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**Subject:** Business Survival Tips from Elliot Consulting Services  
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## Elliot Consulting Services - Business Survival Tips

### The 5 Myths about Business Continuity Planning

September 2006

#### Greetings!

September has been designated as National Preparedness Month by the Department of Homeland Security and FEMA (Federal Emergency Management Agency). Companies and individuals are encouraged to develop and renew their plans for disaster readiness and business continuity. This is also the time when many organizations are reviewing their budgets for the next fiscal year, and becoming introspective as they evaluate every element of the business to determine the long-term financial benefits of each project and department.

As your company focuses their thoughts on corporate survival, remember to also consider the capability of your organization to be resilient in its response to unexpected emergencies. What is your plan to maintain the continuity of business operations? Bear in mind that the only thing harder than planning for an emergency is later explaining why you didn't.

Why should a company invest in business continuity? The simple answer is that this form of strategic planning is designed to protect all elements of the company, to focus on the long-term survivability of the organization, and to reflect upon other options of risk management which might be available to your firm. Do you understand all of the critical business functions performed at your location? What resources are needed to perform those processes? What is the interdependence of each department upon other divisions of your company? What risks might impact those core components of your business? What resiliency plans could be put into place to protect the vital aspects of your company? Does everyone in the company know what to do during a time of emergency?

No matter how solid your recovery strategies, there is a high probability that your business operations will be seriously disrupted by an event which is outside of your control. That event might be a disturbance within your information technology and communications services, or a natural disaster, or the loss of a key member of your staff, or a significant disruption in your supply chain, or negative publicity about your product, service, or industry, or even

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because of an event which happens to a neighboring business, or one which is caused by governmental actions or civil disobedience.

Business continuity should be an integral part of every company's business plan, with the goal of long-term survivability being at the fore-front of corporate strategic planning decisions. Keep in mind that complexity creates confusion, simplicity focus. Therefore, break these concepts down into smaller actionable items. Plan at the 30,000 foot level, but then develop operational logistic action plans which can be managed during times of crisis by the on-site workers, and factor a lot of flexibility into your emergency procedures. Proactive strategic planning leads to more effective reactive response and recovery.

What are some of the obstacles to the business continuity process which need to be considered by your organization as you begin this project? Let's look at five of the most-common myths and misconceptions:

**MYTH #1: It'll happen to the other guy.**

Sadly many business owners choose to ignore the obvious vulnerabilities within their own organization, or to overlook external hazards to their companies, and instead plow ahead with the assumption that hard work and determination will keep them afloat during the times of adversity. These same companies gamble on expensive backup and recovery strategies in lieu of any time invested in proactive strategic planning.

**MYTH #2: My business has an emergency plan or IT disaster recovery plan.**

In this case the assumption is being made that once the corporate computer network gets back online that all of the company's other problems will magically be resolved. While it is true that emergency communications and access to the company's vital information are important, the number one need following a disaster is staffing of personnel to implement the damage assessment, recovery, and restoration phases of the plan. The myopic focus on IT disaster recovery has led many companies to overlook other important strategies to protect their business. Business continuity is a process to protect the people, the information, the physical facility, and their means of doing business. Business continuity is a strategic policy decision made at the executive levels of a company, and not just a plan to manage hazardous materials spills or recover computer networks following an emergency.

**MYTH #3: Business interruption insurance will cover all the losses.**

Most organizations have some type of business interruption insurance, and mistakenly believe that this policy will cover all of their expenses following a crisis. Business interruption insurance typically does not cover the costs of rebuilding a facility to current code standards, loss of business opportunities, the hidden "costs" of losing customers, erosion of brand value, etc. Insurance companies have begun to understand the value of a well-tested business continuity plan and risk mitigation strategies, and many of these agencies are requiring some form of "due diligence" proof before paying on reported losses. Even if the insurance companies are not insisting on proof of a business continuity strategy, companies are finding they can negotiate better terms from insurers if they have a business continuity plan.

**MYTH #4: We're only concerned about "The Big One".**

Disasters come in all shapes and sizes. While it is important to pre-plan for major hurricanes and other major disasters, it is equally important to develop plans for power outages, hazardous materials spills, building fires, and other situations which will require a quick evacuation of the facility. Not every crisis situation will give you days to pre-plan your company's response. Additionally, the more common business-interrupting incidents such as failures within your computer network, loss of a key member of your staff, building fire,

medical emergency, or power outage require quick action and little time to call a meeting to decide what to do. Better to develop some strategic plans during the calm times rather than depending on knee-jerk reactions during a time of crisis.

**MYTH #5: It's cheaper and easier to do the project in- house.**

Many companies consider the option of appointing a member of their staff to download various checklists from the Web, and develop some type of emergency plan for their company. Before venturing down this path you might want to consider the following questions: Does this individual have the necessary skills to develop a fully-rounded plan to protect the business? Will they be able to take the time away from their normal duties in order to focus on the business continuity process? Will they be able to gain the necessary cooperation of others within the company to collect and process all of the needed information? How confident is senior management that this plan would address all of the needs of the organization to respond to and recover from various emergency situations? And finally, how likely is it that this project will ever get out of the proverbial "In basket"?

A solid business continuity plan can be viewed as an umbrella which protects the corporation from internal and external risks. The umbrella takes into account strategic planning decisions to protect the business before, during, and after an emergency event. This plan includes provisions for protecting the people, the information, the facility, and their means of maintaining the continuity of business operations within the company.

For more information about protecting your company with a business continuity plan, please contact Elliot Consulting Services.

Thank you!

Steve Elliot, CBRM  
President and CEO  
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*Useful Links*

- [Dept of Homeland Security / FEMA](#)
- [Institute for Business and Home Safety](#)
- [Florida Division of Emergency Management](#)
- [National Hurricane Center](#)
- [Tampa Bay Hurricane Guide](#)

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*About Elliot Consulting*



Elliot Consulting Services is a 3 year-old consulting firm based in the Tampa Bay area which specializes in business survival solutions. We help companies create, develop, and implement business continuity plans which are designed to protect their vital business resources and operational processes. ECS will also review, audit, and help modify a company's existing disaster recovery



model to ensure that the essential components of the organization will continue to function in the event of an unplanned disruptive incident. Finally, the team from Elliot Consulting can assist with disaster recovery training exercises to test the thoroughness of a company's preparedness model. Our consultants are certified business continuity planners and business resiliency specialists with Fortune 500 experience. Additional information can be found on the [ECS website](#).

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