

Regional Business Preparedness Campaign

Troy Neville, ABCP
Campaign Coordinator

Could your business survive a disaster?

Did you know?

- Up to 40% of businesses with no continuity plan fail after a major disaster
- Business continuity plans are required by some regulations
- Larger companies are becoming more concerned about continuity plans of suppliers
- Business interruption insurance provides vital revenue after a disaster to support operations during rebuilding

An employee retrieves a handgun he hid in his lunch in the lunch room, shooting some of his co-workers just moments after he was fired.

Heavy rainfall causes a local river to flood twelve feet above flood stage, the highest level in over 70 years, closing dozens of businesses for months.

A school district has a 20% absentee rate due to a flu outbreak and is considering closing, while businesses are seeing a greater number of workers out sick or off attending to sick children.

A contractor breaks a major water main and water will not be restored for several days.

An employee loses a laptop containing confidential information on 300,000 clients.

Due to a virus, critical data has been lost. The backup tape does not have any recent data because the backup software stopped working last month.



These are not hypothetical events, but real disasters that real businesses faced in just the last two years. While the human impact of disasters receives significant media attention, the problems businesses face after a disaster are often overlooked.

A disaster does not even have to be local to affect a business. A key supplier in another town – or country - could experience a fire, flood or earthquake, delaying the delivery of critical materials. The effects can be minor and last only a few hours, or significant and cause the demise of the business.

Research shows that up to 40% of businesses with no continuity plan fail after a disaster.

The key to business survival is proper planning – before a disaster or disruption strikes.

“Over the last few years, organizations have come to the realization that they are not invulnerable and need to identify the various risks they face and how they intend to respond,” says Tony Miscavige, CPA, CBCP, and IT audit manager with Trout, Ebersole & Groff, LLP in Lancaster.

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Please take our business preparedness survey

Millersville University's Center for Disaster Research and Education is conducting research to assess the current level of business preparedness in the South Central PA region.

We would appreciate your taking a few minutes to complete a 40-question online survey. The survey is anonymous and secure. The aggregate results of the survey will be published in September.

The survey can be reached at: www.millersville.edu/cdre. Click on the 'Regional Business Preparedness Campaign' section on the left side of the web page.

Could your business survive a disaster? (continued)



“The truth is virtually any company of any size can benefit from a business continuity plan.”

Not having a plan can be extremely costly.

“Imagine that you could not access your building tomorrow morning. What assets would you need to continue to service customers? How soon could you replace them? Where would you set up temporary operations? If you cannot service your customers, your competitors certainly will.”

Even seemingly simple tasks such as backing up data are often lacking. A recent survey conducted by Symantec reported that 23% of small to mid-sized businesses did not backup their data daily.

“Amazingly, most organizations, regardless of size, do not have adequate backups of their vital computer records. Backups should be performed daily, stored offsite and verified to ensure data can actually be restored if needed.” Miscavige says.

Small businesses can be especially vulnerable to a disaster since they often lack the financial resources needed to fully recover. But even small businesses should still consider having a plan.

Miscavige advises, “The truth is virtually any company of any size can benefit from a business continuity plan. For small companies, it does not have to be complex, sophisticated, or costly.”

George Giangì, Chair of the Business Industry and Infrastructure Subcommittee of the South Central PA Task Force agrees. “Approximately 90% of businesses have less than 20 employees. These businesses don’t have the luxury of a dedicated business continuity

planner in their organization. At the same time, they certainly cannot afford stopping business operations for an extended period of time due to an incident.”

A good Business Continuity Plan can potentially prevent work stoppage incidents or, at the very least, reduce the downtime and impact of an incident on business operations.

Giangì says, “A business should identify the most critical operations that, if stopped for any length of time, would severely impact the financial health of the organization. They should also perform a hazard analysis that takes into account the site layout, historical experience and emergency response capabilities to help provide a risk assessment picture. These two steps lead to the development of a Business Impact Analysis for the identified critical operations. This process identifies hazards that threaten the critical operations, protective measures that can be taken now to reduce the risk of losing these operations and finally, if these operations are lost, provisions to quickly restore normal operations.”

Along with creating a plan to recover your business from an unexpected interruption, you must also make sure you are creating a plan to fund that recovery. Unfortunately, there is often a gap between those that plan for recovery (business continuity planners), and those that fund most recoveries (insurance brokers).

