# EXPECTING THE UNEXPECTED:

## Isolated Events that Can Severely Impact Your Organization, and How to Prepare for Them

Agility Recovery

No matter where your organization is located, you can't escape from weather-related events. Snowstorms in the north, hurricanes in coastal states, tornados in the Midwest, and earthquakes and wildfires in the west all have a history of repeating themselves year after year; therefore, disaster recovery and continuity of operations during and after the event can be planned in advance.

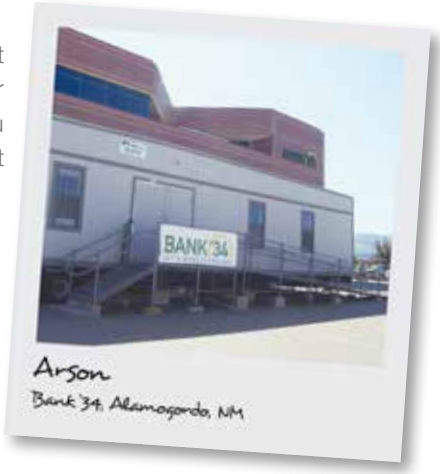
There are certain operational interruptions, however, that cannot be predicted and come with no advance warning, but can be equally as damaging. They include events such as a power outage, a vehicle crashing into your building, a hacked computer system, a building fire, or a burst pipe.

When an arsonist set fire to the business on the floor directly above Bank'34's offices in Alamogordo, New Mexico, the local community bank was unable to service the needs of its customers due to the heavy building damage caused by the fire suppression system. Unexpectedly, it needed to make alternate arrangements for several weeks.

When the G20 Summit gathered in Toronto in June 2010, protesters and the subsequent security crackdown forced Scotiabank's nearby branch to close its doors for the duration of the two-day event.

"The biggest challenge with isolated incidents is that they are unpredictable and therefore, most companies aren't prepared to deal with them," explains Mark Norton, Continuity Planning Manager for Agility Recovery Solutions, a disaster recovery and continuity planning company. "Some events you can prepare for, such as hurricanes and snow storms. But isolated events such as pipes bursting, arsonist attacks, car wrecks—these things can happen anywhere, anytime, and they're unannounced."

Backhoe Destroyed Transformer
Insurance Agency, New Orleans LA




Arson
Bank'34, Alamogordo, NM

With isolated incidents, your operations could suffer from:

- A power outage
- Lack of phone and Internet access
- A possible reduction in available staff
- An inability to retrieve and back up data
- An inability to process payments
- Limited to no office access

All of these result in an inability to serve your community in their time of need.

The very definition of 'isolated incident' means that it is unlikely to happen again, but when it comes to disaster recovery, nothing could be further from the truth. It's just as important to prepare for isolated events as it is to prepare for predicted natural disasters.

Isolated incidents will catch organizations off guard, so preparing in advance will help get your systems back online and your doors open as quickly as possible. The following "10 Steps to Preparedness" will help you recover quickly and efficiently from an isolated event.

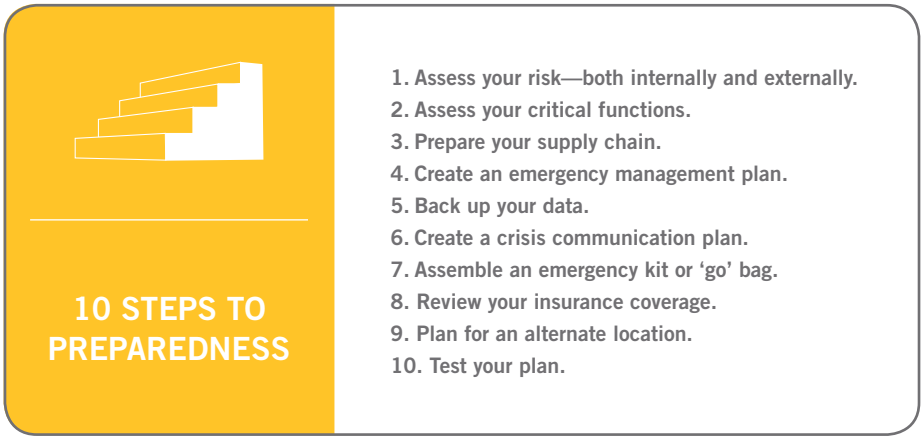
Burst Pipe
Janitorial Contractor, Long Island, NY

Car Hit Transformer
EVI-ITT, Fredericksburg, VA

Communications Failure, Iowa Floods
Food Distributor, Iowa

# 10 STEPS TO PREPAREDNESS: STEP 1

From assessing your risk to reviewing your insurance coverage, being prepared is the key to maintaining continuity of operations during or immediately after an isolated incident. Here, we explain how to use these 10 steps to ensure that your operations are up and running as quickly as possible.




