



ARE YOU READY FOR A DISASTER?

# FIVE STEPS TO AN EFFECTIVE EMERGENCY RESPONSE

Hurricanes Harvey, Irma and Maria are the most recent hard lessons to the business community. In the rush of day-to-day competition and the routine of everyday business we must ask the question:

## WHAT HAPPENS WHEN DISASTER STRIKES AND EVERYTHING STOPS?

There are 5 areas of any business that disaster can affect:

1. Physical safety of people/employees—Risks of injury and death to personnel can preempt any efforts to salvage other vital, but lesser important, assets.
2. Financial—those are losses due to lost profits, diminished market share, fines and penalties for non-compliance, etc.
3. Reputation—damage to the company brand or negative public opinion
4. Legal, contractual, and regulatory—litigation liability or loss of license or breach of service/contract with other organizations
5. Business Objectives—inability to take advantage of opportunities or failure to deliver on business objectives, i.e., going “dead in the water.”

And so, the question remains:  
**ARE YOU PREPARED FOR A DISASTER?**

## ARE YOU PREPARED FOR A DISASTER?

If your answer is, "Yes. We're covered since we have disaster insurance," consider the following:

- Most insurance policies cover only a physical loss to equipment and inventory. They rarely cover the loss of profits, and the coverage is typically capped at \$30,000 per incident.
- Insurers are more likely to give better terms if the insured has a formal business continuity plan in place – sometimes it is an absolute precondition.
- There are nontangible losses brought by a disaster, which no amount of insurance can cover. These include things like:
  - Delayed new products and services
  - Loss of business opportunities
  - Loss of customers

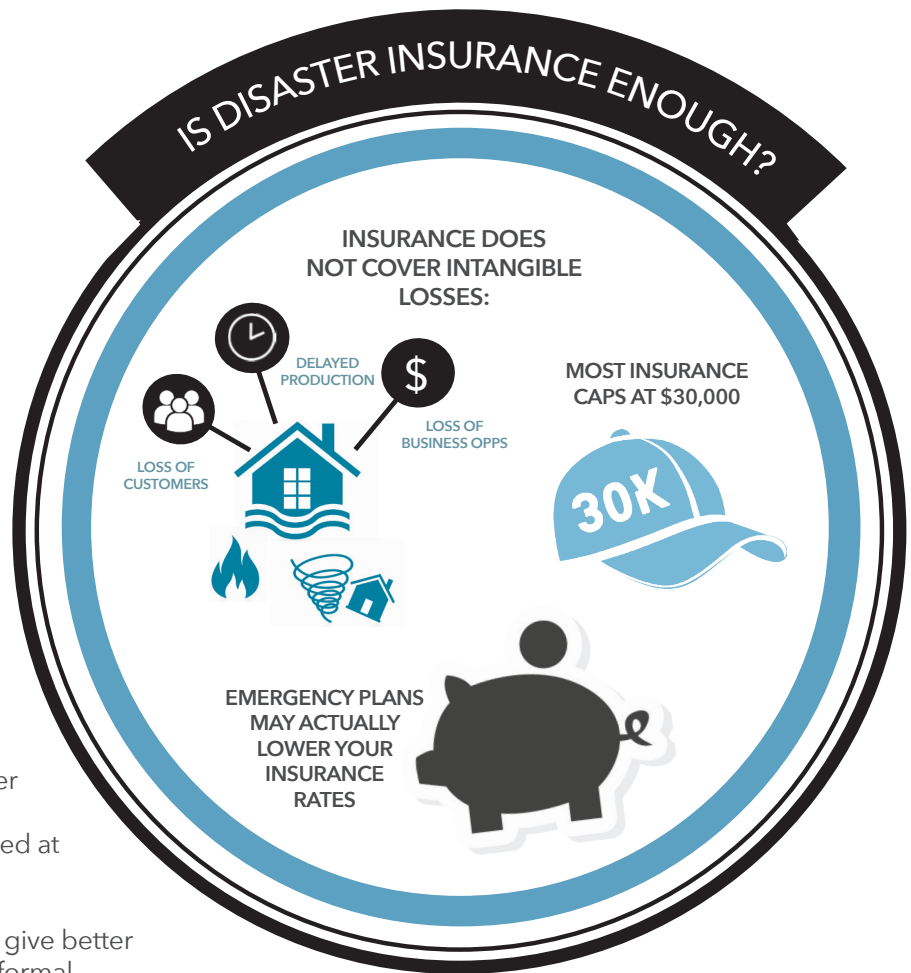
So, disaster recovery and business continuity planning provide a significant competitive advantage for those who do it right. The planning demonstrates to potential and existing customers that your business is a strong link and asset to its own continuity plans. It demonstrates to employees that management is dedicated to making sure that everyone is safe.

Finally, developing a plan leads to a much

deeper understanding of the business, what it does, how it does it, and what is most important in keeping it going.

### BUSINESS CONTINUITY PLANNING NEEDS SENIOR MANAGEMENT COMMITMENT

Prerequisites for any successful business initiative are the commitment and involvement of senior management. The decision to invest time and company resources in the face of everything else that competes for management's attention needs to be grounded in the knowledge that, among other things, business continuity planning puts in place a matrix of quick decisions and wise, safety-oriented emergency actions that reduce the potential harm to people and the financial costs of business disruption.



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# PREPARING AN EMERGENCY RESPONSE PLAN: WHERE TO BEGIN



Regardless of your size or regulatory status, every business needs a disaster preparedness plan. In fact, smaller businesses are even more vulnerable to failure following a disaster.

