

# **How Businesses "Weather the Storm"**

*Southern New England Weather  
Conference*

**Presented by:**  
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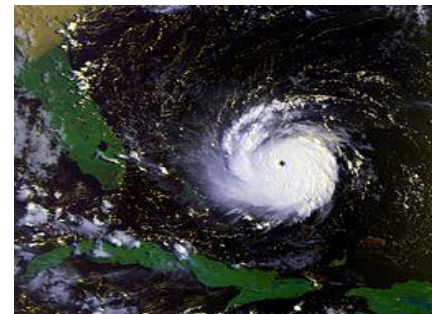
# Agenda

- Weather and it's impacts
- How does a business prepare
  - Risk assessment
  - Mitigation
  - Contingency planning
- Managing crisis events
- Takeaways

# Weather Extremes and its Impacts



- *Loss of life*
- *Loss of homes/businesses*
- *Loss of communication*
- *Loss of inventory*
- *Loss of revenue*



- *Displaced staff unable to report*
- *Loss of market share*
- *Loss of 3rd Party vendors*
- *Supply chain interruptions*



- *Missed SLAs*
- *Eroded public image*
- *Infrastructure damages:*
  - electric, gas,*
  - roadways,*
  - broadband, cell towers*



# So How Does A Business Prepare?



- *Know your Risks & Mitigate what you can!!*



- *Identifying your Risks, will help you Mitigate or minimize business disruptions*



- *You can't Mitigate all Risks, so prepare contingencies*



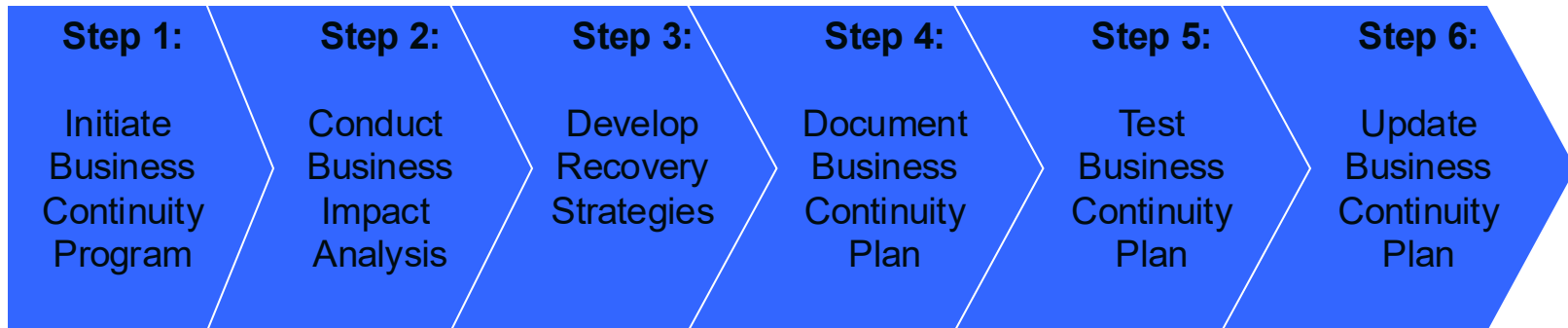
# Risk Assessment & Mitigation

- **Assess the Risks:**
  - **Natural** (*Floods, Tropical Weather, Wildfires, Winter Weather*)
  - **Man-made** (*Sabotage, HazMat, Workplace Violence*)
  - **Technology** (*IT Network, Power Failure, IT Virus*)
- **Mitigate the Risks:**

**Strategies:**

  - **Risk Acceptance**: Does not reduce any effects, however it is still considered a strategy option. Usually preferred option when the cost of other risk management options outweigh the cost of the risk itself.
    - **Example:** *It may cost \$220K to mitigate a risk for a function with revenues of only \$180K*
  - **Risk Avoidance**: Risk avoidance is the opposite of risk acceptance. It is the action that avoids any exposure to the risk whatsoever.
    - **Example:** *Company decides not to manufacture a new product*
  - **Risk Transference**: Risk transference involves passing the risk off to a 3rd party.
    - **Example:** *Outsource certain operations; obtaining insurance coverage*
  - **Risk Limitation**: Risk limitation is the most common strategy, limiting the exposure by taking some mitigating actions. Combines risk acceptance, risk avoidance and/or risk transfer.
    - **Example:** *Company decides to build 2nd location for it's manufacturing lines along gulf coast; buys insurance for business interruptions*

