

BUSINESS RESUMPTION PLANNING

A Development Guide

Second Edition – April 1996

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1 Introduction

1.1 Introduction

"Business Resumption Planning - A Development Guideline" was prepared to help meet the growing demand of Manitoba government agencies, businesses, and other organizations to develop business resumption plans (BRP's). The goal has been to develop an easy to use, comprehensive package of basic information necessary to assist organizations in developing and supporting a BRP.

Before you get into the nuts and bolts of the BRP process it may be useful to explain a few things about this document.

The first thing to note is that this document is a guide and not a BRP on a platter. Business resumption planning is for organizations and organizations are highly variable in what they do and how they go about doing it. The "cookie cutter" or template approach to planning was not an option unless we wanted to make dozens of templates for specific types of organizations. The process described here is generic and flexible to the needs of many. Certain terminology and other elements may not be directly applicable to a specific organization, but with effort and a little imagination, there should be no reason why the process shouldn't work for virtually any organization. We also believe that your organization is going to be better off since the process of planning is more important than the plan itself.

The second item of note is that this document makes little or no use of real world examples. Case studies or examples relating to business resumption planning are rare because it is a relatively new concept and this type of information is of a confidential nature. Think of this as a benefit since you won't get bogged down by examples that may or may not be relevant to your organization.

We hope you find this document a useful addition to your risk management "toolbox". If you have any comments, concerns or would like to share your experiences with us we would very much like to hear from you.

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This guideline is broken into four major sections:

This introductory chapter (Section 1) simply introduces the concept of business resumption planning and shows it in relation to other forms of risk management and planning.

Section two is the core of the document and proceeds step by step through a process for developing a business resumption plan (fig 1a) including discussion of the following topics:

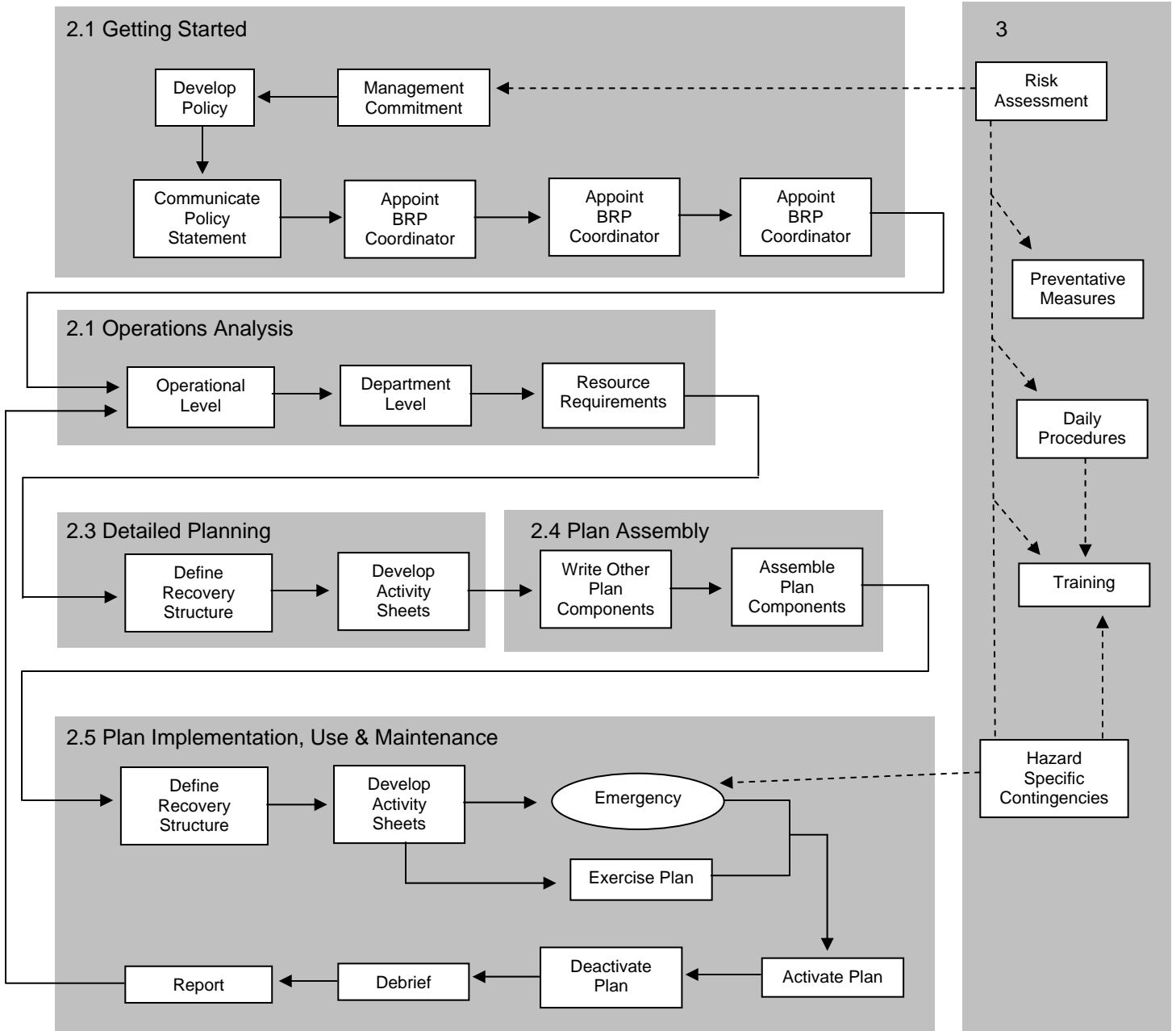
- Getting the business resumption planning process underway by gaining management's support, developing policy, and establishing a planning team.
- Undertaking an analysis of the organization's activities, determining those that are critical to the organization's survival and establishing the resources necessary to maintain those activities.
- Developing a post disaster recovery structure and the activity sheets necessary for key individuals / departments within the organization to carry out their functions during the time that the BRP is in effect.
- Developing other key plan elements and assembling the plan.
- Implementing the plan including plan approval and staff training as well as BRP maintenance: exercising and updating the plan to ensure that it remains effective.

Section three is devoted to plan support and introduces some of the many risk management activities that are important to the success of the BRP. These include undertaking a risk assessment and following it up with training, and preventative actions required to prevent disasters from occurring or mitigating their effects should they occur.

The final section is an appendix containing references, checklists and other relevant information.

Figure 1a – Business Resumption Planning Elements

Business Resumption Plan



Note: The solid lines indicate the process for developing a business resumption plan while dotted lines indicate relationships with those elements peripheral to the BRP.

1.2 Why Prepare?

We all want to be successful in our personal lives and our careers. Our ability to be successful is closely tied to the degree of success of the organization that we work for. One of the keys to success for any organization is its ability to provide continuity of services to its clients.

Unfortunately we live in a world of risks that threaten our ability to provide continuity of service. Despite ongoing improvements to risk management tools such as hazard prevention and emergency preparedness disasters, both natural and human caused, are occurring with increasing regularity around the world. Manitoba is no exception: floods, major transportation accidents, fires, windstorms, blizzards and electrical disruptions are all relatively common and may affect an organization itself and / or the community or region in which it operates.

Consider the possible impacts of any of these hazardous events on an organization:

- A permanent or temporary loss of personnel due to death or injury.
- Damage to, or total loss of facilities, equipment or information.
- Unavailability of facilities, equipment, information, raw materials or other resources for an extended period of time.

The likely result of such consequences is an inability to conduct normal operations and provide goods or services to customers. This may lead to the following ramifications:

- Economic: Loss of customers (market share), revenues (sales) and/or reputation.
- Liability: Resulting from a failure to meet contract obligations, or to take reasonable precautions to protect people.

Floods, like many other hazards have farther reaching implications than one might normally appreciate.

Consider not only the direct and damaging impacts of this event but also a few of the secondary implications such as restricted access to resources due to a compromised transportation network as well as the longer term problems such as contamination of sites by pollutants.

How well do most organizations fare after such events? Not well: The Financial Times of Canada estimates that between 70 - 90% of all businesses fail to reopen their doors to the public after being struck by disaster. In addition to loss of services, the inability of organizations to survive also adds to the amount of stress on a community through such factors as increased unemployment.

This situation is largely due to the fact that very few organizations think about, much less plan or otherwise prepare for, disaster. As a result, in the attempt to rebuild and resume business in unfamiliar, difficult and often confusing circumstances, lack of coordination results in costly delays and errors.

The Oklahoma City bombing of 1995 is a good example of the effectiveness of business resumption planning. While the world focused on the damage and casualties sustained at the federal building site some 300 businesses in the surrounding area were also damaged many of them severely. Of these only a small percentage had BRP's and most were operating within a week. One bank was providing services the very next day! The vast majority without plans were much slower to recover. Loss of cash flow and other problems have meant that many have gone out of business and those who did survive are still struggling.

Those organizations that have invested in preparedness and planning activities have documented the following benefits (figure 1b):

Figure 1b – Benefits associated with an integrated risk management program

| | | |
|----------------|---|---|
| PRE EMERGENCY | Increased Sense of Security Reduced Hazard Exposure Reduced Insurance Costs | Improved Organization Image Maintained Or Increased Market Share Improved Customer Loyalty |
| EMERGENCY | Improved Safety Reduced Damage | |
| POST EMERGENCY | Reduced Employee Stress Reduced Customer Inconvenience | |

1.3 Business Resumption Planning

As a starting point it is probably important to have a basic understanding of where a Business resumption plan 'fits' in the risk manager's 'toolbox'.

Risk Management

Risk management is a broad field encompassing all risks including day to day concerns such as safety and liability. When discussing BRP we are more concerned with less common natural or man made hazardous events and have identified a subset of risk management termed here as 'hazard management'.

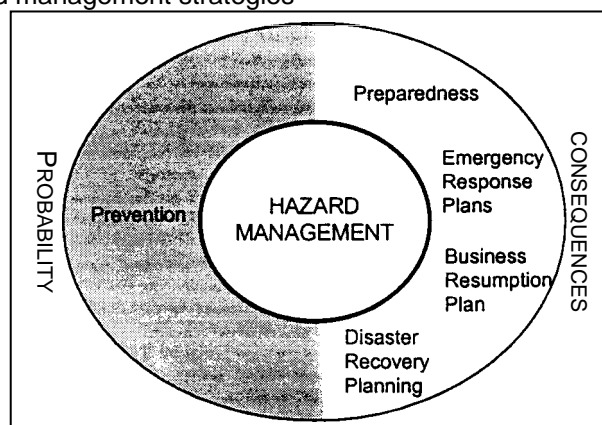
Figure 1c – Risk vs. Hazard Management



Hazard Management

This subgroup of risk management deals with either of the elements of risk (probability or consequences) due to human or natural hazards. While the options for reducing the probability of a hazard are quite limited there are a wide variety of strategies for reducing the consequences of any hazardous event. The figure below shows a small sample of these options.

Figure 1d – Some hazard management strategies



Business resumption planning is just one of a group of hazard management strategies that deals exclusively with managing the consequences of any hazardous event. It is distinct from these strategies but depends on them for success. For this reason it is advisable that a BRP not be undertaken on it's own but as part of an integrated risk management program.

Business Resumption Plan

Definition: The BRP is a plan activated during or immediately after an emergency and is aimed at permitting the rapid and cost effective resumption of an organization's essential operations in order to maintain continuity of service to its clients.

The key elements include the following:

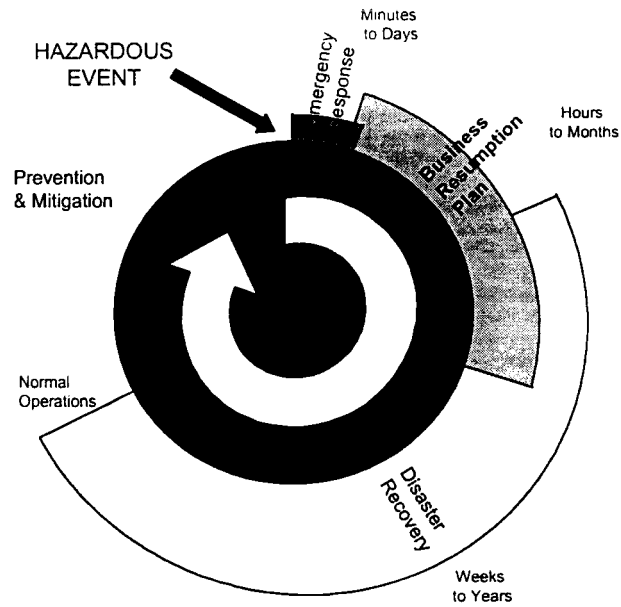
Plan The BRP has a defined response structure, and outlines individual responsibilities as well as providing action guidelines and the information necessary to carry out these activities

Time Frame The BRP can be activated at any Frame time it is deemed to be necessary whether this is during or soon after the emergency.

