Housekeeping

- Emergency Procedures
- Restrooms
- Distractions
Workshop Agenda

9:00 AM  Introductions & Objectives
9:15 AM  Recent Maryland “Lessons Learned”
9:45 AM  15 Minute Break
10:00 AM Business Impact Analysis (BIA)
12:00 PM Business Continuity Plan & Working Lunch
1:30 PM  Resources
1:45 PM  Wrap-up
Introductions

Please tell us...

- Your name
- Your business & industry

Table Discussion

- Any experience with business continuity? (please be brief)
Objectives of the Workshop

When you leave, you will...

- Understand the value of business continuity planning (BCP)
- First Business Continuity Plan draft completed
- Know where to get help and assistance, including a list of resources in Maryland
What Is an Incident?

An unplanned, event causing damage or loss, that disrupts your business
Incident Timeline

Before

During

After

Emergency Management (*protect life and property*)

Business Continuity (*recover essential functions, processes and data*)
Business Continuity Plan Objectives

- Ensure continuity and survival of your business
  - Resume critical business functions quickly
  - Minimize loss of customers
  - Maintains public image and reputation
  - Meet legal and regulatory requirements, if any

- Reduce exposure to loss

- Maintain control during any disruption
  - Pre-identify resumption procedures
  - Minimize loss of data
Recent Maryland Local Lessons Learned

Presenters: Mary Lasky, Johns Hopkins University Applied Physics Laboratory
           Al Banthem, Mars Supermarket

Moderated by: Chas Eby, MEMA
15 Minute Break
What is a Business Impact Analysis (BIA)?

A process that:

• Identifies critical business functions
• Determines the impacts of a disruption
• Establishes and prioritizes function resumption criticality
• Identifies resources necessary for each critical business function:
  o Personnel
  o Equipment & Supplies
  o Technology- Servers, Software, Applications
  o Documents - hard copy & electronic
  o Dependent processes
Assumptions Used to Create the Plan:

- An event has occurred that impacts your normal operations.
- There is no access to the affected facility.
- Everything in the facility is inaccessible.
- Personnel are available to continue operations.
General Functions

- Payroll Processing
- Other HR Functions
- Purchasing & Accounts Payable
- Accounts Receivable
- Marketing & Business Development
- Sales
Business-Specific Functions

- Front Desk Services
- Food Service/Room Service
- Reservations/Appointment Scheduling
- Food Storage
- Laboratory Operations
- Account Management
What is the impact of the loss of the function on your business?

- High – Unable to operate without this function
- Medium – Significant disruption to operations
- Low – Inconvenient but minimal affect on operations

Additional Considerations Available within the Plan Template (page 9)
Maximum Downtime

Amount of Time Function Could Be Down Before Causing Irreparable Harm:

- Less Than 24 Hours
- 1 Day to 1 Week
- 1 to 2 Weeks
- 2 to 4 Weeks
- 30 Days or Greater
Roles/Teams

- List roles and/or teams who operate each function
- Identify specifics needed for function:
  - Special knowledge/training
  - Certifications
  - Licenses
  - Union position
- At least one alternate is highly recommended
Required Resources

# Employees
- Identify number of employees critical to function

Equipment
- Computers, printers, etc.
- Special types of equipment necessary to operate the function
- Include number of each type of equipment needed

Supplies
- Unique supplies required to operate the function
- Include paper documents and forms here
- Do not list everyday items easily purchased from a store
Required Resources

Technology

- Software & Applications, such as...
  - Microsoft Office, QuickBooks, Point of Sale System, etc.
  - Safety Data Sheet (SDs), Banking, Payroll, Alarm Service, FedEx, SharePoint
  - Note if each is an external or desktop application

- Documents – in electronic format

Impacted Functions

- List other critical business functions that rely on this function to be operational
  - Example: Sales cannot happen without Purchasing
Write a brief, high-level description of how to complete the function:

- What it does
- What it takes to operate
- Identify when specific documents or systems may be needed
COMMUNICATIONS
Communications

- Process Used to Communicate with Employees
  - Business Owner or Alternate Calls, Texts, Emails Everyone
  - Call Tree
  - Mass Notification

- Include Contact Lists in the Plan
  - Section 6: Employee
  - Section 7: Vendors, Suppliers
What is a Risk Assessment?

