

Planning for disaster recovery

Anyone who has been through a major earthquake, flood, fire or other disaster can confirm that a lot more could have been done – and should have been done – to lessen the impact. Forethought is the key to recovery.

Assessing the risks

Meet with staff and advisers to start developing a recovery plan. Set a completion timeline to drive progress, or the initial enthusiasm may die away.

Draw up an action plan after the first meeting and assign responsibility for reporting back on various aspects at the next meeting.

What could happen?

Possible threats could include:

- Natural: Storms, floods, droughts, earthquakes, tsunamis or fires that could disrupt business and supplies.
- Human: A disaster in the economy that could disrupt credit lines or require unexpected repayment of existing loans, or a pandemic that could cut off customers.

Some of these may seem more likely than others to strike your business, but remember that unexpected disasters can and do occur. The important point is to think about how your business will recover.

Where are you most vulnerable?

What could cause the most damage to your business?

- Injuries to key staff.
- Loss of business data.
- Loss of customers.
- Loss of premises.
- Inability to deliver goods or services.

Discuss how you can make weak points more robust and compensate for other damage. For example, cloud computing solutions can prevent data loss and allow staff to continue working from any location.

Creating a recovery plan

The recovery plan should include two parts: steps to lessen the damage and plans to rebuild productivity as quickly as possible. Print copies of your plan, but post it online as well (perhaps using a cloud solution) as this may be the only way staff can access it after a disaster.

Safety preparation

Take a look around your business. What could you do to improve the safety of your employees and the workplace? Just about every business can make some improvements. Fewer injuries and accidents mean less stress and a faster recovery.

- Check fire escapes and emergency exits are safe and usable.
- Install extra smoke and fire alarms and fire extinguishers.
- Schedule quarterly servicing for alarms and fire extinguishers.
- Consider installing sprinklers if they are not already in place.
- Install or check emergency lighting and back-up generators.
- Secure filing cabinets, office furniture and machinery that could move or topple.
- Appoint a safety officer and hold quarterly fire and evacuation drills.
- Check and refresh first-aid kits.
- Send selected staff on emergency first-aid courses provided by organisations such as [St John](#) or the [Red Cross](#). [Find a course near you](#).

Insurance

Everyone resents paying insurance premiums, but in a disaster insurance can become your best investment. Insurance becomes a significant issue after a disaster. You will become very familiar with all the wording and small print in your policies and any wrinkles that allow wriggle room for the insurance company. It is better you become very familiar with these things before a disaster.

Get expert advice on the insurance cover you need for your business, including asset protection, business interruption, business relocation, key person insurance, and other forms of protection that will allow you to get back on your feet as soon as possible.

Personal resilience

Leadership after a disaster will be much easier if you have clear recovery plans that you have rehearsed with staff. It then becomes a case of 'follow the plan'. The recovery plan should include:

- Everyone's contact details, including cell phone numbers.
- Evacuation plan for the building.
- When and where people should meet.

Business guide

- How the business will continue.

Basic survival resilience

Encourage employees to store torches, battery radios, and a week's worth of batteries, clean water, food and cooking supplies – and nappies and pet food if applicable. A hand-cranked cell phone charger can be very useful.

Operating resilience

In the days following a disaster, you may need money to keep going. Two useful steps:

1. Build an emergency fund for running expenses after an emergency. It may take many months to get an insurance settlement.
2. Negotiate a credit line from the bank you can draw on in a crisis. Show them your recovery plan. The bank is more likely to extend credit if they know the funds will be purposefully directed.

Production resilience

The first question customers are likely to ask is: “How will this affect our delivery deadlines?” Customers may be sympathetic if they hear your business has suffered from a disaster. They may be less sympathetic if they discover you were unprepared.

Disaster can bring out the best in people. Competitors may be generous in letting you share their production facilities, borrowing some staff or even sharing their premises.

Think of ‘Plan Bs’ to meet your commitments, such as possible alternative premises or businesses you would need to contact about supplies, production equipment or outsourcing work.

Communication

Leadership after a disaster means clear and calm communications. Use all the latest tools available as actual meetings may not be possible.

- Use a Smartphone to call or text staff and customers.
- Update your website and Facebook, Twitter and LinkedIn accounts as soon as you have Internet access, to tell people what is happening.
- Tell customers where you are if the business has been forced to relocate.
- Make sure at least key staff have Smartphones and remote working tools such as laptops and tablets so they can work from home if necessary to meet commitments.

Managing staff

A recovery plan that has been rehearsed in advance is the best security blanket for staff, who may be worried about their jobs and where the next meal will come from.

Business guide

You will gain respect from staff if you show concern for their welfare. Recognise that they too are concerned about their families and friends. Everyone will be stressed – often to a far greater extent than they are prepared to admit or show. Productivity may be lower for a while, and some may need counselling or leave.

Give staff a role in the recovery by encouraging them to come up with innovative solutions to limit the losses in your business.

Communicating with customers

The ideal scenario after a disaster is being able to continue operating so seamlessly that customers never realise the trauma you've been through. This may not be achievable, but it sets the bar high and encourages innovative thinking.

Make sure your customer database is up to scratch and includes their email and cell phone details so you can keep in close contact.

If supplies or services will be disrupted, try to give them a clear picture of the extent of the problem and when you expect to be able to deliver.

Keep customers updated on progress. They will be more inclined to support you in the future if you've been honest and upfront about delivery interruptions. They will be less supportive if they've been inconvenienced through lack of communication and forced to source emergency supplies from a competitor.

Next steps

- Meet with staff and advisers to start work on a Recovery Plan.
- Discuss your insurance needs with an insurance broker.
- Make sure key staff are able to work remotely if necessary.
- Include photographs of your business and an updated assets register in your Plan.
- Take photographs again after a disaster to support your insurance claims.