### 1. Assess your risk, both internally and externally.

Create a list of incidents that could potentially happen or may have happened to another organization either in your area or elsewhere, and conduct scenario planning sessions with your emergency management team around those incidents. Discuss, "What if this happened to us? How would it impact our operations, and how would we need to react?"

Define threat levels such as mild, moderate and severe and discuss how your response would need to increase based on the severity of the situation.

### ASSESS YOUR RISK: HomeServe Circumvents Employee Strike

With a worker-strike looming at its parent company, HomeServe—a membership-driven organization providing U.S. homeowners with affordable emergency repair plans—faced a potential threat to its ability to respond effectively to members.

In the event of an interruption, the company's first priority was to re-route incoming calls to a third-party call center until its workforce returned to full capacity. Within hours, Agility identified and secured multiple back-up locations along with the required hardware to create fully functioning workspaces to house additional staff. This extra capacity would allow HomeServe to absorb the inbound phone calls from clients for the duration of the strike.

# 10 STEPS TO PREPAREDNESS: STEP 2

## 2. Assess your critical functions.

Make a similar list of your operation's most critical functions. Then next to each one, write the maximum amount of time the organization can be run without that service. For any functions that you would prefer not to go down at all, put a zero. For each function, discuss your recovery options for keeping it up and running during a disaster or quickly and efficiently bringing it back online after a forced shutdown.

Discuss the following options:

- Data/system backup/redundancy
- Personnel relocation or telecommuting
- Remote digital access of system controls
- Backup generators that automatically start or can be remotely started
- Working with a third-party continuity partner

For each function above, discuss what resources would be required.

**During a storm, lightning struck a power line which surged an underground transformer, causing a fiery explosion. In the blink of an eye, Campbell Insurance of Lynchburg, Va., was without power or phone. After reviewing the details of their disaster, Agility decided that voicemail redirection would be the quickest and most cost effective solution to get them back up and running. Within 15 minutes, their voicemail was back online.**



# 10 STEPS TO PREPAREDNESS: STEP 3

### 3. Prepare your supply chain.

Query your vendors and partners about their emergency recovery plans. You may need to call on them for help and support, or they may need help from you, to keep everything from raw materials to deliveries moving smoothly and on time.

Include representatives from your key vendors on your emergency team and solicit their input. They may have valuable knowledge about everything from the most direct driving routes to specific areas, to a network of other clients you might be able to connect with in a time of need. They can also offer ideas to improve your plan that they have gleaned from their own or other clients' experiences.

Be sure to provide your key vendors with remote contact information for their primary contacts.

# 10 STEPS TO PREPAREDNESS: STEP 4

### 4. Create an emergency management plan.

Your emergency management plan is a roadmap that your employees can follow during and immediately after any disaster. With practice and communication, your employees will know exactly what to do when an emergency has been declared.

The following are key decisions that need to be made while preparing your emergency management plan:

- Determining who will declare an emergency.
- Choosing an alternate meeting site.
- Assigning tasks and responsibilities.
- Developing a communication tree.
- Writing instructions for testing all emergency communications and power equipment.
- Assessing the extent of damage to the community and roadways.
- Writing instructions for how to restore data backups in a secondary location

Ice Storm
City of Mayfield, KY

Hurricane Ike
Eastex Employees Federal Credit Union,
Evandale, TX

Mold-Related Evacuation
Insurance Agency, TX

# 10 STEPS TO PREPAREDNESS: STEP 5

### 5. Back up your data.

There are three priorities to consider when backing up your data: access, redundancy and security.

Backups should be available to you at all times. Someone at your organization should have a means of remotely retrieving the information if your primary system goes down. Include in your go bag instructions on how to retrieve backed up data and how to save data remotely.

Backups should be stored off-site, at a company or partner location that is out of range of any weather patterns that might hit your geographic area. For instance, if your organization is located in a tropical area or on a coastline and is subject to hurricanes or severe seasonal storms, choose a backup location that is not at risk of the same storm patterns you generally receive to ensure that your backed up data remains safe.

