

How to Prepare a Business Recovery Plan

Emergency situations can be confusing. Emotions run high, especially if your home and family are also in danger. A business recovery plan helps you take control of the situation and increases your chances of winning the fight to stay in business.

Recovery plans have two goals:

- Minimizing the physical and financial damage caused by the unplanned event.
- Restoring business operations immediately.

You will need to reopen and resume business operations quickly in order to sustain your business. It will be a lot easier to do if you protect your vital resources such as equipment, data and documents.

What Does a Business Recovery Plan Look Like?

A business recovery plan is a detailed document that outlines the procedures for bringing the business back online after a disaster or other emergency. It should identify the business's key staff, vendors, equipment and clients; establish a communication protocol and identify an alternate emergency operations center.

The document can be 20 pages or more and should provide very specific steps for getting the business up and running.

Assign a Team

Every business has key employees without whom it cannot function. It's essential to identify these employees in your recovery plan. You may want to include them in the plan development process as well. For a larger business, there might be one representative from each department on the business recovery team. For a small business, the team might consist of a single person.

Consider Your Risks

Every geographic location carries certain inherent risks. Some of your risks might include:

General Risks

Severe storms
Building fires
Power failure
Terrorist attacks
Equipment failure

Regional Risks

Hurricanes
Tornados
Blizzards
Earthquakes

Once you have a clear picture of your risks, get out your insurance policy and determine whether it covers your business adequately. After a disaster, your insurance payment will help you get your business back to normal. But it's also important to think about how you will replace critical equipment before you receive the insurance check.

Next, look around your office for disaster-specific vulnerabilities and rearrange it accordingly. For example:

Hurricanes — move important equipment away from large windows

Earthquakes — place heavy equipment on low shelves

Floods — raise computers and important items to higher levels

Identify Key Suppliers and Customers

Make a list of your key suppliers and most important customers. Look at their locations and the disaster risks they face. These are your problems as well.

If you find yourself heavily reliant on one or two key suppliers, your best bet is to find alternate suppliers (in a different geographic location) and begin building relationships with them before you find yourself in a desperate situation. Diversifying your customer base will help you survive as well.

Find an Alternate Location

If your business is not totally dependant on your location (like a restaurant), consider some alternative places where you could operate temporarily. Perhaps it's your home. If you have more than one business location, you might be able to turn a different location into a temporary headquarters when necessary.

This location will be the center of operations during an emergency. Make sure it has all of the communications and power resources you will need or create a plan for bringing them to the site when needed.

Coordinate Communications

Communication is extremely important during an emergency. Start your communications plan by making a list of key employees who need to be contacted in an emergency. Start with the managers, and ask each of them to keep a contact list for their staff. Include contact information for important suppliers and customers who you may want to keep in the loop.

Also, establish a plan for logging all inbound and outbound telephone calls during the emergency.

Protect Your Important Data

Finally, identify the most important documents and data for your business and establish a plan for storing a copy of them in another, secure location. Some examples include: payroll data, financial records, strategic plans and insurance records.

This is an ongoing process and must be done before a disaster strikes. Your business recovery plan will simply include instructions for retrieving this information.

Put Your Plan on Paper

It is important to document each area of your plan so that you don't miss any important steps when you are implementing the plan under pressure. Be sure to write the plan in simple language and organize it in easy-to-follow steps. Include all information such as addresses and phone numbers so you won't have to look them up later. The more specific and detailed you are now, the less worry you'll have when you're in a high-stress situation.

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