Strengthening Regional Economic Resilience through Business Continuity Planning

June 17, 2014
2:00 - 3:15 pm ET
Our Mission

The National Association of Development Organizations (NADO)

To strengthen local governments, communities, and economies through the regional strategies, partnerships, and solutions of the nation’s regional development organizations.
Our Membership

National membership organization for the network of over 520 regional development organizations (RDOs) throughout the U.S.

RDOs are also known as Councils of Government, Regional Planning Commissions, Economic Development Districts, and by other names.

They promote efforts that strengthen local governments, communities, and economies through regional strategies focusing on economic development, infrastructure, housing, transportation, and regional planning.
Founded in 1988, the NADO Research Foundation is the non-profit research affiliate of NADO.

Shares best practices from small metropolitan areas and rural America through training, peer exchange, research, and other capacity-building activities.

Focus Areas:
• Rural Transportation
• Regional Resilience
• Sustainable Communities
• Economic Development
• Organizational Support
Regional Resilience

With support from EDA, the NADO Research Foundation provides capacity-building services to RDOs and local governments around regional resilience to natural disasters and other economic shocks.

These services include training workshops, peer exchanges, technical assistance, webinars, and research on best practices.

We make our resources and lessons learned available to the public—visit www.nado.org or contact mmcconville@nado.org.
Today’s Webinar

- **Gail Moraton**, Business Resiliency Manager, Insurance Institute for Business and Home Safety, Tampa, Florida

- **Timothy Malone**, Senior Planner & Economic Development Program Manager, Central Connecticut Regional Planning Agency, Bristol, Connecticut
Webinar Logistics

Please type any questions you have for the speakers in the question box on the side panel throughout the presentation.

The webinar is being recorded and will be posted along with the PowerPoint slides on the NADO website at www.nado.org.

This webinar has been approved for 1.25 AICP CM credits.

Please contact Megan McConville at mmcconville@nado.org if you have any questions after the presentation.
Business Resiliency – one important piece of the IBHS plan for creating safer, stronger communities
Result: $44,769 vs. $4,660

10 times more damage to “Common” than “Stronger” building
Hail – A Persistent Cause of Loss
1 in 4 businesses forced to close after a disaster, never reopens.
Natural Disasters Wreak Havoc on Small Businesses

• Majority of small businesses operate from a single location, making them more vulnerable compared to larger companies

• Between 60,000 – 100,000 small businesses were negatively impacted as a result of Hurricane Sandy

• Median cost of downtime for a small business due to extreme weather is $3,000 per day

• 1/3 of small business owners have been personally affected by extreme weather

Per report by the Small Business Majority and the American Sustainable Business Council
57% of small businesses have no disaster recovery plan, and of those that do have a plans, 90% spend less than 1 day per month maintaining them.

Sandy cost 86,000 jobs in November 2012 – manufacturing, retailing, leisure & hospitality industries particularly hit.

Sandy cost the economy more than $50 billion – the most expensive disaster globally in 2012.
HURRICANE SANDY’S IMPACT ON SMALL BUSINESS

• About one-third of the polled businesses incurred financial losses. The top sources of losses included:
  o decreased customer demand: 59%
  o utility or service disruption: 43%
  o damage to or loss of assets: 29%

• Roughly one third of the affected businesses had no insurance, and only a few had business disruption or flood insurance.

• Half of the businesses covered storm-related financing needs with their personal resources, while others increased their debt levels.

• One year after Sandy, nine in 10 businesses report persisting financing needs to cover operating expenses or to reposition their business.