According to Dave King, President/CEO at Horst Insurance in Lancaster, “There are many advanced and complex insurance and risk management issues when “optimizing” your recovery funding through insurance. Fortunately, for the purposes of the space allowed in this article, it is the simple and low hanging fruit that we see so often missed. A few of the basics that you should check on today are:

- Does your insurance program include coverage for “Off Premises Utility Interruption”?
- Does your insurance program provide a proper limit of “Ordinance or Law” coverage?
- Does your insurance program include “Extra Expense” either combined or separate from “Business Interruption” coverage?

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Regional Business Continuity Conference planned for November 2nd

The South Central PA Task Force is planning to hold a Regional Business Continuity Conference in Harrisburg, PA on November 2, 2011.

The Conference will be FREE for businesses located in the South Central PA region.

We realize that building a Business Continuity Plan may seem like an impossible challenge for many businesses. However, we also recognize the many benefits even a basic plan can have both for an individual business and the region as a whole.

We are designing the conference to break the planning process into smaller components that managers and business owners can use to make their businesses more resilient to disasters and disruptions.

Possible topics include:

- The Basics of a Business Continuity Plan
- How to conduct a Business Impact Analysis
- Backup and Recovery for Small Businesses

- Information Technology Security Threats
- Planning for Pandemic Flu
- Developing a Facility Lockdown Plan
- Business Interruption Insurance coverage

If interested, please email the Campaign Coordinator, Troy Neville (tneville@ddco.com), to be added to our notification list. We will email you details and registration information as soon as it is available.



“A good Business Continuity Plan can reduce the downtime and impact of an incident on business operations”

About the Regional Business Preparedness Campaign

Regional Business Preparedness Campaign is a collaboration between Millersville University's Center for Disaster Research and Education and the Business, Industry and Infrastructure Subcommittee of the South Central PA Task Force. They have partnered with the Chambers of Commerce in the region to reach out to their members. The goal of the Campaign is to improve business preparedness in the South Central PA region. Additional articles will be published in September.

Business Industry and Infrastructure Subcommittee of the South Central PA Task Force

The Business, Industry and Infrastructure Subcommittee of the South Central PA Task Force is made up of members of the business and government community that volunteer to assist the business community in preparing for disasters. Their website is: www.ready4business.org



Millersville University's Center for Disaster Research and Education

Millersville University's Center for Disaster Research and Education provides multi-disciplinary education, research and internship opportunities, including a Master of Science in Emergency Management and a Minor in Environmental Hazards and Emergency Management. Their website is: www.millersville.edu/cdre.



Campaign Coordinator

Troy Neville, ABCP, is the Coordinator for the Regional Business Preparedness Campaign. He is a Graduate Student in Millersville University's Master of Science in Emergency Management Program; a member of the Business, Industry and Infrastructure Subcommittee; and a Consultant with Design Data Corporation in Lancaster. Troy can be reached at tneville@ddco.com.



- *A business continuity plan is a revenue enhancer. It helps to protect the viability of the organization by reducing risks and the financial impact of a disaster.*
- *Providing for the safety of employees must be part of any continuity plan. Your organization cannot operate without them.*
- *Developing a business continuity plan can help improve your current operations by identifying weaknesses and inefficiencies.*
- *Organizations are becoming more dependent on technology for daily operations. As a result, special attention needs to be given to information system vulnerabilities and ways to protect them.*

Could your business... (continued)

King cautions, "Don't underestimate the percentage of times that answers to the above questions are "no". These three basic elements can prevent you from having to report to your key stakeholders that, while your recovery plan is working well to get you back up and running, the funding of that recovery isn't going as well. "

Recovery planning and recovery funding go hand in hand. Business owners and managers need to make sure both are in sync with each other.

Disasters come in many forms and can occur at any time. Even a small disruption can have significant financial implications. The key to a business surviving a disaster is proper planning. The failure to plan, in many cases, leads to the failure of the entire business.

Thank You!

Millersville University's Center for Disaster Research and Education, and the Business, Industry and Infrastructure Subcommittee of the South Central PA Task Force would like to thank the following Chambers of Commerce for participating in this Campaign:

- Lancaster Chamber of Commerce and Industry
- Harrisburg Regional Chamber of Commerce
- York County Chamber of Commerce
- Greater Chambersburg Chamber of Commerce
- Lebanon Valley Chamber of Commerce
- Gettysburg-Adams Chamber of Commerce