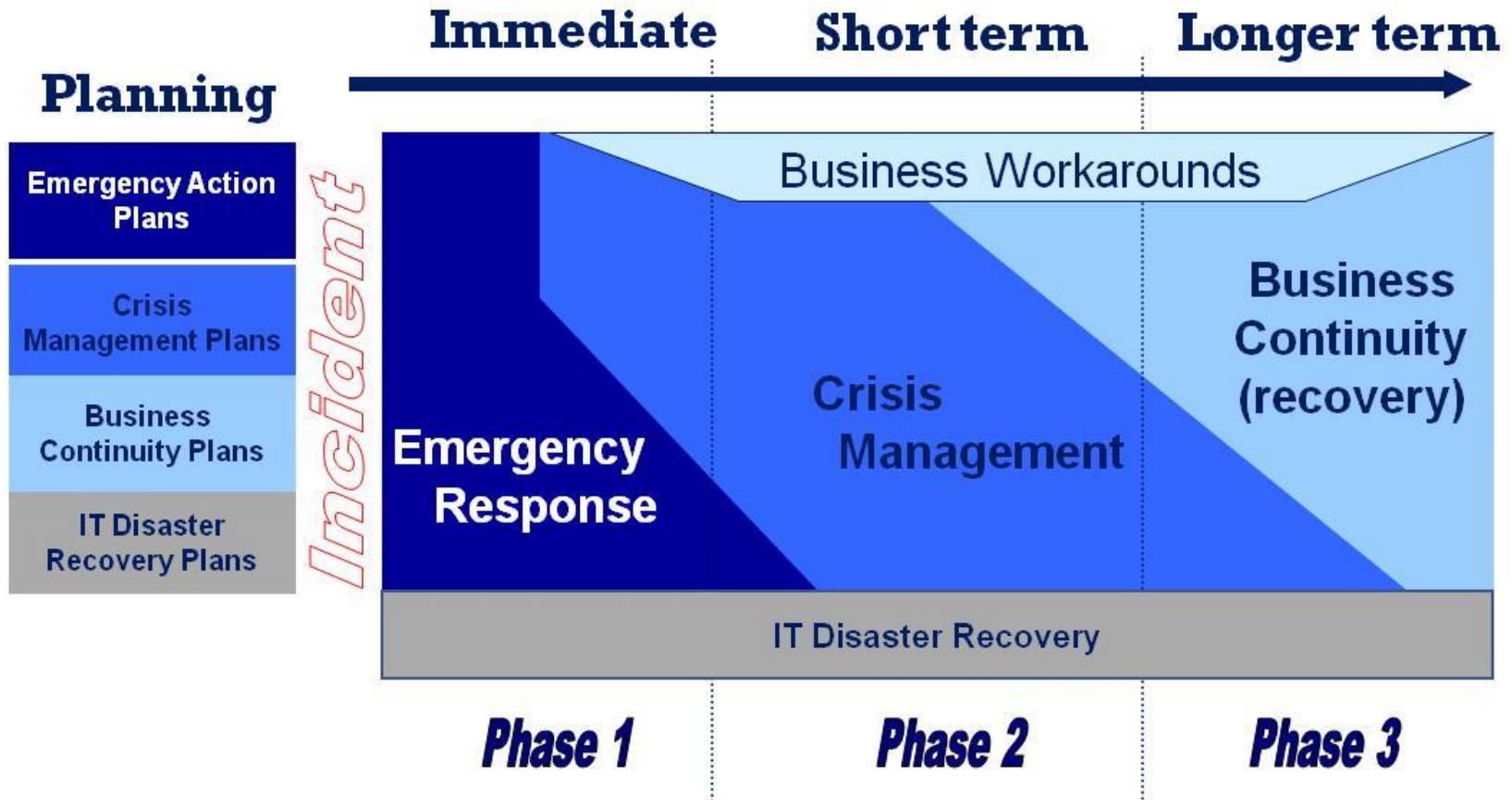
# What You Can't Mitigate, Plan Contingencies



