

# Focus on Recovery is Key in a Disaster...

By Andrew V. Gordon, M.A. and Dave Patterson



On August 8, 2000, Terry Leis, Vice-President of Quatic Industries, routinely turned his cell phone on after enjoying an evening movie, when he was suddenly caught off guard. In the 2 hours he was in the theatre, he had missed 19 phone calls! In disbelief, he drove immediately to his company to discover the source behind all the calls: his business had suffered a total loss.

A fire had destroyed the offices and manufacturing facilities of Quatic Industries. Where once his company buildings stood proud, only a gaping hole shrouded in smoke remained, revealing



the night sky above. Faced with this complete disaster, what was he to do to save the business? What would you do?

According to the fourth annual Athabasca University/CIO Canada national survey, 44% of Canadian respondents said their organizations did not have a disaster recovery plan in place. This is a sobering statistic when you consider that in a recent survey conducted by the Gartner Group\*, it was found that 80% of businesses without a recovery plan went bankrupt within one year of a significant data loss.

If you are one of the few Canadian businesses to take heed of these warnings, you will have realized long ago the imperative of having a recovery plan in place in the off chance disaster were to strike you. You are confident that should the phone call above ever be made to you, your existing recovery plan would save your business and lead you out of trouble.

An important question that might not occur to you though, is whether your plan still reflects your business needs. Your existing plan may be outdated because of growth or changes in the way you conduct business since you first put your plan in place. Are you absolutely sure that your plan meets all of your current business needs? You may be surprised to find out that just having a recovery plan is not enough to meet the challenges you face in the event of a disaster.



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Consequently, while having a plan is better than nothing, businesses are still playing with fire by not continually updating this plan to reflect the ongoing changes in their business. In short, they are well on their way to becoming a disaster statistic themselves because of this neglect. What is one to do? The answer is to do a “Comprehensive Business Impact Analysis” when you realize that your existing recovery plan may not be enough or are unsure of the result a disaster would have on your business operations.

The next step would be to contact an expert in business impact analysis and recovery planning to determine the strength of your existing plan in meeting a disaster effectively. While most companies understand that having a recovery plan in place is a necessity in this day and age, few realize the importance of continually updating this plan with changes in their business.

This is where an expert on business impact analysis and recovery planning comes into play. He will raise the comfort level you have with your existing plan and ultimately, give you peace of mind through his analysis. This is because he will either establish that your existing plan adequately meets your

business needs or if not, he will develop closely with you a plan that does. A Business Impact Analysis (BIA) sets the parameters for the recovery plan and should answer three important questions with regard to the effect a disaster would have on your business today:

- How quickly must you recover from a disaster;
- How much data can your business afford to lose;
- What is the financial impact if these targets for timeframe and data recovery are not met?



It is important that business managers who can assess impacts on the overall business (not simply on the ability to perform a job function) complete the BIA.

In many cases, the real impact on the business as a result of a disaster is not calculated in a direct cost of loss of productivity and overtime to catch-up to a pre-disaster production schedule. Instead, intangibles difficult to calculate, such as a loss in reputation or in missed opportunities because of




a failure to meet commitments, could have a significant long-term impact on the bottom line of the business. Consequently, it is essential to have a recovery plan that is up-to-date and fluid in nature, so that as your business evolves the plan evolves with it.

One cannot stress enough the importance of having a recovery plan that is effective and up-to-date. A recovery plan mitigates the long-term impacts as a result of a disaster causing a loss of business operations.

While a major widespread disaster that causes a business interruption is forgivable, as customers are more lenient and understanding in this regard, few will forgive the business struck with disaster alone and fails to meet this challenge. Customers will interpret this failure to maintain business operations as a sign of incompetence or poor management, and subsequently, will lose confidence in the business. This could result in serious repercussions in the long term, as a business may find itself losing out on contract renewals or losing previously loyal customers. This is why having a current plan in place is so important. In short, having an expert conduct a BIA will bring confidence and peace of mind to a company that should disaster strike, they will be ready to meet it head-on.

Terry says his company learned a lot from the experience of the fire, especially of the importance in focusing on the recovery process, which he cites was imperative in the success of his company in meeting the challenge of the disaster.

By not languishing on the nature of the disaster, the company was able to overcome the setback; and as a result, the reality did not seem as stark as it initially appeared. With a recovery plan in place, once disaster strikes, the positive focus of recovery naturally occurs in the process of following the plan. While a fire is obviously the worst-case scenario, there is range of problems that could besiege your business and adversely affect your ability to meet contractual obligations. An effective recovery plan, therefore, while up to date, is also scalable to the problem.

Having an expert conduct a comprehensive business impact analysis on your business can go a long way in assuring you that your recovery needs will be met no matter what type of disaster strikes. With an up-to-date recovery plan in place, you will have already the necessary focus in recovery that is key to successfully overcoming disaster and not becoming the next disaster statistic yourself. 

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#### Endnotes:

\* <http://www.myrmidon.net/managedservices/netsave.html>

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