Top 10 Mistakes Made During a Disaster

Scott Teel, VP - Marketing & Education, Agility Recovery

For copies of the slides presented during today’s session, please visit: http://agil.me/10mistakes2016
#1 – Reliance on a Single Point of Failure

- A. Communications
- B. Single Recovery Site
- C. Key Personnel
- D. Fuel Supplies
- E. Single Generator
- F. Single Communicator

Top 10 Mistakes During a Disaster
A. Communications

1. Network

2. Mobile Devices
   - Single Carrier?
   - Chargers?

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 Recovery Site

1. Hot Site?
2. Shared Sites (Shared Branching)
3. Nearby Alternate Facility

*Power Outage Map Following Sandy*

(Areas highlighted experienced outages of over 48 hours for a significant customer base)
C. Key Personnel

1. Are any aspects of your plan reliant on a single individual?
2. Is key information/contacts/passwords held by a single individual?
3. Is a single person authorized to spend the necessary funds at the time of disaster?

Bottom Line:
If any one individual were unable to report for duty, would your strategy suffer as a result?
D. Fuel Supplies

1. Single vendor
2. Storage underground or in a basement
3. Lack of supply regionally
4. Fuel for office, but not employees
E. Single Permanent Generator

1. Is it protected from the elements?
2. Is it properly serviced & maintained?
3. Do you have service & fuel vendors arranged?
4. Is it tested regularly?
5. Can it be relocated in an emergency?

F. Single Communicator/Spokesperson

1. Often the CEO or President
2. Inhibits:
   a. Leadership to employee communications
   b. Decision-making ability
   c. Organization to stakeholder communications
   d. Media Relations
Top 10 Mistakes During a Disaster

#2 – Failure to Properly Inform & Prepare Employees

A. Plan Knowledge
B. Work from Home Strategy
C. Cross-Training
D. Transportation Issues
E. Family Preparedness
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. Unwillingness to report to duty
   - Family or Property in peril
4. Distractions
5. Child Care Issues

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Failure to Prepare Employees

[Image of a login screen with the message 'Failed Authentication']
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
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 organization help?
   a) Workshops
   b) Checklists
   c) Emergency Kits
3. Suggested Sites:
   a) Ready.gov
   b) RedCross.org
   c) Do1Thing.org
#3 – Too Much Focus on IT Recovery Only

A. Limitations of Outsourced IT
B. Physical Recovery Elements

Top 10 Mistakes During a Disaster
A. Limitations of Outsourced IT
   1. Staff/Time Limitations
   2. Responsiveness During Disaster
   3. Communications Gaps

Too Much Focus on IT
B. 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)
#4 – Failure to Properly and/or Sufficiently Insure

A. Mitigating Physical Losses
B. Coverage Limits/Exclusions
C. Operational Downtime Cost
D. Lost Revenue
E. Added Expenses

Top 10 Mistakes During a Disaster
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
#5 – Over-Reliance on 3rd Party Information

A. Power Restoration & Other Utilities
B. Permission to Access Facilities
C. Financial or Material Support
D. Delivery of Critical Supplies/Materials

Top 10 Mistakes During a Disaster
A. Power Restoration & Other Utilities
B. Permission to Access Facilities
   • Confusion & Territoriality
   • Know Your Local Officials (Police, Fire, Emergency Mgmt)
C. Financial & Materials Support
   • WHEN will the Government be there to support you?
   • What will they provide & How Soon?
D. Delivery of Critical Supplies/Materials
   • 72 Hour Rule
   • Culture of Preparedness
   • Supply Chain Interruption
   • Commodity Shortages
#6 – Failure to Anticipate Costs of Recovery

A. Relocation Costs
B. Network Recovery
C. Commodity Costs/Availability
D. Critical Document Salvage/Recovery

Top 10 Mistakes During a Disaster
A. Relocation Costs
- Travel Costs
- Accommodations
- Family Issues
- Childcare
- Per Diem
- Remote Network Access (Satellite Connectivity)

B. Network Recovery
- Bandwidth Issues
- Time for Restoration/Recovery of Data
- Critical Staff Needs vs. Full Staff Recovery

Conduct a Recovery Test and do a FULL RESTORE during the exercise to determine duration and potential cost.

Failure to Anticipate Costs
C. Commodity Costs/Availability
- Power Fluctuations
- Fuel Shortages
- Rationing
- Water/Food distribution

D. Critical Document Salvage/Recovery
- EXPENSIVE!
- Can run into the 10’s of Thousands of Dollars
- Be sure to securely store documents off-site
- Consider digital scanning when possible/permitted
- Don’t make spur of the moment decisions
#7 – Failure to Properly Analyze Supply Chain Disruption

A. 3rd Party IT  
B. Power/Communications Vendors  
C. Payroll Companies  
D. Attorney/CPA Firm  
E. Delivery/Shipping Partners  

Top 10 Mistakes During a Disaster
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. Attorney/CPA Firm
   - Can you reach them following in interruption?
   - Are they involved in your planning process?
E. Delivery/Shipping Partners
   - What is the protocol for an interruption?
   - How will any delay from these partners affect your business?
#8 – Failure to Properly Assess Impact to Customer Base

A. Inability/Unwilling to remain customers
B. Limited/Restricted Access
C. Loss of Interest

Top 10 Mistakes During a Disaster
A. Inability/Unwilling to remain Customers
   - The Show Must Go On...
     - Will they Wait?
     - Can they Wait?
     - Are your competitors going to pounce?

B. Limited/Restricted Access
   - Is law enforcement restricting access to your location(s)?
   - Are Curfews going to impact business?
   - Are school closings/business closings going to hurt business?

C. Loss of Interest
   - Following a disaster, will discretionary spending fall off?
   - When will it return to “business as usual”?
#9 – Failure to Properly Manage Restoration of Operations

A. “Crush” of Customers  
B. Inability to Communicate Status  
C. Operations Restored – BUT Employees Not Reporting  
D. Facilities Operational/Undamaged – BUT Supply Chain Disrupted
A. “Crush” of Customers
- Once the lights come back on...
  - Do you provide a high demand service or product? (banks, insurance firms)
  - Are your services limited during recovery?
  - Are you working with limited staff?

B. Inability to Communicate Status
- Is your Website operational?
- Do you have access to your site to update status?
- Can you answer the phone?
- Can you utilize Social Media?
C. Operations Restored...But employees can’t or won’t Report to work.
   - Were they prepared at home?
   - Are schools closed?
   - Can employees commute safely?
   - Are Curfews in place preventing travel?
   - Are areas restricted to homeowners/residents only?

D. Facilities Operational/Undamaged...But supply chain still disrupted.
   - Raw materials shortage or transportation/delivery issues
   - Utilities interruption lingering
#10 – Failure to TEST Your Plan

A. Test Data Restoration
B. Test Alert Notification
C. Test Employees’ Knowledge of Plan
D. Test Vendors’ Resilience
E. Know Your Power Needs

Top 10 Mistakes During a Disaster
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?

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

E. Know Your Power Needs
- No other takeaway MORE IMPORTANT from the aftermath of Sandy
- Caused multiple, complicated, costly delays
- A SIMPLE test would have shown this shortcoming for all entities

Failure to TEST Your Plan
Questions?

Scott Teel
VP, Marketing & Education
Agility Recovery

Scott.Teel@agilityrecovery.com

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