



DISASTER RECOVERY: A PLANNING GUIDE



NEW YORK SMALL BUSINESS DEVELOPMENT CENTER

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INTRODUCTION

This Disaster Recovery Planning Guide is intended to be a resource for businesses to utilize in formulating a customized disaster plan. This is not an all-inclusive guide. It is intended only to begin your thought process for developing a Disaster Recovery Plan. The guide was developed after the NY Small Business Development Centers throughout New York State provided assistance to businesses affected by the terrorist attacks on 9/11/01 and natural disasters such as Hurricane Irene and Hurricane Sandy.

It is important for businesses to be prepared for emergencies of any sort. While big companies can afford to have in-house planners, that's not the case for most small businesses. The SBDC can help small businesses plan for emergencies with this Disaster Recovery Planning Guide.

Every business circumstance and structure is unique, so any plan must be tailored to suit its needs. Focus on creating a plan that is an "all-inclusive" plan; consider anything that could happen at any given time. Use this planning guide as a starting point. Don't become overwhelmed by thinking about everything all at once. Work on your plan in sections, addressing the things that seem most important to your business. It is important to make plans that can be implemented in the event of an interruption to your business.

We sincerely hope that you are not involved in a natural disaster or any emergency, but being prepared is the first step to recovery. This guide can help you plan accordingly. Remember, the New York SBDC is ready, willing and able to assist you. It is up to you to plan, prepare, and get back to business as soon as possible, keep money coming in, and provide consistent service to your customers/clients!



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WHAT IS A DISASTER RECOVERY PLAN?

Whatever you call it... disaster planning, emergency preparedness, or business continuity, the goal is ultimately the same: get your business or organization back up and running as soon as possible. A disaster recovery plan is a user's guide to document the restoration of your business/organization's operations... It must be created before an interruption occurs.

Part of writing a plan is trying to think about what can go wrong and make contingency plans. The goal is not to create a separate plan that addresses every risk, but to create one plan that addresses all risks. Identified below (in no particular order) are some things that you may think about in creating your plan:

- Who in the business should be responsible for creating the plan?
- Who's in charge of maintaining/updating the plan?
- Who's in charge of making decisions during a disaster?
- Do you have an alternate decision maker (in case the main person is not available)?
- Are employees trained for disaster response?
- Do you have notification, warning, and communication procedures?
- What are your emergency response procedures?
- What are evacuation, shelter, and accountability procedures?
- Do you have emergency equipment?
- Do your employees know where it is kept and how to use it?
- What are your emergency shutdown procedures?
- What are your critical services and functions?
- Do you have a list of emergency contacts/resources? Is it updated on a regular basis?
- Do your employees know where the emergency contact list is kept?
- Do you have a plan to restore some functions so the business can operate at least minimally?
- What are the potential identifiable disasters (internal and external)?
- How would each type of disaster affect the business operations?

The plan needs to be specific about which recovery steps should be taken and in what order, and who has access to that information. The details depend on the nature of your business and its services as well as the type of disaster or interruption. Remember to make the plan flexible in case the person (or team) in charge isn't immediately available to implement the plan. Make it legible, understandable, and able to be interpreted by any employee... common sense must rule.

Remember to consider who is in charge of maintaining/updating the plan as your business (or organization) changes. People come and go and operations change – the plan has to be updated accordingly.

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WHY SHOULD YOU PREPARE?

Disasters:

- Can affect business continuity
- Can cost you money
- Can be deadly

You want:

- To solve a problem
- To protect assets/investments
- To minimize losses
- To maximize recovery
- To ensure business continuity

Have you ever said:

“This will never happen to me.”

“I can take care of some wind & rain.”

“You can’t fight mother nature.”

“Snow... what snow?”

“It’s fate.”

“Help will arrive in no time.”

It is not a matter of IF a disaster will occur... it is a matter of WHEN. You need to start planning in advance so you are able to get your business back up and running sooner rather than later. Use this guide to become better prepared.

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WHAT SHOULD YOU PREPARE FOR?

You should prepare for natural and man-made disasters such as:

- Storm
- Flood
- Drought
- Fire
- Power Failure
- Loss of Records
- Loss of Key Personnel
- Loss of Business

Basic Assumptions:

Being business-ready is like having insurance. You don't want to use it but it is there and will come in handy when you need it.

- 80% of businesses that don't recover within a month of a major disaster go out of business for good.
- 70% of businesses that experience major data loss go out of business within a year.
- 40% of businesses tend to disappear after a major disaster.

(Source: Emergency Preparedness Solutions, LLC)

Basic Questions:

You may want to consider the following questions as you develop your disaster plan:

- How will I recover losses?
- How will I recover clients/customers?
- How will I duplicate business records?
- Who do I call for help?
- What if I have to relocate?
- Am I properly insured?
- Do I have backups for critical operations?
- How long will it take to get help/ or to recover functionality?

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WHAT SHOULD YOU DO TO PREPARE?

- Determine the type & probability of disasters that can impact your business
- Determine the key functional areas of your business
- Determine how each disaster will affect your business
- Establish a plan of action & review it periodically
- Share with your staff – and create a culture of preparedness

Disaster Preparation 101:

- Have a Contingency Plan (in writing)
- Document the present
 - Paper documents
 - Photo documentation
- When a disaster occurs, be prepared to document the damages
- Talk to your insurance Agent
- Talk to disaster response experts about their plans
 - Police
 - Fire
 - Engineers
 - County Emergency Management
 - SBDC
- If possible, before a disaster occurs, become familiar with assistance programs
 - What they require
 - What they provide
 - How long does it take from submittal of application to disbursement of funds?
 - Eligibility requirements... do you meet them?
 - Documentation... understand that you will need to provide an enormous amount of documents/information, including financial & sales information
- Ask questions now... don't wait until you are facing a disaster!