Depending on the value of your data and the size of your operations, you might want to build a fully-redundant data center. If your servers need to remain up and running 24/7, you may want to consider this option.

Also, cloud storage is very secure today and increasing numbers of organizations are backing up their data to a private cloud.

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| 95% | The number of data center managers interviewed who said they had experienced unplanned data center outages over the last two years |
| 2.48 | The number of complete shutdowns respondents suffered |
| 107 | The average duration of the shutdown |
| 88% | Respondents who had experienced a primary utility loss in the prior two years |
| $194 | The cost of a per-record data breach in the U.S. |

Source: Ponemon Institute, National Survey on Data Center Outages, September 2010

# 10 STEPS TO PREPAREDNESS: STEP 6

### 6. Create a crisis communication plan.

Constant communication is critical during a disaster situation, yet telecommunications systems are often the first thing to fail when power goes out. To ensure that the emergency management team, as well as all employees, are able to communicate with each other, have two to three alternate communication methods in place.

The following communication protocols can help your disaster recovery and emergency management plan stay on track:

1) Develop an online portal to centralize all alerts, updates and other information in a single place.
2) Send out all emergency updates and alerts via email and text.
3) To account for the safety of all employees, create a phone tree that assigns a group of calls to key staff members.
4) Regularly test and practice your crisis communication plan. Power down your systems and attempt to access them remotely. Afterward, evaluate the success of your tests and determine whether your processes can be improved.

After 9/11, telecommunications systems in the New York area were so overloaded that families looking for loved ones couldn't reach them. Walkie-talkies are a good item to keep on hand in case telecommunications systems go down or are congested.

Put the employee phone list in a password-protected central location, such as on your web portal, and keep a print copy in your go bag. Also, ensure that each team member in the phone tree maintains backup copies of their portion of the list.

# 10 STEPS TO PREPAREDNESS: STEP 7

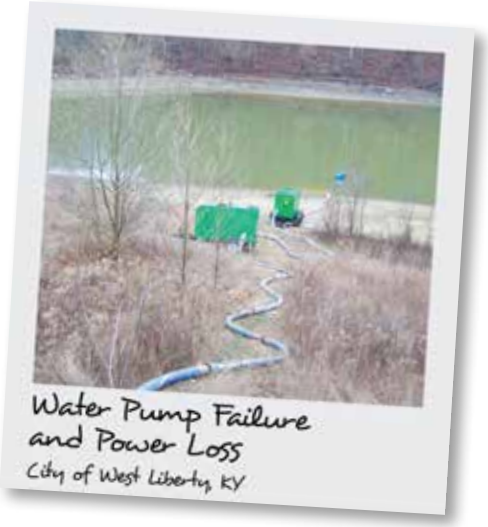
### 7. Assemble an emergency kit or 'go' bag.

A go bag is an emergency kit that is ready to be used at all times. Its purpose is to help minimize the impact of a disaster and should include items you would need to run your operations if you had to vacate your office or if your facility was without power, water, Internet, etc.

Your go bag should include, but not be limited to:

- Data backups
- A printout of your phone list and phone tree
- Insurance policies and the contact information of your insurance representative
- A small first aid kit
- Pen and paper
- A working cell phone
- Walkie-talkies
- Duplicate office keys
- A portable ID-making system
- A laptop and portable printer
- A toolkit
- A blanket and spare clothing items that anyone could use, such as a rain parka, a jumpsuit, gloves or dry socks

Solicit ideas from your team regarding things they would need to perform their emergency duties or regular responsibilities during or after a crisis. Consider having more than one go bag and locate them in secure areas near entranceways in case your facility needs to be vacated quickly. Test how easily and quickly you can get to them and whether they are light enough for a small adult to easily carry.




# 10 STEPS TO PREPAREDNESS: STEP 8

### 8. Review your insurance coverage.

Your organization is constantly growing and evolving and it is not the same as it was a year ago. Review your insurance policy annually to make sure all of your employees and physical assets are adequately covered.

Has the zoning changed in your area? Are you located in a flood zone? Have weather patterns worsened or changed? Has the insurance company itself added or changed the terms of the policy? Or has new federal insurance legislation been enacted? If you have added a significant number of new employees, you may have moved into a different price or benefit bracket.

If it has been more than three years since you last evaluated the insurance market, take the time to solicit competitive rates. Are there any new insurance providers in the market? Have there been any consolidations or providers that have gone out of business? Like your organization, the insurance market is also constantly changing. Keeping up with those changes will ensure that you have the best and most affordable coverage in place.