- The Business Continuity Planning Lifecycle has 6 steps, guiding coordinators through their planning efforts
- The methodology follows industry best practices as described by ISO 22301, NFPA 1600, DRII, & BCI
- Business Continuity is not a one-time project; it is an ongoing program that will mature over time

# How Will You Manage A Crisis?

## *3 Phased Approach*



# BCP Phase 1: Emergency Response (Minutes to Hours)

## Objectives

- Contain the incident
- Minimize:
  - injury (life safety)
  - property damage
  - overall event impact
- Coordinate with responding public agencies
- Communicate with other departments and site leadership

## Elements

- Formal ER Plan & Team(s)
- Tested evacuation & response plans
- Communications plan
- Adequate emergency supplies
- Coordinated on-site activities and interaction with responding public agencies
- Escalation assessment
- Training, training, training

# BCP Phase 2: Crisis Management (Hours - Days)

## Objectives

- Provide Leadership/Guidance
- Assess the damage:
  - Department, Line, Site level
  - Division or Corporate impact
- Set recovery priorities
- Allocate resources, i.e., staff, equipment, & services
- Effective communications
- **Restart Operations** as quickly as possible

## Elements

- Crisis Management Leadership Team
- Critical business processes identified
- Notification procedures
- Team meeting space
- Subject Matter (Process) Teams
- Team Roles and Responsibilities
- Resources (Vendors, records, critical equipment, etc.)
- Training

# BCP Phase 3: Business Continuity/ Recovery (Days - Months)

## Objectives

- Continue critical operations
- Align all recovery activities
- Ensure recovery plans stay on track
- Coordinate key services
- Maintain communications with employees, customers, Corp Offices
- Restore operations to **pre-incident levels** as efficiently as possible

## Elements

- Department Business Continuity Teams & Plans
- Business workarounds for critical business processes
- Clear assignments / responsibilities by process
- Critical process resources identified
- Communications plan
- Training

