acquired, and the costs involved.
- Address the requirement for alternative resources (e.g. alternate accommodations, furniture, computers and other office equipment, phone services, essential records, and inventory items necessary to continue essential business functions.) Remember that alternate resources in the same geographical location may be knocked out by the same disaster affecting you.
- Write a business continuity plan that is simple, straightforward, and easy to understand. A business continuity plan is no good unless it is realistic, up-to-date, tested, and is well known by those who must implement it, possibly in the midst of post-emergency chaos.

A large organization should have a project coordinator to develop the plan. The plan should be developed with input from managers and employees at all levels. Someone must be assigned to keep the plan up-to-date and to implement it, if necessary.

Don't be intimidated or overwhelmed by the prospect of developing a business continuity plan. Develop a planning schedule and work on the plan step-by-step and in stages, if necessary. Remember that preparing a business continuity plan that is not a "one-shot" project or a one-time activity, but rather an integral part of an effective business strategy. A completed plan needs to be reviewed, tested, and updated regularly if it is to be effective when put into action.

The Vermont Division of Emergency Management and Homeland Security can provide assistance in developing a Continuity of Business plan. Please call or e-mail:

Vermont Division of Emergency Management and Homeland Security

800-347-0488

[vem.inquiry@state.vt.us](mailto:vem.inquiry@state.vt.us)

<http://vem.vermont.gov>

# Planning Questions

## **FACILITIES-BUILDINGS & EQUIPMENT**

What would we do if our facility were closed for several days, damaged, or even totally destroyed?

What could we absolutely not survive without? Production machinery? Computers? Custom-made parts? Refrigeration? The buildings? What can I do to assure I never have to live without them?

## **OPERATIONS**

What if there was a prolonged power outage?

What if my key suppliers or shippers were shut down even though I am not?

What if my customer base suffered a disaster and no longer needed or could not afford our product?

## **CRITICAL INFORMATION AND COMMUNICATIONS**

What if my payroll, tax, accounting, or production records were destroyed?

What if my computer or computerized machinery was destroyed?

What if the local phone service were disabled? What if cellular communication was gone?

## **INSURANCE**

Is my insurance adequate to get us back in operation?

Do I understand what is covered and what is not?

Can I pay creditors, employees, and my own needs during a prolonged shutdown?

How long can I survive if we are shut down?

- Review your current insurance coverage. Make it a regular annual procedure to review and update insurance. Also remember that insurance on mortgaged property probably only covers the lender with nothing left over for you.
- Be aware of your contents insurance. Know what your insurance does not cover. Most general casualty policies do not cover flood damage. Many require additional riders for windstorm, sewer backup, or earth movement. Consider adding coverage for likely perils, especially flood insurance.
- Consider business interruption insurance that assists you with operating needs during a period of shutdown. It may help you meet payrolls, pay vendors, and purchase inventory until you are in full operation again. Also be prepared for the extraordinary costs of a disaster such as leasing temporary equipment, restoring lost data, and hiring temporary workers.
- Don't assume that, just because it never happened before, it never will. Flooding patterns are changed by development: water, which runs off new streets and parking lots, may overwhelm nearby streams and surrounding land. Landslides and sinkholes may develop because of distant earth movement, natural or man-made. Plan for the worst with any waterway.

## **Planning Tips**

### **FACILITIES**

Develop contingency plans to remain in operation if your office, plant, or store is unusable. Could you operate out of your home or a nearby storefront? Could you quickly transport critical items such as computers, inventory, and equipment? Could you save replaced equipment and reactivate it in an emergency? Could you store inventory, equipment, and supplies off-site? Examine the possibilities, make a plan, and assure that you and your employees know what to do.

Make upgrades now that would prevent possible future damage. Strengthening exterior walls, adding a retaining wall, or shoring up a creek bank are relatively minor projects in comparison to losing the building to flood waters.

### **OPERATIONS**

Purchase a backup generator to maintain full operations or critical functions such as refrigeration, lighting, security systems, and computer control in the event of a power failure.

Have back-up vendors and shippers in place in case your primary ones are disabled. Set up relationships in advance and maintain them. Place occasional orders so that they regard you as an active customer when you need them.

Guard against loss of your customer base by diversifying your product lines, sales locations, or target customers. Make it part of your annual plan to develop new customers, even if your current customer base seems fine. Make the time to do so.

### **INFORMATION & COMMUNICATION TIPS**

Make backup copies of all critical records such as accounting and employee data, as well as customer lists, production formulas, and inventory. Keep a backup copy of your computer's basic operating system, boot files, and critical software. Store a copy of all vital information on-site and a second in a safe off-site location. Make it a critical part of your routine to regularly back up files.

Make pre-arrangements with computer vendors to quickly replace damaged vital hardware. Keep invoices, shipping lists, and other documentation of your system configuration off-site so you can quickly order the correct replacement components. Take care of credit checks, purchase accounts and other vendor requirements in advance so that the vendor can ship replacements immediately.

Maintain an up-to-date copy of phone numbers, computer and internet logon codes and passwords, employee phone numbers, and other critical information in an accessible location. Develop an employee "telephone tree" to rapidly contact employees in an emergency.

# Employee Emergency Contact Information Sheet

Ask each employee to provide contact and emergency contact information that could be used during a disaster.

