# OFB-EZ

## STAY OPEN FOR BUSINESS

### A PROGRAM OF IBHS

THE EASY WAY TO PREPARE YOUR BUSINESS FOR THE UNEXPECTED.

**Insurance Institute for Business & Home Safety®**

The easy way to prepare your business for the unexpected.

**OFB-EZ**
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The easy way to prepare your business for the unexpected.

## WHY OFB-EZ?

Many businesses are not prepared to respond to a man-made or natural disaster. Small businesses are particularly at risk because their operations may be concentrated in one location that could become inaccessible or inoperable.

To help businesses prepare, IBHS created this free, easy-to-use tool for building and maintaining a business continuity plan. Designed specifically for small- to mid-size businesses, OFB-EZ will help you prepare for and recover from any type of business disruption from severe weather to a virus outbreak.

## HOW TO USE OFB-EZ

Use the Master Checklist and accompanying forms to work through 10 modules that will help you:
► Determine the greatest threats to your business
► Identify essential business activities for continued operations
► Evaluate and manage organizational risks
► Develop a recovery plan tailored to your business
► Test your plan and keep it up to date

The Master Checklist, fillable forms, and other resources will help you gather and document important information. The documents you create collectively form your business continuity plan. Once you complete your plan, make multiple copies and store them at your business and in a safe, offsite location. You may also consider distributing printed copies to staff and saving the plan to an external hard drive, password-protected flash drive, or the cloud.

## WHO IS IBHS?

The Insurance Institute for Business & Home Safety (IBHS) is an independent, nonprofit, scientific research and communications organization supported solely by property insurers and reinsurers. The Institute works to reduce the social and economic effects of natural disasters and other risks on residential and commercial property by conducting building science research and advocating for improved construction, maintenance, and preparedness practices. IBHS is also a leading national expert on preparing for and recovering from catastrophes both large and small. Learn more at IBHS.org.

# MASTER CHECKLIST

## 1. KNOW YOUR RISKS

Identify the most serious threats to your business by focusing on the most likely disruptions and their impact.

Find and review your county's hazard analysis or mitigation plan, which can be found on the internet.
*This will include past threats and disasters in your area and geographical hazards related to severe weather patterns, wildfire concerns, proximity to flood plains, major airports, dams, ports, other companies with hazardous materials, etc.*

Consider risks/threats related to your business that stem from the nature of the operation or from specific situations that may originate inside your organization.
*Examples include human error, poor training or maintenance, illness, death, theft, fraud, employee morale, the type of equipment used, your IT risks, your building, etc., as well as threats to your community.*

Fill out the Know Your Risks form to identify and rank the greatest threats to your business.

Develop and document a plan for threats that score the highest (17-25) on the Know Your Risk form.
*Assume these threats will strike your business and determine what controls you can implement to minimize your risk.*

## 2. KNOW YOUR OPERATIONS

Understand your business's most critical functions and how to perform them if there's a disruption.

Identify the business functions and processes that are critical to the survival of your business.
*Consider: What is your main product/service? What other business functions/processes do you perform to run your overall business such as production/service delivery; manufacturing; customer service; sales/marketing; purchasing; accounting/finance; human resources; administration; and information technology? What activities do employees perform on a daily, weekly, monthly, and annual basis or other special times of the year?*

Rank these business functions in priority from extremely high to low.
*Consider: What are the consequences if the function can't be performed? Can your business survive without this function? How much downtime can you tolerate for each function?*

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Use the Know Your Operations form to document important information for each function.
*Start with functions ranked Extremely High and High. Additional functions can wait until your annual update.*

Consider whether employees need additional training to perform functions they do not normally complete but could complete in the event of a disruption.

Be as specific as possible when documenting procedures for workarounds and/or manual processes.

## 3. KNOW YOUR EMPLOYEES

Document employee information so you can connect with them before, during, and after a disruption.

Use the Know Your Employees form to collect contact information for each employee.
*This allows you to determine their safety and whereabouts; inform them about the status of operations as well as when, where, and how they should report to work; and provide any additional instructions following a disruption.*

Note key responsibilities of each employee as well as alternate employees who can perform these tasks.

