

“Though no one can go back and make a brand new start, anyone can start from now and make a brand new ending.” ~ Anonymous

“TERRORIST ATTACK IMMINENT!”

SHOUTS THE NEWS HAWKERS

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(PARED!)

**Have you completed your strategy?
Is your Contingency Plan up-to-date?
Has it been tested?**

Take a lesson from businesses that suffered in New York City after 9/11. *Do not be an Al-Qaeda casualty!* Be sure to discuss your coverages with your insurance professional and consider completing a business interruption appraisal. This is our area of expertise. Let us help you be prepared. **For information, email us at: info@bisimplified.com.**

STRATEGIC PLANNING:

Strategic Planning is a general outline of the actions the company will take should a disaster occur. It is the foundation of a contingency plan. Without it, a business will only recreate what already exists, so its importance cannot be underestimated. There are several important areas to consider.

First of all, base the **length of recovery time** on the worst possible loss that could occur and consider seasonality, as well as new and renewal business. For example, if a Christmas ornament manufacturer has a disaster in July that takes a year to recover, not only may they lose the current season, but the next one as well. That is two years of sales – enough to bankrupt most companies.

Determine how long the marketplace will allow you to be shut down before you start losing business. This is your **Return Time Objective** and it dictates all the other components of your plan. For example, if you are the only business selling your product or service, customers will wait “forever” and you will have time to recover. On the other hand, if there are a large number of suppliers for your product or service, you may only have three or four weeks to get back into the market, so it is critical to make an accurate assessment.

Ascertain how much data you can afford to lose. This is your **Return Point Objective** and will determine your back-up policies. For example, if you can lose one week’s data, why back-up every night? On the other hand, if you cannot afford to lose one day’s data, why back-up only once a week? Also, do not store back-up data in the same building where you operate. Store it at least twenty-five miles away.

Review your storage facilities. Do you have a separate warehouse? After the disaster, how much undamaged inventory will you have on hand or in the marketplace? Could you “stuff” the pipeline and then redistribute inventory after the disaster? For example, if you have one month’s inventory on hand, you might have one month to recover before you start losing sales. This means you do not have to finance/insure one month of lost sales. Also, if there is extra inventory available in the marketplace, you might be able to redistribute it to take care of key customers.

Think of the contingency plan as an opportunity document that allows the business to scrutinize all phases of its operations and based upon a cost/benefit analysis, use the recovery process as the time to eliminate low margin products, flatten the organization, and increase productivity. In order to be competitive into the next decade, what changes should be made to the organization?