A BRP should not be confused with disaster recovery which implies a return to normal operations. The BRP is a temporary stage during which specific activities are undertaken to allow the organization to remain viable to it's clients.

The BRP therefore enables long term disaster recovery to take place eventually returning the organization to normal operating conditions that existed prior to the disaster.

Figure 1e - This figure represents the BRP in relation to other phases in the "disaster cycle".



2 The Planning Process

2.1 Getting Started

2.1.1 Management Commitment

Gaining the approval and commitment of senior management is essential if resources (personnel, time and money) are to be allocated to the development of a business resumption plan.

There are two separate but related reasons why it may be difficult to get management on side and get a business resumption planning program off the ground. They are cost and risk.

Risk

“It Won’t Happen Here”

The above statement is how most people (mistakenly) perceive disaster. Unfortunately disasters do and will occur yet people tend to underestimate risk. To sell the concept of developing a BRP requires creating an awareness of the risks that an organization faces to justify the costs involved in taking measures to adequately meet that risk. Here are a few ideas

- Bring up the idea following a major disaster that has occurred elsewhere. There is usually a heightened sense of awareness following such events and willingness to undertake these types of actions.
- Complete a risk assessment to demonstrate the level to which the organization is at risk: (See Risk Assessment section).
- Reinforce the risk assessment with statistics on business and disaster.
- Use graphic examples such as scenarios to illustrate vulnerability to various hazards.
- Always include dollar estimates for losses of both capital investments and sales. The degree of economic impact for even a minor event is usually very large and will help to elicit the desired response.

Costs (and Benefits)

“We Can’t Afford It”

The above statement is also common. Resources are tight in today's workplace but despite this insurance is something that is generally accepted as a necessary investment. Insurance is important but is really not enough to guarantee the success of an organization that has been impacted by disaster. Consider the business resumption plan as an investment in the long term viability of your organization.

A BRP should not be prohibitively expensive since development and maintenance can be undertaken using in-house resources and expertise. The level of effort involved in developing a BRP is proportional to the size of (and thus the resources available to) the organization so that any organization should be able to afford one.

The benefits of a BRP following a disaster are obvious but there are also a number of benefits that have been observed by many organizations both before and during an emergency.

Figure 2a – Benefits Associated with an Integrated Risk Management Program

| | | |
|----------------|---|--|
| PRE EMERGENCY | Increased Sense of Security Reduced Hazard Exposure Reduced Insurance Costs | Improved Organization Image Maintained Or Increased Market Share |
| EMERGENCY | Improved Safety Reduced Damage | |
| POST EMERGENCY | Reduced Employee Stress Reduced Customer Inconvenience | Improved Customer Loyalty |

Although the BRP process is undertaken with the goal of reducing risk, other "value added" benefits may be realized. One example of this is the potential for improving organizational processes based on information obtained during the organizational review process.

Literature on the subject indicates that there is a positive cost / benefit relationship to those organizations who have undertaken the development of a BRP and other hazard management activities.

2.1.2 Develop a Business Resumption Planning Policy

Once committed to the idea of developing and maintaining a business resumption plan one of the first activities for senior management is to make that commitment official by developing a policy on BRP.

Example:

*Organization Name is committed to providing excellence in services to our clients and customers. We recognize that there are a number of factors that may impede our ability to provide these services and that actions must be taken to help preserve our ability to operate under difficult circumstances. Therefore Organization Name is undertaking as part of its **risk** management strategy the development of a Business Resumption Plan to ensure continuity of services and the ongoing success of this organization.*

2.1.3 Communicate Policy Statement

Since the development of a Business Resumption Plan ideally involves all employees, they should be made aware of the policy, that such a program is to be undertaken and what can be expected of them during the process. Therefore once senior management has completed a BRP Policy this commitment should be relayed to all employees via memo, information sessions, etc ...

The initial information should include:

- The policy statement
- An explanation of what a BRP is
- Why it is being undertaken
- That the BRP will help to ensure that economic security of the organization and it's membership
- What is expected of various groups
- That further information can be expected on the topic

To maintain a high level of awareness of the project send information updates whenever appropriate. Possible information could include:

- The names of the BRP coordinator and planning team
- Framework details
- Progress reports

2.1.4 Appoint a BRP Coordinator

The BRP Coordinator should be appointed by senior management. During the development of the BRP the coordinator heads up the planning team, facilitates overall planning and provides ongoing liaison with senior management. Once the plan is established the BRP Coordinator will have other roles including plan maintenance and coordination activities following the occurrence of a hazardous event.

When selecting a person to fill this position the following qualities may be desirable:

- Management authority
- Team leader / facilitator
- Highly motivated to sell and undertake the project
- Good overall knowledge of the business
- Familiarity with other aspects of risk management and emergency response

2.1.5 Assemble a Planning Team

Although a Business Resumption Plan can be developed by an individual it will likely be much more effective if it is completed by a group. It is therefore desirable to build a planning team consisting of key personnel (usually managers) from all departments who have a good general knowledge of their respective departments:

- Management
- Warehousing
- Production
- Transportation
- Personnel / Payroll
- Computer systems
- Customer Service
- Public Relations
- Administration
- Security
- Shipping / Receiving
- Etc...

2.1.6 Establish a Planning Framework

The initial task for the first meeting of the BRP Coordinator and Planning Team is to develop a framework for plan development. The following are some topics that may be considered:

- A planning schedule including deadlines for stages of project completion (the whole project should be completed within a year) and reporting to senior management for the purpose of obtaining approvals and maintaining awareness and support.
- A planning strategy. One issue to address is how to structure the plan. For example, a large and complex organization might have a number of business resumption plans to break the overall project into more manageable units.
- Particular methodologies to be employed at various stages of the planning process. (i.e.: Risk assessment techniques, operations review, etc...)

2.2 REVIEW OPERATIONS

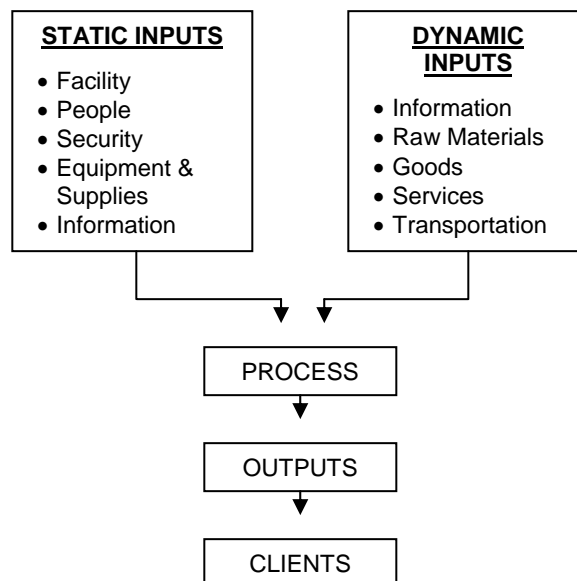
The business resumption plan allows not only for a rapid resumption of services to clients, but also makes efficient use of resources. To do this the BRP re-establishes functions on a priority basis.

Before the actual writing of the BRP can begin the planning team will need to facilitate background research into two areas: To determine the priority of re-establishment of organization functions and to determine the minimum resource requirements necessary for these functions to be performed.

The operational review is a three step process:

1. Prioritize organizational outputs (The goods or services produced by the organization as a whole) largely on the basis of the impact to the organization's clientele (Section 2.2.1);
2. Based on the results of the above step, prioritize the re-establishment of the department level functions required to support the organizational outputs as identified above (Section 2.2.2), and;
3. A determination of the types and amounts of resources that will be necessary to maintain the department level functions identified (Section 2.2.3).

Figure 2b - Organizational Elements



2.2.1 Organizational Outputs

Senior management, the BRP coordinator and the planning team should meet to assign priorities for the recovery of organizational outputs.

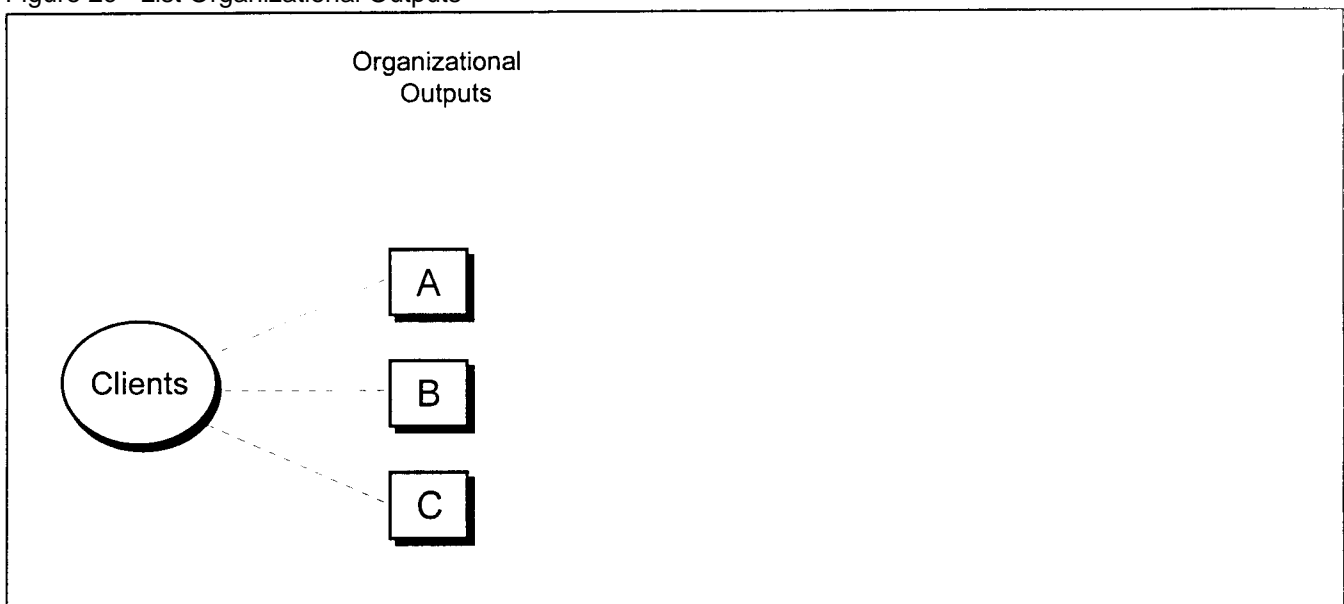
A. List Outputs

List (name and describe) the outputs provided by the organization as a whole to its clients (Refer to worksheet - Figure 2e). These may include:

- Services
- Programs
- Products

This information will largely be the result of the knowledge of the planning team but can be sourced from legislation, annual reports, strategic plans or other documents held by the organization.

Figure 2c - List Organizational Outputs



B. Evaluate and Prioritize Organizational Outputs

From the list that has just been created (2.2.1 A) senior management and the planning team should evaluate the degree of importance of each organizational output. This involves describing and estimating the likely impact of loss or delay of that output and approximating the length of time that the output could be down before the organization would begin to experience serious adverse effects. (Refer to worksheet - figure 2e)

Tangible Impacts

- Financial
- Legal and contractual liability
- Effects on other departments
- Safety and security of the public or personnel, etc.


Intangible Impacts

- Public image
- Client confidence and support
- Employee morale, etc...

From the evaluation assign categories for restoration of each output.

To help put impacts in perspective consider each output from a client point of view. As a client how long am I willing to be without a particular product or service, what will the effects of that loss or delay be and how will it impact my perception and future relationship with the provider of the product or service?