Make sure special skills are not know by only one person. This may require additional employee training.

Have employees review and update their contact information at least every 6 months.

Create a Contact Tree so you can quickly call, text, and email employees.
*Keep an updated hard copy in case of power or internet outages. Note: The linked Excel doc contains 3 sheets: the contact tree, instructions, and a call log.*
*https://disastersafety.org/wp-content/uploads/2020/09/Contact-Tree-Generic-Template.xlsx*

Designate a phone number and/or intranet site where employees can get status updates and leave messages.

Consider possible technology solutions to simplify the process of reaching your employees.
*Low-cost emergency notification systems are available that can reach every employee on every device—instantly, simply, and reliably with one easy click. (However, always maintain a hard copy and manual solutions in the event of power/internet outages.)*

## 4. KNOW YOUR EQUIPMENT

Protect critical equipment to keep your business running.

Identify equipment and machinery necessary to perform critical business functions.
*If these items failed or were unavailable, the business may have to restrict production of goods and services or be forced to shut down. Examples: a printing press at a print shop or an oven at a bakery. Also consider company-owned vehicles.*

Determine how and where you might move these items to safeguard them from a hazardous event when there is advanced warning (such as a hurricane or severe winter weather).
*Consider: Can the equipment be easily moved to a safe place in the building or to an alternate location? Can measures be taken to protect the equipment in its current location?*

Identify available replacements or alternate options in case equipment becomes damaged or there is a hazardous event without advanced warning.
*Consider: Is the equipment customized or one-of-a-kind? How long would it take to reorder? Is the equipment functional or obsolete? If obsolete, how long would it take to replace or get it functional? Are there rental options to temporarily replace the equipment? Can you outsource the end product if equipment cannot be substituted quickly?*

Fill out the Know Your Equipment form to document this information.
*Use for non-IT equipment only; IT equipment is covered in module 7.*

Save and store photos, purchase invoices, sales receipts, user guides, and warranty information in a dry and safe location.
*You should be able to access this information at any time during the event.*

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## 5. KNOW HOW TO REDUCE POTENTIAL DISRUPTIONS

Identify and plan for potential disruptions so you recover faster.

Fill out the Know How to Reduce Potential Disruptions form for info on:
- o    Make-Up Capabilities
- o    Product and Inventory
- o    Perishable Stock
- o    Power
- o    Shutdown and Startup Plans
- o    Miscellaneous

## 6. KNOW YOUR KEY CUSTOMERS, CONTACTS, SUPPLIERS, AND VENDORS

Ensure you can continue service to your customers in the event of a disruption.

If possible, avoid relying solely on suppliers and vendors in the same geographic location as your business.

Establish relationships with alternate or backup suppliers and vendors.

Request copies of your suppliers' and vendors' business continuity plans.
Your ability to resume operations relies on their ability to deliver to you what you need on time if they experience a disruption.

Fill out the Know Your Key Customers, Contacts, Suppliers, and Vendors form to document contact information.
*Key contacts are those you rely on for administration of your business such as accountants, banks, billing/invoicing services, building management or owner, security personnel, insurance agents, internet service providers, payroll providers, public works department, telephone and utility companies, etc.*

Establish various ways to communicate with customers about the status of your business operations, your product or service, delivery schedules, etc., after a disruption.

MASTER CHECKLIST

Consider direct telephone calls, a designated telephone number with a recording, text, e-mail, Twitter, Facebook, or announcements on your company website, by radio, or through a newspaper.

## 7. KNOW YOUR INFORMATION TECHNOLOGY

Understand your IT needs and develop protection systems.

Develop a severe weather plan to protect equipment.
*For example, if severe weather is predicted, shutdown and unplug all computer hardware to avoid serious damage due to power fluctuations. If flooding may occur, consider elevating or moving equipment offsite. Instruct employees to take laptop computers home each day if you are on weather alert so they can work offsite if necessary.*

Determine which data and records are vital to perform the critical functions you identified in the Know Your Operations module, and back up this data on a daily basis (using servers, desktop PCs/Macs, laptops, or a combination, including operating systems and applications).
*It is recommended that data is backed up on one or more types of media. Store a backup copy onsite for use during small disasters, such as a failed hard drive, and store a second copy in a safe offsite location or with a cloud storage provider that can be easily accessed during larger disasters.*

Follow the 3-2-1 backup rule. You should have three copies of your data. Each copy should be saved to two types of media. And you should keep one backup copy of your data at an offsite location.

