

Disaster Recovery

No business wants to deal with an event that could curtail or even shut down operations. Unfortunately, few businesses have plans to deal with a disaster either. In a telephone survey performed by Opinion Research Corporation, it was discovered that only around 40% of the surveyed businesses consider disaster plans to be very important. Further, of the companies that did have disaster or continuity plans in place, well over half have not updated their plans for at least a year and only a quarter of such businesses have ever tested their plans.

Think Negatively, Then Creatively

Business decision makers have to spend time preparing for the possibility of catastrophe. It could be a natural event, or it could have a human origin. Regardless, an owner, manager or executive has to think about the many events that could either temporarily or permanently interrupt their business. In other words, a business must consider what threats exist to their normal, profitable operations. The task may initially appear overwhelming. However, it is just a matter of considering what the business does; where it does it; how it does it; and why it does it; then, examine what could happen to stop any of these things.

Natural interruptions could be caused by wind and rainstorms, flood, snow/ice storms, earthquakes, extended or extreme temperatures, etc. Human events may include fires, break-ins, mobs, sabotage, etc. Typically a thorough consideration of problems involves identifying the worst possible things that could occur...even when their chance of happening is remote. Remember that a single, unanticipated event could cripple or even terminate a business, so you need to have a plan that contemplates a wide variety of harmful situations.

Consideration must be given to a business' physical structures and property, machinery/equipment, management, finances, employees, products, stock, finished goods and goods in process, services, communications, transportation, contractual obligations, competition, suppliers, distribution, and so on.

Recovering from disaster depends upon many factors. Regardless the reason for a business suffering a serious interruption, the goal has to be on resuming normal operations as quickly as possible. Getting back into business often depends upon insurance, but other arrangements may be necessary and even be more important. Consider plans that include the following:

- Arranging use of another location to run the business
- Having duplicates of key business records (kept at another location)
- Arranging other sources of product supplies if a key supplier's business is interrupted
- Having access to substitute production machinery
- Buying and maintaining generators/alternate sources of light and power

When considering how to deal with events that could threaten your business, the biggest disaster could be the failure to create a viable disaster recovery plan.

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