Per “Fall 2013 Small Business Credit Survey” by the Federal Reserve Bank of New York.
What is Business Continuity?
Benefits & Value of Business Continuity Planning

• Safeguard human life
• Save property & resources
• Reduce time making critical decisions
• Recover business functions quicker
• Shorten the recovery window
• Ensure customer services & confidence
• Ensure job security
• Increase employee confidence & morale
• Retain share of market
Hazard & Vulnerability Assessment – Know Your Risks

**Frequency** – The likelihood that the event will occur.

**Severity** – The amount of damage the event is capable of causing your business.

**NATURAL**
- Earthquake
- Tornado/Wind
- Hurricanes
- Floods
- Volcanic Eruptions
- Severe Winter Weather
- Wildfire
- Drought
- Sinkholes

**SECURITY**
- Privacy
- Viruses
- Hackers
- Data Theft
- Counterfeiters
- Cybercrime

**TECHNOLOGICAL**
- Software Failure
- Hardware Failure
- Power Outage
- Data Corruption
- Cooling System Failure
- Wiring and Cables
- Mechanical Systems
- Communications

**OTHER THREATS**
- Pandemics
- Gas/Water Shortage
- Media Crisis
- Special Events
- Mismanagement
- Product Liability

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Use this form to review potential threats. Fill in one field for probability and one field for severity. Finally, multiply the probability and severity levels and enter the total in the total risk column.
Gathering Information

Administration
Payroll
HR
Benefits
Purchasing
Mailroom
Payroll
Sales & Marketing
Shipping
Customer Service
Accounts Payable
Accounts Receivable
IT

Know Your Operations

- People
- Technology
- Premises
- Critical Activity
- Key Product
- Activity
Critical Business Functions – Develop Workaround Methods
Know Your Employees

Use this form to record information about all employees, including the business owner so that such person can be contacted at any time. Duplicate the form for each employee.

**EMPLOYEE NAME:**
- Position/title:
- Home address:
- City, State, ZIP:
- Office phone: Ext. Alternate phone:
- Home phone:
- Office e-mail:
- Home e-mail:
- Special needs:

**Certifications:**
- First Aid
- Emergency Medical Technician (EMT)
- CPR
- Ham Radio
- Other:
- Special licenses:

**Local Emergency Contact**
- Full name:
- Relationship:
- Home phone: Mobile Phone:
- E-mail:

**Out of State Emergency Contact**
- Full name:
- Relationship:
- Home phone: Mobile Phone:
- E-mail:
- Notes:

OFB- EZ is a program of the Insurance Institute for Business & Home Safety. Download this document at www.business-safety.org/OFB-EZ.
Know Your Key Customers, Contacts, Suppliers & Vendors
Have a Communication Plan for Your Employees

- Call Tree
  - Landline
  - Mobile
  - Text
  - Email

- Call-in Number
  - Employee Emergency Wallet Card

- Social Media (Facebook, Twitter, LinkedIn, etc.)

- Company Intranet

- 3rd Party Emergency or Mass Notification Systems
Have a Communication Plan for Customers, Suppliers & Key Contacts

Customers
• Sign on business door
• Updates on Company website
• Provide status of pending orders, delivery schedules, alternate arrangements

Suppliers & Vendors
• Arrange alternate delivery methods

Creditors
• Payment arrangements
Know Your Information Technology & Vital Records
Know Your Finances

Overall Business Needs

Have you worked with your bank to set up a line of credit for your company?
 Who is responsible to activate it and who has access to it?

How much cash would be needed to survive a 3-5-day, 5-10-day, or longer shutdown?
 For what purpose is the cash needed?
 Will you have that cash on hand?
 Who would make the decision to utilize the cash?
 Who would have access to the cash?

Do you have sufficient cash to pay for various additional services that might be needed, such as janitorial or security services?
 Do you have a company credit card that could be used for emergency purchases?
 Who is authorized to use the credit card?

Will you be able to pay your bills/accounts payable?
 Do you have procedures in place to accommodate a business disruption?

Will you be able to continue to accept payments from customers/accounts receivable?
 Do you have procedures in place to accommodate a business disruption?

Human Resources

In the event of a widespread disaster, how will payroll be handled?
 If your business is forced to shut down temporarily, will some or all employees continue to be paid?
 For how long?
 Will they be able to use their sick and/or vacation time without restriction?
 Are there union considerations?
 Have your employees been made aware of your policies that will be in place during a disruption?