Keep a backup copy of your computer's operating system, boot files, critical software, and operations manuals.

Backup computer files, including payroll, tax, accounting and production records.

Maintain an up-to-date copy of computer and Internet login codes and passwords.

Make arrangements with IT vendors to replace damaged hardware and software, and/or to set-up hardware and software at a recovery location.

Request written estimates for rental or purchase of equipment, shipping costs, and delivery times. Be sure to list these companies on your supplier and vendor form.

Keep equipment inventory updated.

When flooding is possible, elevate computer equipment stored on the floor.

If possible, consult an IT expert to assist with your technology needs of your business.

Fill out the Know Your Technology form to list the computer equipment, hardware and software, vital records and your back up processes that you will need to fulfill your critical business functions.

*If your computer equipment is damaged or destroyed, you will need to lease or purchase new hardware and replace your software. Make a list of everything you would need to purchase or lease. The important thing is to know what is needed to perform your critical business functions.*

Establish a maintenance program to keep your IT inventory current and relevant.

Review your IT needs and resources every 6 months.

## 8. KNOW YOUR FINANCES

Ensure your business is financially resilient.

Start an emergency reserve fund.
*You may need to purchase supplies or equipment or relocate your business temporarily. Cash during an emergency is recommended, especially in scenarios when the power may go out for long periods of time forcing business to be conducted on a cash-only basis.*

Get a credit card or establish a line of credit.

Identify financial obligations and expenses that must be paid.
*Don't assume that because your area was hit by a disaster that your suppliers, vendors, and creditors are aware of the situation and are granting extensions. Items such as mortgage, lease, or rental payments may still be required.*

Consider creating a policy regarding payroll during and after a disaster.
*Payroll is often overlooked in business continuity planning. Don't expect employees to continue working without pay during or after a disaster. Be sure employees are aware of your payroll continuity plans ahead of time so they can plan for their personal financial obligations.*

Have employees sign up for electronic funds transfer (EFT) and arrange for a cloud-based payroll system.

Get adequate insurance for your place of business, your contents and inventory, and/or your production processes.
*Evaluate your insurance policies and meet regularly with your insurance agent/broker to make sure your coverage is up to date and that you understand what is covered, what is not, deductibles and limits, and how to file a claim. Also discuss the types of insurance coverages available to you such as business owners, business income/business interruption, contingent business income, extra expense insurance, loss of key personnel, and many others.*

Determine if you need separate insurance for flood or earthquake damage (most property insurance policies do not cover these events).

Establish clear strategies and procedures for controlling costs, reporting information to appropriate groups, and clearly budgeting so you can track what is actually spent during a significant disruption.

Fill out the Know Your Finances form to develop your financial strategy.

Review your finances every six months.

## 9. KNOW WHEN TO UPDATE AND TEST YOUR PLAN

Make sure you're ready any time a disruption could occur.

Set reminders to review and update your plan every 6-12 months, or any time there are changes to your business.
*Consider: Have there been any changes in procedures or business priorities? Have responsibilities changed? Be sure to document this information.*

Use the Know When to Update and Test Your Plan form to test your organization's disaster readiness and learn where you can improve.

Update your plan based on feedback from testing.

Keep employees up to date with any plan changes since you will need their help putting the plan into action.

## 10. KNOW WHERE TO GO FOR HELP

Build ties with your community and outside agencies who can help you recover quickly from a disaster.

Get to know community leaders, emergency management office staff (from police and fire departments and emergency medical services), and other key staff from government agencies, utility companies, etc., who can provide helpful information during a disaster.

Use the Know Where to Go for Help form to gather information from helpful resources.

**TIPS FOR SUCCESS**

► Enlist help from coworkers and schedule time to work through the plan together. Consider a series of working sessions over lunch to make it more enjoyable.