Figure 2d - Evaluate and Prioritize Organizational Outputs

| | Organizational Outputs | Organizational Impact | Priority |
|---|-------------------------------|------------------------------|-----------------------------|
|  | A | Major Impact | High Priority for Recovery |
| | B | Major Impact | High Priority for Recovery |
| | C | Minor Impact | Lower Priority for Recovery |

Explanation:

- Loss of A and B constitute a major impact to the organization and are assigned priority for recovery
- Loss of C is not as critical and receives a lower priority

Figure 2e – Organizational Outputs Worksheet (Sample)

Date:

| OUTPUT # | DESCRIPTION OF OUTPUT | EFFECT OF LOSS OF OUTPUT | TIME TO RE-ESTABLISH | IMPACT |
|----------|-----------------------|--------------------------|----------------------|--|
| | | | | <input type="checkbox"/> NONE <input type="checkbox"/> MINOR <input type="checkbox"/> MODERATE <input type="checkbox"/> MAJOR |
| | | | | <input type="checkbox"/> NONE <input type="checkbox"/> MINOR <input type="checkbox"/> MODERATE <input type="checkbox"/> MAJOR |
| | | | | <input type="checkbox"/> NONE <input type="checkbox"/> MINOR <input type="checkbox"/> MODERATE <input type="checkbox"/> MAJOR |

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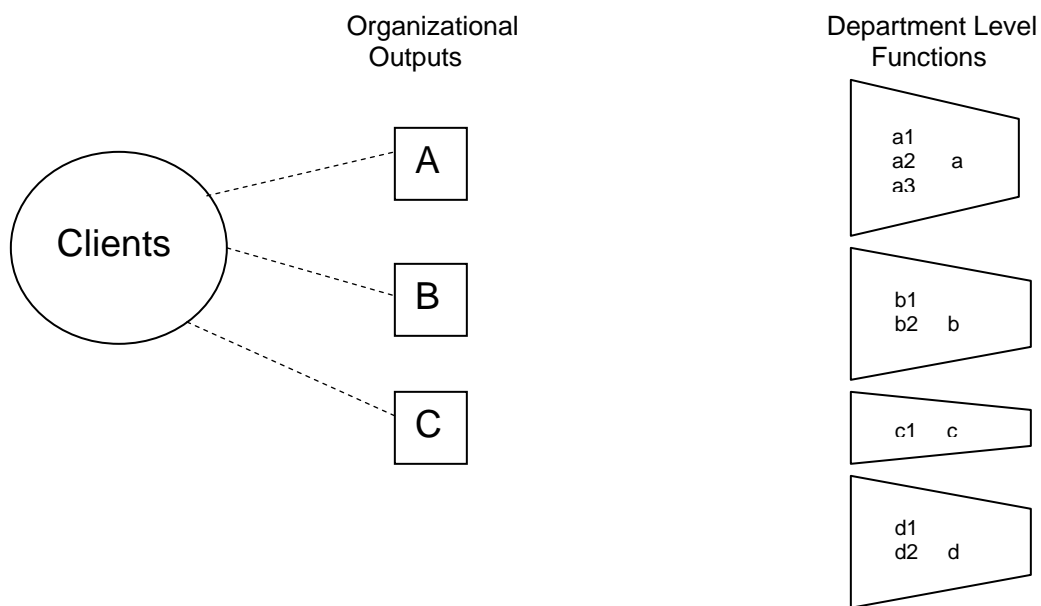
2.2.2 Department Level Functions

Once organizational outputs have been prioritized it is necessary to identify the department level functions that support the organization's ability to produce and deliver goods or services.

A. List Department Functions

Planning team members should return to their respective departments and, over a period of several weeks, consult with staff to compile a list of department functions (the operational responsibilities, tasks and processes for that department) (See Figure 2f)(Refer to worksheet - Figure 2i).

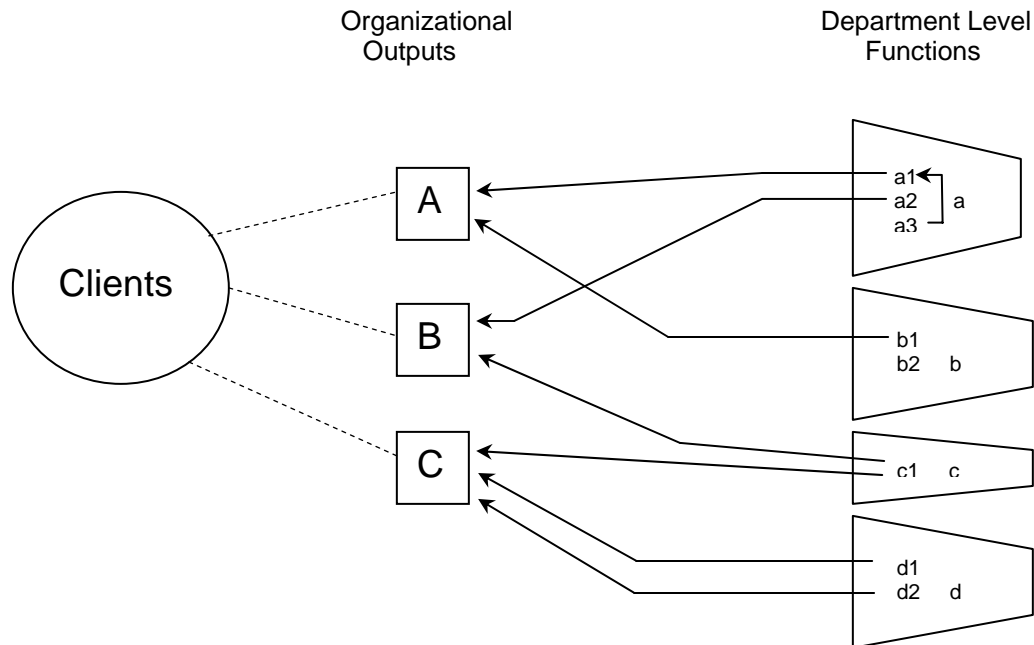
Figure 2f - List Department Level Functions: Explanation – There are 4 departments (A, B, C, D) with each department having one or more function



B. Evaluate Departmental Linkages

After listing all department's functions (2.2.2 A) consider the types and relative strengths of relationships that the individual department functions have with each other and with the outputs of the organization as a whole (Figure 2g). The difficulty of this process will vary depending on the size and complexity of the organization.

Figure 2g-Departmental Linkages



Explanation:

Lines with arrow indicate functional relationships

Function A1 depends on A3

Output A requires input from functions a1 and b1

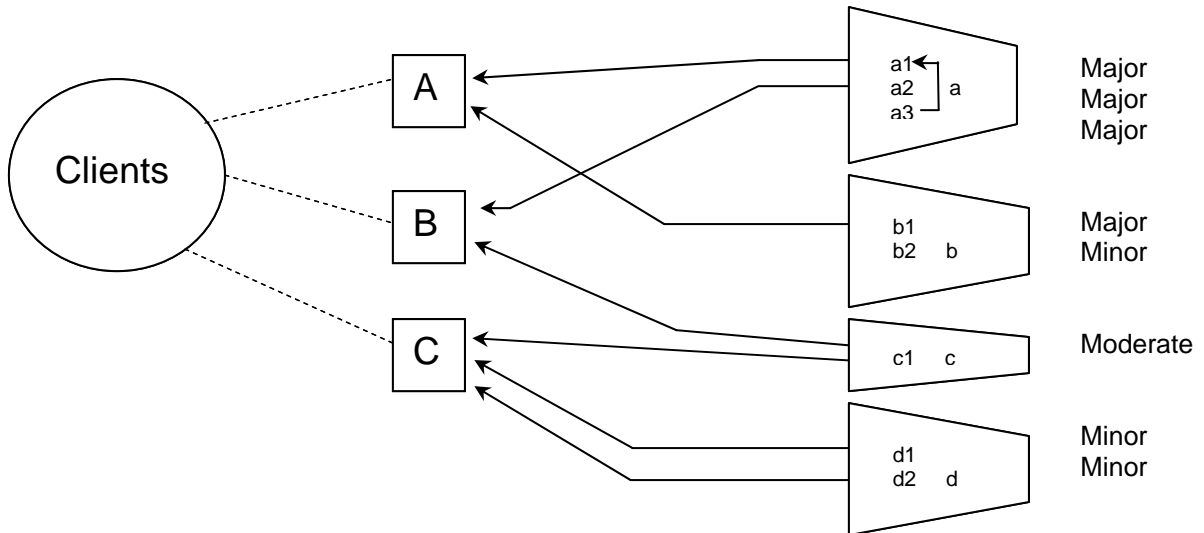
Output B requires input from functions a2 and c1

Output C requires input from functions c1, d1 and d2

C. Evaluate and Prioritize Department Functions

With the list of departments functions and their interrelationships, the planning team and senior management should again meet to assign priorities to the re-establishment of departmental functions (Figure 2h)(Refer to worksheet - Figure 2i).

Figure 2h - Assigning Priorities to Departmental Functions



Explanation:

Lines with arrows indicate functional relationships

Function a1 depends on a3

Output A requires input from functions a1 and b1

Output B requires input from functions a2 and c1

Output C is not essential so functions d1 & d2 are not critical and c1 remains essential only to output B

Therefore

Department a - All functions receive top priority

Departments b & c have a high priority

Department d receives lower priority. Personnel may be temporarily reassigned to other tasks or duties

Figure 2i – Departmental Functions Worksheet

Dept:

Manager:

Date:

| FUNCTION # | DESCRIPTION OF FUNCTION | EFFECT OF LOSS OF FUNCTIONS (internally, Interdepartmentally, Organizational Outputs) | TIME TO RE-ESTABLISH | IMPACT |
|------------|-------------------------|--|----------------------|--|
| | | | | <input type="checkbox"/> NONE <input type="checkbox"/> MINOR <input type="checkbox"/> MODERATE <input type="checkbox"/> MAJOR |
| | | | | <input type="checkbox"/> NONE <input type="checkbox"/> MINOR <input type="checkbox"/> MODERATE <input type="checkbox"/> MAJOR |
| | | | | <input type="checkbox"/> NONE <input type="checkbox"/> MINOR <input type="checkbox"/> MODERATE <input type="checkbox"/> MAJOR |

2.2.3 Determine Resource Needs

Planning team members should meet with their departments to determine the minimum resource requirements necessary to maintain department functions (as prioritized in section 2.2.2 B)(Figure 2j) (Refer to sample worksheet - Figure 2k)