If banks are closed, will your business provide payroll-cashing services?
 What is your business’ policy on cash advances, check cashing, and employee loans?
 Will your employees be expected to work overtime?
Project:
An assignment w/ a start and end
Ongoing Process
Know When to Update Your Plan

- Have my business’ risks or hazards changed?
- Has my business added new departments, products, or services?
- Have the priority levels of my documented business functions changed?
- Has my business added or changed any suppliers/vendors, key contacts or key customers?
- Is the contact information up-to-date for existing suppliers/vendors, key contacts and key customers?
- Have I updated information on specialized equipment needed to resume each business function?
Know When to Update Your Plan

• Have there been any staffing changes?

• Does my company telephone call list need to be updated to reflect new staff personal/emergency contact information?

• Are the right responsibilities assigned to the right staff?

• Can I put in place any new protection devices, safeguards or procedures to reduce my business’ risks and hazards?

• Are work-around or secondary methods written and documented in a manner that my employees can understand and act on them?

• Have I reviewed my insurance coverage with my agent?
**Know When To Test Your Plan**

### Table Top Exercise: Power Outage Scenario

1. **Situation:**
   - **Time:** 2:00 PM
   - **City:** City of [City Name]
   - **Description:** The power has been shut down due to a power outage.

2. **Tasks:**
   - **Task 1:** Assess the situation and determine the extent of the outage.
   - **Task 2:** Communicate with customers and stakeholders.
   - **Task 3:** Plan for potential recovery and restoration.

3. **Questions:**
   - How will you prepare for the outage?
   - What procedures will you follow when the power returns?
   - How will you ensure customer satisfaction during the outage?

### Exercise Wrap Up:

- This exercise aims to identify potential issues and improve your preparedness for future emergencies.
- Review the outcomes and lessons learned from this exercise.

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**Exercise Debrief:**

- 19. What is missing from your plan?
- 20. What worked well in this scenario?
- 21. What did not work so well?
- 22. What could you do differently next time that would improve your response?
- 23. List the actions you will take to improve your plan.
Test your Plan with Various Types of Exercises

- Scenario-Based Tabletop Exercise
- Building Evacuation Exercise
- Notification Exercise
- Alternate Site Exercise
- Full Activation Exercise
- Pandemic Tabletop Exercise
- Work-from-Home Plan Exercise
Know Where To Go For Help

Insurance Institute for Business & Home Safety

In addition to providing this free business continuity tool kit, IBHS provides free disaster readiness and property protection guidelines, recommendations and projects for small businesses. The Institute also offers post-disaster recommendations on repairing and rebuilding to make your building(s) stronger and safer the next time a disaster strikes.

http://staysafe.org/insurance institute for business & home safety

American Red Cross

Among other disaster preparedness and response services, the Red Cross offers a number of preparedness training programs and resources for workplaces, families, and individuals.

www.redcross.org

Business Civic Leadership Center – Disaster Help Desk

The BCLC Help Desk is designed to enhance community economic recovery after a disaster. The Help Desk provides on-the-ground coordination of information among businesses, local chambers of commerce, NGOs, government responders, and disaster recovery specialists.

http://bclc.ucmerced.com/site-page/disaster-help-desk-business

DisasterAssistance.gov

Provides information on how you might be able to get help from the federal government before, during and after a disaster. If the President of the United States makes help available to individuals in your community after a disaster, you can visit this site to apply online.

http://www.disasterassistance.gov

OFB-EZ: The Easy Way to Prepare Your Business for the Unexpected.
Additional FREE Resources

- Red Cross Ready Rating Program
- U.S. Department of Homeland Security
- PREPARE MY BUSINESS.org
- FEMA
- Continuity Planning Guidance
- Ready
- Big Business - Small Business Emergency Management Mentorship Program
  - Helping Small Businesses Prepare, Prevent, and Respond to Emergencies
Insurance will Help you **AFFORD** to Recover

• Business Income & Extra Expense
• Contingent Business Interruption
• Supply Chain
• Services Interruption/Off Premises Power
• Interruption by Civil or Military Authority

• Extra Expense
• Equipment Breakdown
• Cyber Risk
• Key Man
Common Excuses for NOT Planning