► Consider using SharePoint or Google Docs for collaborative editing.

| THREATS | PROBABILITY (0-5) | SEVERITY (0-5) | TOTAL (0-25) |
|---|---|---|---|
| Determine which threats could affect your business functions and processes. Add additional threats not listed in the bottom rows under "Other." | Assign each threat with a number 0 to 5 to indicate the likelihood it will occur. | Assign each threat with a number 0 to 5 to indicate the amount of damage it could cause your business. (Consider duration, magnitude, and extent of reach—e.g., one floor, the entire building, a neighborhood, the entire region, etc.) | Multiply Probability with Severity and enter the Total. Plan for the highest-ranking threats (17–25) as soon as possible. Assume these threats will strike your business and determine what controls you have in place or could implement to minimize your risk. |

| THREATS | PROBABILITY (0-5) | SEVERITY (0-5) | TOTAL |
|---|---|---|---|
| **Natural** | | | |
| Earthquake | | | |
| High Wind / Convective Storms / Hail | | | |
| Hurricane | | | |
| Severe Winter Weather | | | |
| Tornado | | | |
| Wildfire | | | |
| **Loss Of** | | | |
| Communications | | | |
| Critical Equipment | | | |
| Power (electricity, gas, steam) | | | |
| Premises | | | |

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| THREATS | PROBABILITY (0-5) | SEVERITY (0-5) | TOTAL |
|---|---|---|---|
| Technology | | | |
| Water services | | | |
| Key staff | | | |
| **Community** | | | |
| Civil disturbance, rioting, looting | | | |
| Pandemic/epidemic/flu | | | |
| **Technological** | | | |
| Cyber security risks | | | |
| Software/hardware failure | | | |
| **Security** | | | |
| Burglary | | | |
| **Accidents** | | | |
| Interior Fire | | | |
| **Other** | | | |
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# 2. KNOW YOUR OPERATIONS

**USE THIS FORM TO DOCUMENT KEY BUSINESS FUNCTIONS AND PROCESSES CRITICAL TO THE SURVIVAL OF YOUR BUSINESS.**

## BUSINESS FUNCTION:

**Recovery Priority:**     Extremely High          High          Medium          Low

Responsible Employee:

Alternate Employee:

Training required for alternate employee:

Timeframe or Deadline:

Obligation:     None     Legal     Contractual     Regulatory     Financial

Money lost (or fines imposed) if not done:

### Who performs this function? (List all that apply)

Employees:

Suppliers/vendors:

Key contacts:

(For additional space, use the Notes area below)

### What is needed to perform this function?  (List all that apply)

Equipment:

Special Reports/Supplies:

Dependencies:

(For additional space, use the Notes area below)

### Who helps perform this function?  (List all that apply)

Employees:

Suppliers/vendors:

Key contacts:

(For additional space, use the Notes area below)

### Who uses the output from this function?  (List all that apply)

Employees:

Suppliers/Vendors:

Key Contacts:

(For additional space, use the Notes area below)

### Brief description of how to complete this function:

*Workaround Methods: (Consider temporary/manual processes that can be implemented until a permanent solution is available. Document detailed procedures for these workarounds, including any additional resources required, in a separate document.)*

Notes:

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**USE THIS FORM TO RECORD INFORMATION ABOUT ALL EMPLOYEES, INCLUDING THE BUSINESS OWNER, SO THAT EACH PERSON CAN BE CONTACTED AT ANY TIME.**

## EMPLOYEE NAME:

Position/title:

Key Responsibilities:

Alternative Employee Who Can Perform Duties:

Home address:

City, State, ZIP:

Office phone:                     Ext.              Alternate phone:

Home phone:                                        Mobile phone:

Office e-mail:                                      Personal e-mail:

Special needs:

## Certifications:

First Aid      Emergency Medical Technician (EMT)      CPR      Ham Radio

Other:                                    Special licenses:

## Evacuation Information

County:                           Evacuation Zone:

Evacuation Destination:

## Local Emergency Contact

Full name:                        Relationship:

Home phone:                       Mobile Phone:

E-mail:

## Out of State Emergency Contact

Full name:                        Relationship:

Home phone:                       Mobile Phone:

E-mail:

Notes:

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# 4. KNOW YOUR EQUIPMENT

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**USE THIS FORM TO DOCUMENT INFORMATION ABOUT YOUR CRITICAL NON-IT EQUIPMENT.**

Item:

Related business function name(s):

Brief description of item:

Manufacturer:

Model No:

Serial No:

Asset tag No:

Quantity:

Purchase/lease date:

Purchased/leased new or used:

Price paid:

Physical location within facility:

Is this equipment replaceable?