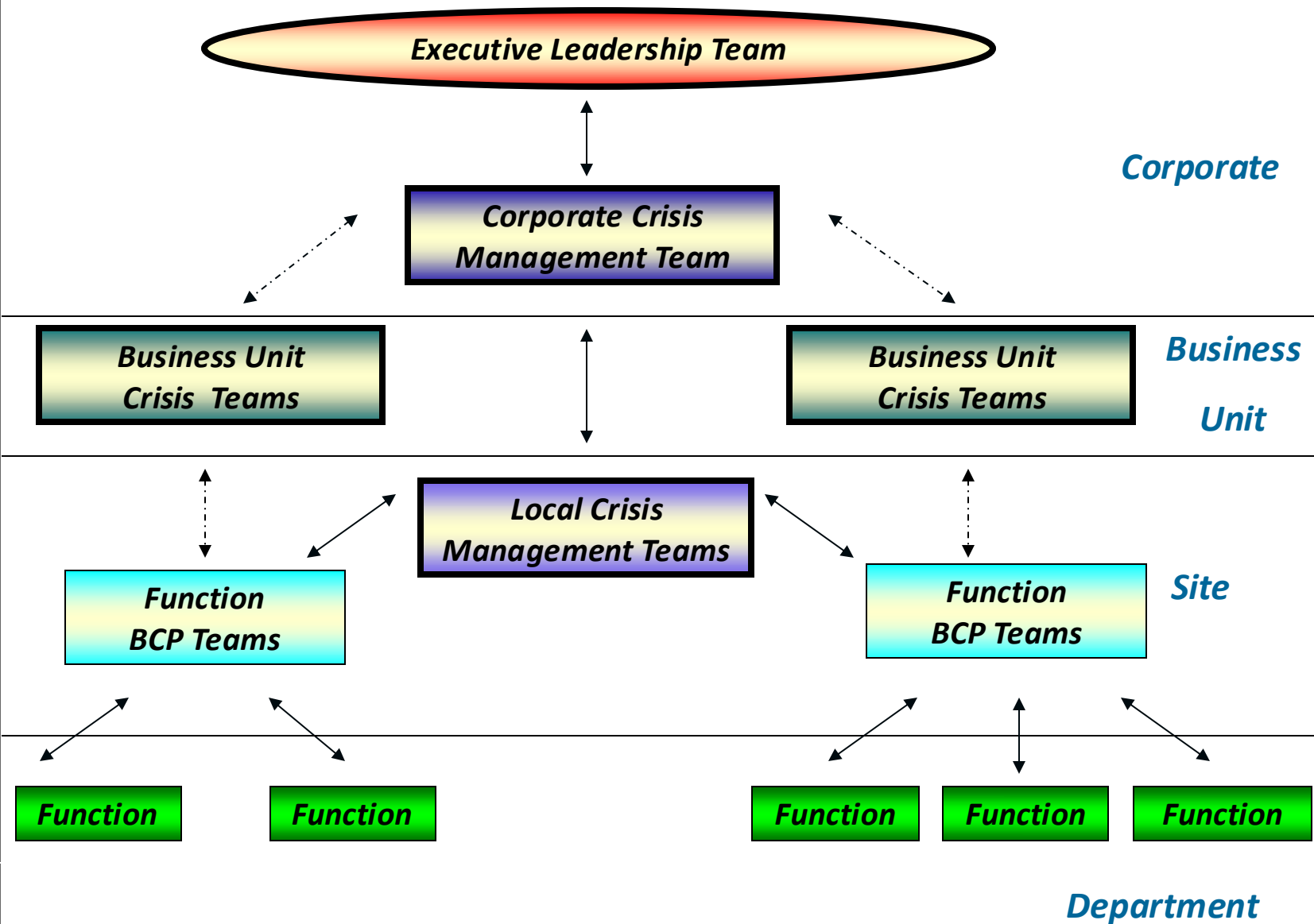
# Managing an Enterprise During Times of Crisis

- Working Philosophy of Crisis Management
  - **Most incidents are Local in nature**
    - Tend to be isolated impacts
    - Able to be managed at the local level
    - Limited corporate crisis team oversight
  - **Few incidents have Regional impacts**
    - Tend to impact multiple functions & office locations
    - Require corporate crisis team interaction
      - Varying impacts to markets & corporate departments
      - Require greater collaboration between the varying offices & the multiple local crisis teams
    - Tend to involve executive management oversight