Figure 2J – Resource Needs

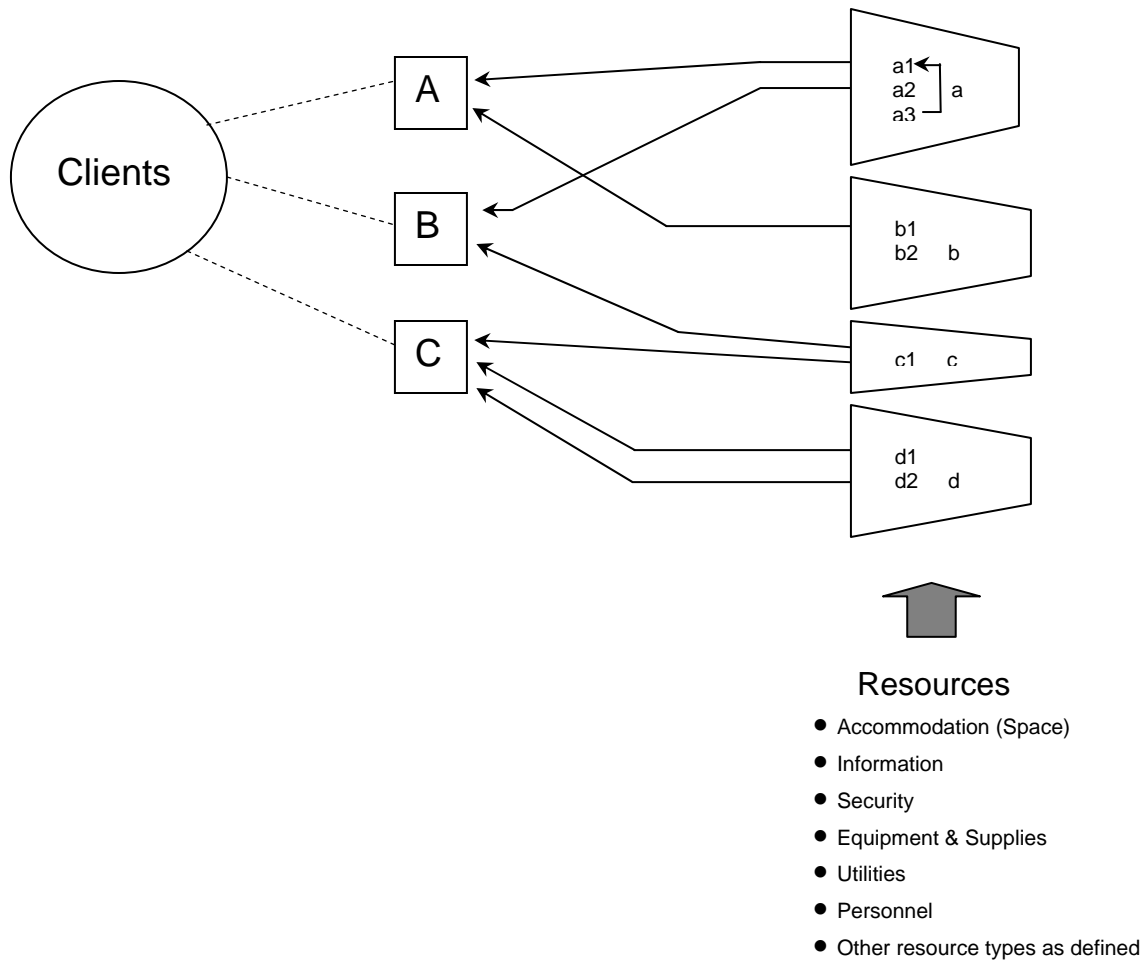


Figure 2k - Departmental Resource Needs Inventory (Sample) - 2

DEPARTMENT RESOURCE REQUIREMENTS

Department:

Completed by:

Date:

PERSONNEL

(Identify personnel needs for department functions to be conducted.)

Position

Expertise

EQUIPMENT & SUPPLIES

(Complete for all equipment and supplies required for department functions to be conducted.)

of Units

Item

Description

Computers Hardware

 Software

Communications Equipment

Furniture

Office Supplies

DEPARTMENT RESOURCE REQUIREMENTS(Continued)

ACCOMMODATIONS

(Determine and log minimum accommodation requirements for department operations to be conducted.)

Space Requirements

Space Amenities or Requirements

SECURITY

(Identify security needs for department operations to be conducted.)

INFORMATION

(Identify all information necessary for department functions to be conducted.)

Mailing Lists

Forms

 Computer

 Non Computer

Procedural manuals

Other documentation

Computer data

OTHER RESOURCE CATEGORIS

(Identify other resource categories necessary for department operation. Complete an inventory of needs for each of these categories.)

2.3 Detailed Planning

Now that the organizational review (section 2.2) is completed the members of the BRP planning team should have a good idea of how the organization will reestablish services following the occurrence of a hazardous event. Specifically we now know:

- The relative order of re-establishment of organizational functions.
- The resources necessary for these functions to be reestablished.

With this information we can begin the writing of the business resumption plan.

2.3.1 Develop a Recovery Structure

Often during the attempts to recover, certain necessary activities are missed and others are duplicated. The key to avoiding these errors and thus to an effective resumption of business activities is a coordinated effort. To provide the necessary level of coordination, an organizational structure must be developed that incorporates all of the elements (resources and department operations) outlined in the organizational review (section 2.2).

The prototype structure shown in figure 21 is based on an existing emergency response structure and provides a coordinated approach to resource acquisition as well as good communications between the structure's four main elements:

- Executive Control Group
- Resource Coordination Team
- Damage Assessment and Salvage Team
- Department Operations Teams

The organizational structure that you design for the BRP should reflect the needs of your organization. The prototype organizational structure is used here primarily for explanation purposes but it can easily be adapted for use by many organizations due to its flexibility in either of two respects:

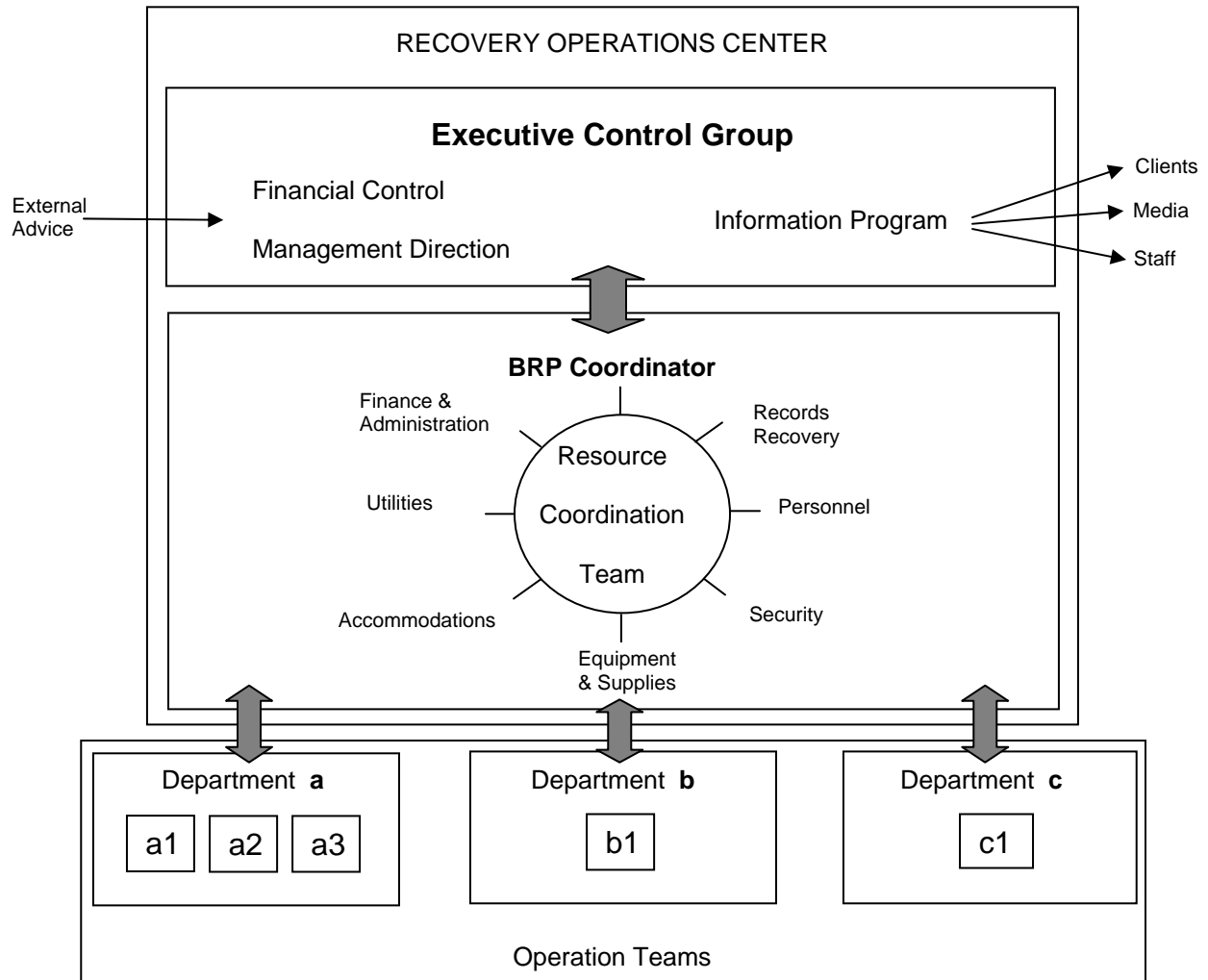
Planning

To meet the needs of various organizations the BRP organizational structure can be scaled up (by adding sub-coordinators for particularly demanding resource categories) or down (by combining less demanding coordination roles into fewer roles).

Response

The structure is also able to meet the needs of various emergencies that have caused the BRP to be activated. During a major situation the entire structure would be implemented while during a limited event in which one or a few of the components of the organization were affected; only the necessary components of the BRP organizational structure would be used.

Figure 21- Business Resumption Plan Recovery Structure



Location Considerations

A location must be selected for the Recovery Operations Center (The location where the Recovery Operations Team and Executive Control Group is to operate). It may be at the damaged site if it is suitable, at the alternate business site, an employee's house or possibly some other location. To be effective it must have sufficient space, set up for multiple telephone lines or other means of communication as well as having amenities such as adequate lighting, furniture, office equipment, washroom facilities, etc...

1) Executive Control Group

The Executive Control Group, a small group of senior management, is located in the recovery operations center but should be physically separate from the resource coordination team. The purpose of the Executive Control Group is to make major decisions and provide guidance to the Resource Coordination Team. The Executive Control Group also includes an information program coordinator who is responsible for overseeing the release of critical information to clients, media (the public) and personnel.

2) Resource Coordination Team

The Resource Coordination Team is located in the recovery operations center and is comprised of a number of resource coordinators. The overall responsibility of this team is to obtain the resources necessary to permit the continuity of department functions in a cost effective and timely manner. This is achieved by ascertaining the needs of department operations, obtaining necessary resources through salvage or from vendors and ensuring that resources are distributed appropriately.

3) Damage Assessment and Salvage Team

The damage assessment team works closely with emergency responders and insurance adjusters and enters the damaged site as soon as it is confirmed that it is safe to do so. They are initially responsible for making a quick evaluation of resources to determine their functional status, marking devices as to their status and filing reports to the recovery operations center as soon as possible. Following this they are responsible for overseeing the removal of serviceable equipment and other resources from the site and damaged machinery for repair or to salvage companies.

4) Department Operations Teams

Department Operations (from section 2.2.2) will re-establish operations in accordance with plan priorities and will then function in a reasonably normal manner. The leaders of departments will ensure that resource needs are being met and make requests and provide status reports to the recovery operations center as required.

2.3.2 Staffing the Recovery Structure

Once the organizational structure has been developed (Section 2.3.1) specific individuals must be assigned to all of the major roles identified within the structure.

Match Individuals with Roles

Identify appropriate individuals to fill the positions you have identified in the response structure.

Considerations

- The BRP manager should be appointed by senior management. Subsequent positions should be filled by the most appropriate personnel as determined by senior management and the BRP coordinator.
- The term "appropriate" indicates that people should be undertaking roles that they are already familiar with. For example the organization's information manager should undertake the position of records recovery coordinator unless some other reason precludes them from taking this position.
- These positions are not necessarily filled by planning team members.
- Managers may be appropriate to fill positions but should be discounted if they will be required to oversee the re-establishment over their departments essential operations
- Do not appoint anyone who has an emergency response capability since roles in the recovery plan may be established during the emergency period.

2.3.3 Define Planning Responsibilities

Every key individual (or group): Executive Control Group, members of the Resource Coordination Team and key individuals from Department Operations Teams must prepare the information and identify the resources that they will require to carry out their responsibilities under the plan. These are typically lists of those suppliers and contractors who can be called upon to provide technical assistance or resources following a disaster.

Develop Activity Worksheets

All key individuals (or groups) identified on the previous pages must prepare an activity sheet(s). The activity sheet outlines an individual's specific responsibilities and, as part of a comprehensive plan, assures that response efforts are not being duplicated or missed and helps to minimize confusion. Following this process activity sheets should be compiled and reviewed to ensure that there are no overlapping or missing responsibilities. Testing of the plan, following its completion, should help to reveal any problems.

Figure 2m – Activity Sheet

| <u>Activity Sheet</u> | |
|------------------------------|-----------------|
| Position _____ | |
| Primary _____ | Alternate _____ |
| Responsibilities | |
| _____ | |
| _____ | |
| Activities | |
| • | |
| • | |
| • | |
| Required Information | |
| | |
| | |

Each activity sheet should include the following:

- The person responsible for the position and an alternate
- The general responsibilities of the position
- The specific activities to be undertaken
- Lists of information and resources that will be required to undertake the activity in a timely manner

Forms
References
Procedural information

(continue as required)

Writing Style

It is important that all information on activity sheets be clearly written and understandable.

