

EXPECTING THE UNEXPECTED:  
An Overview of  
Business Continuity  
Planning



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## Executive Summary

*Disaster can take many forms, both natural and man-made. Either has the potential to critically disrupt business operations, no matter the business size. When disaster strikes, decisions concerning business operations must often be made in the blink of an eye. Without adequate time for consideration, those decisions may have dire consequences. Business continuity planning minimizes the risk of poor decision-making during a disaster by considering those decisions in advance.*

*This paper provides an overview of the business continuity planning process and examines general issues that should be considered by any business preparing for the unexpected.*

## Business Continuity Planning Defined

From a business operations perspective, the word “disaster” has an expanded meaning compared to its general usage. In general use, disaster refers to events such as earthquakes, fires, and floods. In the business operations sense, disasters also include events such as equipment failures, electronic security breaches, and even labor strikes. For businesses, a disaster is any event that impedes or disrupts business operations.

Business continuity planning reduces the impact of disruptive events by developing a set of procedures and preventative measures to ensure that a business is able to resume operations as smoothly and quickly as possible after a disruption. In the event of a disaster, having a business continuity plan in place can mean the difference in survival.



## Keys to Success

There are a variety of factors that can have a significant impact on how successful or unsuccessful a business continuity plan will be. Some of the more important are:

- Time and energy invested in the continuity plan
- Accurate identification of potential disasters
- Employee training in business continuity planning procedures

## The Investment of Time

Solid business continuity planning requires a commitment of time and energy from senior management over three different phases, initial planning, maintenance of the plan, and review of the plan's effectiveness. The initial planning stage is usually the most time consuming, (in some cases, the effort causes many organizations to neglect or even omit the other stages, unfortunately) but all three aspects are vital to a robust and effective business continuity plan.

The goals of the initial planning stages are threefold.

1. The first is to identify, as accurately and comprehensively as possible, disasters that might occur, and the likelihood of encountering them.
2. The second goal is to determine how, and to what degree, each of those disasters will impact the business.
3. The third is to formulate a plan of action for each disaster to get the business up and running again as quickly as possible.

The maintenance of the business continuity plan consists of employee training in various aspects of the plan and regular review of the plan to ensure it reflects the current structure and operations of the business. Over time, a business can change



drastically. A plan that was effective two years ago can be obsolete today. Although the types of disasters that can befall a business are unlikely to change drastically, the way those disasters might affect the business and the manner in which the business should respond may change a great deal.

The review of business continuity plan effectiveness is only necessary, and indeed only possible, after the plan has been put into effect. That is to say, after an identified disaster has occurred and the plan has been used to address the disaster. It is important to review the plan in order to determine its effectiveness in returning business operations back to normal. The review should generally be approached from the perspective of seeking the positive aspects of the plan, rather than extensive focus on where the plan failed.

## Identifying Potential Disasters

Although a comprehensive business continuity plan will be as specific as possible in regards to the disasters it considers, this paper will address them in somewhat broader strokes. For the purposes of discussion, it is possible to group business disasters loosely in terms of their “attack vector”—the means by which a disaster affects a business. The vast majority damage a business’ ability to function by affecting one or more of:

- employee availability
- workspace availability
- data storage/availability
- equipment and infrastructure
- communications

Grouping disruptive events in this way can be useful as disasters with the same attack vector can be mitigated by the same or similar means.



## Employee Availability

There are a number of factors that affect employees' ability to report to work. Examples include a disease outbreak, widespread flooding, a particularly bad blizzard, or a strike. These types of disasters are unique in that they may only affect certain segments of a business rather than the whole.

### *How It Affects a Business*

Effective businesses are those with a well-defined hierarchy of communication and responsibility. When key employees become unavailable, that hierarchy can break down and the organization can grind to a halt.

### *How to Deal with It*

In addition to clearly defining "who" is responsible for "what" under normal operating conditions, smart businesses also delineate secondary, or even tertiary responsibilities so that if a key employee is unavailable, another is able to step in.

For this delegation to be effective, employees must know who to turn to when the primary employee is unavailable. Also, employees who are expected to fill in for other positions need to receive training in those positions.

## Workplace Accessibility

Disasters that affect workplace accessibility are often caused by events that are generally thought of as disasters—fire, floods, earthquakes. These disasters can make the regular workspace unavailable or unusable, which can have debilitating effects on a business's ability to operate.



### *How it Affects a Business*

These disasters affect a business in a fairly straightforward manner—employees cannot work without a place to do so. The degree of the effect is less straightforward, ranging from little more than an inconvenience, to a complete stoppage of business.

### *How to Deal with It*

There are a number of actions businesses can take to minimize the effects of losing office space in a disaster. Moving data and communications infrastructure off-site is one of the most effective.

The more a business's communications infrastructure is tied to one area, the more the business is reliant on that physical location. By using cloud data storage and IP telephony, data access and communications can be re-established quickly after a disaster.

Taking that idea to a logical extreme, by utilizing mobile solutions wherever possible—laptops rather than desktop computers, mobile or IP phones rather than traditional land lines, and cloud-based services—if a business office were to become completely inaccessible, employees could continue working from elsewhere.

At a bare minimum, a business should be prepared to relocate to a temporary workspace while searching for a new permanent home. Many larger cities have pre-configured office spaces for rent. These often have reasonable long- and short-term lease options. Researching those office spaces in advance, and having a “just in case” agreement in place, can make an enormous difference in the amount of time it takes a business to resume operations after a disaster.