**Definition:** “A process to identify potential hazards and risks and analyze what could happen if they occur.” ~ready.gov

**Purpose:** Identify & rank hazards and risks that may affect the business in an effort to:

- Protect the business from the hazard
- Prevent the hazard from affecting the business
- Mitigate the effects
- Respond to the hazard, and
- Recover more efficiently
Types of Hazards

- **Natural or Acts of Nature**: Hurricanes, Winter Storms, Epidemics/Pandemics

- **Technological**: Utility Loss/Outage/Leak, Hazardous Chemical/Materials Release, Cyber Attack/Breach/Outage, Mechanical/Equipment Failures

- **Human-caused**: Active Assailant, Civil Disruption, Food & Water Contamination, Sexual Assault, Theft

- **Business**: Reputational Issues, Supply Chain Issues
## Prioritize Hazards

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<th>Probability</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
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<td><strong>Highly Likely</strong></td>
<td></td>
<td><strong>Expected</strong></td>
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<tr>
<td><strong>Likely</strong></td>
<td></td>
<td><strong>Often</strong></td>
<td><strong>Seldom</strong></td>
<td><strong>Never</strong></td>
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<th>Magnitude</th>
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<th>3</th>
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<tr>
<td><strong>Catastrophic</strong></td>
<td></td>
<td><strong>Critical</strong></td>
<td><strong>Limited</strong></td>
<td><strong>Negligible</strong></td>
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<tr>
<td>(Disastrous impact)</td>
<td></td>
<td>(Severe impact)</td>
<td>(Modest impact)</td>
<td>(Inconvenient impact)</td>
</tr>
<tr>
<td>many deaths; complete</td>
<td></td>
<td>some injuries/</td>
<td>few casualties;</td>
<td>minor injuries; limited</td>
</tr>
<tr>
<td>physical destruction;</td>
<td></td>
<td>deaths; extensive</td>
<td>minor building</td>
<td>building</td>
</tr>
<tr>
<td>devastating financial</td>
<td></td>
<td>physical damage;</td>
<td>damage; moderate</td>
<td>damage; limited</td>
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<tr>
<td>impact</td>
<td></td>
<td>serious financial</td>
<td>financial impact</td>
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<th>Warning</th>
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<td><strong>Minimal/no</strong></td>
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<td><strong>6-12 hours</strong></td>
<td><strong>3-6 hours</strong></td>
<td><strong>24+ hours</strong></td>
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<td><strong>notification</strong></td>
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</table>

<table>
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<tr>
<th>Duration</th>
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<th>3</th>
<th>2</th>
<th>1</th>
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<tbody>
<tr>
<td><strong>12+ hours</strong></td>
<td></td>
<td><strong>6-12 hours</strong></td>
<td><strong>3-6 hours</strong></td>
<td><strong>&lt;3 hours</strong></td>
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<td><strong>business downtime</strong></td>
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<td><strong>business downtime</strong></td>
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Family Emergency Plan & Business Insurance Considerations
Family Emergency Plan

Objective:

- Employees and their families are safe
- Employees are able to come back to work

Section 8 - Information on Creating a Plan

Encourage Employees to Put a Plan in Place at Home

Each Household Should Have an Emergency Kit
Insurance Policies & Coverages

Flood Coverage
- NFIP flood insurance for building & contents ($500k each)
- Flood coverage for business interruption only from commercial carriers
- Damage classification is critical to coverage – wind, flood, storm surge
- Check deductibles carefully for “regular” vs. “high risk” occurrences

Business Interruption Coverage
- Lost profits
- Continuing expenses

Electrical Service Interruption Coverage
- Exclusion possible if power line damaged within certain distance

Civil Authority Coverage
- Business interruption losses from action of government that restricts access
Insurance Considerations

- Contingent Business Interruption
  - Key suppliers or customers impacted by an incident

- Special Assets/Equipment
  - Replacing long lead-time assets, consider having spare or vendors ready to execute a purchase agreement

- Location Dependencies
  - When buying insurance, consider in your BCP how other locations can affect yours, or provide alternatives
BUSINESS RESUMPTION STRATEGY DEVELOPMENT
Resumption Locations

- **Alternate Site**
  - Location Where the Business Can Operate Until the Original Space is Available or New Space is Acquired
  - Work from Home

- **Reciprocal Agreement**
  - Another Business Will Assist You if Needed and You Will Assist Them if Needed
Resumption Strategy Options

- **Do Nothing**- Suspend Operation Until Fully Back Up and Running
- **Manual Workaround**- Complete the Procedure Using a Manual Process (e.g., Paper Forms, Calls vs. Online Orders)
- **Outsourced Third Party Service**- Your Services Will Be Outsourced to an External Party to Continue All or Certain Business Functions
- **Other Actions**- Resume Function Utilizing Other Actions Than Normally Performed
Business Function Resumption