- Be specific - use short direct sentences and paragraphs
- Avoid the use of jargon
- Use action oriented and descriptive verbs that issue directions

The next few pages provide some suggestions as to the types of planning activities and activity sheets that key members should undertake. Remember that these should not be considered as complete - additional responsibilities are likely to be identified.

EXECUTIVE CONTROL GROUP

The Executive Control Group (Figure 21) is made up of a small group of senior management and is responsible for providing overall guidance and financial decision making to the Recovery Operations Team via the BRP Coordinator.

Specifically there are two major areas of responsibility:

- Obtaining advice and guidance from external sources (Legal, loss prevention , financial, etc...)
- Operating an information program to keep clients, personnel and the public informed of the situation.

Executive Control Group

Planning Responsibilities

- Approve and authorize the BRP development.
- Actively demonstrate support for the BRP.
- Approve or authorize resources for plan elements.
- Locate and list sources of expert advice
- Develop activity sheets

Activity Sheet Guidelines

- Authorize activation of the BRP.
- Provide guidance to the BRP coordinator
- Make major financial decisions.(Liaise with finance & administration coordinator as required)
- Seek expert advice as necessary
- Maintain a log of activities

Information Program Coordinator

It is important to actively inform clients, staff and the public of the extent of the impact to the organization and what actions are being taken. Rumors and misinformation can be as damaging as the disaster itself. To avoid this you must immediately assume control over the situation by relaying information through a single outlet. The information program coordinator is part of the executive control group and works closely with this group and the BRP coordinator to develop and deliver appropriate and accurate information to the public.

Planning Responsibilities

- Develop an information program plan.
- Determine resource needs to implement all aspects of an information program.
- Ensure that the primary and alternate spokespeople have sufficient training to undertake the tasks.
- Develop activity sheet(s).

Activity Sheet Guidelines

- Ensure that all personnel have been notified not to release information and to refer requests to the organization's spokesperson.
- Advertise using appropriate media, as necessary.
- Hold press conferences, as necessary.
- Contact clients, staff and their families as necessary and provide with important information.
- Maintain a log of activities.

Refer to Public Information Planning – Appendix D

RESOURCE COORDINATION TEAM

The team of resource coordinators is the heart of the recovery structure. They are responsible for overseeing the assessment of needs and acquiring resources to allow essential operations to function.

BRP Coordinator

The BRP coordinator is appointed by senior management and is responsible for establishing and overseeing the activities of the Recovery Operations Center.

Planning Responsibilities

- Facilitate meetings of the planning committee
- Locate a Recovery Operations Center (ROC) and an alternate off site location.
- Determine ROC resource requirements.
- Provide updates on planning progress to the Executive Control Group (Management).
- Coordinate training activities and information dissemination within the organization.
- Overseeing exercises and training activities.
- Responsible for coordinating an annual plan review and update.
- Develop activity sheet(s)

Activity Sheet Guidelines

- Confirm situation and notify senior management.
- Establish a Recovery Operations Center (ROC)
- Assemble ROC group members.
- Ensure ROC has all required resources including those for sustained operations (food, drink, etc)
- Provide updates to the Executive Control Group.
- Obtain and release information to the public information coordinator.
- Maintain a log of activities

Security Coordinator

The security coordinator, whether this task is in house or contracted out, has two major responsibilities: (1) Providing security at the alternate (new) site of operations and (2) at the damaged site in order to meet public safety requirements and to safeguard any remaining resources.

Planning Responsibilities

- Maintain a list of those companies who can supply security resources or expertise.
- Develop security plans for the damaged site and new site of operations
- Plan to establish a personnel identification system
- Develop activity sheet(s)

Activity Sheet Guidelines

- Initiate and maintain security measures at the alternate operations site.
- Maintain security for the damaged site. (Liaise with Accommodation Coordinator)
- Establish a personnel identification system
- Contact and liaise with investigators (fire and police) as necessary
- Maintain a log of activities

Accommodation Coordinator

The accommodation coordinator is responsible for establishing a site of operations. Depending on circumstances this may involve clean up and repair of the damaged site or relocation to an alternate site.

Planning Responsibilities

- Maintain a list of building inspectors
- Maintain a list of reliable and qualified contractors to:
 - Clean up and repair the damaged site to return it to use as quickly as possible.
 - Make temporary repairs to the damaged - facility to ensure that it is secure and to prevent damage from the elements or from theft.
 - Assist in establishing the alternate site.
- Locate and maintain a list potential alternate sites**
- Develop activity sheet(s)

Activity Sheet Guidelines

- Contact building inspector for damage inspection.
- Select site and initiate relocation.
- Allocate space requirements to departments given the priorities that you have established.
- Ensure a logical layout of allocations so that the organization can function efficiently.
- Maintain a log of activities.

** Considerations

- Is the alternate site likely to be at risk from the same hazard that may affect your operation?
- Does it meet your physical requirements in terms of size and amenities?
- Will the new location impair your ability to service customers effectively? Is it accessible?
- Some organizations may be able to make mutual aid agreements with branch offices that may be able to appropriate facilities. Mutual aid agreements between businesses are not typically effective.

Finance and Administration Coordinator

The financial coordinator is responsible for insurance issues and for authorizing funds in conjunction with the Executive Control Group.

Planning Responsibilities

- Ensure that appropriate insurance coverage exists and maintain a list of all insurance policies and contacts (Liaison with management)
- Maintain a list of current assets for insurance purposes (liaison with damage assessment coordinator)
- Develop activity sheet(s)

Activity Sheet Guidelines

- Notify insurance adjusters
- Pre clear major expenses with insurance company
- Authorize emergency cheques
- Liaise with management group on financial decisions
- Maintain a record of purchases, expenditures
- Maintain a log of activities

Personnel Coordinator

The personnel coordinator is responsible for overseeing all employee concerns and managing a personnel resource pool that can be used to meet any special needs caused by the disaster.

Planning Responsibilities

- Maintain an up to date contact list of all employees. (Name, position, telephone number, address, expertise)
- Maintain a list of agencies who can supply temporary staff as required including sources of specialized personnel
- Develop a system for managing a post event resource pool
- Maintain a list of sources for workplace health and safety advice and psychological counseling
- (critical incident stress debriefing)
- Plan for other anticipated personnel concerns (i.e. payroll, daycare, transportation):
- Maintain a list of current job descriptions so that unavailable staff can be replaced
- Develop activity sheet(s)

Activity Sheet Guidelines

- Account for the status of all personnel.
- Recall priority staff.
- Notify impacted employees of their status (Liaison with information program)
- Coordinate a resource pool of unassigned personnel, assessing departmental needs and reassigning as available.
- Obtain guidance on workplace safety and health issues, as required.
- Arrange for critical incident stress debriefing as required.
- Arrange for other personnel concerns as required. These may include such items as payroll, transportation, housing, daycare, etc.
- Maintain a log of activities

Essential Records Coordinator

The essential records coordinator is responsible for addressing department needs for essential information through recovery from the off site essential records archive.

Planning Responsibilities

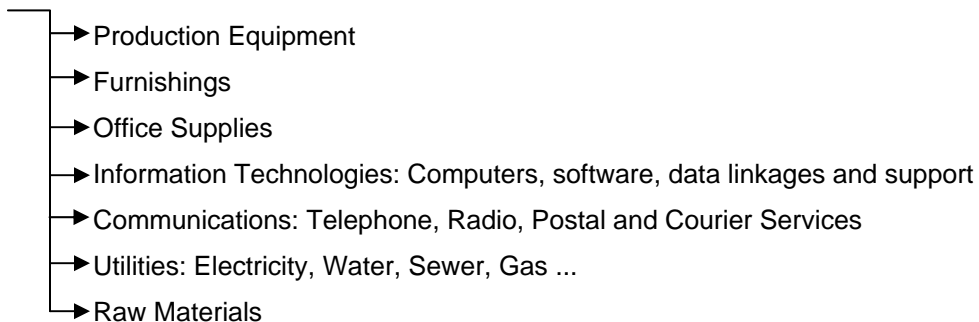
- Develop an essential records program(See section 3.2.5) Use external advice as necessary
- Develop and maintain a list of companies that specialize in electronic or paper records salvage
- Determine recovery priorities based on' anticipated departmental needs.
- Develop activity sheet(s)

Activity Sheet Guidelines

- Address department needs for essential information and prioritize records retrieval.
- Contact information salvage companies as required.
- Maintain a log of activities.

Equipment & Supplies Coordinator

Loss of the equipment and supplies required to carry out essential functions is a common impact and may represent one of the largest tasks within the Recovery Operations Center. If this is the case the coordinator may require a team to assist with resource acquisition and distribution.



Planning Responsibilities

- Maintain a list of local suppliers for all essential resources.
- Maintain a list of alternate suppliers outside the region for all essential resources.
- Maintain a list of qualified contractors for specialized installations.
- Develop activity sheet(s).

Activity Sheet Guidelines

- Contact local suppliers to obtain essential resources.
- Contact alternate suppliers (as necessary) outside the region to obtain essential resources.
- Distribute resources to departments as required.
- Maintain a log of activities.

Considerations:

Selecting Suppliers

- Reliability. Are they likely to be impacted by the same hazard? If so do they have business resumption plans to help ensure a continuity of supply?
- Flexibility
 - What are the suppliers' hours of operation?
 - Will they provide emergency service?
 - Will they supply resources for a short period of time (i.e. a week) and what are the costs for this?
 - Are they willing to participate in plan exercises?
- Delivery and Setup - Are these services available and what are the costs'?
- Payment - Credit arrangements, etc... should be arranged in advance and well understood by both parties.

Evaluate the value of leasing or renting options as opposed to purchasing. This decision will be influenced by results of the damage assessment.

Timing - Anticipate needs and take into consideration delays in obtaining resources particularly those that may be more obscure.

Damage Assessment & Salvage Team

Following a hazardous event there may be resources at the affected site that remain, to some degree, intact and that can be returned to use with little or no delay and thus reduce the need for and costs of replacements. To ascertain this, a damage assessment (quick estimate of the situation to determine resource status) is essential and must be undertaken as soon as possible. Items are tagged with tape to identify their status and recorded by the team. After the assessment is completed and reported to the resource coordination center salvage operations should begin.

Damage Assessment & Salvage Coordinator

Planning Responsibilities

- Assemble and train a damage assessment team
- Prepare salvage tags (or tape) as follows:
 - Readily Usable
 - Minor Repairs Required
 - Major Repairs Required
 - Unusable - Destroyed
- Develop and maintain a list of contractors who specialize in damage assessment and salvage.
- Develop and maintain a list of contractors to repair damaged resources.
- Liaise with emergency officials, insurance company (and building owner if leased) who will need to know of the damage assessment and salvage teams function in the event of an emergency
- Establish the necessary resources for damage assessment:
 - Tape or tags
 - Worksheets
 - Video or still cameras
 - Safety equipment
 - Coveralls
 - Hard hats
 - Boots
 - Flashlights
 - Safety glasses
 - Breathing masks
 - etc...
- Develop activity sheets

Activity Sheet Guidelines

- Contact and coordinate with insurance adjusters.
- Confirm with response authorities (and building owner if leased) that it is safe for the damage assessment team to proceed.
- Assemble the damage assessment team.
- Proceed with damage assessment.
- Report findings to BRP coordinator.
- Following assessment proceed to salvage usable resources in accordance with resource needs.
- Maintain a log of activities.

Operations Teams

Department functions will be resumed according to plan priorities (see section 2.2.2). Once established they will continue operations in a relatively normal manner.

Department Leaders

Planning Responsibilities

- Determine and maintain a list of the resources required to achieve functions (See section 2.2.3)
- Develop activity sheet(s)

Activity Sheet Guidelines

- Issue instructions to assigned staff
- Communicate needs to the appropriate resource coordinators
- Reassign unassigned staff to a personnel resource pool.
- Maintain a log of activities

2.4 PLAN ASSEMBLY

Following completion of the detailed components (section 2.3) the planning document itself is almost complete. The last step has two parts: First is the writing of other plan components (below) and the second is the actual assembly of the plan.

