MANAGEMENT

Is Your Company Prepared If an Emergency Happens?

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You may have experience with managing environmental, health and safety (EHS) programs and the EPA, OSHA and state regulations that apply to operating organizations. Perhaps you may be familiar with environmental financial disclosure requirements regarding the cost of compliance with environmental regulations, projected liabilities for contaminated properties, potential damages from environmental lawsuits, or other known environmental risks. You may even have moved beyond simply achieving EHS and financial disclosure compliance to implementing continuous improvement programs to find creative solutions which reduce your potential liabilities and your cost of regulatory compliance. Now take the next step by addressing a multitude of other threats and susceptibilities that your organization faces every day through preparing a Business Continuity Plan.

After 30 years of responding to hazardous substance spills, remediating brownfields and helping companies with middle-of-the-night emergencies, I have developed some simple tips for developing a Business Continuity Plan which could literally save your business.

For starters, consider preparing brief plans using organizational charts, lists of contacts, bullet point action items, and flow charts, instead of narrative-heavy, complex plans. Long and comprehensive plans are difficult to complete (in other words, they often don't get finished), are hard to use at 3:00 a.m. in an actual emergency, and often gather dust on your book shelf before going up in flames with the rest of the office in a fire. In the chaos of an emergency simple works better than complex.

> **"Developing a Business Continuity Plan could literally save your business."**

Once prepared, distribute the plan widely among staff and have them keep the plan at home and in the trunk of their cars. Also have the plan accessible on flash drives, laptops, and on the web. Make it easy to see the chain-of-command, with everyone's roles and responsibilities spelled out. Have individuals prepare what they will need to be able to effectively carry out their responsibilities, whether it be for the safety of your staff and others or to get the company's critical business functions (CBFs) back in operation ASAP. A CBF is a vital function that must be performed to deliver your products or services to your customers, and without which a company cannot operate. Some examples of CBFs include your IT system, phone, accounting, office, procurement, shipping, warehouse, and the operation of individual pieces of production equipment. There will likely be many additional CBFs specific to your organization. You will need to identify and incorporate them into your plan.

Having a plan in place has one additional benefit: – it allows you to be seen as a resource by first responders (police, fire, EMTs, hazmat, etc.), and gives you a seat at the table when decisions are being made about your facility. The end result is often that you have more input into decisions that affect you, and you regain access to and control of your facility sooner than you otherwise would have.

Here's our recommended approach:

1. Form Your Team

Identify who will be involved with preparing the Business Continuity Plan. I suggest you get a cross section of the company since all business functions and departments will potentially be impacted by a "disaster." One option is to have each department head involved, plus others to cover important functions like communications with staff and replacing the office (such as desks, computers, copiers, phone, files, etc.) during an emergency. Where applicable, make information available to your team that you may already have developed for existing EHS plans and programs to meet various EHS regulations.

2. Identify Your Susceptibilities

Brainstorm to develop a list of your organization's susceptibilities. Include the classic disasters – such as fire, flood, tornado and earthquake – but think broadly about other susceptibilities your organization may have that could shut down or disrupt CBFs. For example, a debilitating computer virus, a strike by your employees, the loss of a key supplier (a disaster might shut them down as well, leaving you unable to meet your orders), individual staff with unique skills, or the bank pulling your line of credit. You are starting to get the idea—think broadly! These are any emergencies that, which if they happen, would cause major disruptions for your organization.

3. Identify Your Critical Business Functions

Use your list of susceptibilities to now consider what CBFs could be impacted in an "event." At a team meeting consider going around the room multiple times where your team members brainstorm to identify CBFs for all aspects of your business, and then give each department head additional time to add additional CBFs to the list for their own area. For instance, there may be IT functions that your shipping/receiving staff cannot live without and procurement functions that are essential to your production staff for obtaining needed materials. Through this group exercise, individual managers receive feedback from their colleagues on the CBFs in their department that are critical to others in the company.

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4. Prioritize Your CBFs

Weigh your CBFs in terms of both their "likelihood" for being lost and for the "severity of impact" to your organization if they were to be lost. Some events would be catastrophic if they were to occur but are less likely to occur, whereas others may be a little less severe if they did occur but are much more likely to happen. Prioritizing your CBFs in terms of both helps you balance these sometimes-competing factors in deciding which CBFs to focus on first. One option is to employ simple "bubble sorting." Each team member is given a dozen blue dots to use to "vote" on their perception of the likelihood of the CBF being lost due to something happening; they place one or more of the dots next to the CBFs they feel are most susceptible. Next they are given a dozen red dots and again "vote" on the severity of impact should that CBF be lost. Multiply the number of red and blue dots together for each CBF (zero dots equal a "1" so the math works). Here the "wisdom of the group" is utilized to show which CBFs have the highest priority.

