



Business Continuity vs. Hurricane Sandy

Two days after hurricane Sandy plowed into the Northeast coast, over 8 million people are without power, NYC mass transit is still not running, water is being pumped out from lower Manhattan and the New Jersey shore line will take months if not years to return to normal. There have certainly been more devastating, larger hurricanes, but none in recent memory have affected more people or our country's financial centers. This is a time to reflect on how lucky we are. This was only a Category 1 hurricane, (though it was really two storms in one) a taste of the potential destruction that could accompany stronger winds and the associated storm surge. The storm of the century in January 2010, Hurricane Irene in 2011 and Hurricane Sandy in 2012 are examples of more frequent natural phenomena that have caused major business disruptions.

Did your implemented Disaster Recovery Plan act as intended?

Companies spend considerable senior management time and money creating a formidable Business Continuity Plan. However, when it comes to a true disaster where personnel cannot get to the office or your disaster recovery site is within the radius of the same disaster, can your firm continue to conduct business? There are basic steps that all companies need to institute to reduce or eliminate any business disruption.

A Business Continuity Plan for the employees. At a minimum the Firm should:

- Have an "800" number with updated information regarding the state of the firm and instructions on what employees should do.
- Establish a call tree to account for all employees and ensure that all employees are aware of the latest news.
- Have an emergency evacuation plan from the firm's physical location, with meeting points.
- Send out blast emails to employees over the firm's exchange server (if available) and to the employees' personal email accounts.
- If your firm has a disaster recovery site for employees, the employees should know how to get there and should be cognizant of alternate methods of transportation. Your Firm should have a block of hotel rooms negotiated ahead of a disaster.

A Disaster Recovery Plan for all critical systems and associated applications:

- Identify mission critical systems and ensure they are running in a business disruption.
- Make sure the company's hardware vendor, critical service providers and applications contact information is in a centralized location.
- Ensure that the Firm's data files for all applications are backed up and available in a warm or hot site.
- Consider setting up and deploying a virtualized environment using Citrix or VMware. A virtualized environment in a remote location or the cloud will ensure that employees will be able to emulate their desktop anywhere in the world.
- Ensure your company has the ability to produce checks and wire funds to vendors or customers. It is important that your firm has sufficient operating capital in case of a business disruption.



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A Co-location

- The Firm's co-location or disaster recovery site should be far enough from the principal offices to ensure a proper business continuity.
- Your co-location should have a generator in case of a wide spread power outage.
- Consider a cloud or virtualized environment that would reduce the dependency of a large physical space for your employees.

Test your Disaster Recovery Plan and Business Continuity Plan (BCP)

- Your company should perform a full test of your disaster recovery plan and your business continuity plan. This test should be graded by an independent party (outside technology).
- Ensure that new systems and applications are added to your BCP.
- Ensure you have sufficient human resources to enact the plan and ensure that if key individuals are not available that others can enact the plan.

Remember that the company should reach out its clients and communicate what steps the firm has taken to continue business as usual. Make sure where appropriate to reach out to your regulators.

Contact C&A Consulting LLC today

The challenge of initializing a BCP and preparing for a business disruption are daunting. Let us provide the advice and guidance you need by implementing customized solutions from start to success. C&A has prepared business continuity plans for regulated and unregulated companies. C&A also tested third party plans to ensure an independent evaluation.

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