2.4.1 Plan Content

Table of Contents

| | |
|-----------------------------|--|
| Foreword | A brief statement by the general manager or other person of authority demonstrating commitment to the plan. [separate page] |
| Distribution List | An up to date list of all those personnel who have copies of the plan. [separate page] |
| Record of Amendments | As the plan changes make a list of all those changes that have been made to the plan and when they were made. [separate page] |
| Purpose | A broad statement to illustrate the general goals and objectives of the plan. |
| Activation | A description of who can activate the plan and the conditions that would constitute an emergency and require the plan to be activated. |
| List of Succession | A list dictating the passing of authority should key organizational officials be unable to perform their function. |
| Definitions | Include any technical terminology or definitions of those terms that may be subject to a misinterpretation. |
| Recovery Structure | A diagram showing the recovery structure and brief descriptions of the key individuals roles |
| Callout Lists | A current phone list of all key members (and alternates) that make up the recovery team. |
| Activity Sheets | Include activity sheets for all those activities you have identified to return the operation to a functional state. Executive Control Group Resource Coordinators Department Managers and other key personnel |

2.4.2 Plan Assembly

Following completion of all elements of section 2.4.1 the plan can now be assembled. There are several considerations for reproduction:

Paper : The plan should be printed on a good quality paper (heavy weight) for durability.

Tabs : Use tab sheets and labels to delineate separate components of the plan.

Cover : Ideally each copy of the plan should be placed in a binder so that the document is unlikely to be damaged during storage.

The binder should be a bright color and clearly labeled on the cover as well as the spine so-that is readily identifiable.

If the plan is large it may be advisable to break it up into modules for different plan users otherwise information will be difficult to locate.

2.5 Plan Implementation & Maintenance

2.5.1 Plan Implementation

Management Approval

Following completion of the plan document, the plan must be presented to senior management for approval. If they have been kept updated and involved in the process this may be little more than a formality.

Training

All personnel should be familiar with their roles and responsibilities as outlined in the plan, as well as having a general knowledge of how the overall organization will function when the plan is activated. There are a number of ways in which this information can be relayed to staff:

- Ensure that copies of the plan are available for review by any staff member.
- Conduct information / orientation sessions or, if the plan is very complex, it may be necessary to develop a training course. The information being provided during these sessions should include the following:
 - The purpose of the plan.
 - The plan's structure.
 - Who can implement the plan - the lines of succession when key players are absent.
 - A general overview of the how the organization will operate following activation of the plan including a description of the major elements of the recovery structure:
 - Essential Operations.
 - The Recovery Operations Center: Location, purpose and role.
 - The Executive Control Group.
 - The importance of the media plan and staff rules in relation to it.
 - The Damage Assessment and Salvage Team.
- Key players roles and responsibilities.
- Familiarization with activity sheets for each department within the company.

2.5.2 Plan Maintenance

Business Resumption Plans need to be maintained (exercised, updated and properly stored) if they are to be effective when needed. The BRP Coordinator should be responsible for ensuring that these requirements are met.

Storage

Maintain several copies of the plan at work for general use. Those individuals with plans should be instructed to keep their copy at home as a contingency against damage or loss of office copies.

Review & Update

Ensure that the information in the plan is kept current by conducting a periodic review following plan exercises and by amending the plan when there are significant changes to policy, services or procedures. Reviews can be undertaken by consultants but if the plan has been developed in house the expertise and familiarity would make use of organizational resources appropriate.

Exercises

The BRP should be exercised annually (at least) in order to determine the strengths and weaknesses of the plan as well as allowing staff to practice their roles and to build confidence in their abilities.

When the word exercise is mentioned people tend to think of the large, full scale mock disaster exercises occasionally conducted by emergency response organizations. These exercises are resource intensive and the cost and complexity make their implementation difficult.

Obviously the average organization does not have the financial resources or expertise to conduct these types of exercises. This should not be a problem as there are two means of minimizing the resource requirements and level of difficulty associated with an exercise.

One approach is to control the extent of the exercise by only testing certain components of the plan (i.e.: testing only the resource coordination team or testing the essential records program.) Actual testing of all aspects of the BRP could be restricted to every few years.

The second method is to use an exercise type that is less complex than the physical exercise described above. For the purpose of testing a BRP the table top exercise is probably most appropriate since it is a reasonably comprehensive yet easy to design and requires minimal resources to undertake. In this type of exercise key personnel act out their roles and responsibilities in response to a simulated disaster.

Design Steps

1) Determine the Exercise Parameters

- What are the objectives of the exercise? What elements of the plan do you want to test?
- Who will need to be involved?
- What is the duration of the exercise? (No longer than 2 to 3 hours)
- What is the cost of the exercise?
- When and where is the exercise to be held? (Likely a weekend so that operations are not disrupted)
- Obtain management support to go ahead with the exercise.
- Determine how to handle resource acquisition (external contacts)
 - Played by organization members
 - Actual vendors could be contacted ahead of time and provided with detailed information to provide to the exercise.
 - Vendors could be warned of the exercise but provide only real information.

2) Design a Scenario

The exercise is scenario driven. It should be realistic but not so difficult that problems cannot be solved.

- Pick an event that will be the basis for requiring the activation of the BRP.
- Determine how the organization and possibly the surrounding community have been affected.
- Identify additional problems that are to be included (i.e. casualties, difficulties in obtaining resources etc...)
- Develop a sequence of detailed events (be imaginative) on a master list being sure to include all of the players involved in the exercise. The list should include the categories listed in figure 2.5a
- From the master list prepare individual narrative sheets (Sheets which outline a single event) which are supplied to all or some of the players during the exercise.

Figure 2n - Exercise Master List

| Event # | Exercise | | Event Description | To Player(s) | Real Time |
|---------|----------|--------|---|--------------|-----------|
| | Date | Time | | | |
| 1 | Mon | 10 :35 | An explosion at a nearby PCB facility is detected | All | 0 :00 |
| 2 | Mon | 10 :45 | Emergency services arrive at the PCB facility | All | 0 :02 |
| | | | ↓ | | |
| 3 | Mon | 11 :15 | Fire department orders evacuation | Management | 0 :08 |
| | | | ↓ | | |
| 4 | Mon | 16 :30 | Reports indicate your operation will be closed for six weeks for clean up | Management | |

3) Further Preparation

- Establish an exercise delivery team of assessors who will monitor progress and help evaluate the exercise in relation to the aims of the exercise - assessment sheets
- Determine the resources that will be necessary - telephones, refreshments, etc...
- Determine special instructions to be given to players
- Prepare the exercise delivery team for the exercise - brief, assign duties, provide assessment materials.

4) Run the Exercise

- Assemble all members required for the exercise at the location that you have chosen.
- Provide an initial briefing for the players including the aim of the exercise and any special instructions. Be sure to mention that any problems should be directed to the exercise facilitator.
- Run the exercise. Pass out sheets and monitor events. If there are problems improvise the situation as required.

5) Post Exercise Debriefing

- Immediately following the plan exercise (or after a real incident), a debriefing should be held to allow all participants to comment on the exercise and the plan.
- Remember that one of the reasons for the exercise is to build confidence. The facilitator and assessors should be tactful and provide positive feedback.
- All comments should be recorded and used by the planning team to develop a report including the following:
 - Exercise experiences - problems that are unlikely to occur again.
 - Exercise problems - those that can be attributed to the exercise design and that should be considered when designing future exercises.
 - Plan problems - including plan and procedural problems also including facilities, equipment and training that will require change.

The report should be used to make necessary changes to the plan as soon as is practical.

3 PLAN SUPPORT

Up to this point the focus has been on the preparation and maintenance of a business resumption plan. The process is, however, not complete. Since the ultimate success of a BRP is to provide for the continuity of services, its effectiveness is tied to other elements of hazard management (Figure 1 a).

A comprehensive preparedness program may achieve some or all of the following:

- Reduce the probability of occurrence of some hazardous events and the chances that the organization will ever have to activate its business resumption plan.
- Safety programs, steps taken to protect assets, emergency response plans and training will all help to reduce the level of damage created during a hazardous event and will reduce the cost of resources necessary for the recovery process.

3.1 Risk Assessment

A business resumption plan is designed to function regardless of the hazard that has affected the organization.

Given this fact, a formalized risk assessment process is not an absolute prerequisite for developing such a plan. It has been included simply as a tool to gain a better understanding of the types and degrees of risk that your organization faces as well as to achieve the following:

1. To demonstrate the relative risks to management in order to gain the commitment of resources to undertake planning and other preparedness programs (Section 2.1.1).
2. Note special problems that may appear and that may require special actions:
 - Contingency plans to respond to high risk hazards (i.e.: sandbagging - floods).
 - Identify vulnerable areas and prescribe change or increased preparedness for those areas.

The Risk Model

In the context of this document Risk is defined as the probability of occurrence of a hazardous event of defined consequences (i.e.: Probability of a tornado destroying facility 'x'). It should not be confused with any other definitions of risk that may exist in the business world.

The risk assessment method used in this guideline does not provide a quantitative value or even a relative ranking of the risks that your organization faces. It is simply provided as a systematic means of getting the organization to think about its risk factors and, when these are recognized, to take steps to reduce the level of risk due to various hazards.

The checklists provided in the document should be used only as a basis for the risk assessment. Make detailed notes on problematic areas and means of minimizing these potential problems.

A. Identify the Hazards

The first component in any risk assessment is to identify those hazards that could impact upon the organization. To speed things up a list has been included of some of the more common hazards present in Manitoba. Note that this list is far from comprehensive; you may identify other hazards to include in the process.

B. Evaluate the risk that each hazard represents

Rate each hazard (from the list or others as identified) for each of the following categories:

1) Probability The relative probability of the event occurring (based on history or estimate) in sufficient proximity to effect your organization. Note that some hazards (particularly human) may be difficult to estimate.

- Low Probability of occurrence 5 years or less frequently
- Medium Probability of occurrence between 3 to 5 years
- High Probability of occurrence within 1 to 3 years

2) Safety Threat The relative safety threat that the hazard represents to personnel or clients.

- Low Event occurrence unlikely to kill or injure
- Medium Event occurrence likely to cause possible injury and possibly death
- High Event occurrence likely to cause many injuries and some fatalities

3) Resource Threat The relative threat to resources other than personnel (see Section 2 for resources)

- Low No damage or; Sensitive resources damaged others receiving minor or no damage
- Medium Minor to moderate damage to most resources
- High All or most resources moderately to severely damaged or destroyed

4) Functional Threat Consider the effects that the hazard may have on the business functions excluding the impact to resources or safety. These fall in two categories:

1. External effects - loss of function due to a hazard impact to the surrounding region or community (i.e.: transportation system interrupting supply acquisition and distribution)
2. Internal effects - impacts on functions at your location without damage to resources or personnel safety (i.e.: A computer virus disabling a computer network).

- Low Negligible to minor disruption - short or periodic delays to function
- Medium Moderate disruption - loss of function for several days
- High Major disruption - isolation from critical inputs or output for days or weeks

Notes

1. Flooding may include river, sewer backup or other
2. Fire - include possible smoke and water damage

Risk Assessment Worksheet

| | Probability (low, med, high) | Safety Threat (low, med, high) | Resource Threat (low, med, high) | Functional Threat (low, med, high) |
|----------------------|---------------------------------|--------------------------------------|--|--|
| Natural | | | | |
| Flooding | | | | |
| Snowstorm / Blizzard | | | | |
| Tornado / High Winds | | | | |
| Drought / Heat Wave | | | | |
| Other: _____ | | | | |
| Other: _____ | | | | |

| | (low, med, high) | (low, med, high) | (low, med, high) | (low, med, high) |
|-------------------------|------------------|------------------|------------------|------------------|
| Technology | | | | |
| Fire | | | | |
| Explosion | | | | |
| Dangerous Goods Release | | | | |
| Major Utility Outage | | | | |
| Communications | | | | |
| Electricity | | | | |
| Water | | | | |
| Gas | | | | |
| Sewer | | | | |
| Structural Failure | | | | |
| Air crash | | | | |
| Other: _____ | | | | |
| Other: _____ | | | | |

| | (low, med, high) | (low, med, high) | (low, med, high) | (low, med, high) |
|------------------------|------------------|------------------|------------------|------------------|
| Human | | | | |
| Sabotage | | | | |
| Theft | | | | |
| Internal | | | | |
| External | | | | |
| Industrial Espionage | | | | |
| Vandalism | | | | |
| Work Action (external) | | | | |
| Other: _____ | | | | |

3.2 Preparedness Activities

Following a risk assessment an organization should have a good idea of the risks that are faced and those parts of the business that are most vulnerable. Problem areas that have been noted should be acted upon. A comprehensive preparedness program including preventative measures, training, and establishing daily routines will all help to make the BRP more effective. Consider the following points to deal with such problems:

Prevention: Take steps to reduce the probability of occurrence of a hazardous event.

