

Minimizing Business Interruption After a Natural Disaster

The goal of disaster recovery is to resume normal operations as quickly as possible. If damage to facilities is severe, recovery will take time. In many cases, organizations will need to deal with local or provincial government agencies before facilities can be reopened or, in the worst case, reestablished.

It is important to carefully record all extraordinary expenses during and after the disaster. Proper documentation can speed up the claim process. Insurance brokers, agents and claims professionals should be contacted before hiring any outside agencies, and businesses should not sign contracts for non-emergency services before speaking with their insurance representative to confirm the circumstances under which costs will be covered.

Initial Recovery Considerations

- Notify employees regarding the status of facilities and operations
- Notify and meet with insurance carriers to discuss claims and restoration plans
- Notify respective federal, provincial and local government agencies of any need for assistance. Prior to beginning any work, conduct a damage assessment, and secure any required permits. Check with the authority having jurisdiction regarding any additional local requirements, such as utility inspections.
- Enact existing pre-loss agreements with disaster recovery and restoration companies
- Determine need for alternate facility and establish key administrative functions immediately
- Contact vendors for records preservation, equipment repair, earth-moving, debris removal, or engineering
- Determine what outsourcing needs may be required
- Establish site security

Management Actions

- Ensure availability of key management personnel
- Convene recovery team & key personnel for recovery decisions & activities
- Communicate recovery moves, activities and work status to active workforce
- Notify personnel about work status
- Notify supply chain, customers, and vendors of changes in status or procedures
- Keep detailed records of all decisions

Employee Support Services

- Provide cash advances, if appropriate
- Ensure salary continuation
- Consider flexible or reduced work hours, if realistic
- Provide crisis counseling, if appropriate
- Arrange for care packages
- Arrange for medical support, if appropriate

Damage Assessment

- Safety is first priority: Identify hazards that threaten employee or public safety
- Separate damaged property from undamaged property
- Take photos of or video the damage so all damage related costs can be accounted for
- Inventory damage
- Assess the value of damaged property
- Assess the duration and impact of business interruption
- Keep damaged goods on hand for insurance adjuster
- Obtain a signed inventory, detailing type & quantity of goods, for any goods released to adjuster or salvor
- Establish special job and charge codes for purchases and repairs

Clean-up and Salvage

- Protect undamaged property and secure the property
- Close up building openings
- Remove smoke, water, and debris, ensuring best practice decontamination procedures (Seek guidance from local emergency management or government agencies)
- Protect manufacturing/production equipment if possible
- Provide utility maps to emergency responders and debris removal contractors

Resumption of Operations

- Establish an alternate work area and centralize administrative functions in order to quickly recover essential business functions including:
 - Executive
 - Management
 - Communications
 - Finance
 - IT
 - Human Resources
 - Sales
 - Operations
- Recover essential data
- Establish recovery timeline and recovery point objectives (RTO/RPO)
- Conduct employee briefings & sustain communications with employees – loss of workforce will increase recovery time
- Establish alternate (new) operations/ manufacturing facility
- Restore equipment & property for critical operations
- Re-establish supply chain upstream and downstream
- Maintain contact with customers and suppliers

Lessons Learned

- Debrief with staff on lessons learned and share findings
- Review and update emergency, crisis management, and business continuity plans

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