

Business Continuity Planning

Realize the benefits of being prepared even when disaster occurs.

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In 2005, Florida Power and Light, the largest electric utility in Florida, found itself responding to 3.2 million customers who had lost power due to widespread destruction caused by Hurricane Wilma. A call center operated by Convergys became a shining example of how it is possible to keep operations running and customers informed, even when a major disaster strikes. By having a business continuity plan in place, Florida Power and Light was able to have backup call centers, incident commanders, and an incident command team ready to respond when it became evident that Wilma was going to hit the area. Keys to success in this situation were having a flexible incident command structure and having a business continuity plan where implementation was recognized and supported by all key stakeholders.

Floods, earthquakes, hurricanes, terrorism, fires, and pandemic diseases are all examples of natural disasters that occur without a moment's notice and can send communities, businesses, water and wastewater treatment facilities, and other public service utilities into operational chaos. Even more mundane "disasters"—such as power outages or network failures—can send these services into a tailspin. Historically, government, regulators and municipalities have focused on "disaster" and "emergency" planning. Shifting the paradigm from disaster planning towards "business continuity" planning can help to ensure that basic operations and services of critical public utilities can be provided at all times and under all circumstances, regardless of the disaster that has ensued.

Business continuity plans (BCPs) can

Figure 1. What Are Business Continuity Plans? Specialized Plans That:

- Safeguard employees and customers
- Protect corporate and investor assets
- Minimize interruptions of service
- Expedite recovery of functions and processes
- Help organizations to maximize efficiency and communicate before, during, and after an incident

help communities and the utilities that serve them be more prepared to protect assets, ensure delivery of essential services, and increase the confidence and comfort level of employees, residents, and other key stakeholders when an unforeseen incident occurs. (See Figure 1.) By not having a BCP in place, it is much more difficult for a municipal utility to respond effectively in an emergency situation. An added benefit of having a BCP is the peace of mind that comes with knowing that risks and impacts to business have been evaluated and a process towards successfully handling unpredictable incidents exists.

The South Central Connecticut Regional Water Authority (RWA) in New Haven, CT, with a staff of 290 serving over 400,000 consumers, became one of the first water utilities in the U.S. to develop a National Incident Management System compliant water utility BCP. Before developing a BCP, the RWA felt prepared for a flood,

drought, component failure, or water quality emergency, but realized that it was extremely vulnerable should severe weather, pandemic, structural or systems failure, utility failure, or major interstate disaster occur that results in a loss of staff or its corporate headquarters. A BCP defines how a utility can continue its everyday business functions in the face of extraordinary circumstances (See Figure 2.) The RWA retained Woodard & Curran (www.woodardcurran.com) to develop a BCP that would be an innovative and cost-beneficial investment in life safety and property protection, while providing for continuing functions of critical operations during emergency conditions.

Developing a BCP

Municipalities and utilities that are

Figure 2. What Do Business Continuity Plans Do?

- Shorten the amount of time needed to respond to an emergency
- Ensure service under all circumstances
- Minimize loss in revenues
- Sustain productivity during the emergency
- Minimize potential regulatory impacts
- Sustain productivity during the emergency
- Minimize potential regulatory impacts
- Ensure communication with customers

Figure 3. Business Impact Analysis

Department

- Finance

Critical Functions

- Accounting
- Accts Payable
- Accts Receivable
- Payroll

Personnel

- Accounts Payable Coordinator
- Accounting Manager and Other Staff

Equipment

- At Least Two PCs and a Printer

Tools

- Office Supplies and Materials
- Info Systems: Systems, Email, Web
- General Ledger and Purchasing System
- Customer Information System

Vehicles

- Transportation to and from Emergency Operations Center for Staff

Communications

- Telephones and Ability to Accept Transmissions from Services Collecting Our Cash
- Receipts

developing a BCP should follow a specific methodology. This will ensure that their business functions and all aspects of the services they provide will continue in the event that operations or the operating facilities become inaccessible. A BCP also accounts for the period of time in which a remote location and skeleton crew would be utilized during recovery. The following steps present an appropriate methodology.

Step 1: Conduct a Risk Assessment—Municipal utilities should begin with an overall risk assessment of services and conditions for which the BCP is being prepared, and review both the likelihood of potential disasters and

the consequences to the utility's mission if such a disaster should occur.

Step 2: Conduct a Business Impact Analysis—Next, a business impact analysis should be conducted to address recovery time from an incident and identify potential conflicts that could impact achieving the desired recovery time. The business impact analysis should be specific and can be simplified by using department questionnaires that seek out information on business functions of each branch/department of a utility and required recovery time. Once each department reviews its individual business function, it is imperative to cross-reference the functions to identify resource conflicts and prioritize functions and resources. An example of a business impact analysis for a specific department is illustrated in Figure 3.

Step 3: Identify Recovery Sites—The next step is to identify recovery sites. A recovery site is defined as a remote location suitable for conducting municipal or utility operations. There may be other utilities within a certain vicinity that can be specifically identified to step in and assist should a disaster occur. During the evaluation of recovery sites, consideration should be given to accessibility, occupancy, communications, and security and hazards.

Step 4: Develop a Crisis Communication/Incident Command Model—Once suitable recovery sites are identified, a crisis communication/incident command model should be developed. In the model, it is important to include the residents/customers and how they will be communicated with in the event of an emergency.

Steps 5 & 6: Prepare a Training Program and Test the Program—The final two steps of developing a BCP are to prepare a training program and then annually test the program and update the BCP when deficiencies are found. The purpose of developing a training program is to ensure that the parties responsible for implementing the BCP in the event of an emergency understand the overall strategy and can make sure that the plan will work. Several tools and techniques can be applied for training and testing the plan with varying levels of complexity and cost.

Initially, the RWA will incorporate bench-scale testing as a cost-effective way to roll out and fine-tune the plan with a wider-audience.

The RWA developed the BCP process to be proactive and prevent the tremendous impact a loss of its main building would have. This scenario helped the RWA prioritize where capital dollars could be spent to improve critical business systems and where additional attention might be needed regarding other emergency planning efforts. An unforeseen benefit of undertaking a BCP was the multi-department collaboration and teamwork that resulted among the 18 groups that were involved and how motivated the staff became. Together, business functions and assets were identified that provided tangible results and a clear picture of how staff could use the information and skills gained from the plan.

One of the most important outcomes of the planning effort was that the RWA realized that by having a BCP, it would always be able to meet its mission: "Provide a reliable supply of high-quality water at a reasonable cost for today and future generations while promoting the preservation of watershed land and aquifers."

The RWA's planning efforts also highlighted employee satisfaction, which people have articulated due to their active participation in the planning process. A real sense of pride, involvement, and ownership surfaced as a result of the BCP effort. As a result of this collaborative effort, each department affirmed its critical role and important contribution to the RWA's mission.

Additional benefits that became evident included great customer relations, good press for the utility, and in general, peace of mind.

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