Emergency and Contingency Plans: Develop plans so that the organization can react to hazard warnings or emergencies and help minimize the consequences of those events.

The next few pages illustrate some items that should be part of a hazard management program. Remember that these should not be considered as complete. There are many other possible options for minimizing an organization's exposure to risk.

3.2.1 Accommodation

Structural Integrity

- Is the building old, retrofitted or new?
- Are fire resistant and low smoke producing materials used in its construction?
- Is the building well compartmentalized to resist fire? Are there fire doors?
- Has the building had recent inspections by the local fire department or other appropriate agencies?
- Are there procedures for building inspection and other safety concerns?

Location

If the risk assessment has identified the organization as being located in a high risk area consider the following options:

- Physical Relocation (rarely practical)
- Adaptation - Removing hazards or altering elements to reduce the consequences of a hazardous event
- Contingency Planning - Plan how to react to the threat of a hazard. (i.e.: Relocating sensitive items to higher floors or removing from the building following receipt of a flood warning)

3.2.2 Security

A great deal could be said about security that really goes beyond the scope of this document. What is important is to have a basic awareness of security issues and ensure that an appropriate program is in place to meet any identified risks.

Security is traditionally thought of as maintenance of site security which includes the physical safety of personnel and protection of property or information from internal or external theft as well as industrial espionage.

A more recent security concern is the risk of tampering, information theft, and viruses entering computer systems via networks. There have been a number of examples of this problem and organizations should take precautions to reduce the risk of this occurring.

Technology

There are many technologies available to increase security including motion detectors and video surveillance systems.

Training

Making staff aware of security risks and training them in specific security techniques is a relatively simple and cost effective means of increasing security.

Testing

Any security measures that are put in place should be tested on a regular basis to determine weaknesses and allow improvements to be made.

3.2.3 Personnel

The people that make up a firm are typically its greatest resource. It may be relatively easy to replace equipment or relocate to a new site but it is not so easy to replace workers with specialized skills knowledge and training. It is therefore very important that staff have the resources and knowledge to enable them to take steps to protect themselves from the effects of a disaster.

Consider the following safety points:

Safety Systems

Hazard Detection and Warning Systems

- Ensure that there are a sufficient number and appropriate distribution of smoke and heat detectors.
- Does the fire alarm system include voice communication capability and does it meet the needs of the hearing impaired?
- Provide routine testing and maintenance of these systems to ensure their functionality

Fire Suppression

- Automatic fire suppression systems : Sprinkler, CO₂ or Halon.
- Fire extinguishers - sufficient numbers and types, appropriately located.
- Are staff trained in the use of emergency equipment (fire extinguishers...)

Evacuation Procedures

- Appoint and train floor or section wardens to coordinate emergency evacuation.
- Instruct staff in evacuation procedures including assembly points for head counts after leaving the building or area.
- Supply clearly marked signage showing floor plans, evacuation routes and procedures.
- Identify staff with special needs (Mentally or physically handicapped, pregnant women or otherwise mobility impaired...) and make provisions for them, i.e.:
 - Assign a buddy to assist with evacuation
 - Provide Braille signage, etc ...
- Emergency Lighting
 - Test to ensure that lighting is adequate for evacuation.
 - Provide regular testing and maintenance of batteries and bulbs
- Ensure that there are alternate means of evacuation from all sections of the building
- Ensure that all emergency exits are clearly marked.
- Keep evacuation routes clear of obstacles or other hazards.
- Routinely practice evacuation procedures (fire drills).

Emergency Response

- Develop and train staff in reporting procedures to contact police, fire, ambulance, etc....
- Post emergency numbers and reporting procedures near all telephones.
- Train staff to undertake other emergency activities including equipment shutdown, data protection, utility shutoffs
- Utilities nodes such as electrical boxes should be clearly marked and the necessary tools and instructions provided for proper shutdown.

First Aid

- Ensure that there are appropriate first aid supplies and that they are they routinely inspected and replenished.
- Ensure there are an adequate number of persons trained in First Aid and CPR.

Other Considerations

- If there is the possibility of being cut off for an extended period of time, maintain survival essentials (water, food and fuel) to last the duration.
- Dangerous goods (including building maintenance supplies) should be safely stored.
- Document job descriptions so that others may replace those who are unable to work.
- In some cases it may be advisable to develop a policy of cross training employees who have specialized skills.

At Home

Encourage staff to be prepared at home. There are a variety of educational booklets available from the Manitoba Emergency Measures Organization or Public Safety Canada on this topic.

3.2.4 Equipment & Supplies

It makes sense to take cost effective steps to protect all of the organizations assets. It is essential however that those devices that are critical to operations be able to operate with little downtime.

Vital Systems or Equipment

Identify Problem Areas

- Identify those pieces of equipment or systems that are essential to operations.
- Assess the vulnerability of different pieces of equipment to various hazards; i.e.:
 - Sensitive electronic devices that are easily damaged by a number of means (water, jarring shock, power surges, etc ...).
- Identify the length of downtime until the equipment can be repaired or replaced. If this is unacceptable take steps to reduce the risk of failure and, in turn, help to ensure the continuity of processes or functions.

Reduce the Risk of Failure

Reduce Probability

- Relocate vital equipment to lower risk locations within the organization.
- Reduce the probability of hazard occurrence by removing specific hazards.
- Take protective actions
 - Water Damage - Cover sensitive machinery with plastic covers
 - Electrical Damage - Utilize power bars with surge protection or uninterruptable power supplies to protect sensitive electronic devices.
- Use regular preventative maintenance to detect and repair problems before they occur.

Reduce Consequences

Increase capability to respond to system failure.

- Maintain duplicate units off site for immediate use.
- Maintain parts that are likely to fail and ensure that a repair capability exists

Safety Considerations

Take steps to secure equipment or materials that may create problems during certain hazardous events such as anchoring storage tanks in flood prone areas and securing materials that may become a projectile hazard in high winds.

Utilities

- Maintain back up generators to run essential systems in the event of a power failure.
- Redundant systems should be located in low risk areas, should be well maintained (including fuel) and tested so that they will function when needed.
- If communications are critical consider building redundancy into communications systems
- Establish shut down procedures for utilities

3.2.5 Records Management

A common business function is the use, maintenance and storage of various types of information. While some information may be of little consequence to continuing operations, some will be essential. Many resources are easily replaced after a disaster but essential records are not. Once destroyed, they are gone for good and may severely compromise the ability of the organization to recover critical operations.

This section outlines some of the considerations necessary to develop an essential records program

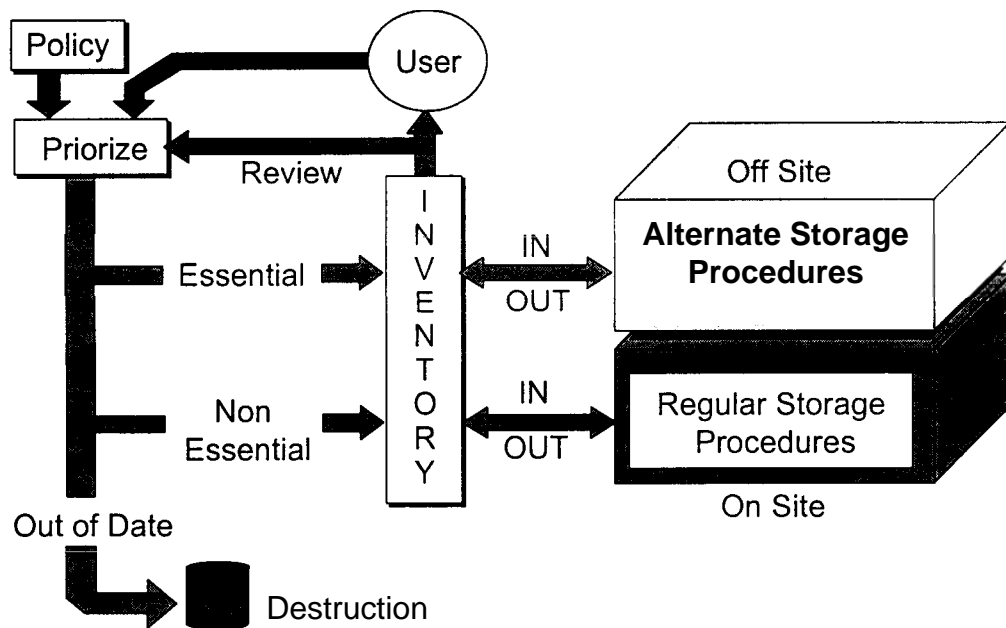


Figure 3a - Records Management

| Category | Characteristics | Backup |
|---------------|--|----------------|
| Essential | Necessary to rebuild organization from scratch Necessary to continue delivery of services | Yes - Frequent |
| Non Essential | Minor Importance | Yes |
| Out of date | Superseded Scheduled for Destruction | No |

Policy

It is highly impractical, if not impossible, to take special precautions to protect every piece of information that an organization maintains. In fact, essential records should not be more than 10% of the total volume of all records held by the organization. The initial step in developing an essential records program therefore, is to develop a policy to determine what is an essential record and what is not.

To do this requires a well defined understanding of the roles and responsibilities of the organization (Section 2.2) and a policy development team including the following:

- Senior management
- Users of the information
- Information managers
- Legal / Technical consultants

Unfortunately there is no universal list that applies to all organizations. The following list provides some records that may be considered as essential to the needs of an organization. It should not be considered as complete - There may be other types of information that you may wish to include.

Administrative

- Constitution and Bylaws
- Organizational charts
- Annual reports
- Certificates of incorporation and registry
- Management succession lists
- Copies of legislation, acts, regulations and policies
- Charter, franchises and orders in council
- Payroll / personnel records
- Mailing lists
- Inventories or equipment and supplies
- Blank forms (computer & non computer)
- Supplier lists
- Licenses and permits
- Insurance policies
- Court documents

Contractual

- Contracts and agreements
- Union agreements
- Sales records and guarantees
- Leases

Financial and Property

- Accounts payable and receivable
- Bank records
- Stocks and bonds
- Audit records
- Capital Assets list
- Fixed asset records
- Financial signing authorities
- Property and land files

Technical

- Engineering data
- Computer programs
- Procedural manuals
- Research, technical data and specifications on specialized projects
- Blueprints, maps and technical drawings
- Production formulae

Retrieval

- Lists and locations of all essential records

Records Inventory

In addition to keeping essential records current it is critical to maintain an up to date record of the locations of all pieces of information. In addition each record should be dated and noted as an essential record as part of the inventory process.

Storage Procedures

While only essential records receive special treatment it may be useful to take precautions to protect all documents including the use of fire or water resistant storage containers and storing information in a more secure area of the business.

Off Site Storage

The location of the off site storage facility can be anywhere that is practical and could include a branch office, commercial storage or any other facility. Critical factors for site selection are that the site is not subject to the hazards that are likely to impact the organization, have adequate environmental conditions for records preservation and sufficient security to preserve the confidentiality of any sensitive information. Financial records such as securities, bonds, debentures etc. may be stored at banks.