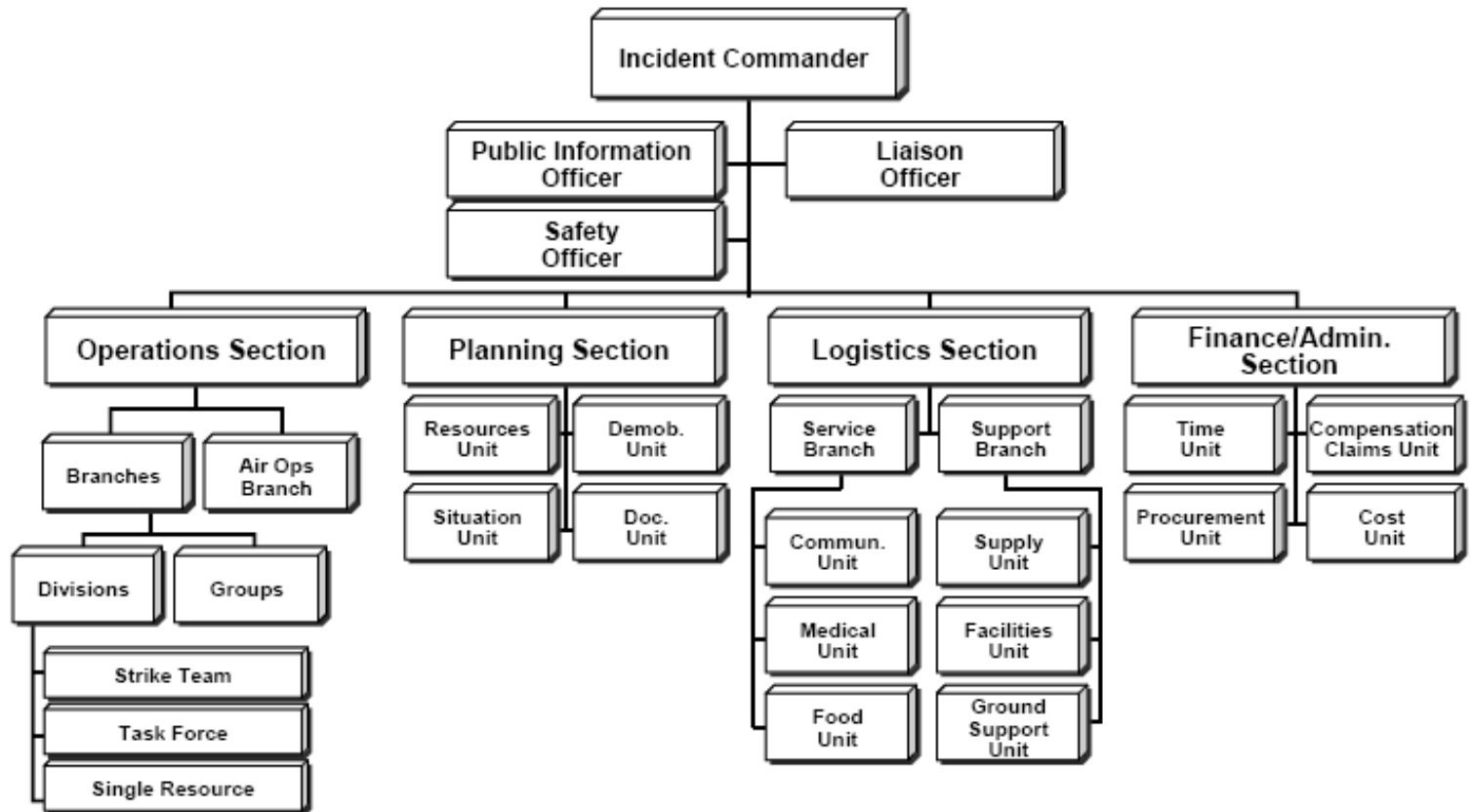
# Managing an Enterprise: Recent Events

- **Crises differ in scope, magnitude, and duration**
  - Real events under my watch:
    - California Earthquake (2014)
    - Marathon Bombing (2013)
    - ✓ Blizzard Nemo (2013)
    - ✓ Hurricane Sandy (2012)
    - ✓ Hurricane Irene (2011)
    - ✓ NH Ice Storm (2008)
    - ✓ CA wildfires (annually)
    - Civil Unrest: G8, G20 summits, Occupy Movement (annually)
    - 600+ Person office – IAQ issue (2013)
    - Shooting outside an office (2011)
    - Office fires (2009 & 2013)
    - Boston power outages (2008 & 2012)
    - Domestic / Workplace violence (2009, 2011, 2012)
    - Boston water main break (2010)
    - Earthquakes Chile (2010) & Japan (2011)
- **Must be ready to respond in a moments notice**

