

Business Continuity for Small Business



Business continuity requires you to anticipate loss from a financial, operational and marketing perspective. It's important that you stay informed about what's happening around the world, especially with power outages, cyber risks and natural disasters.

By observing the causes and outcomes of recent events, you can establish a plan that is appropriate for your business.

Pre-emergency planning is important for every business, regardless of the size or structure: studies show that one in four businesses never reopen after a crisis. Fortunately, an effective action plan will help you stay prepared, equipped, and responsive to internal and customer needs in difficult circumstances. The first step is to develop specific procedures and policies, and train your staff to follow them.

🕒 The need for business continuity in Canada

According to research and statistics provided by the Government of Canada, there were 1.17 million total businesses in Canada in 2015. Of these businesses:

- 1.14 million were small businesses (98%)
- 21,415 were mid-sized business (1.8%)
- 2,933 were large enterprises (0.3%)

By definition, small businesses have 1 to 99 employees, and many of these companies do not have insurance coverage. However, companies that can't find the time, resources, or money for insurance will lack the support and structure they need to implement a business continuity plan, leaving them unprepared in emergency situations.

Business continuity means **planning for the future, should an emergency occur.** Your business continuity plan will determine how quickly your business is able to return to normal operations when disaster strikes.



Risk Insights

Business Continuity for Small Business



Insurance is an essential part of any effective risk management strategy. Poor preparation **costs businesses both time and money** that could have been spent on operations.

🕒 Assess the impact of risks on your business

You can begin to determine your level of risk by thinking about some of the worst possible scenarios. Next, you'll need to prioritize the scenarios that are most likely to affect your company.

Business impact analysis is a process that predicts how an interruption to your core operations would affect your business. This exercise requires you to identify your organization's critical services, products and operations, and then rank them by priority. You'll also need to consider the likelihood of various emergencies or disruptions, and what will impact your business most depends on your industry and location. For example, if your operations include hot work, the risk of fire is significant. If your property is located near a river, flooding is a threat.

Before a catastrophe occurs, examine ways you can prevent loss. For example, if your property is located in a rural area, and therefore prone to wildfire, you may consider relocating your business or making arrangements with other businesses to set-up shop.

🕒 Crises to consider and how to minimize risks

Which problems are most likely to hit your business? Consider a few realistic examples of events that can affect business operations, along with some questions to consider when you create your business continuity plan:

Fire

Are employees properly trained in handling and operating equipment and fuel that can cause fires, property damage and serious injuries? Do you have fire protection equipment, such as fire extinguishers and smoke alarms, installed on your property?

Natural disasters

- Flood
- Wildfire

- Earthquake
- Tornado
- Hurricane
- Avalanche

Where can you relocate your operations in the event that your facility becomes an unsafe environment? Do you store your products and supplies at a safe height or in a protected area? Is your staff trained on proper protocol during a natural disaster? Do you have a statement ready for customers if you are unable to meet commitments?

Electrical power outages

- Loss of heating or central air conditioning
- Issues with electrical panel or meter
- Break down of electronics, machinery, electronic cash registers, elevators, diagnostic systems, boiler, compressor, freezer, walk-in cooler, oven or other vital equipment

Do you have access to a power generator? Have you installed a transfer switch in the electrical panel to keep the power going through another source? Do you have the contact information of a designated electrician or other equipment specialist? Is your staff trained on what to do during a power outage?

Data downtime

- Virus or malware attack
- Hardware theft
- IT system or communication system failure
- Server room issues
- Unexpected patches and updates

Have you identified vendors you can deal with directly for service assistance, such as replacements and repairs? Do you know what your warranty or insurance covers regarding broken or stolen equipment?

Do you have a list of specific models and brands of equipment you require? Do you back up important files on a company server/share drive/cloud or an external hard drive so you can access data elsewhere?



Do you have an internal IT department that can assist with troubleshooting? Do you provide staff with the proper tools to protect against hardware theft and cyber risks, e.g. lockable laptop docks and anti-virus software?

Crime

- Theft or vandalism of products, machinery, or data
- Terrorist attack

Is your staff trained in how to deal with, and protect themselves from, unauthorized personnel? Do you have a security system in place, such as surveillance cameras, alarms, locked areas and security guards? If a computer is stolen, are you able to remotely shut down or erase sensitive information?

Restricted access to premises

- Gas leak
- Carbon monoxide

Have you set up frequent inspection procedures and installed detectors to identify dangerous or hazardous conditions? Do you have arrangements at other locations if you cannot operate your business on your regular premises? How would you cope in the event of a product recall due to contaminated products?

Loss or illness of staff

- Long-term illness, injury, or disability
- Disease or infection

Are multiple employees trained on important roles and functions? Is there documentation that specifies job tasks and procedures? Was the illness caused by any unsafe working conditions, and can others be affected as well?

At Northbridge Insurance, our Risk Services team provides industry-leading solutions to help you with your risk management practices. Small business owners now have the opportunity to contact Risk Services through **Risk Management Assist** to answer any of your questions or concerns regarding your business. Northbridge Insurance also provides customers, and their brokers, with valuable loss prevention material in our Risk Insights:

Disaster Recovery Overview

Outlines the components of a business recovery plan

Disaster Planning Booklet

A comprehensive guide to creating a business continuity plan, including a recovery team, emergency response plan, and resumption plan

Disaster Planning Appendices

A business recovery plan policy statement and a hazard assessment

This package is filled with existing industry information that serves as a comprehensive guide to developing an effective business continuity plan from start to finish. These guides and templates initiate the entire process and help companies get a head start on documentation. In addition, Risk Services Specialists are always available for expert advice, support and guidance.

Business continuity gives you peace of mind when it comes to resolving problems as quickly and effectively as possible. Having an emergency response plan for every possible scenario can protect your business for many years to come.



● Enjoying the benefits of your plan

Business continuity planning is especially important for small businesses, since they often lack the time and resources to cope well during emergencies. Once you've drafted your plan, you can test and review it annually, or as often as you'd like. By conducting mock drills, hypothetical tests and training for your staff, you can practice and execute your plan more effectively during a real crisis.

Planning allows you to minimize disruptions and risks that will affect customers, suppliers, employees and your company's reputation. Remember that the longer your business is down, the more difficult it is to reopen. By responding promptly and effectively, you can return to normal operations, retain customers, maintain your credibility and keep your edge over the competition.

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About Us

Northbridge Insurance is a leading Canadian commercial insurer. Working with our broker partners, we focus on understanding the needs of our customers and on creating solutions that make a difference to their success.

For more information on making your business safer, contact Risk Services Department at **1.855.620.6262**.

