



Hibbs-Hallmark & Company Newsletter

Disaster Recovery & Business Continuity: "Will Disaster End Your Business?"

When people think of disasters, they generally envision hurricanes, tornadoes or floods that destroy property and communities. However, for a business, a disaster can come in the form of a computer virus, a failed compressor, an extended loss of power or fire to a critical building. Statistics indicate that about 60 percent of businesses affected by a disaster will not survive because they do not have a recovery plan in place.

Creating a basic, executable disaster recovery plan is one of the most important steps you can take to protect your business and assure business continuity. You purchase property insurance to replace buildings and contents, but can you continue your business operations while you are in the period of restoration? Do you have business interruption coverage? Below are steps to help you get started with the planning process.

- 1) Assess your risk.** Which disasters will most likely impact your business? Identify those risks which will cause your business to be interrupted or shut down.
- 2) Assess your critical business functions.** Identify which processes, employees, equipment and materials are critical to your daily operations. These processes usually include functions such as payroll, billing, and your primary business functions. List these functions and determine a process for restoring each of them in the event of a disruption.
- 3) Plan for an alternate location.** What would you do if you lost your office, your plant or your warehouse? Review your site requirements and determine a plan for recovery. Options may include temporary structures brought on site or temporarily locating to another location. Another thought might include making arrangements with a disaster recovery provider such as Agility Recovery Solutions.
- 4) Consider supply chain preparedness.** Talk to your key vendors and suppliers about their recovery plans. Develop relationships with alternative vendors in case your primary vendors experience an interruption.
- 5) Appoint a crisis manager and develop an emergency management plan.** Plan what to do after a disaster before the event is critical--- in the midst of a disaster is too late.
- 6) Back up your data and have a plan to restore your technology (information is more valuable than ever).** More and more businesses are going paperless--- how would you access this data in the event of a power loss? Make sure you store your data in a safe and secure offsite location. Test your system--- try to restore your data on an external system. Outline a plan to replace computer systems, servers, fax machines, and email systems should your office be destroyed.
- 7) Create an employee, vendor, and client communication plan.** Make sure your employees know ahead of time how to exchange or obtain information should standard lines of communication fail. Compile a list of your critical clients, vendors, and contacts and store in an off site location.
- 8) Assemble a disaster recovery kit.** This may include first aid items, radios, copies of important documents, and contacts. For a complete list of recommended items, visit www.ready.gov, an emergency preparedness site from the Department of Homeland Security.
- 9) Take a look at your insurance coverage.** Do you have adequate replacement cost values on your buildings and contents? Do you have adequate business interruption coverage? Is the limit adequate to cover loss of income and the extra expenses associated with continuing your operations? Most often it is the business interruption insurance that enables you to survive a disaster and maintain continuity. Discuss disaster planning with your insurance provider.
- 10) Test your plan.** Make sure it is workable and review and update as necessary.

When Katrina devastated New Orleans many plans were tested. Most of those who survived had contracts in place with outside disaster recovery companies that provided resources such as generators, office space, phone systems, computer systems, housing, etc. One of the most well known and trusted providers is Agility Recovery Solutions (www2.agilityrecovery.com). Agility charges a minimal monthly fee for disaster planning. They determine what resources are critical to your operation and assure that those resources will be brought to you within a specific time frame. Once those services are engaged after a disaster, you are invoiced for those services. If the disaster is to covered property and is a covered peril, these services are legitimate extra expenses that can be covered by your business interruption insurance. For more information regarding Agility Recovery Solutions and Business Interruption coverage, contact your Hibbs Hallmark Representative.

Please contact your Hibbs-Hallmark & Company account representative for more information about Disaster Recovery and Business Continuity.

Sincerely,
Robert Monaghan
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