

Make your company's emergency plan scalable for disasters large and small

July 28, 2009 - Spotlights

According to ready.gov "At least one in four businesses never reopens after a disaster". If you own or manage commercial property or a business operation, you understand the importance of disaster (emergency) planning and recovery. What prevents most organizations from functioning effectively when an unpredictable - but inevitable - event occurs is the ability to convert that understanding into a workable plan. Typically, most people see an emergency as a temporary problem that can be solved with the right resources - if responded to quickly.

Why have a plan?

Businesses typically rely on four infrastructure requirements to stay in business:

- 1) people - the customers and employees who interact,
- 2) a workplace or facility,
- 3) business or process equipment to "produce" a product or service and
- 4) communication systems - voice and data - to transact business.

An event that disrupts one or more of these requirements is capable of shutting down use or occupancy of an operation. Business interruption means money off of the bottom line. FEMA lists the following events as potential disaster conditions: power/communications failure, hardware/software/data failure, fire, hazardous materials incident, flood or flash flood, hurricane, tornado, winter storm/weight of snow, earthquake, radiological accident, civil disturbance / violence / trauma and explosion.

Planning

Planning for every possible event appears challenging but it gets simpler when you approach it by way of the benefits:

protect people, the community and the environment; comply with regulatory requirements; recover or reduce financial losses from fines, loss of market share, damages to equipment or products or business interruption; enhance your company's image and credibility and possibly reduce insurance premiums.

Success in these areas depends on support at the highest level of the organization. The planning team must have a broad understanding of the operation, the will to examine assets and vulnerabilities of the operation, and the authority to set priorities and produce results. When each team member takes ownership of an area of importance, you will achieve far better results than with a top-down command approach.

Partner up!

Most people don't cut their own hair, fix their own transmission, or develop their own website. The tasks are either too complex or too prone to failure. Despite this, a surprising majority of managers, engineers, and owners see recovering from an emergency as a do-it-yourself solution. A more

effective plan would include partnering with experienced service providers who can work with you to develop pre-planned levels of service when an incident occurs.

Most service providers will likely work with you to develop a basic response plan at a relatively low cost. You will need to weigh the benefits and costs of retaining a company on a priority response status or working on a first-come-first-serve basis. A well planned Just-In-Time (JIT) recovery resource may work in almost every situation except a regional disaster, such as a hurricane that impacts your entire area.

Rather than the office manager trying to restore data connections after an electrical storm, make emergency response part of your IT agreement. You may be on a first name basis with the HVAC technician, but can you reach him on Sunday morning? Most mechanical service companies maintain 24/7 answering services with multiple contacts on call.

Property damage recovery specialists are typically capable of responding to a wide range of damage incidents including water, fire, mold, storm and other weather-related events. If your facility handles any hazardous materials, regulatory requirements will dictate the level of preparedness you will need to maintain. When selecting your service partners, consider not only their expertise, range of services and capacity to respond, but also levels and type of insurance coverage, scheduled rates and billing terms. Many emergencies can result in an insurance claim, requiring greater documentation, reporting and time to settle payments.

Working in a lean economy

Vacancy rates are likely to continue to increase and result in lost revenue. Lost revenue leads to budget cuts, deferred maintenance and fewer staff to deal with problems. Take the time now to plug any preparedness gaps with an emergency plan scaled to your potential needs and vulnerabilities. If maintenance has been deferred, make plans now using the best resources available to respond if a system or component fails. During a familiarization survey we completed at one facility, the building engineer pointed to a large floor drain and calmly said, "That's where it flooded the last time and that's where it will flood the next time until they fix the drains". With that information, we were able to plan how to contain and extract the water quickly with the right equipment in a shorter time with less disruption.

Resources

There are several disaster planning experts, do-it-yourself kits and agencies that can assist you with the process. Start with FEMA and ready.gov for a primer on what makes an emergency response plan work, then scale it to your organization. You will sleep better.

Gerry McGonagle is general manager of Belfor Property Restoration, Hopkinton, Mass.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540