

Creating an Effective Business Continuity Plan

Over the past few years, “uncertainty” has become a buzzword, with individuals and businesses facing significant disruptions.

Indeed, the COVID-19 pandemic demonstrated that disasters can occur when least expected. Infectious diseases, severe weather and cyberattacks are just a few events that can knock businesses off course.

As such, businesses must have a tried-and-tested plan ready to go should things go wrong—otherwise, they might not recover. In fact, several research bodies have found that of all businesses that close down following a disaster, approximately 25% never reopen their doors. Fortunately, a robust business continuity plan (BCP) can help organizations be prepared for all eventualities.

Consider the following tips to increase your business's resilience to disaster:

- **Conduct a risk assessment.** To identify areas of vulnerability, carry out a comprehensive risk assessment. This should scrutinize all business aspects, including staff, premises, customers, suppliers, equipment and logistics. Consider including employees in this process; they might identify hazards you weren't aware of.
- **Develop your BCP.** Next, use the risk assessment findings to develop your BCP. Specifically, determine who will be responsible and what action they will take for each vulnerability found. Consider enlisting the help of professional bodies such as the Canadian Chamber of Commerce. Better still, engage with other organizations that have previously navigated disaster to glean valuable insight.
- **Communicate and test your plan.** Once complete, disseminate your BCP to everyone associated with the business. Frequently test your BCP's effectiveness through tabletop exercises, structured walkthroughs and simulations. Furthermore, conduct a full emergency evacuation drill at least once a year. Always correct and update any weaknesses identified in testing.
- **Gather contact details.** Ensure you keep an accurate record of everyone you may need to contact in an emergency, including employees, key customers, suppliers and insurance providers.

Because business risks are constantly evolving, bring key personnel together at least annually to review the BCP and discuss any areas of improvement.

If you have questions specific to your business, or would like additional information, please reach out to your <<Broker>> Advisor.

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