• We thought it would never happen to us
• We had more important things to think about
• We thought we were too small to need a plan
• We backed up our computers and thought that was enough
• We didn’t know where to go for help
• We thought we had no risk
• It takes too much time
• It takes too much money
Choosing your Business Continuity Planner

- Dedication
- Ability to learn
- Integrity
- Training expertise
- Adaptability
- Self-awareness
- Helpful
- Diplomatic
- Interaction
- Adaptable
- Straightforward
- Innovative
- Analytical
- Positive Attitude
- Listening
- Think outside the box
- Passionate
- Subject matter expert
- Determination
- Vision
- Good salesman
- Ability to listen
- Resolute
- Multitasker
- Strong
- Trust Fearless
- Investigative
- Respected
Promote Employee Awareness

- Business Continuity Facebook page or on Company Intranet
- Newsletters featuring BC articles
- Lunch-n-Learn meetings
- Posters & Flyers
- Contests
- Training Videos
- Preparedness Campaigns
- Email Reminders & Alerts
- Business Continuity Day
Promote Personal Preparedness

- Basic necessities - download a copy of the Recommended Personal Emergency Preparedness Supply List (ready.gov)
- Contact information for family members, neighbors, doctors, dentists, utility providers
- Copies of important documents (birth certificates, marriage license, insurance policies, medical history, etc.)
- Create a plan using a free online tool and/or mobile app
Avoid Business Continuity Pitfalls

• Closely-Guarded Secret
• Outdated
• Lack of Buy-In
• A Book of Lists
• Not Prioritized
• Untested
• Based on a Specific Scenario
Disaster Planning Made Easier

DisasterSafety.org/open-for-business
ROOF DRAINAGE FOR COMMERCIAL BUILDINGS:
Preventive Maintenance on Gutters, Drains and Scuppers

BLOG

IBHS Hail Field Study – Preparing for Severe Weather (Collaborative Meteorologist Dr. Matt Kumjian)
Dr. Matt Kumjian talks about how you can prepare and protect your home.

HURRICANE

Creating a Strong Home against Hurricane’s Fury
Learn how to strengthen your homes against the high winds, flooding and wind-driven rains of hurricane season.

Search DisasterSafety.org...
Commercial Maintenance

IBHS ZIP Code Web-based Tool

Enter your ZIP Code below to discover the risks you face.

13905

Search

Zip Code Risk Search Results
SEARCH RESULTS
ZIP CODE = 13905

FLOOD
HIGH WINDS
WINTER WEATHER
WILDFIRE

Freezing Weather

Winter weather can cause a number of problems ranging from water leaks to burst pipes and roof collapses. All homes and businesses potentially can be at risk from damage during prolonged periods of freezing temperatures or in the case of heavy snow accumulations. Falling temperatures also mean increased fire dangers linked to the use of heating devices. Rising fuel costs and environmental concerns have resulted in a rise in the use of alternative heating devices, which can pose increased property risks if not properly installed and maintained.

Advice for Staying Safe and Warm
In many areas the temperatures are plummeting. If you are at home and without power, IBHS offers guidance for using alternative heating devices.

Building a Plan for a Power Outage
How to safely keep the heat and lights on during a power outage.

Disaster Planning: There’s an App for That
The new Know Your Plan app gives you the mobile power and organization to help keep your family and your home safer during a disaster.

Installing Weather Stripping & Seals
Find out how both weather stripping and caulking can reduce your energy bills, as well as your winter weather risks.

Preventing Roof Collapse on Homes
Guidance for understanding how much snow is too much.