## Equipment Failure

Equipment failure is likewise possible as the result of a natural disaster (but also possible due to other factors, such as irregularities in the electrical supply and age). Equipment failure can be devastating to a corporation, particularly financially.

### *How it Affects a Business*

Even a medium-sized office can require considerable, and often expensive, equipment for day-to-day operations. Losing this equipment can cause a great deal of grief in terms of data loss. However, a more direct effect lies in equipment replacement cost.

### *How to Deal with It*

A business that maintains its own equipment should document which equipment is essential versus unessential. Essential equipment should have a specific person (as opposed to a department) assigned to maintain the equipment and be responsible for it. That person should be aware of the equipment's location at all times and its cost of replacement.

A better solution is to maintain as little equipment as possible on the premises. Most essential business equipment is related to data storage, data retrieval, and communications. These functions can be accomplished with great efficiency, and often more cost-effectively, through cloud service providers. By outsourcing essential equipment and key infrastructure, loss of equipment becomes one less continuity challenge to worry about.

## Data Loss

While loss of data can occur through damage to the workplace or equipment failure, its implications are significant enough to warrant a



separate discussion. For many businesses, the loss of data means the loss of business.

### *How it Affects a Business*

Transactional data, such as past and pending orders, customer information, and accounting data, are vital parts of a business's ability to function. Administrative data, such as payroll and human resources information, are vital to the internal workings of a business. For many companies, this data would be nearly impossible to recreate. If the data became irretrievable, it could be impossible for a business to recover from the loss.

### *How to Deal with It*

The requirements for data security are well known, but bear repeating.

- Back up regularly, back up often
- Make multiple backups
- Include redundancy in your backup solution
- For frequently changing data, back up iteratively
- Not all data are created equal—back up some more frequently than others
- Paper documents should be digitized and stored electronically
- Backups should be stored off site

Of particular note are the requirements for redundancy and offsite storage. As already mentioned, the two biggest causes of data loss are equipment failure and catastrophic loss of workspace. A backup solution, with built-in redundancy, helps reduce the likelihood of a general equipment failure causing significant data loss. Off-site storage reduces the likelihood that a disaster that destroys the workplace will also destroy business data. Off-site storage also enables data to be accessed from





anywhere so that if a business is forced to relocate suddenly, data access can be resumed with little delay or expense.

## Loss of Communications

For any business, communications is an absolute necessity. Any interruption to communication efficiency has significant effects. Communication can be impacted by disasters to workplace accessibility, or equipment operation.

### *How it Affects a Business*

Business communications can be broadly divided into two categories: internal and external. Internal communications are necessary for coordination of projects between departments or geographically spread out organizations, and between regional offices. Of the two types of communication, the latter is the easiest to address should problems arise.

External communications encompass all communications between the company and the outside world. This would include, for example, communications with customers, clients, suppliers, distribution partners, and outsourced contractors. Without the ability to communicate externally, it is simply not possible to do business in any meaningful way.

### *How to Deal with It*

Re-establishing internal communications can be accomplished with relative ease, as most people maintain several personal means of communication. Maintaining a list of secondary contact methods for employees, such as personal mobile phones or social media accounts, is fairly trivial yet can be a game changer in an emergency.



External communications are more difficult to re-establish under adverse conditions. While using personal accounts and phones for communication between employees is satisfactory, using personal phones to interact with customers or suppliers is inappropriate.

Dire situations may force a business to use new phone numbers, and also to relocate to a new office space. In this case, the only real option is to preemptively contact clients, suppliers, and others who communicate regularly with the business to inform them of the changes in contact information.

A preemptive solution is to utilize communications infrastructure that is more robust, and resistant to interruption. For instance, utilizing a mobile internet protocol or cloud-based communications platform makes relocating or rerouting the communications network without interrupting operations simple. Whether employees are working from home, a temporary office space, or a new permanent office, their telephone numbers and contact methods remain the same.

## Employee Training

Once potential disaster scenarios have been identified, and procedures have been determined, it is important that employees are trained in the procedures. Each employee should feel knowledgeable about:

- How the plan should be followed, and under what circumstances
- What the employees' specific roles are within the plan
- The difficulties anticipated under certain circumstances, and how the business continuity plan intends to solve those problems

Only when employees know their role and are confident in their ability to perform, can business continuity plans be successful.



## Evaluating a Business Continuity Plan

Business continuity plans are designed to accomplish one goal—allowing a business to resume operations as quickly as possible after a disaster. Given the number of possible disasters to plan for, and the various ways they can be addressed, evaluating a business continuity plan can seem a complex undertaking.

In actuality, the evaluation is simple. How quickly was the business able to resume normal operations, and is there a way to improve that outcome? Answering those two questions is often the only evaluation necessary.

## Conclusion

Disasters in the business sense can take many forms. By definition, disasters are generally unexpected. Planning ahead to address potential disasters is an absolute necessity.

A business continuity plan accounts for as many specific situations as are likely, but remains flexible enough to deal with unanticipated situations. Successful business continuity planning requires an investment of time and other resources. Not only in the initial development stages, but also during maintenance and revision of the plan.

One of the most effective ways to “disaster proof” a business is to use cloud-based services for data and communications. Cloud-based services separate critical functionality from the physical location of the business. The separation makes it easier to reestablish functionality after a serious disaster.

In more general terms, the key to developing an effective business continuity plan is to assess the potential effects of various disasters, then formulate



effective methods for minimizing those effects. Developing a business continuity plan requires time, effort and other resources. Compared to the cost of halted business operations due to a disaster, business continuity planning is well worth the effort.