If so, how long to become functional?

If not replaceable, what are your options?

Are there spare parts available?      If so, explain.

Is vendor/manufacturer installation required?

Primary supplier/vendor:

Alternate supplier/vendor:

Order time for replacement:

Warranty or service contract info:

(Attach photos)

Notes:

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**USE THIS QUESTIONNAIRE TO IDENTIFY POTENTIAL PROBLEMS AND CREATE A PLAN TO MINIMIZE DISRUPTION TO YOUR BUSINESS. NOT ALL QUESTIONS WILL APPLY TO YOUR BUSINESS.**

### MAKE-UP CAPABILITIES

1. Are there any unique location, building, or process features that would prevent relocating operations to another facility?    Yes    No

   *Consider:*
   - *Complexity of your building (simple, standard design or highly complex or "one-of-a-kind" building designed to house the particular process).*
   - *Special building structures for clean rooms, control rooms, high bay storage, cold storage, large machinery or large complex equipment with long delivery time, long restoration time, or that require special utility features.*
   - *Easily available construction materials or special or rare construction materials.*
   - *Special location requirements and/or special permissions for building reconstruction.*
   - *Local jurisdictional delays around permit validation and/or approval of building.*
   - *Geographic location associated with critical suppliers or customers or availability of utilities.*

   a. If **Yes**, describe preventions.

2. If multiple locations, are there interdependencies?    Yes    No

   a. If **Yes**, which location's(s') disruption would most impact production?
      i. Could operations be duplicated at an alternate location?    Yes    No

3. Is there a mutual aid agreement with another facility?    Yes    No
   a. If **Yes**, what is the facility name and contact information?

4. Can additional shift(s) be added?    Yes    No

5. Do multiple production lines exist?    Yes    No
   a. If No, can additional lines be added/re-tooled?

6. Can work be outsourced?    Yes    No

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## PRODUCT & INVENTORY

1. Which of your products generate the most profit?


2. Do you have all of the elements required to complete orders (people, materials, equipment, processes, and data)?    Yes    No

3. Can you build up your inventories (both raw materials and finished product)?    Yes    No
   If **Yes**,
   a.    Where are the raw materials and finished product located?


   i.    How many weeks/months are stored?




4. Can the product be bought from another source and be re-sold?    Yes    No

## PERISHABLE STOCK

1. Is there a potential of spoilage and contamination in the event of a power outage?    Yes    No

2. Is your perishable stock in one large cooler or several different coolers?    Yes    No

3. Do you have backup power available or alternative means of storing perishable stock either onsite, or offsite (i.e., onsite refrigerated trailers, agreement with an offsite storage facility, alternative storage locations including refrigerated trucks, etc.)?    Yes    No

## POWER

1. Are electrical, gas, sewer, water, internet, or other utilities reliable for your needs (e.g., no regular brownouts or stoppages)?    Yes    No

2. Do you have a generator(s)?    Yes    No
   a.    If **Yes**
      i.    Is the generator portable or permanent?    Yes    No
      ii.    Have you determined which equipment will be powered up by the generator?    Yes    No
      iii.    Do you have contracts established with fuel suppliers for emergency fuel deliveries?    Yes    No

   b.    If **No**
      i.    Do you have an agreement in place for a generator rental?    Yes    No
      ii.    Do you have electrical connections in place for a generator hook up?    Yes    No

## SHUTDOWN AND STARTUP PLANS

1. Do you have documented shutdown and startup plans (i.e., computer systems, special equipment, refrigeration systems, electric systems, gas and/or other utility systems, HVAC, boilers, etc.)?    Yes    No