The following 5 step plan describes how you can begin to create an emergency plan for your business.

## STEP ONE: RESEARCH AND ASSESS A RESPONSE PLAN

- 1 This step involves basic risk assessment and business impact analysis, with a priority on human safety. Risk assessments involve a clear-eyed approach to detect potential sources of business disruptors. A step beyond is the business impact analysis, which discovers how potential hazards actually impact on keeping the product or service flow to the customers.

The tasks of risk assessment and business impact analysis proceed in parallel. They consist of identifying:

- The hazards (fires, earthquake, flood, mechanical breakdown, loss of IT, etc.)
- The business assets at risk (employee welfare, customers, building/contents, etc.)
- The impact of the foregoing and the potential harm to the people and the

business both monetarily and to its reputation and customer base

## STEP TWO: WRITE THE EMERGENCY RESPONSE PLAN

- 2 This is where the program governance document becomes part of company standard operating procedure and culture. At this stage, the hazards are known and the business impact analysis includes which business functions must be continued to keep the operation from foundering. The emergency response plan takes its direction and priorities from the research and assessment completed in Step 1.

The plan includes the following:

- **Program Governance** - an outline of the plan's overall structure, maintenance needs, and continuous improvement elements to ensure overall program viability over time
- **Emergency Response Plan** - the emergency response team protocols for event response with a focus on life safety as a top priority with facilities and infrastructure next
- **Employee Action Plan** - with employee response protocols to events (emergency evacuation, etc.)
- **Supply Deployment Manual**
  - Defines the basis (metrics/assumptions) to determine the supply cache matrix
  - Lists and maps to deploy supplies; defines operational areas & considerations for emergency deployment

[Click here for more information on the process of business impact analysis, by Margaret Rouse.](#)



- Provides checklists for post-event inventory to refresh supplies, along with plan updates for improvement (See Step 5)
- Contains specific user guides for specific equipment (e.g., setting up a canopy, outfitting a sanitation station, setting up triage, etc.)
- Lists team training needs and frequency if not covered in governance document (also covered in Step 5)

### STEP THREE: IDENTIFY AND ALLOCATE RESOURCES FOR YOUR SPECIFIC PLAN

**3** Are there enough resources to dedicate to an emergency? It comes down to logistics and availability of what is needed for emergency situations until off-site help arrives.

This step includes the following actions:

- Assess the threats that were identified in both the business infrastructure analysis and the emergency response plan.
- Estimate whether employee coverage is currently adequate to meet the threat. Factor estimated employee attrition rate and its effect on training needs.
- Identify supply resources in kit form for rapid deployment or specific to team usage.
- Use metrics to determine usage rates and best practices to determine quantities.
- Procure the necessary supplies.
- Organize supplies for visibility, ease of deployment, and priority.

### STEP FOUR:

#### TRAIN, DRILL AND EXERCISE THE PLAN WITH THE RESPONSE TEAM AND EMPLOYEES

**4** The plan is now in writing. It makes sense and is well suited for local conditions and contingencies. It is now time to train everyone involved so that it does not become stale or overtaken by personnel attrition.

**TRAINING** - Training for a response plan includes:

- Overall plan training - emergency response team and management
- Employee training - employee training on Employee Action Plan
- Response team training (duty specific) - First Aid/CPR/AED subject to scope of team responsibilities
- Supply deployment training - supply resource deployment orientation

For a guide on employee training, see the Ready.gov online article on employee readiness training.

**DRILLS AND EXERCISES** - Drills and exercises are practical means for ongoing training to keep everyone—response team and employees—ready to respond to a variety of situations.

The training consists of:

- Drills and exercises done as part of overall governance requirements
- Table-top (i.e., simulated) exercises to support initial training and improvement
- Full functional drills
- Deployment exercises done as part of a table-top or a full functional drill
- Post-event “lessons learned” meetings to ensure continuous improvements

For more information, see the Ready.gov online article on Testing & Exercises.

## STEP FIVE: REVIEW, MAINTAIN & UPDATE

**5** The emergency response plan, just like the business impact assessment, needs to remain part of company culture. This step goes hand-in-hand with the threat assessment and business impact analysis processes previously described. For example, ISO 22317 requires business impact analysis monitoring both periodically or when triggered by a variety of events, such as a change in products or services, regulations, company structure.

Periodic drills test the plan frequently and uncover weaknesses or obsolescence. (i.e., the company has undergone an organizational shift that no longer aligns with specific steps in the plan).

Below are areas requiring periodic scrutiny:

- New or emerging threats (impact of climate change, new IT threats, for example)
- Change in operational scope (a company expansion or contraction)
- Program maturity (added capabilities through employee experience and sophistication)
- Issues identified for continuous improvement through updated organizational goals and objectives
- Managed supplies through maintenance of an up-to-date the supply cache, replenishment, and distribution system
- Following the team and employee preparedness schedule of training and drills as outlined in the governance document



## SUMMARY

This white paper provides the framework and guidance and a basic template for a 5-step Emergency Response Plan. Hurricanes Harvey, Irma and Maria provided an example of how the best-laid plans of businesses can be overwhelmed by natural disaster—unless those plans include an effective response. Businesses throughout the Gulf area of the Southeast United States who had solid disaster response and business impact analyses in effect will be the first to recover.

If, after reading through this white paper, you believe your organization could do better in meeting good-governance practices in business resiliency, please contact us at [www.meadgroup.com](http://www.meadgroup.com) or call 1-206-777-7600.

The Mead Group is an industry leader in business resiliency and securing against unplanned events. Contact us today. We're happy to help.