

CATS

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No, not the furry pets—this is insurance slang for major losses or catastrophes.

Every day businesses are forced into crisis mode by natural disasters, major fires or some other catastrophe.

Clients usually think there's nothing they can do to prevent these events—so they push them to the back burner and handle the customer emergency of the day.

The nature of these major losses means you will probably be on your own for several days or even weeks. This is long enough for most businesses to suffer real pain—and many will not survive.

So contingency planning—to mitigate business interruption—is not only all you've got, it's essential. Technically, contingency plans kick in *after* a loss has occurred, or is imminent, like boarding up before a hurricane. But of course, they need to be prepared—and tested—beforehand. The good news is that usually one plan—with a few variables—will handle most or all types of catastrophic situations.

Where to start? Here are three key steps ~

First, identify what can happen and the consequences to staff, families, your building and equipment, vendors, and customers. Think about cross training, working from off-site, being able to access customer and supplier contact lists, etc. This should be a team effort: collaboration will be needed when the CAT hits so it's best to start now and set up a crisis team.

The **second step** is to write up simple Business Continuity Plans—describing how to restore operations quickly. Assign tasks to your crisis management team for the steps they'll take during and after a crisis, and a list of what you'll need in advance.

The **final step** is testing and supporting your plans. Recently I helped a client design a plan that included these steps—all recurring on a regular basis:

- Testing data backups on different computer equipment
- Updating customer, supplier, and employee contact lists
- Team celebrations to incorporate planning updates and new ideas
- Review of insurance protections: the coverage you have for these situations; what else is available; what documentation will you need to prove a loss?

Check out additional planning resources at www.pandemicflu.gov (see *Resources* on the right) and www.72hours.org, or see PDF planning kit files [here](#). If you have other resources to share, please let me know, and I'll pass them along.