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2.  For emergency shutoff, have you identified and documented shutoff valves and switches for automatic sprinkler system, gas, oil, water, and electricity?    Yes    No
    a.  If **Yes**, have you posted a chart showing the shutoff locations so that qualified personnel can use them in an emergency?    Yes    No

3.  Do you have shutdown plans for hazardous areas that will require shutdown if loss of power, employees unable to access, etc.?    Yes    No

4.  Can hazardous shutdowns be done remotely?    Yes    No

## MISCELLANEOUS

1.  Do you have service plans, maintenance plans, equipment risk management plans, preventative maintenance (including plans for refrigeration, generators, etc.)?    Yes    No
    a.  If **Yes**, are these plans reviewed and updated annually?    Yes    No

2.  Do you have established personnel that have been trained to repair critical equipment? Yes    No

3.  Do you have a list of cleanup, restoration, and repair vendors?    Yes    No

4.  Have you established advance relationships with local, reliable contractors that will be available for post-storm building repairs?    Yes    No
    a.  If **Yes**, have you scheduled periodic reviews of these relationships?    Yes    No

5.  Have you established advance relationships with local authorities within your jurisdiction (i.e., fire departments/fire marshal, Haz Mat, emergency response teams) for emergency planning assistance?    Yes    No
    a.  If **Yes**, have you scheduled periodic reviews of these relationships?    Yes    No

6.  Do you have in place security systems (i.e., burglar, smoke/fire alarms, and security cameras)? Yes    No

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**USE THIS FORM TO RECORD INFORMATION ABOUT CURRENT AND ALTERNATE SUPPLIERS AND VENDORS, AS WELL AS CUSTOMERS AND OTHER KEY CONTACTS.**

## CONTACT TYPE:

Current Supplier/Vendor        Backup Supplier/Vendor        Key Customer/Contact

## Company /Individual Name:

Account Number:

Materials/Service Provided:

Street Address:

City, State, Zip:

Company Phone:

Website:

## Company Representative

Primary Contact:

Title:

Office Phone:

Mobile Phone:

E-mail:

Alternate Contact:

Title:

Office Phone:

Mobile Phone:

E-mail:

Notes:

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**USE THIS FORM TO LIST THE COMPUTER EQUIPMENT, HARDWARE AND SOFTWARE, VITAL RECORDS AND YOUR BACK UP PROCESSES THAT YOU WILL NEED TO FULFILL YOUR CRITICAL BUSINESS FUNCTIONS.**

## TYPE:

Computer Equipment/Hardware    Computer Software    Vital Records

## Item:

Title and Version/Model Number:

Serial/Customer Number:

Registered Username:

Purchase/Lease Price: $

Purchase/Lease Date:

Quantity (equipment) or Number of Licenses (software):

License Numbers:

Technical Support Number:

Primary Supplier/Vendor:

Alternate Supplier/Vendor:

Notes:

## Name of vital record:

Name of Business Function Vital Record Supports:

Type of Media:

Is It Backed Up?

How Often is it Backed Up?

Type of Media for Backup:

Where is it Stored?

Can the Record be Re-created?

Notes:

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**USE THIS CHECKLIST TO CONSIDER AND PLAN FOR YOUR BUSINESS'S FINANCIAL NEEDS IN THE EVENT OF A DISRUPTION.**

**OVERALL BUSINESS NEEDS**

1.  Have you worked with your bank to set up a line of credit for your company?　　Yes　　No
    a.  Who is responsible to activate it and who has access to it?

2.  How much of an emergency reserve fund would be needed to survive a 3-day, 5-day, 10-day, or longer shutdown?
    a.  For what purpose is the emergency reserve fund needed?

    b.  Who would make the decision to utilize the emergency reserve fund?

    c.  Who would have access to the emergency reserve fund?

3.  Do you have sufficient funds to pay for various additional services that might be needed, such as janitorial or security services?　　Yes　　No

4.  Do you have a company credit card that could be used for emergency purchases?　　Yes　　No
    a.  If **Yes**, who is authorized to use the credit card?

