



Spring 2006
Conference

Disaster Recovery Planning



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Presented by:

TURN  **KEY**

industrial engineering
services, inc.

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Agenda

- What is Disaster Recovery Planning (DRP)?
- Goals of DRP
- Identifying Potential Threats
- Replacement vs. Continuation
- Insurance Coverage
- Q&A

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Disaster Recovery Planning

What is [Disaster Recovery Planning](#)?

- Development of step-by-step procedures to return your business to normal operation after a catastrophic event.

- Also known as:
 - Business Continuation Planning
 - Business Continuity Planning

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Disaster Recovery Planning

Goals of Disaster Recovery Planning:

1. Become operational as quickly as possible.
2. Minimize the negative impact to your business.

How do you do that?

- Clearly **define the course of action** and responsibilities.
- **Eliminate delay** due to confusion, shock, absence of key personnel, etc.
- **Strengthen your relationships** with key suppliers, customers and employees.
- Make sure you have **adequate insurance coverage**.

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Disaster Recovery Planning

How many of you have a:

Sales & Marketing Plan

Working Business Plan

Long-Term Strategic Plan

Disaster Recovery Plan

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Disaster Recovery Planning

Why don't businesses like to develop [DRP's](#):

- Don't have time.
- Focus on bigger and better things.
- It will never happen to me.
- If I develop a plan, then a disaster will happen.
- I will cross that bridge when I come to it.





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Disaster Recovery Planning

Identifying Potential Threats

What is the **#1** threat to your business?

Based on occurrence rate:

IT (system crashes, viruses, etc.)

Based on combination of occurrence rate & cost:

Fire

Based on cost per occurrence:

Natural Disaster (Hurricane, tornado, earthquake, etc.)

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Disaster Recovery Planning

Disaster Recovery Planning has 2 parts:

1. Facility Replacement
2. Business Continuation

Part 1 - Facility Replacement:

- Total vs. partial loss
- Replace vs. upgrade
- Build on existing vs. new site

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Disaster Recovery Planning

[Part 1 - Facility Replacement \(cont.\):](#)

- Define scope of replacement:
 - Building construction
 - Production equipment
 - Process utility equipment & systems
 - Office furniture, equipment, supplies, etc.
 - Maintenance tools, parts, etc.
 - IT systems

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Disaster Recovery Planning

[Part 1 - Facility Replacement \(cont.\):](#)

- Develop critical path schedule for facility replacement:
 - Building construction schedule
 - Equipment purchase and lead-time
 - Process utility installation
 - Insurance timeline

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Disaster Recovery Planning

Part 2 - Business Continuation:

**Most overlooked and underinsured part of a DRP ;
critical to the survival of your operation.*

- Develop a **production plan**:
 - Shift production to a 2nd plant
 - Formal agreement w/ a local & out-of-town laundry
 - Additional labor needs
 - Shuttle requirements

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Disaster Recovery Planning

[Part 2 - Business Continuation \(Cont.\)](#):

- Develop a [service plan](#):
 - Temporary office/warehouse space for inventory storage, loading and unloading.
 - Critical service vehicle replacement
 - Inventory replacement requirements

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Disaster Recovery Planning

Part 2 - Business Continuation (Cont.):

- Develop an **administrative plan**:
 - Temporary office space for accounting, HR, etc.
 - Critical IT system replacement & data recovery
 - Critical records recovery/reconstruction
 - Critical office furniture & equipment replacement
- Develop a plan to **retain key personnel**
- Develop a plan to **notify customers**



Disaster Recovery Planning

Insurance Coverage:

Proper insurance coverage can mean the difference between life and death for your company.

Just like a DRP, there are 2 parts:

1. Facility Replacement
2. Business Continuation



Disaster Recovery Planning

Part 1 – Facility Replacement:

- Proper coverage for **full** replacement:
 - Same technology
 - Equivalent technology
 - Upgraded technology

- Replacement costs include:
 - Demolition/soil remediation or abatement
 - Building construction
 - Production equipment
 - Process utility equipment & systems

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Disaster Recovery Planning

Part 1 – Facility Replacement:

- Replacement costs include (cont.):
 - Office furniture, equipment, supplies, etc.
 - Maintenance tools, parts, etc.
 - Cleaning supplies, safety gear, etc.
 - IT systems
 - Relocation
 - Architect/engineering fees
 - Attorney fees
 - Contingency



Disaster Recovery Planning

Part 1 – Facility Replacement:

- Determine the insurance companies reaction time in case of a disaster.
- Flood insurance - are you covered?
- No gaps in coverage due to:
 - Lack of insurance
 - Lack of documentation

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Disaster Recovery Planning

Part 2 – Business Continuation:

- Complete coverage for business continuation
- Continuation costs include:
 - Production outsourcing
 - Additional labor/key personnel wages
 - Shuttle expenses
 - Temporary building expenses (lease, utilities, etc.)
 - Critical office furniture, equipment, supplies, etc.
 - Inventory replacement
 - Contingency

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Disaster Recovery Planning

Conclusion:

- Critical part of your strategic plan.
- Must be:
 - Detailed
 - Complete
 - Up-to-date
- Help you define proper insurance coverage.
- Best Case Scenario: You never need to use it.



Disaster Recovery Planning



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Question & Answer

Thank you for your attention

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