

# do **1** thing/BUSINESS

SMALL STEPS TOWARD PREPARING YOUR BUSINESS FOR EMERGENCIES

## Step 2: Essential Business Functions



**THE GOAL:** Determine what keeps your business running and take steps to ensure you can continue in an emergency or disaster.

*A lot happens in your business every day. Some activities can be suspended, and some can't. Prioritize which business functions are critical to the continued operation of your business in a disaster. Identify what functions can be delayed (and for how long) and what can be deferred in the event of a potential disaster. This is the foundation of your business continuity plan.*

»» CHOOSE ONE OR ALL OF THE FOLLOWING THINGS TO DO THIS MONTH TO PREPARE YOUR BUSINESS FOR A POTENTIAL EMERGENCY:

- ☐ **Identify the functions that are essential to the operation of your business.**
- ☐ **Determine what things could interrupt essential business functions and take steps to minimize your risk.**
- ☐ **Consider diversifying your business functions to become more disaster resilient.**

Essential functions are the parts of your business that cannot be suspended for more than 30 days if your business is to continue. These are the functions to focus on when you are planning for disaster.

---

## ☐ **Identify the functions that are essential to the operation of your business.**

---

**IDENTIFY WHICH BUSINESS FUNCTIONS OR OTHER ORGANIZATIONAL FUNCTIONS MUST BE RESTORED WITHIN 30 DAYS. THESE ARE YOUR ESSENTIAL FUNCTIONS.**

- Review your business plan, standard operating procedures, organizational charter and mission statement to determine which business functions cannot be suspended for more than 30 days. Then identify those that must be restored within 12 hours in order for your business to continue.
  - Review employee job descriptions to determine which human capital are critical to support the functions you identified above.
  - Determine which clients (and client information), inventory, and infrastructure are critical for the continued operation of your business.
  - Establish which information technologies and vital records are critical for continued operations.
- 

You have now identified the essential business functions you need to sustain your business in a disaster.

---

## ☐ **Determine what things could interrupt your essential business functions and take steps to minimize your risk.**

---

**GATHER THE RESULTS OF YOUR BUSINESS IMPACT ANALYSIS (BIA) FROM DO 1 THING MONTH ONE (RISK ASSESSMENT).**

- Determine your top BIA risks and impacts that come with them.
  - Determine how each impact affects the essential business functions you identified above.
  - Determine what steps can be taken to minimize your risk. For example, your business depends on infrastructure (utilities, communications, internet access, transportation, logistics, etc.), how would losing those system affect your ability to continue your essential functions? What can you do to prevent it?
- 

### **FOR EXAMPLE:**

- **Impact**—Long-term power outage (more than 48 hours).
- **Effect on Business**—Critical systems that rely on electricity are down (sales, manufacturing, etc.). Support systems may be affected as well (heating/cooling for servers, security, etc.).
- **Minimize Risk**—Purchase a generator with enough capacity to power key systems. Contract with a fuel supplier to make sure that you will be able to continue to operate until power is restored.

---

## ☐ **Consider diversifying your business functions to become more disaster-resilient.**

---

Diversifying your business isn't something that you can do overnight, but as you develop long-term plans, consider how you can make your business stronger.

### **DIVERSIFY OPERATIONS**

After a disaster, your customer base may change. This is especially true if you are a retailer with a localized clientele. Neighborhoods often change drastically after a disaster. Residents move away, especially in areas with a high rental rate. New residents move in, often from different income levels, age ranges or ethnic groups than previous residents. They may not need the goods or services that you provide. Even if your customer base stays the same, they may not have the income to shop at your business for several months after the disaster. Could you adapt your product or service to something that is needed after a disaster? For example, a shoe store might focus their stock on protective equipment like boots and work gloves to help customers with clean up after a disaster.

### **DIVERSIFY SUPPLIERS**

There are many benefits to using local suppliers: transportation costs are lower, you can develop close relationships, and you are contributing to the local economy. However, a disaster that affects your business is also likely to affect your local suppliers. Suppliers that have multiple locations around the region or around the country are more likely to be able to continue operations in the immediate aftermath of a disaster. Talk to your suppliers about their business continuity plan. Don't let your business fail because others have failed to plan. Consider clauses in supplier contracts that will release you in the event of a disaster.

### **DIVERSIFY CUSTOMERS**

Brainstorm potential customers for your product or service. Think about different geographic markets, demographics, even how your product or service might be used differently. How could you market your product differently to appeal to a different audience? Write down every possibility, even those that don't seem realistic at the moment.

In the aftermath of a disaster, you will have to make many hard decisions, often under the worst possible conditions. Record the ideas that you come up with now to use as contingency plans after an emergency event and as a guide for future development of your business.

---

*Information in this factsheet was adapted from: Surviving Extreme Events: A Guide to Help Small Businesses and Not-for-Profit Organizations Prepare for and Recover from Extreme Events by Daniel J. Alesch and James N. Holly. Available through the Public Entity Risk Institute at <http://www.riskinstitute.org>.*

**do1thing.com/business**