Each department head and their key staff are now assigned the task of further developing a list of CBFs for each department and identifying the top three to five CBFs which will be acted upon first. Finally let your company's management have a chance to review each department's list of CBFs and revise or reprioritize them as necessary. Remember, the CBFs are all Critical Business Functions, but some are even more critical; so, start with those. Once plans for the initial CBFs are in place, your organization will be much better prepared to respond to an emergency than you were before you started.

Now assign a person to develop a bullet-point plan for reestablishing the lost CBF. Include 24-hour contact information for key internal and external personnel and where reference materials and resources can be accessed. For example, the staff person who is in charge of replacing your office should it became inaccessible should explore a number of potential options such as bringing construction-type trailers onto your property for temporary use, setting up an office in a neighboring business with available space, renting from a local hotel, using a commercial real estate broker to quickly canvass the local market, using one of your other facilities if available, and/or deploying technology to enable staff to work remotely. They also will need to prepare a list of vendors who can provide office furniture, phones, IT equipment, and do any installations. Your point person and at least one back-up person will need to spend time researching options and preparing their part in the plan. Your point persons for other CBFs will need to prepare in a similar fashion.

5. Preventive and Mitigating Measures

Determine if there are preventive measures that can be taken now to *reduce* or *eliminate* the possibility of losing the CBF should an event occur. This is the ounce of prevention concept. Consider whether upgrading your back-up power systems now might be worth the expense of avoiding a costly shutdown in a power outage, whether it makes sense to upgrade the fire suppression system in your high risk hot-work area, or if installing containment systems would be worthwhile around where you store and use hazardous chemicals. Also, explore if there are any mitigating measures that could be implemented in an emergency that would lessen its impact— turning off valves, powering down equipment in a specific sequence, initiating evacuation procedures—for both the health and safety of your employees and for being able to reestablish any lost CBFs as soon as possible. Implementing preventive and mitigating actions allows you to reduce your chances of experiencing a disaster in the first place and to minimize the impacts should something occur. This is where the value of planning is realized!

6. Facility Organizational Charts

Develop an organizational chart showing the lines of authority and responsibilities in an actual emergency so that everyone knows their role and second guessing is minimized. You will probably need one org chart per facility, for local knowledge and accessibility. Include among other roles, you will need an overall "incident commander" who is in charge and can make timely decisions; an environmental and health and safety coordinator; a public relations person through which all the public and press inquiries are channeled to put the company in the best possible light (otherwise a truck driver who happened to walk by the group of reporters and cameras at the wrong time may become your inadvertent spokesperson); an "event recorder" to document events and major decisions for later use in insurance claims and/or legal proceedings; the list of department heads or other staff responsible for reestablishing disrupted CBFs within their purview; and outside service providers (such as hazmat contractor, insurance agent, accountant and attorney) who you may need to contact for help. Once your plan is compiled, distribute it as widely as needed so that your staff, key advisors and others you deem necessary have it readily accessible for their use in an emergency.

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7. Department Org Charts and CBF Forms

Each department will need to prepare a list of CBFs they are responsible for and the staff person or point for reestablishing that CBF, a department organizational chart with the names of the person in charge of leading the department's overall response in an emergency (and their back-ups), and a list of other staff and outside vendors who may need to be contacted for help – and everyone's 24-hour contact information, not just their 9-to-5 M-F business phone numbers. A 1- to 2-page form should be completed for each CBF that will identify the staff person who will be the "CBF Leader," their back-up, and other team members as necessary. The CBF form should have internal and external notification lists; a description of useful reference information and where and how it can be accessed; a list of preventive action measures to implement to either eliminate or minimize the disruption of this CBF to begin with, who is responsible for completing this task and by when; and a list of mitigating measures which might be implemented in an emergency to minimize the disruption of the CBF.

8. Practice Makes Perfect

Run a tabletop or other event simulation; then do it again. The first time will likely be pure chaos – just like in an actual emergency! The second attempt is generally a little better, and by the third simulation staff often start to get the hang of how best to use the plan and take action.

9. Continue Working Down Your List of CBFs

Now that you have completed plans for your top three to five CBFs in each department, continue assigning staff to prepare bullet-point plans for your next highest-priority CBFs. Periodically review, update and redistribute the ones you have already completed.

While the format of the plans is best left simple for ease of use in an emergency, the amount of thought and effort which goes into the plans is anything but simple. However, by completing these steps and developing your Business Continuity Plan, you give yourself every opportunity for avoiding a disaster in the first place, minimizing a disaster that cannot be avoided (and controlling your response costs), reestablishing your CBFs as soon as possible, and – most importantly – surviving the event.

Ray Tierney is a Vice President of SCS Engineers and one of our National Experts on Sustainability. He is a Professional Geologist with more than 30 years of experience in environmental and sustainability engineering and has helped a wide range of organizations control and reduce their legacy environmental impacts and liabilities, lower their costs, obtain grants and permits to expand, and implement cost-saving practices. Contact Ray at (608) 216-7332, rtierney@scsengineers.com.