Preventing Frozen Pipes
Frozen pipes are one of the biggest risks of property damage when the temperature drops.
Thank you

STAY OPEN
FOR BUSINESS

OFB-EZ
Reaching out to small- and medium-sized businesses

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Background

• The Central Connecticut Regional Planning Agency (CCRPA)
  • Seven-town regional land-use, transportation, economic development, and hazard mitigation planning agency
  • A designated Metropolitan Planning Organization and Economic Development District

• Disaster resiliency work
  • Previously completed a FEMA-approved Hazard Mitigation Plan for the region
  • Received an EDA Disaster Resiliency Planning Grant in 2012
    • Create a disaster resiliency plan
    • Perform outreach and educational activities for the business community
The need

• Recent cluster of natural disasters
  • Hurricane Irene in August 2011
    • Extensive flooding leading to loss of life and property damage
    • Power outages affecting a quarter of the population
  • Snow storm Alfred in October 2011
    • Freak snow storm that dumped a foot of snow
    • Leaves were still on the trees resulting in a significant number of downed trees
    • Power outages over most of the state lasting up to 11 days; a week in some urban areas
  • Widespread confusion about where to go for help
The workshop

• A review of available materials indicated that printed and online emergency preparedness materials were plentiful

• Decided that an in-person approach could be more impactful

• Approached Central Connecticut State University’s Institute of Technology and Business Development about creating a seminar/workshop

• Initial planning was for a small class, but interest kept growing

• Wide array of partners from the public and private sectors
Connecticut Department of Community and Economic Development
Connecticut Department of Emergency Management and Homeland Security
TD Bank
Capitol Region Emergency Preparedness Council
Connecticut Conference of Municipalities
Connecticut Insurance Department
Agenda

7:30 A.M. - 8:00 A.M.  Continental Breakfast
8:00 A.M. - 8:15 A.M.  Welcome Remarks from Mayor Stewart & William P. Shea, Deputy Commissioner of the Division of Emergency Management & Homeland Security
9:45 A.M. - 10:00 A.M.  Break
10:00 A.M. - 11:30 A.M.  Short Term Vs. Long Term Recovery Presentation and Panel Discussion
11:45 A.M. - 1:00 P.M.  Lunch
12:30 P.M. – 1:00 P.M.  Keynote Address by Catherine Smith, Commissioner of the Department of Economic and Community and Development
1:00 P.M. - 1:30 P.M.  Special guest Governor Dannel P. Malloy
1:30 P.M. - 2:30 P.M.  Emergency Preparedness: Working with Utilities and Public Works Presentation
2:30 P.M. - 2:45 P.M.  Break
2:45 P.M. - 4:15 P.M.  Table Top Disaster Response Exercise
4:15 P.M. - 4:30 P.M.  Wrap-up
Promotion and outreach

• Traditional methods
  • E-mail blasts through chambers of commerce, business and industry groups, networks of economic development and emergency management professionals
  • Press releases to newspapers

• Non-traditional methods
  • Travelers asked their insurance agents to send a notice to their commercial customers
  • Northeast Utilities (the gas and electricity supplier for the region) did the same
  • The Hartford Courant offered a deep discount on a full-color newspaper ad
Expert speakers

• Experts from Travlers Insurance, Connecticut Light & Power, DECD, the Association of Continuity Planners, and more
State officials

• Two state commissioners
  • Catherine Smith of the Department of Community and Economic Development
  • William P. Shea, Deputy Commissioner of the Division of Emergency Management & Homeland Security
Even the governor
Lessons learned

• There is a lot of interest in business continuity planning and disaster recovery topics

• Getting the word out can be tricky
  • Businesses are inundated with e-mails from chambers of commerce and other business organizations
  • Insurance brokers and utilities can be great resources

• Things I’d do differently
  • A series of shorter events on more focused topics
  • Offering multiple formats and dates

• Moving forward
  • Materials are available on our website (http://ccrpa.org/emergency/workshop.htm)
  • Would like to make it a regular offering through ITBD or another organization
Questions?

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Project website: http://ccrpa.org/emergency/workshop.htm
Questions?

Please type your questions in the question box on the side panel of your screen.

Speakers:
• Gail Moraton, Business Resiliency Manager, Insurance Institute for Business and Home Safety
• Timothy Malone, Senior Planner & Economic Development Program Manager, Central Connecticut Regional Planning Agency

The recording of this webinar, along with the PowerPoint slides, will be available at www.nado.org.

With questions or comments, please contact: Megan McConville
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