

# Planning to Survive and Operate:

## Business Continuity



Sabine Pass, TX, September 14, 2008—A local school is flooded as a result of Hurricane Ike. Courtesy: Jocelyn Augustino/FEMA

**By Marie Shadden, MPA, CHS-IV**

Disaster looms in the news of late at every turn. We see wildfires, earthquakes, mudslides, tornadoes, ice storms, and floods; infrastructure failures such as financial collapse; burst water mains, fallen bridges, and crippled power plants. In fact, lately we've seen just about everything except the dreaded predicted avian flu pandemic. OK, we get it, we get it! We have to make it through, but then what? Will the customers/clients be buying? Will hospitals be able to operate for 30 days once power is restored? When will the city figure out a way to rebuild the two-story sinkhole blocking access to my business? If employees are scattered by evacuation, will enough remain or return to provide essential services?

We need a plan. We need a plan for staying in business despite an environment that may recover much more slowly than we imagine.

The United States Small Business Administration (SBA) outlines the devastation following the Katrina disaster: The cumulative damage of the Gulf Coast disaster cycle caused damage so extensive that the number of resulting disaster loan applications overwhelmed SBA's capacity to process them. The storms caused nearly \$100 billion in estimated damages and over 1,400 deaths. As of May 15, 2007, SBA had approved more than 160,000 disaster assistance loans for a total of \$6.9 billion (\$5.7 billion disbursed) to individuals and businesses since the 2005 Gulf Coast Hurricanes. (Disaster Recovery Plan [DRP], 2007, p. 5)

By some estimates, 25% of businesses operating in New Orleans before the 2005 hurricane cycle, have not yet recovered sufficiently to continue providing at their former service levels.

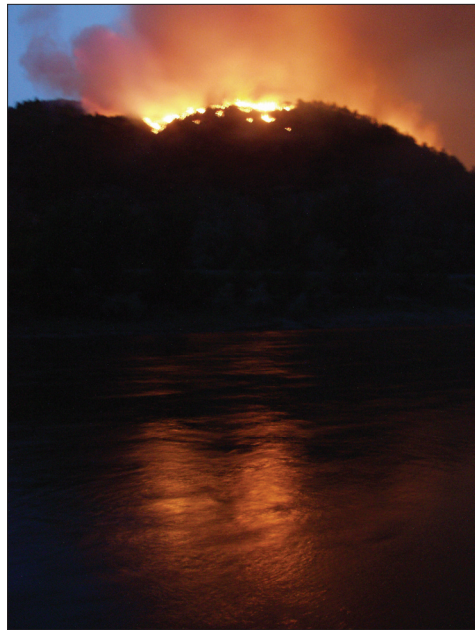
Organizations must now engage in a comprehensive process best described generically as Business and Government Continuity. Now that we have had a variety of tragic examples of the actual response capacity, a plan that anticipates disaster is simply not enough. Leadership also means planning for recovery.

The national framework for continuous delivery of essential government services, called Continuity of Operations/Continuity of Government (COOP/COG), began with Homeland Security Presidential Directive 5 (HSPD-5), which directed the development of the National Response Plan (NRP). HSPD-5 was followed by Homeland Security Presidential Directive 8 (HSPD-8), which put forth the following National Preparedness Goal: "establish mechanisms for improved delivery of federal preparedness assistance to state and local governments."





**Northridge Earthquake, CA, January 17, 1994 – FEMA and local agencies provide a variety of emergency services to the disaster stricken area. Approximately 114,000 residential and commercial structures were damaged and 72 deaths were attributed to the earthquake. Damage costs were estimated at \$25 billion. Courtesy: FEMA News Photo**



**Glenwood Springs, CO, June 8, 2002 – Flames from the wildfires reflect on the Colorado River directly across from Two Rivers Park in Glenwood Springs, Colorado. Courtesy: Bryan Dahlberg/FEMA News Photo**



**Northridge Earthquake, CA, January 17, 1994 – Buildings, cars and personal property were all destroyed when the earthquake struck. Approximately 114,000 residential and commercial structures were damaged and 72 deaths were attributed to the earthquake. Damage costs were estimated at \$25 billion. Courtesy: FEMA News Photo**

An interim National Preparedness Goal prescribed a capabilities-based planning approach for a wide range of threats and hazards and came to be known as an All-Hazards Approach. It made sense to devise plans to recover from that disaster that could not be avoided. COOP/COG Planning evolved further with Presidential Decision Directive 67, subsequently implementing guidance in Federal Preparedness Circular 65, dated June 15, 2004, and the most recent edition of the National Response Plan, July 2007.