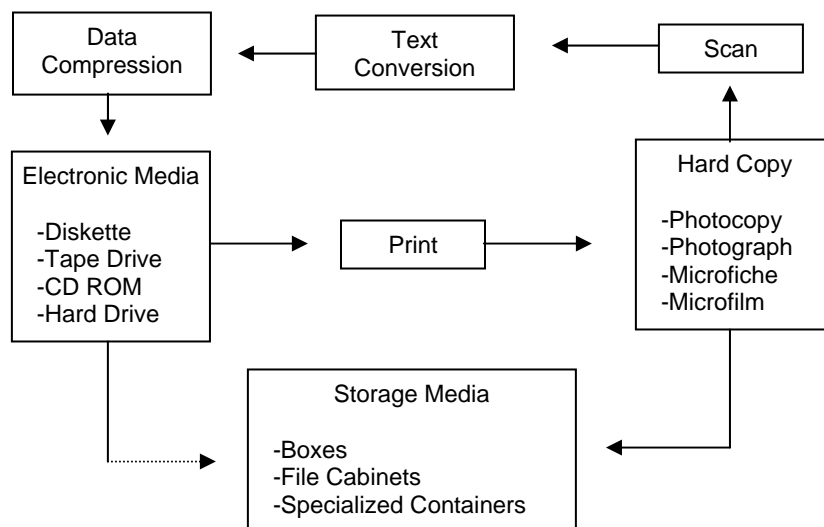
Review

Records should be tested periodically to ensure that they are still current and to ensure that records are not missing from the essential records program.

Information Types and Storage Options

Information is typically stored in two forms : paper (documents, photographs, maps blueprints...) and electronic (computer files, video and audio tape,...). There are a wide range options for the manipulation and storage of essential information as illustrated in figure 3b.

Figure 3b - Media Types and Storage Options



3.2.6 Operating Funds

A common impact of disaster is the reduction or loss of cash flow. There are several potential sources of operating funds: insurance, loans and self insuring (reserves).

Insurance

Insurance is essential to the recovery process. All business should regularly review their insurance needs as well as coverage with their broker or insurance advisor to clearly determine what is covered, what is not, and the amount of coverage available.

In addition to standard insurance policies that cover property losses (i.e.: structure and contents, boiler and machinery insurance...) Business Interruption Insurance is an option. This form of insurance is costly but compensates for lost earnings or profits during a temporary cessation of business and may cover costs of temporary facility rental.

Additional Considerations

- Does taking preventative measures reduce your insurance premiums an appreciable amount so that there is the incentive to take precautionary measures?
- What is the expected delay in receiving settlement payments? If there are delays where can you obtain funds to continue operations until they arrive?

Loans

In addition to loans that are available through traditional lending institutions the following may be contacted to inquire about assistance with obtaining loans:

- Chamber of Commerce
- Federal Business Development Bank

Reserves

As an alternative for emergency funding some organizations may wish to consider self insurance or risk financing pools.

Other Assistance

Organizations may be able to receive advice and assistance through the Manitoba Disaster Assistance Board and Industry Trade and Tourism.

4 APPENDIX

A. EXECUTIVE SUMMARY

Introduction

A Business Resumption Plan (BRP) is a plan activated during or immediately after an emergency and is aimed at permitting the rapid and cost effective resumption of an organizations essential operations in order to maintain continuity of services to it's clients. It sets the stage for, but is a separate entity from, long term disaster recovery which returns the organization to normal operating conditions.

Development Phases

1. The first phase requires obtaining senior management commitment; developing and communicating, a BRP policy and assembling a team to develop the plan.
2. The plan is based on information from a review of the business activities that support the organizations products and services. The results of this step are a determination of the order of restoration of business functions and the resources required to support each of these functions.
3. The third phase is the actual writing of the business resumption plan. This involves using the information from the previous step to develop a recovery structure that meets the needs of the organization, staffing the structure, assigning planning responsibilities one of which is the development of activity sheets for all key players which is the backbone of the BRP.
4. The fourth phase includes writing other components of the plan and combining these with the activity sheets into a plan.
5. The fifth and final phase is the implementation and maintenance of the BRP. Implementation includes gaining management approval and training staff in the content and their roles in the plan. Maintenance requires that the plan be properly stored, tested and updated so that it is a current and effective tool for responding to the effects s of a disaster.

Plan Support

The success of any BRP is highly dependent upon a hazard mitigation program. This type of ongoing program includes a wide variety of activities designed to reduce risk by reducing either the probability of occurrence or minimizing the occurrence of a hazardous event. Examples of such activities include the regular backup of essential records and computer data, the protection of vital equipment from damage and safety systems designed to warn and protect personnel from potential hazards.

Conclusion

The inability of an organization to recover its ability to deliver goods and services in a timely and cost effective manner typically results in significant financial stress and often leads to the failure of the organization. Business Resumption planning as demonstrated is an effective tool in maintaining continuity of services and substantially increasing the odds of an organization surviving a disaster.

B. GLOSSARY of TERMS

| | |
|----------------------------|---|
| Emergency | The period of time during which actions are required to prevent the loss of lives and damage to property or the environment. |
| Risk Management | The process of analyzing risk and determining steps to reduce those risks that are unacceptable. |
| Hazard Management | A subset of risk management involving those risks that pertain to the rarer occurring impacts of natural or human made hazards. |
| Business Resumption | A plan activated during or immediately after an emergency and is aimed at permitting the rapid and cost effective resumption of an organizations' essential operations in order to provide continuity of services to clients. |
| Disaster Recovery | A long term process that results in a return to the normal operating conditions present before the occurrence of the hazardous event. |
| Resources | Any asset (money, personnel, information, equipment, supplies) used by an organization to achieve it's goals. |
| Static Inputs | Resources that do not change on a regular basis (ie: accommodation) |
| Dynamic Inputs | Resources that change on a regular basis (ie: information) |
| Risk Assessment | The process of evaluating risk. |
| Disaster | A state following the occurrence of a natural or human created hazard during which either lives have been lost, injuries sustained and serious damage has occurred to either property or the environment. |

C. BUSINESS RESUMPTION PLANNING DEVELOPMENT CHECKLIST

GETTING STARTED

| | <u>Responsibility</u> | <u>Reference</u> |
|---|--------------------------------------|------------------|
| Has senior management commitment been obtained? | Senior Management | 2.1.1 |
| Has a business resumption planning policy been developed? | Senior Management | 2.1.2 |
| Has the business resumption planning policy been communicated to all employees? | Senior Management | 2.1.3 |
| Has a BRP coordinator been appointed? | Senior Management | 2.1.4 |
| Have BRP planning team members been appointed? | BRP Coordinator Senior Management | 2.1.5 |
| Has a planning framework been established ? | BRP Coordinator Planning Team | 2.1.6 |

OPERATIONS REVIEW

| | <u>Responsibility</u> | <u>Reference</u> |
|---|--|------------------|
| Have organizational outputs been listed? | BRP Coordinator Planning Team | 2.2.1 |
| Have organizational outputs been prioritized? | BRP Coordinator Planning Team | 2.2.1 |
| Have department level functions been listed? | Department Staff | 2.2.2 |
| Have department linkages been evaluated? | BRP Coordinator Planning Team Department Staff | 2.2.2 |
| Have department level functions been prioritized? | BRP Coordinator Planning Team | 2.2.2 |
| Have department resource needs been: | | |
| Determined? | Department Staff | 2.2.3 |
| Inventoried? | Department Staff | 2.2.3 |

DETAILED PLANNING

| | <u>Responsibility</u> | <u>Reference</u> |
|--|----------------------------------|------------------|
| Has a recovery structure been established ? | BRP Coordinator Planning Team | 2.3.1 |
| Have positions within the Recovery Structure been determined? | BRP Coordinator Planning Team | 2.3.1 |
| Have the positions within the Recovery Structure been staffed? | BRP Coordinator Planning Team | 2.3.2 |
| Have planning responsibilities been assigned to all key individuals and/or teams ? | BRP Coordinator Planning Team | 2.3.3 |
| Have all key players and teams prepared Activity Sheets? | | 2.3.3 |

PLAN ASSEMBLY

| | <u>Responsibility</u> | <u>Reference</u> |
|--|----------------------------------|------------------|
| Have the other Plan Components been prepared ? | BRP Coordinator Planning Team | 2.4.1 |
| Has the plan been: Printed ? | BRP Coordinator | 2.4.2 |
| Assembled ? | BRP Coordinator | 2.4.2 |
| Packaged ? | BRP Coordinator | 2.4.2 |

PLAN IMPLEMENTATION & MAINTENANCE

| | <u>Responsibility</u> | <u>Reference</u> |
|---|--------------------------|------------------|
| Has the plan been approved by senior management? | Senior Management | 2.5.1 |
| Has the plan been distributed to all appropriate personnel? | BRP Coordinator | 2.5.1 |
| Have all staff been trained in their roles in the plan? | BRP Coordinator Staff | 2.5.1 |
| Are copies of the plan safely stored in multiple locations | Plan Holders | 2.5.2 |
| Is the plan (or portions of it) being exercised regularly (annually)? | BRP Coordinator | 2.5.2 |
| Is the plan being reviewed and updated regularly? | BRP Coordinator | 2.5.2 |

D. PUBLIC INFORMATION PLANNING

Following a disaster you will need to actively supply relevant parties (clients and personnel) and the public with information.

Clients - will need to be reassured and kept informed of events. The information program coordinator should have a designated team of people to report to the following:

- Possible delays in service
- The length of time anticipated until normal operations (be realistic)
- How their interests are being protected

Personnel - will also need to be provided with relevant information regarding

Media - Information released to the public should be handled by a single spokesperson at a news conference.

A news conference allows the media to ask questions and gives them an opportunity to photograph the disaster area. It is an ideal time for designated officials to provide information and be available for questions that will reassure your customers and employees.

Preparation

Use fill-in-the-blank work sheets to prepare information. These serve to organize thoughts as fact sheets and act as a record of what was released. They should include the following:

- Information that is factual and consistent - What has occurred? When? Where How?
- The number of injured persons and the hospital where they have been taken. (Do not discuss how the injuries occurred, the extent of the injuries, or the identity of the injured);
- Emphasize how the organization is dealing with the situation and what else it intends to do.
- Names of agencies that have been informed of the situation.
- Any other facts not in dispute.
- All information should be approved by the senior management.
- Be prepared to escort media through the disaster area once it is safe to do so. This gives the media an opportunity to take pictures and give them first hand knowledge so that they may file their news story.

Interview Techniques

- You are the expert.
- Always give truthful and factual information. Do not speculate or provide opinion.
- Never use "No comment". It implies that you or your company are hiding information. If you are unsure of an answer, do not guess. Tell the reporter you'll provide the correct information as soon as possible, and then do so.
- Never speak "off the record".
- Anticipate media questions.

Follow Up

After releasing information to the media, monitor their reports for accuracy and correct whenever necessary.

E. FURTHER READING

The following were useful in developing this document:

Burbridge, Jack (1991)

Is your Organization Ready for Disaster?

Emergency Preparedness Digest Emergency Preparedness Canada

Business Continuation Planning

Ministry of Finance & Corporate Relations - Risk Management Branch Province of British Columbia

Business Resumption Planning : Technical Standards

Treasury Board of Canada Secretariat, Administrative Policy Branch, Information Management Services 1992

Business Resumption Planning for the Management Team

Human Resources Development Canada

Daley, Wayne (1991)

Business Resumption Planning: An Answer to Surviving a Disaster

Emergency Preparedness Digest July - September 1991

Earthquake Planning for Business (1992)

Emergency Preparedness for Industry and Commerce Council (EPICC) Vancouver BC

Gray, Douglas A. and Diana L. Gray (1994)

Home Inc. The Canadian Home Based Business Guide - Second Edition

McGraw Hill Ryerson Toronto

A Guide to Assist Small Businesses in B.C. Prepare for and Recover from an Earthquake

Emergency Preparedness For Industry and Commerce Council (EPICC), Vancouver, BC

Low, Jennifer (1993)

What to do When Disaster Strikes

The Financial Times of Canada September 25, 1993

Practical Exercise Planning Guide

Manitoba Emergency Measures Organization 1995

The Preservation of Essential Records : A Guide for Governments, Organizations, Institutions and Businesses

Emergency Preparedness Canada 1993

Process of Exercise Design

Emergency Preparedness Canada

Your Guide to Developing a Business Resumption Plan

Canadian Mortgage and Housing Corporation 1993

Wold, Geoffrey (1992)

The Disaster Recovery Planning Process

Disaster Recovery Journal Systems Support Inc. St. Louis