Employee Name: \_\_\_\_\_ Phone : \_\_\_\_\_

Name of Emergency Contact: \_\_\_\_\_ Phone : \_\_\_\_\_

Employee Name: \_\_\_\_\_ Phone: \_\_\_\_\_

Name of Emergency Contact: \_\_\_\_\_ Phone: \_\_\_\_\_

Employee Name: \_\_\_\_\_ Phone: \_\_\_\_\_

Name of Emergency Contact: \_\_\_\_\_ Phone: \_\_\_\_\_

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Employee Name: \_\_\_\_\_ Phone: \_\_\_\_\_

Name of Emergency Contact: \_\_\_\_\_ Phone: \_\_\_\_\_

COPY THIS FORM AS NECESSARY



# Media Relations

In an emergency it is critical to reach the public, particularly if the situation presents a hazard to the community. There are a number of ways to reach out to the public, both directly and indirectly.

Social media sites like Facebook and Twitter allows your business to reach the public directly. These sites can not only publicize your business, but get emergency messages directly to your followers when time is of the essence.

The media is another important outlet to the community during an emergency. Try to establish and maintain positive relationships with local media, they are your link to the public when a crisis occurs. Establish a company spokesperson now, one who can relate important technical information in a manner the average person can understand. Select a staffer who can be responsible for drafting and sending press releases. You can build an e-mail distribution list by simply calling media outlets and asking for the best address to send a release should it become necessary.

## Do's and don'ts of media relations

### Do:

Conduct press briefings and interviews when appropriate. Ensure local media is given priority; your audience is more likely to see, read, or hear news from local outlets. Take care of all media.

Learn and do your best to adhere to media deadlines. However, do not rush or compromise the effectiveness of information simply to meet those deadlines. Useful information is better than incomplete information.

Provide press releases whenever possible. Press releases will not only inform the media, but will decrease phone traffic from the reporters.

### Don't:

Speculate or answer hypotheticals about an incident.

Permit unauthorized personnel to release official information.

Cover up facts or mislead the media.

Place blame for an incident.

Our office press liaison is: \_\_\_\_\_

Our company spokesperson is: \_\_\_\_\_

# Planning for Livestock

Businesses that depend on livestock must take care to plan for their animals in preparing for a disaster. Livestock often have specialized requirements and needs that must be taken into account in Continuation of Business planning.

Some things to consider:

- Plan to evacuate livestock early. The evacuation of livestock often requires a significant amount of time. Therefore, consider evacuating livestock BEFORE a general evacuation order is given. Arrangements for evacuation, including routes and host sites, should be made in advance. It is also important to map alternate routes in case the planned route is inaccessible.
- When choosing an evacuation site consider if the site can readily obtain food, water, and veterinary care. The sites must have the appropriate handling equipment and facilities to support the livestock.
- Ensure evacuation vehicles like trucks, trailers, and others suitable for transporting livestock (able to transport each specific type of animal) are maintained and in good working order. Keep a contact list of experienced handlers and drivers who can assist in the transport of the livestock. Whenever possible, the animals should be accustomed to the transport vehicles so they're less frightened and easier to move.
- If evacuation is not possible, be prepared to shelter livestock in a structure or turn them outside. The decision should be determined based on the type of disaster and the soundness and location of the structure.
- All animals should have some form of identification that will help facilitate their return.

Contacts:

Veterinarian: \_\_\_\_\_

Local Animal Shelter: \_\_\_\_\_

Alternate Animal Shelter: \_\_\_\_\_

Municipal Animal Officer: \_\_\_\_\_

Feed Supplier: \_\_\_\_\_

# Testing and Exercises

You should conduct testing and exercises to evaluate the effectiveness of your preparedness program, make sure employees know what to do and find any missing parts. There are many benefits to testing and exercises:

- Train personnel; clarify roles and responsibilities
- Reinforce knowledge of procedures, facilities, systems, and equipment
- Improve individual performance as well as organizational coordination and communications
- Evaluate policies, plans, procedures, and the knowledge and skills of team members
- Reveal weaknesses and resource gaps
- Comply with local laws, codes, and regulations
- Gain recognition for the emergency management and business continuity program

## Testing the Plan

When you hear the word “testing,” you probably think about a pass/fail evaluation. You may find that there are parts of your preparedness program that will not work in practice. Consider a recovery strategy that requires relocating to another facility and configuring equipment at that facility. Can equipment at the alternate facility be configured in time to meet the planned recovery time objective? Can alarm systems be heard and understood throughout the building to warn all employees to take protective action? Can members of emergency response or business continuity teams be alerted to respond in the middle of the night? Testing is necessary to determine whether or not the various parts of the preparedness program will work.

## Exercises

When you think about exercises, physical fitness to improve strength, flexibility, and overall health comes to mind. Exercising the preparedness program helps to improve the overall strength of the preparedness program and the ability of team members to perform their roles and to carry out their responsibilities. There are several different types of exercises that can help you to evaluate your program and its capability to protect your employees, facilities, business operations, and the environment

Maintain an up-to-date copy of phone numbers, computer and internet logon codes and passwords, employee phone numbers and other critical information in an accessible location. Develop an employee "telephone tree" to rapidly contact employees in an emergency.

## Other Resources



**Vermont Small Business Development Center:** <http://www.vtsbdc.org/>



**Small Business Administration:** <http://www.sba.gov>



**Ready.gov Business Planning:** <http://www.ready.gov/business-continuity-planning-suite>



**Vermont Division of Emergency Management and Homeland Security:** <http://vem.vermont.gov>



For additional copies of this workbook contact the VT Division of Emergency Management and Homeland Security at: 800-347-0488 or <http://dps.vermont.gov>

