Pre-Disaster Recovery Planning Reference Guide

This document is designed to help organizations and small businesses ("organizations") increase their readiness level through pre-disaster recovery planning. It encourages organizations to understand what recovery activities are and take appropriate steps to plan for it, outlining key considerations and guidance to support.

Identifying and mitigating risks to essential functions

Every organization has key functions that enable it to operate without disruption or that must be restarted within a specific timeframe for it to remain operational. Identifying these essential functions is a vital first step in disaster recovery planning and directly informs your recovery priorities in the immediate aftermath of a disaster. Organizations can start by assessing the capacity or conditions under which they can operate in both the short and long term.

Once you have identified these functions, develop protocols, procedures, and strategies to help your organization withstand and mitigate any potential impacts, maintain an acceptable level of service, and resume operations as quickly as possible. Some of this planning may be influenced by your interdependences on other businesses and organizations.

Considerations:

- Which of your organization's essential functions are a priority, from highest to lowest? For example, is delivering services to your clients and consumers an essential function?

- Which personnel are critical to maintaining essential functions?

- What, if any, essential functions require in-person facilities?

- Does your organization serve the general public or a specific clientele? Are these clients and/or consumers close to where you operate?

- Do local authorities consider your services—such as providing health care, housing, food, technology, or utilities—to be essential? In the event of a disaster, will your organization be expected to provide essential services to the general public, other organizations and businesses, or first responders in the immediate aftermath?

Understanding and adjusting your insurance plan, if necessary

Insurance plays a crucial role in helping to recuperate costs for loss or damage from a disaster. Insurance companies offer a variety of standard and optional coverage that can limit your exposure to potential liabilities in the event of damage or loss to your organization. Reach out to your insurance provider prior to a disaster to gain a clearer understanding of your organization's policy and coverage and to inform key planning considerations. Additionally, the Insurance Bureau of Canada can provide guidance on insurance options and help you navigate any questions about coverage. Key considerations include:

- Actions to be taken immediately following a disaster (such as completing a damage assessment or photographing damaged items) to expedite claim submissions;

- Types of losses that may be covered (such as damaged or lost materials or business interruption); and

- Types of losses that may not be covered (such as interruption to supply chains, utility or service disruption, or ineligible damages) to help you determine where you may need alternative financial supports.

Considerations:

- Have you reviewed your insurance in the past year?

- What are your organization's potential liabilities? Are there specific types of coverage for those liabilities?

- Does your organization complete regular inventories or lists of assets?

- Is your organization located in an area that is vulnerable to specific hazards, such as hurricanes, floods, or wildfires? Are these types of hazards insurable?

- Have your deductibles or premiums increased as a result of claims or updated risk assessments after a previous event. Does this insurance provider still cover your needs?

- Have you made previous claims? Are there maximum limits in place for any potential claims?

- Has your insurance policy been updated to reflect any recent changes to your organization, such as asset acquisition or loss, changes in production or industry, relocation, annual income, and number of employees?

- Have you appointed a contact person for your insurance provider? Do they have access to historical and relevant financial records to support the submission of claims, such as insurance policy numbers, articles of incorporation, transaction reports, proof of ownership, and deeds or leases?

- Does your insurance provider offer incentives or rate discounts for implementing risk reduction measures?

Understanding your organization's financial viability

A disaster's direct or indirect impacts may alter or exacerbate existing financial burdens and put increased pressure on your organization during the recovery phase. "Financial viability" refers to an organization's ability to generate and maintain cash flow to meet its operational needs. It involves assessing profitability, funding contracts, debt, expenditures, funder investments, and stakeholder expectations to evaluate the organization's capacity to withstand volatility after an event.

Understanding your organization's financial viability is crucial to determining its recovery capacity. Knowing the organization's strengths, dependencies, and limitations will allow you to anticipate the potential economic impacts you may face. It can also support the need to undertake recovery activities and achieve your recovery objectives.

> **Considerations:**
>
> - Have you determined your bottom line?
>
> - Does your organization operate under a debt model and what are the contractual obligations to reconcile that debt? What are your current limits concerning loans and credit lines? Can you take on additional debt if necessary?
>
> - Are funding or grant contracts a major contributor to your organization? Do these contracts require deliverables for payment?
>
> - Do you have a rainy-day fund?
>
> - Do you have assets that can be leveraged for cash flow if needed?
>
> - What is the value of your property and assets? What would it cost to rebuild or replace them in order to remain functional?

Collecting and securing critical documents

Critical information and records are essential for providing historical context and validating an organization's impacts on an organization after a disaster. These documents form the foundations of your organization and may include, but are not limited to, contact lists for personnel and key stakeholders, insurance documents, expense reports, legal documents, property records, permits, certifications, and emergency action and recovery plans.