# Crisis Management Framework



# Traditional Incident Command System (ICS) Structure

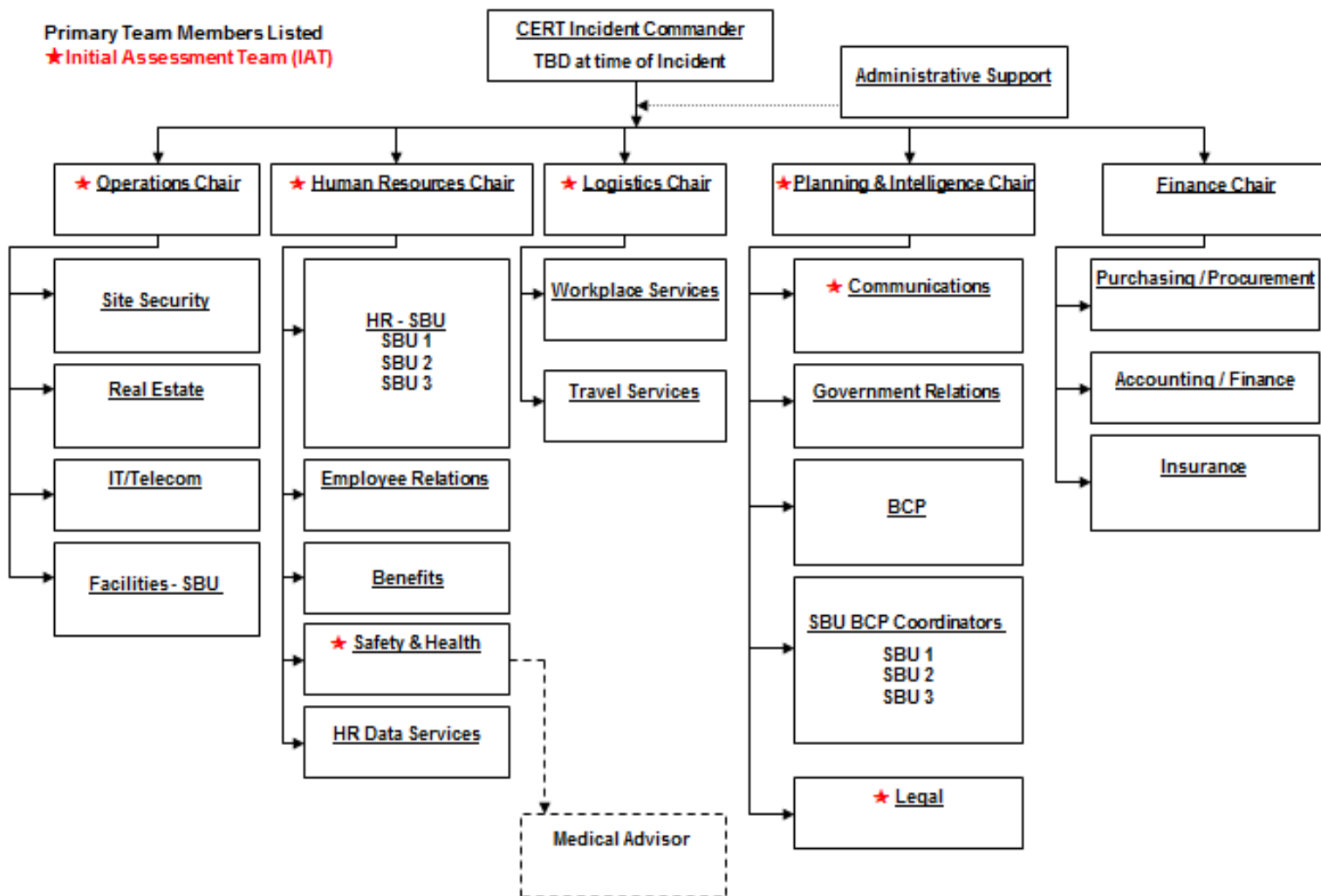


# Modified ISC Structure

## Corporate Emergency Response Team

Date #

Primary Team Members Listed  
★ Initial Assessment Team (IAT)



# Takeaways

- Take any action now, before it's too late
- Get senior management engaged
- Conduct risk assessment
- Mitigate risks through one of the proposed strategies
- Complete Business Impact Analysis (BIA)
- Use BIA to build Business Continuity Plans (BCP)
- Integrate the BCP with Crisis Management (CM)
- Set up a CM structure that works for your organization
- Communicate at all levels during a crisis
- Capture Lessons Learned following every event
  - Ken's 6 week rule: You'll have ~ 6 weeks to implement changes if you want them to stick!

# Questions



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