

# CENTERSTAGE

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## The Importance of Business Continuity Planning

Rarely do we ever get advanced notice that a disaster is prepared to strike. Weather, network failures, epidemics and violence are just a few of the disasters that could have an impact on a company's reputation. Every incident is unique due to the challenges it presents. However, implementing a business continuity plan (BCP) can help give your organization the best shot at success both during and after a disaster. A current, tested plan in the hands of all personnel responsible can help mitigate the potential impact. The absence of a plan doesn't just mean your organization will take longer than necessary to recover from a crisis – you could go out of business. In this installment of CenterStage, Cathleen Christensen, our VP of Property and Casualty, discusses what a BCP is, why it matters, keeping one in place, and how Hierl can help you build a strategy that works with it.



### What is a Business Continuity Plan?

Business continuity refers to maintaining business functions or resuming them in a timely manner in the event of a crisis. Examples of crises include natural disasters such as weather, fire, or an epidemic outbreak like the flu, but also include events involving company reputation, violence and network breaches. A business continuity plan outlines the procedures and instructions an organization must follow in the face of such disasters. The plan not only identifies the internal and external needs of an organization after a catastrophic loss but

lays out the path for recovery. Cathleen explains, “A business continuity plan can be the difference between successfully recovering or going out of business.”

### Why Does Business Continuity Planning Matter?

The importance of having a business continuity plan cannot be stressed enough. Truth is, 1 in 5 organizations do not recover following a crisis. Severity vs. probability must be factored into the management of your organization. The purpose of having a business continuity plan is not only to prepare for a disaster both during and after, but to mitigate

the potential danger and lessen the odds of attack for your organization. Serving as the ultimate disaster plan, it is vital that preparation information is made common knowledge amongst all levels of the organization - from the highest level down. To ensure a healthy and effective BCP, craft a plan following these seven steps:

## **1. Initial Response**

Disruption in the day-to-day operations should trigger everyone to not only know what is wrong, but what – if anything – to do to resolve it immediately. Planning and exercising this element of the plan will eliminate the rush of, “What do I do,” from employees. Proper communication will allow there to be no holes in the plan.

The initial response should also provide a clear sense of who is in ‘charge’ when disaster strikes. Whether it be at a corporate level, regionally or locally, knowing who is overseeing the process towards recovery is vital to the success of a BCP.

## **2. Stabilization**

Regardless of cause, every disruption needs containment to prevent a bad situation from getting worse. It is important to know what happened to cause the event and the potential impact it may bring if left unchecked. Assess the impact, know how to stop the bleeding and devise short and medium-term goals to appropriately address the situation.

## **3. Activation**

Following an impact assessment, identify what services need to be restored. Additionally, note who is responsible for the plan – what will they do, where will they do it and with whom will they do it?

## **4. Communication**

In the event of a disaster, stakeholders might initiate various actions to stabilize or restore services. Timely communication between various respondents is critical to an effective incident response. Communication during an incident should be geared towards management, employees, customers and others who have a stake in the business. The goal is to keep them updated regarding the current state of restoration activities and collaboration with responders.

## **5. Planned Response**

These are the initial response activities that need to be taken to limit the loss of life and property in the time immediately before, during, and after a crisis. Items that could be included are:

- What types of incidents or crisis situations activate the plan?
- Who has authority to activate it?
- Details regarding the incident response team
- Evacuation procedures

- Contact lists

## **6. Extended Response**

Actual recovery may take days, weeks, months or even longer. After the initial response the recovery plan outlines the steps you will need to take to get your business running again after an incident or crisis. It includes a realistic time frame in which you can get your operations back on track to minimize financial losses. Forcing yourself to rely heavily on your initial or planned response will only worsen recovery efforts. Be knowledgeable about your staff and the direction the road to recovery is going.

## **7. Return to Normal**

When disruption ends, questions will still need to be answered. These are not limited to questions such as, Is the return to 'normal' a 'new normal'. Other questions could include, "How will work between 'normal' operations and post-catch up tasks be managed? How will my information for insurance purposes be collected?"

# **Maintaining a Business Continuity Plan**

With a plan in place, efforts do not cease. To remain disaster ready, you must remain active in your preventative efforts. As the world around us changes, so should your BCP to remain up to date and effective in all threats. Communicating any changes that may have occurred with initial plan to employees is a must. There is no way for all members of your organization to remain 'in the know' if they are kept uninformed. With effective communication of the BCP comes proper training. As critical as communicating clearly is with employees, instructing them in a hands-on potential scenario leaves nobody in the dark on recovery execution when disaster strikes.

# **How Can Hierl Help Business Continuity Planning?**

At Hierl, we offer the necessary tools for creating an effective BCP. By working hand-in-hand with your business/organization, we offer the resources to locate and analyze potential risks and to create a team within your business to properly manage disasters. To get started, speak with Cathleen today at 920-921-5921 or [cchristensen@hierl.com](mailto:cchristensen@hierl.com).