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Top 5 Myths About Business Continuity Planning

Small businesses often put off developing a business continuity plan—and many believe they don't even need one. This leaves them vulnerable to a host of risks that could disrupt business operations or even close the doors for good. Learn more about the most common myths and how to start your own plan using OFB-EZ, IBHS' free business continuity toolkit available at DisasterSafety.org/ofb-ez.

1   We are not at risk.

- Small businesses are at risk. Statistics show 1 in 4 small businesses that close due to a disaster will never reopen.

- Small businesses are located in every region of the U.S. and are vulnerable to the same risks—such as severe weather and technology disruption—that affect people and places across the country.

- Small businesses often fail to identify potential threats and underestimate the severity of a known potential threat.

Solution
Use the OFB-EZ Know Your Risks vulnerability and risk assessment to identify and plan for risks your organization faces, and obtain a copy of your county's hazards analysis which lists both natural and man-made hazards in your area.

KNOW YOUR RISKS

2   We are too small to need a formal plan.

- Most small businesses operate from a single location, which makes them more vulnerable than large companies, which can spread their risk across multiple regions, often with different weather risks.

- Though small businesses may not have many employees or as much equipment, the cost of downtime is high—by one estimate, $3,000 per day of disruption.[1]

- During stressful times, it is often difficult to remember priorities and make important decisions without advance preparation. The smaller the business, the more important it is to have a plan in place, as many do not have the luxury of supporting a complete department or even a full-time employee that can focus on disaster response.

Solution
The OFB-EZ toolkit was created for even the smallest business and focuses on planning for any type of business interruption, so you can quickly re-open and resume operations following a disaster.

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3 — We back up our data, which is a sufficient plan.

- Information and information technology (I/T) are the lifeblood of most businesses; however, data backup is only part of an I/T continuity plan, which also should include hardware, software, and communications systems.

- As important as I/T is, continuity planning also needs to include all operations that rely on your I/T systems.

Solution

The OFB-EZ toolkit contains an I/T section to help you track and maintain your computer equipment, hardware, software, vital records and backup processes that will be needed in the event of a disruption.

4 — We have more important priorities.

- Every business's priority list is somewhat unique; however, the risk of losing customers and clients while coping with a disruption should be every business owner's number one priority.

- Having a business continuity plan builds customer trust and confidence as it ensures a quick recovery and the on-going ability to maintain services after a disruption.

- Recovering quickly after a disruption provides a competitive advantage over competitors who are unable to re-open.

Solution

The OFB-EZ toolkit can help your business decide the maximum amount of time you can endure being closed after a disaster occurs by identifying your key business functions and processes, and determining how long you can go without being able to perform them.

5 — We don't have the time, money or experience to create a plan.

- Small business owners wear many hats and invest a great amount of time, money and resources to make their business successful. Anyone with knowledge about the business and the skill of thinking outside the box can create a business continuity plan.

- Effective business continuity planning does not require a big budget or special training; in fact, most people involved in business continuity planning usually "fall into" the role without any prior experience.

Solution

The OFB-EZ toolkit is free and easy-to-use, uses plain language without business continuity jargon, and does not require any previous experience with or knowledge of business continuity planning.

OFB-EZ — STAY OPEN FOR BUSINESS — A PROGRAM OF IBHS

Visit the OFB-EZ Business Continuity Planning page (DisasterSafety.org/ofb-ez) to access and download these resources.

[1] Climate Change Preparedness and the Small Business Sector. Small Business Majority & American Sustainable Business Council. http://asbcouncil.org/sites/default/files/small_business_climate_report.pdf.