- Copy Functions and Required Resources from Critical Business Functions Table

- List Functions in Priority Order Based on:
  - Maximum Downtime
  - Criticality
  - Interdependencies
List Procedures/Steps to Ensure Resumption of the Function

Examples:

- Continue Process as Normal
- XX Document Saved to Cloud Service Monthly/Weekly/Daily
- Redirect Mail or Phone Calls
- Use XX Paper Form
- Discontinue Operation
- Outsource to XYZ
AWARENESS, TESTING AND MAINTENANCE
Training & Walk-Throughs

- Bi-annual
  - Hands-on review of manual workarounds

- Annual
  - Plan training with key employees
  - Scenario walk-through
    - Brief discussion about specific kinds of likely events/incidents
    - Make changes to plan based on feedback
Plan Maintenance

- **Scheduled**
  - Annually review and update the entire plan
  - Update employee and vendor contact list at least quarterly

- **Unscheduled**
  - Function, Process, Team Member Changes
  - New Equipment
  - Add/Remove a Service
  - Move/Open/Close Locations
  - Major Vendor or Third Party Changes
  - Change in Resumption Location
Local, State & Federal Resources & Assistance

MEMA Presenters: Kelly Devilbiss, State Public Assistance Officer
Jessica Nusbaum, State Individual Assistance Officer
Christina Fabac, Private Sector Liaison
Chas Eby, External Outreach Branch Manager
Elizabeth Webster, Adaptive Planning Branch Manager
James Tully, Training and Exercise Administrator
Damage Assessments and Financial Assistance

Points of Contact: Kelly Devilbiss, State Public Assistance Officer and Jessica Nusbaum, State Individual Assistance Officer

Declaration Process:
- Disaster → Preliminary Damage Assessment → Governor’s Request → FEMA Recommendation → Presidential Declaration → Declaration

Provides Access to Funding:
- PA: Government and Nonprofits
- IA: Citizens
- SBA: Businesses and Individuals

Maryland Emergency Management Agency
Damage Assessment Process & Disaster Assistance Programs

Declaration Process
- MEWA Executive Director requests joint PDA
- Joint PDA is authorized
- MEWA proposes Governor’s Request for Declaration
- Declaration is authorized
- MEWA/FAWA/POA redundancy assistance program

Individual Assistance Program (IA)
Provides supplemental assistance to individuals and households following a presidential declaration.

- Individual and Households Programs (IHP)
  - Housing Assistance (100% of eligible costs)
  - Other Needs Assistance (100% of eligible costs)

SBA: Business and Individuals

U.S. Small Business Administration
Disaster Assistance Program (SBA)
Provides low-interest loans to homeowners, renters, businesses of all kinds, and private nonprofit organizations who suffered uninsured or underinsured losses from a disaster.

- Home and Personal Property Loans:
  - Up to $100,000 to repair or replace disaster-damaged structures in a primary residence
  - Up to $25,000 to repair or replace personal property

- Economic Injury Disaster Loans for businesses of all kinds:
  - Up to $500,000 to repair or replace disaster-damaged property

- Business Physical Damage Loans for businesses of all kinds:
  - Up to $25,000 to repair or replace disaster-damaged property

- Economic Injury Disaster Loans for working capital:
  - Up to $2 million for small businesses, small agricultural cooperatives, small businesses engaged in aquaculture, and most private, nonprofit organizations of any size

- To cover normal operating expenses through the disaster recovery period

Maryland Emergency Management Agency
State Emergency Operations Center (EOC)
2401 Rue Sainte Claire Drive, Reston, VA 20190
www.mema.maryland.gov

Kelly Devilbiss
State Public Assistance Officer
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Kelly.devilbiss@maryland.gov

Jessica Nusbaum
State Individual Assistance Officer
410-577-3604 / 410-821-9995
jessica.nusbaum@maryland.gov
Private Sector Integration Program

Points of Contact: Christina Fabac, Private Sector Liaison

Join Now
State’s Role in Recovery

Points of Contact:
- Chas Eby, External Outreach Branch Manager and Recovery Lead
- Elizabeth Webster, Adaptive Planning Branch Manager and COOP Program Coordinator

Recovery Plan:
- All emergencies are locally-driven events.
- The State of Maryland’s role is to provide assistance to the local jurisdictions at their request.
Resource Overview and Questions

- **Facilitator:**
  - James Tully, Training and Exercise Administrator

- **Planning/Preparedness Resources:**
  - Maryland Emergency Management Agency
  - Department of Business and Economic Development
  - Ready.gov Businesses

- **Insurance and Grant Programs:**
  - Maryland Insurance Administration
  - Department of Housing and Community Development
  - Small Business Administration
Thank You For Participating!