Invite your insurance representative to do a walk-through of your facility. He or she will know ways in which you can save money and improve employee safety, which ensures that you are getting the most value for your premium.

# 10 STEPS TO PREPAREDNESS: STEP 9

### 9. Plan for an alternate location.

Often, a disaster or event will result in the inability to reopen an office or facility, and organizations may have to consider an alternate location. Perhaps you have another facility nearby, or a partner with whom you can make quick arrangements. But more often than not, you will need more than they can provide.

A disaster recovery and continuity of operations specialist can provide you with the exact services you need within hours or just a few days. By having an ongoing relationship, one phone call is all that is needed to spring your provider into action. Whether you need a fully stocked mobile facility or assistance on a smaller scale, it is important to have a plan in place for how you would restore your services if you cannot get back into your facility.

When planning for an alternate location, consider the following questions:

- How much space would we need?
- How much equipment and technology would we need?
- How quickly would we need the site up and running?
- How important is proximity to our current location?
- Are there other geographic considerations, such as proximity to the highway or hospital?
- Are there other facilities, partner locations or community spaces available that would fit our needs?
- Should we consider a mobile unit?
- How long will we need the alternate site?

Being able to answer these and other questions ahead of time will ensure that you will be able to put your continuity plan into action quickly should the need arise.


# 10 STEPS TO PREPAREDNESS: STEP 10

### 10. Test your plan.

Testing is a critical component of continuity planning. It will allow you to conduct trial runs on everything from how fast you can get your backup servers up and running to how long it takes an ambulance to get to your facility. Through testing, you will be able to determine what will work and what needs adjusting, and you can spotlight and fill in any gaps in your plan.

Start with a "tabletop" meeting. Bring your emergency team together. Identify a potential disaster situation, then go around the table and walk through how you would handle that situation. Discuss any problems that might arise during the recovery and how you would handle them. For instance, some managers phase their testing procedures, running a data recovery test one month and network/Internet recovery another month.

After each meeting, analyze how prepared you and your team are for any situation. Once you are confident with your tabletop presentation, conduct a walk-around and then a drill. You can start with your emergency team, then conduct a second one involving all employees. Follow up each drill with a team meeting to solicit feedback on the success of the drill.

Conduct a full-scale mock disaster annually. Test all critical functions, particularly those that would be most vulnerable during a disaster, including:

- Servers
- PCs/workstations
- Network/Internet
- Building security
- Phones/communications
- Supply chain
- Workflow/staff procedures

The testing team should include the entire emergency management/disaster recovery team. These should include, but not be limited to:

- Facilities manager
- IT
- HR
- Senior management
- Key partners
- Key clients
- Branch managers
- Local law enforcement and public safety representatives

### Centract Settlement Services

Centract Settlement Services is the largest provider of collateral valuation and risk management solutions to Canadian mortgage lenders and brokers. As such, it is vital for the organization to be up and running and connected for employees, constituents and partners to operate, no matter the situation.

In preparation for its first test, Centract officials established a well-defined team that conducted weekly planning calls, consisting of a report on the progress of open items, brainstorming on what hadn't been considered and a review of planning documents.

Both of Centract's recovery exercises were aggressive and involved live phone calls and transactions, all while management and customers observed. A few issues identified during the first endeavor wereresolved or improved upon during the second, including the need for different or additional equipment. The experienced and organized team learned lessons from the exercise that they otherwise would not have encountered until an actual disaster recovery.

# CONCLUSION:

## Start simple, start today.

If your critical functions fail or you have to close your office due to a disaster, whether it is a planned or an isolated incident, each hour of every day that your operations are down costs money.

Fortunately, there is much you can do to be prepared for the unexpected. Following these 10 simple guidelines for preparedness can help you continue to meet your community's needs with little or no disruption.

**Click here** for additional disaster planning resources.

### ABOUT AGILITY RECOVERY SOLUTIONS

Disaster events include everything from the catastrophic (Superstorm Sandy) to the mundane (a burst water pipe). What they have in common is the power to put you out of business. At Agility, we see it every day.

As a member of Agility, you are protected. For a small monthly fee, we will help you plan and prepare for any disaster. And when a disaster strikes, we will mobilize our resources and provide you with four key elements of recovery: Office Space, Power, Communications and Computer Systems.