

Disaster Management and Business Recovery

This whitepaper is an excerpt from the Introduction of Bizmanualz' Disaster Recovery Policies, Procedures & Forms Manual

A disaster is any event that will significantly impact the company's operations - Anything. Traditionally, this means fire, flood, and earthquake. Non-traditionally, this means a toxic waste dispersion, computer system crash, power outage, labor strike, community illness and many others.

No one is exempt from a disaster, and most people are unprepared if a disaster erupts. The company has prepared as if the disaster will exceed our ability to respond effectively: a worst-case scenario.

Disasters result from three (3) types of incidents, caused by:

1. Natural or cataclysmic events (i.e., earthquake, fire, flood, storm);
2. Human behavior (i.e., robbery, bomb threat, arson, hostage event, transportation strike); and
3. Technological breakdowns (i.e., power outage, computer crash).

The key to disaster management is to have a plan in place when the disaster strikes. A set of simple, effective guidelines and procedures for all people to follow. Just as a ship without a rudder is at the mercy of the tides, a company without a plan is at the mercy of events.

Human beings tend to make inappropriate decisions during a crisis. The company has a plan for coping with most emergencies already prepared and shared with employees, and we stand a better chance of surviving any emergency and recovering rapidly.

The emergency we have prepared for is one that will cause one or more of the following results to occur in our communities:

- The governor of the state or another competent authority declares the community a disaster area.
- Martial law is declared, the National Guard is activated, and basic civil rights are suspended.
- A state of total lawlessness in the community; law enforcement agencies are unable to cope with the results, even with the assistance of the National Guard.
- One third of the community dies immediately, or becomes so gravely disabled that they are unable to care for themselves or others.
- One third of the community is unavailable, unable or unwilling to help in disaster recovery efforts.
- One third of the community becomes responsible for the welfare of the remainder of the community, assuming roles and responsibilities for which they may be untrained and unprepared to handle.

Traditional roles and routine activities within the community are temporarily suspended. This causes the reassignment of personnel to fulfill necessary roles and functions, with temporary powers, duties and responsibilities.

A 72-hour interruption of:

Basic emergency and transportation services, such as police, fire and medical assistance, and both public and private forms of transportation. Routine calls for service are not answered, and the agencies' priorities will involve life-threatening situations only.

Food, water and survival supplies. Deliveries to food stores and hospitals are interrupted or hijacked.

People immediately strip existing supplies of all kinds, stockpiling their own reserves. Water pipes break, crack or clog, reducing or eliminating water flow.

Electrical power, sanitation services, sewer. Power lines are destroyed, overloaded or collapse. Water flow is restricted, and sewer pipes break, crack or clog and back up. Effluent reservoirs burst and flood the surrounding area with untreated waste.

Vendors of products and services will be unable to fulfill their roles, either because the geographical area affected by the disaster is closed to outside traffic; phone lines are down and information cannot be shared; or the vendors will be too busy answering calls for service from other clients also affected by the disaster.

We have planned for a disaster as if we will not have any outside help for at least three to five days. We should be self-sufficient during that minimum amount of time, and preferably longer.

Goals of Disaster Management and Business Recovery

The three primary goals of disaster management and business recovery planning are to:

1. Eliminate or reduce the potential for injuries or the loss of human life, damage to facilities, and loss of assets and records. This has required a comprehensive assessment of each department within the company, to insure that appropriate steps have been taken to:
 - Minimize disruptions of services to the company and its customers;
 - Minimize financial loss;
 - Provide for a timely resumption of operations in the event of a disaster; and
 - Reduce or limit exposure to potential liability claims filed against the company, and its directors, officers and other personnel.
2. Immediately invoke the emergency provisions of Disaster Management Plan to stabilize the effects of the disaster, allowing for appropriate assessment and the beginning of recovery efforts. We then contain the disaster to its least impact and provide for the fastest recovery.
3. Implement the procedures contained in the Disaster Management Plan according to the type and impact of the disaster. When we implement these procedures, we have prioritized all recovery efforts as follows:
 - Employees: Not only must we help to ensure their survival as a basic human concern, but for their performance in helping other persons on company premises when the disaster strikes.
 - Customers: As we do with employees, we must help to ensure the survival or care of customers affected by the disaster; physically, mentally, emotionally and financially.

- Facilities: After ensuring the safety of employees and customers, we then secure the facility as shelter for both people and assets.
- Assets: Although for the most part recoverable, assets will only be addressed after people and facilities are secure.
- Records: As with assets, we will only address the recovery and reconstruction of important records when all people are cared for, facilities secured, and all assets have been audited and stored.

The Disaster Recovery Plan

Plan Effectiveness

In order to be effective, the company's disaster management and business recovery plan contains:

- The company's philosophy, mission statement and goals regarding disaster management and business recovery.
- Written and approved executive succession instructions.
- The appointment of a temporary Disaster Management Executive Committee for the term of the emergency, who may also act in the absence of the company's Board of Directors.
- Clearly defined guidelines and scope of all disaster management and business recovery efforts, based upon a thorough risk-assessment exercise.
- Clearly defined duties, authority and responsibilities for each employee classification, with designated primary and alternate department leaders and staff personnel to manage critical functions.
- A business recovery plan (operations manual) for each office, department, facility and function within the company, and for essential service vendors.
- Designated and equipped sites for assembly of personnel for each phase of the disaster management and business recovery effort.
- A well-documented testing and evaluation process to be conducted at specified intervals, and at least annually.
- A comprehensive training program for all personnel.
- Written copies of the final Disaster Management Plan distributed to office and department leaders, including a complete list of all emergency response agencies and facilities.

The Disaster Recovery Team

The company's Disaster Management Team is drawn from the company's available personnel resources, and may include service vendors. The Team functions as a strategic planning and tactical response unit. Team members may be assigned temporary duties, responsibilities and a level of authority beyond their normal employment classification.

The Disaster Management Team is comprised of executives, managers and department heads with functional responsibilities involving several offices, departments or facilities. The Team may include sub-groups as appropriate. The Disaster Management Executive Committee is charged with the responsibility for creating a comprehensive Disaster Management Plan for the company. The Committee is comprised of the company's President/CEO, selected executives and senior managers, and may contain members of the

company's Board of Directors. The Disaster Management Plan is used as the guiding mechanism for fulfilling the company's duties and responsibilities regarding local, state and federal regulations.

The Disaster Management Team Chairpersons are responsible for assigning the research, development and implementation of the Disaster Management Plan throughout the organization.

The Chairpersons are also responsible for assuming control over business operations during and after the disaster, until business operations return to normal. The Chairpersons are responsible for providing effective leadership and administration of the company's recovery efforts.

The Disaster Management Team Coordinators are charged with the responsibility for creating a comprehensive Disaster Management Plan for the company, and for implementing the decisions made by the Chairpersons and the Disaster Management Executive Committee during a disaster. The Coordinators are responsible for providing effective management and implementation of the company's recovery efforts.

The Disaster Management Team Department/Office Leaders and service vendors are responsible for acting as Coordinators for their respective areas of responsibility, and report directly to the Disaster Management Team Coordinators.