5.  Will you be able to continue to accept payments from customers/accounts receivable? (Consider setting up large customers on EFT in order for money to be deposited into account.)　　Yes　　No

6.  Will you be able to pay your bills/accounts payable?　　Yes　　No
    a.  Do you have procedures in place to accommodate a business disruption? (For instance, paying bills early if cash flow allows in order to eliminate costly late fees.)　　Yes　　No
    b.  Do you have procedures in place to accommodate a business disruption?　　Yes　　No

7.  Have you identified an alternate location where you can work?　　Yes　　No

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## HUMAN RESOURCES

1. In the event of a widespread disaster, how will payroll be handled?


2. If your business is forced to shut down temporarily, will some or all employees continue to be paid?    Yes    No

    If **Yes**

    a. For how long?

    b. Will they be able to use their sick and/or vacation time without restriction?

    c. Are there union considerations?

    d. Have your employees been made aware of policies that will be in place during a disruption?


3. If banks are closed, will your business provide payroll-cashing services?    Yes    No

4. What is your business policy on advances, check cashing, and employee loans?

5. Will your employees be expected to work overtime?    Yes    No


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**WHY:**

Disaster exercises test company disaster readiness; train employees through practice; improve employees' ability to make informed decisions when responding to an emergency; identify what needs to be done during and after a disaster; and examine a specific scenario or situation more closely.

**HOW:**

Gather your team, key employees, and anyone else who would benefit from the exercise, present the scenario below, and begin the discussion with the questions provided. This can be done informally, such as during lunch or as part of a staff meeting.

## POWER OUTAGE SCENARIO

It is a hot, rainy Friday morning. The current time is 11:30 AM. Suddenly, the lights go out and all of the computers, printers, and copiers turn off. For a few seconds, there is silence before the chatter begins to pick up. One of your emergency lights comes on, but the rest are not working. While many of the offices have windows to provide some light, most of the hallways and interior rooms are left in the dark.

1. Take the first 10 minutes to discuss what you will do next.

It is now 1:00 PM and the lights are still out. The building HVAC has been off now for 1½ hours and the temperature inside the building is gradually becoming unbearable. Your entire power grid is without power. There is no word from the electric company about restoration of power.

2. Now what are you going to do?

3. Is your technology/computer room being dealt with? By whom?

4. Has someone turned off all computers, printers, and equipment to prevent electrical surge when power is restored?

5. Is your phone system down? How are you going to manage the phone lines?

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It is now 2:00 PM. Employees are asking if they can leave early. The word around town is that the power might not be restored for several days.

6. How will you communicate this message? What instructions will you convey to your employees? Customers? Vendors?

Continue your discussion with the following questions:

7. How are people within the organization communicating with each other (e.g., sending and receiving messages, information, and response details)? How are they communicating with other stakeholders (e.g., your customers and clients, the media)?

8. Is there a pre-determined and agreed upon central meeting place or call-in number for company leaders, management, and employees?

9. Is there a copy of your business continuity plan that you can easily retrieve?

10. Are there any business processes for which there are manual workarounds? If so, discuss how that would happen.

11. How would you find an appropriate place to operate from for the remainder of the day? For the next one or two weeks, if necessary?

12. Have you begun an assessment that includes an evaluation of the status of employees, customers, operations, and external utilities?

13. How would you ensure that customer concerns are managed?

Last Updated:

Next Update:

14. Have you begun to determine how much data was lost and how that will affect your operations?

15. Some employees are asking, "How will I know if I should come to work Monday?"

> It is now 7:30 AM on Monday, three days later. The power is still out, and the Health Department has determined that "no building without running water can open for business." Clients are calling and the company voicemail system is full. Employees are texting the Human Resources Director asking for guidance.

16. What do you tell them?

## EXERCISE DEBRIEF:

17. What is missing from your plan?

18. What worked well in this scenario?

19. What did not work so well?

20. What could you do differently next time that would improve your response?

21. List the actions you will take to improve your plans.

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**EXERCISE WRAP UP:**

This completes the exercise. In order to maximize what can be learned from this effort, have all participants write down their thoughts and concerns. You can address these and the debrief issues at future meetings.

Notes:

Exercise Date:

Next Exercise Date:

**FUTURE EXERCISES**

Once you learn the basics of conducting an exercise, you can easily create your own scenarios. Additionally, you can try shorter, less formal tests such as posing real-world scenarios to employees at the end of a staff meeting.