After the disastrous response to Hurricane Katrina in August 2005, (1,800 killed, \$82 billion lost), COOP/COG resurfaced as a primary instrument of national security policy. HSPD 20 was issued in May 2007, and mandated that agencies develop continuity plans. It provided more explicit guidance to fill the comprehension gaps in earlier directives and increased the authority of FEMA for interagency coordination. This was followed by an implementation plan in August. Then, in February 2008, Federal Continuity Directive-1 was issued with criteria and standards for minimum communications requirements and management of vital records. FCD-2 was also issued at that time and provides guidance for determining essential functions that have to be back in business within 12 hours and establishing risk management processes within agencies.

Military members of ACFEI will recognize many business continuity concepts as long-

standing principles of the ability to survive and operate. Combat units would be ill-equipped to win if they could not continue to operate in the fog, loss, and confusion of battle.

Although it is clearly the mission of some agencies, such as police and fire, to respond to emergencies, it is simply good business for any company or government agency to secure its assets. Leaders must be prepared to budget and secure the resources to make this happen. Administrative and support structures must be put in place to effectively manage the crisis.

This COOP/COG planning ensures that all those concerned understand who makes decisions and how the decisions are implemented, and it also clarifies roles and responsibilities. Crisis management staff should be assigned these roles as part of normal duties rather than voluntary, and opportunities should be allowed for practice. Regardless of the organization—for profit, not for profit, faith-based, non-governmental—its leadership has a duty to stakeholders to plan for its own survival, at least in terms of its essential functions.



**CALEXICO, CA, 4-4-07 – Hundreds of people who lost jobs when the freeze hit California in 2007, lined up at state Unemployment Development Department offices, including the office in the border city of Calexico, to register for the Disaster Unemployment Assistance program funded by FEMA. FEMA Photo by Michael Raphael**





**New Orleans, LA., 9/19/2005 – Aerial view of the USS Iwo Jima, being used as a central command center for state, federal and local recovery operations following Hurricane Katrina. Courtesy: Andrea Booher/FEMA**



**Cedar Rapids, IA, June 29, 2008—These large yellow tubes are used for drying the inside of flood or water damaged buildings so that repairs and reconstruction can begin. Courtesy: Susie Shapira/FEMA**

The organization's mission clearly outlines its basic purpose and is the first place to look in order to determine its essential functions. Mission statements are often in the legislation or charter that created the entity. Essential functions are those that fulfill the basic mission of the enterprise. It sometimes comes as a surprise to executives when they become immersed in the struggle to maintain support of extra services, while basic services falter.

The environment in which business and government organizations operate is constantly evolving. Although it is unknown when or how a disaster will occur, the fact that future disasters will happen is certain. In the COOP process, assumptions are made about the state of the uncertain environment at the time of an emergency. Some of these assumptions concern the physical environment; others concern the operational environment. In order to plan appropriately to survive and operate in a post-disaster environment, planning assump-

tions must be stated clearly and tested to determine if they are true and reasonable. It is particularly important to consider whether the continuity plan will fail if a particular assumption proves to be untrue. Examples of such assumptions might be: 1) power will be restored within 6 hours, or 2) vendors will supply critical chemicals.

The goal of a new CHS training course in Continuity of Operations/Continuity of Government (COOP/COG) Planning is to assist leaders in reducing the consequences of a disaster to minimal levels. Outcomes following a disaster are determined by the effectiveness of planning in four main activities: Response, Recovery, Resumption, and Restoration. How successfully continuity plans address these activities determines the ease with which an agency continues to operate and serve its constituency throughout the recovery period.

Strategic planning cannot be done after the organization is engulfed in flame or water, nor can it be done in a hostile fire zone. It is imperative to develop and maintain a Continuity of Operations/Continuity of Government (COOP/COG) Plan. COOP/COG planning is designed to develop and maintain a plan that enables each organization to determine its essential functions and to preserve, maintain, and/or resume its capability to function effectively in the event of the threat or occurrence of any disaster or emergency that could

potentially disrupt programmatic operations and services. Should it become necessary, the process enables leaders across the spectrum to train employees of the organization at every level for seamless execution of the COOP/COG Plan. Training exercises can be surprisingly simple or tremendously complicated, but the result is what counts. Components of the COOP/COG Plan are also validated by test or exercise. The COOP/COG Plan is a living document subject to growth and change as long as the company or government agency fills a vital need.

Employees will conduct business as they have been trained to do—no more, no less. While training “under fire” may be considered “just in time” management in some respects, it is also costly and painful.

## References

Disaster Recovery Plan. (2007, June 1). United States Small Business Administration (SBA), p. 5.



## About the Author

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