Stuff Happens:
Valuable Lessons & Best Practices

National Association of Bar Executives
2013 Annual Meeting
Thursday, August 8
11:30 a.m. – 12:30 p.m.
Prepare to Survive.

Lessons Learned
Lessons Learned

1. The Reality of Risk
2. Failure to Prepare Employees
3. Preparing Your Supply Chain
4. Dependence on Technology
5. Practice, Practice, Practice
6. Obtaining Proper Insurance Coverage
Lesson Learned…

The Reality of Risk
The Reality of Risk

Some Disasters Happen with little to NO Warning

West Liberty, KY
Disasters Come in Many Forms
Prepare yourself, your organization, your bar members & your family for 72 Hours…or more.
Top Threat Risks to Business

1. Power Loss
2. Loss of Sales* & Clients
3. Length of Recovery
4. Uninsured Loss
   (for continuing operations)
5. Uninsured Loss
   (for destruction of physical property)

*For law firms, loss of sales is loss of billable hours.
What is an acceptable level of risk?

Risk can be measured in a variety of ways:

• Days without revenue
• Cost of physical damage
• Survivability
• Systems operability
• People availability
• Service availability

Risk tolerance is unique to each business. It should be reviewed annually. Most businesses underestimate and understate their risk profile and risk tolerance until it is too late.
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Lesson Learned...

Failure to Prepare Employees
A. Employees’ Plan Knowledge

1. Do they know the plan?
2. Do they know where to find the plan?
3. Do they know their primary role?
4. Have you shared the plan with new hires?
B. Work from Home Strategy

1. Productivity suffers
2. Inability to login to networks
   - Phone/Internet outages
   - Power outages
3. Inability to access critical client records and software
4. Unwillingness to report to duty
   - Family or property in peril
4. Distractions
5. Child care issues
C. Cross-Training Employees

1. Critical functions must continue
2. Certain areas/departments may experience greater demand
3. Longer/Odd hours may require additional staffing

For this checklist and others, please visit:
http://www.PrepareMyBusiness.org
D. Transportation Issues

1. Mass public transportation shut down
   a) Car pooling
   b) Overnight accommodations nearby

2. Fuel shortages
   a) Storage of fuel for critical vehicles/staff
   b) Fuel vendor for deliveries

3. Restricted access to non-residents

4. Damaged/Destroyed vehicles
E. Family Preparedness

1. Do they have a plan?
2. How can your bar association help?
   a) Workshops
   b) Checklists
   c) Emergency Kits
3. Suggested Sites:
   a) Ready.gov
   b) RedCross.org
   c) Do1Thing.com
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Lesson Learned...

Preparing Your Supply Chain
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A. 3rd Party IT: BOTTLENECK
B. Power/Communication Vendors: BOTTLENECK
C. Payroll Companies
   - Do you know their Recovery Plan?
   - What is the process for an interruption during Pay Cycle?
   - Are they integrated into your Exercise?
D. For Bar Associations – Members
   - How will you communicate with your members?
   - How can you best support them?
E. For Firms – Clients and Courts
   - What is the protocol for communicating with clients?
   - How will downtime impact clients? How will you mitigate downtime?
   - Can you reach the courts following an interruption?
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Lesson Learned...

Over-Dependence on Technology
Over-dependence on cellphones

- Cell networks can be compromised by physical interruptions caused by weather events, or simple network congestion caused by a flood of users.
- Must maintain alternative means of communication with members, partners, suppliers, and employees.
- Utilize multiple carriers within your organization.
- Have at least one land-line in your facilities.
- Establish a communication hub/partner outside your immediate area who can communicate on your behalf.
A. Limitations of Outsourced IT

1. Staff/Time limitations
2. Responsiveness during disaster
3. Communications gaps
B. Lack of Focus on Physical Recovery Elements

_Data shouldn’t be the only recoverable asset_

1. Office space
2. Work spaces (desks, chairs, etc.)
3. Hardware (servers, desktops, copy, fax)
4. Power (know demand ahead of time)
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Lesson Learned...

Practice, Practice, Practice
A. Test Data Restoration
   - Can you restore with the information at hand?
   - How long will it take?
   - Can you recover to new/different hardware?
   - Do you have access to the necessary software?

B. Test Alert Notification
   - Can you activate the system remotely?
   - Can more than one person access the system?
   - If you utilize a phone tree, is it updated?
C. Test Employees’ Knowledge of the Plan
- What happens if YOU aren’t there?
- If the office burns tonight, what is their first step?
- Can they access email/text messages/voicemail remotely?
- Can they access software and systems remotely?

D. Test Vendors’ Resilience
- Involve vendors/partners/suppliers in your exercises
- Know their recovery plan and be able to integrate it into your plan

E. Know Your Power Needs
- No other takeaway MORE IMPORTANT from Sandy
- Caused multiple, complicated, costly delays
- A SIMPLE test would have shown this shortcoming
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Lesson Learned...

Obtaining Proper Insurance
A. Mitigating Physical Losses

1. Asset Management Program
2. Accurate inventories
3. Safeguarding assets prior to storm/event
4. Turn off utilities ahead of time
5. Postpone deliveries
6. Move assets to secure locations
7. Ensure your locations are secured properly and all necessary repairs made ahead of time (roof, support structures, hurricane/storm shutters)
8. Ensure battery and/or generator backup for sewer/storm water pumps are operable
B. Coverage Limits/Exclusions
   1. Power loss
   2. Type of interruption
   3. Type / Cause of damage

C. Operational Downtime Cost
   - Do the exercise, establish a cost estimate

D. Lost Revenue
   - Do you have enough coverage?

E. Added Expenses
   1. Recovery costs
   2. Temporary accommodations
   3. Travel expenses
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Lesson Learned...

Proper Communications
A. Communications Failures

1. Network interruption
2. Mobile devices
   - Single carrier for entire company?
   - Chargers for mobile devices?
3. Single means of communication
   - One email server
   - Unfamiliarity with texting
   - Single phone system, with no backup or means for simple transfer/forwarding
   - No land lines in the office or at leadership teams’ homes
B. Single Communicator/Spokesperson

1. Often the CEO or President
2. Single person inhibits:
   a. Leadership to employee communications
   b. Decision-making ability
   c. Organization to stakeholder communications
   d. Media Relations
Create a Crisis Communication Plan

- Develop a process to ensure all stakeholders (internal and external) are aware of decisions and expectations.
- Ensure redundancies independent of cell or terrestrial networks:
  - 24-hour phone tree
  - Password protected web page
  - Previously established radio/tv/print partners
  - Call in recording system
  - Text/Data Alert system
  - E-Mail Alert system
- Manage client and key vendor/partner communications
- Prepare a media communications plan
- Consider all of your audiences – different stakeholders consume different information.
  - Employees
  - Members
  - Community
  - Stakeholders
  - Media
  - Competitors
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