"If the alarm in this building were to go off, we would exit the building. Once outside we are told that we cannot go back into the building for one week. What would you do? How would you continue to work?"

This will get people thinking about the possibilities and get them on board with your program. You may be surprised at your employees' increased level of growth and maturity when it comes to making the correct decisions following a disaster. This type of exercise can also be a great team-building activity.

Last Updated:

Next Update:

**USE THIS FORM TO COLLECT IMPORTANT INFORMATION FROM THESE HELPFUL RESOURCES.**

### INSURANCE INSTITUTE FOR BUSINESS & HOME SAFETY (IBHS)

In addition to this guide, IBHS provides free disaster preparedness and property protection guidance, recommendations, and projects for small businesses. Visit DisasterSafety.org for do-it-yourself (DIY) guidance and projects sorted by risk and property type. http://DisasterSafety.org

IBHS also offers EZ-PREP, an emergency preparedness and response plan. This guide, plus a customizable checklist, can help businesses build a plan for responding to operational disruptions caused by severe weather. The EZ-PREP program complements OFB-EZ. To be best prepared, businesses should implement both programs to protect their businesses and bottom lines. https://disastersafety.org/business-protection/ez-prep/

NOTES:

### AMERICAN RED CROSS

Among other disaster preparedness and response services, the Red Cross offers preparedness training programs and resources for workplaces, families, and individuals. www.redcross.org

NOTES:

### BUSINESS CIVIC LEADERSHIP CENTER (BCLC) – DISASTER HELP DESK

The BCLC Help Desk is designed to enhance community economic recovery after a disaster. They provide on-the-ground coordination of information among businesses, local chambers of commerce, NGOs, government responders, and disaster recovery specialists. https://www.uschamberfoundation.org/site-page/disaster-help-desk-business

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## DISASTERASSISTANCE.GOV

Provides information on how you might get help from the federal government before, during, and after a disaster. If the President of the United States makes help available to individuals in your community after a disaster, you can visit this site to apply online. http://www.disasterassistance.gov

NOTES:

## FEDERAL AND LOCAL EMERGENCY MANAGEMENT AGENCIES

Even the largest, most widespread disasters require a local response. Local emergency management programs are the core of the nation's emergency management system. https://www.fema.gov/emergency-management-agencies

NOTES:

## INSURANCE INFORMATION INSTITUTE (TRIPLE-I)

Triple-I is a source for insurance information. They offer a wealth of data-driven research studies, white papers, videos, articles, infographics and other resources solely dedicated to explaining insurance and enhancing knowledge. They provide objective, fact-based information about insurance—information that is rooted in economic and actuarial soundness. https://www.iii.org/

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Next Update:

### INTERNAL REVENUE SERVICE–DISASTER ASSISTANCE AND EMERGENCY RELIEF FOR BUSINESSES

The IRS offers audio presentations about planning for disaster. These presentations discuss business continuity planning, insurance coverage, record keeping, and other recommendations for staying in business after a major disaster.

https://www.irs.gov/businesses/small-businesses-self-employed

NOTES:

### SMALL BUSINESS ADMINISTRATION

The Small Business Administration provides loans, loan guarantees, contracts, counseling sessions, and other forms of assistance to small businesses following a disaster.

http://www.sba.gov/

https://www.sba.gov/business-guide/manage-your-business/prepare-emergencies

NOTES:

### SMALL BUSINESS DEVELOPMENT CENTERS (SBDC)

The SBDC assists small businesses with financial, marketing, production, organization, engineering and technical problems, as well as feasibility studies.

http://www.sba.gov/content/small-business-development-centers-sbdcs

https://americassbdc.org/small-business-consulting-and-training/find-your-sbdc/

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## ACKNOWLEDGMENTS

## FEEDBACK

IBHS welcomes your feedback and comments about the OFB-EZ recovery planning toolkit, including the usefulness of your plan when a business disruption or workplace disaster occurs. Your feedback will help IBHS improve the tool for future users, and your story may help encourage others to develop a business continuity plan. Please send any feedback to info@ibhs.org.