Considerations:

- Do you store electronic documents on the premises or in a cloud-based system? Have you made electronic copies of all critical documents?

- Are hard drives and IT support infrastructure maintained both at the site and remotely?

- Are electronic files updated regularly?

- Are all critical records stored in one place, or are they spread across different functions? Who is responsible for managing them?

- Is authorization required to access backups? Are those authorization requirements documented, and personnel identified to manage them?

- Is access to your documents limited to only one person? Are there contingencies if they are unavailable?

Considering needs and approach for re-entry

Planning for re-entry to the organizations facility during recovery is important. Your facility may experience direct impacts, such as damage to infrastructure, or indirect impacts, such as ongoing evacuations in the region or damage to community infrastructure. Both types of impacts can restrict access to the facility and affect operational capacity. If your organization rents its facility, maintaining an open communication with the owner about timelines and considerations for re-entry is key.

Preparing a re-entry plan or checklist will help streamline the process and re-establish operations in good time. Taking a phased approach to re-entry, including making alternative work arrangements (such as working from home or using alternative worksites), may facilitate a smoother transition back to the workplace and ensure the continuity of essential functions.

Considerations:

- Have you discussed with your insurance provider the requirements for re-entry should your facility incur damage?

- Make a list of key contacts, such as your insurer, utility providers, personnel, clients, customers, and suppliers, board members, partners, among others, and keep up-to-date. Do they have landlines or cellphones, as this may impact communications in the event that cell towers are impacted.

- Plan for scheduling or shiftwork adjustments. Can you operate on reduced hours/shifts?

- Determine how you will communicate with personnel and key stakeholders to provide updates about re-entry and re-establishing operations and advise in advance, so they know what to expect.

- Review health and safety protocols to ensure the well-being of personnel and clients upon re-entry.

- Consider what a phased approach to re-entry may look like for your organization.

- Explore options for alternative worksites (such as work from home or temporary worksites) if re-entry is delayed. Do you have equipment stored offsite and a working structure that can support these alternatives?

- Consider how you will stay informed about local restrictions or re-entry policies.

Keys are an easy thing to overlook! Ensure you have documentation and a line of communication to the personnel that have keys to buildings and rooms. In the case of power failure, some electronic access systems may not work.

Planning to support personnel

Disaster events profoundly impact people at all levels of your organization. The stress and trauma of experiencing a disaster and navigating the recovery process—both at work and home—can manifest as increased stress or reduced ability to focus in the short-term, and may lead to long-term health issues, including burn out.

At times, personnel may find it difficult to focus on work while dealing with stressors such as extended evacuations, damage to their homes, limited transportation, changes in childcare availability, impacts on loved ones, navigating insurance claims, and mental health strains. Being mindful of these challenges is crucial for supporting personnel through this difficult time. Consider what kinds of flexibility or accommodations your organization may be able to offer, such as leaves of absence, flexible scheduling, work-from-home, alternative work sites, and access to mental health support. Additionally, encourage personnel to create their own personal preparedness plans.

Considerations:

- Does your organization provide accessible benefits, including mental health support? Do you have an employee assistance program?

- Have you recently reviewed available benefits to assess how they can support personnel following a disaster?

- Which positions are salaried, and which are hourly? How might these differences affect the cash flow of various personnel in the event of a disaster?

- Do you have offsite or backup access to personnel's contracts, hours worked, payroll records, and other documentation in case they need copies? Is it regularly updated?

- If your organization manages volunteers, determine how you will maintain engagement and the duties of volunteer roles. What supports are you able to offer to maintain a volunteer base?

The Canadian Red Cross has household emergency plan and kit templates as part of the **Be Ready** program. Visit https://www.redcross.ca/how-we-help/emergencies-and-disasters-in-canada/be-ready-emergency-preparedness-and-recovery for more information.

Communicating

Concise, accurate, and timely communication is vital to recovery. Access to clear information enables your stakeholders to understand the organization's capacities and helps set realistic expectations. Communication planning involves mapping out key stakeholders and identifying the specific information needs of each group. After a disaster, people may process or retain information differently. Reiterating key messages or critical information can help ensure that everyone has time to digest what is being said.

Examples of key stakeholder and their particular information needs could include the following:

- **PERSONNEL AND/OR VOLUNTEERS:** understanding the organization's current capacity and operational goals, expectations for personnel/volunteers to help achieve these goals, and the support available to help them meet these expectations;

- **VENDORS/SUPPLIERS:** clarifying operational capacities and limitations, arranging temporary or alternative strategies, and maintaining two-way communication to ensure business continuity;

- **CLIENTS/PUBLIC:** Understanding and clarifying expectations of your current capabilities to deliver on products, services, and obligations;

- **FUNDERS:** Understanding current obligations associated with active funding agreements, we well as clarifying or communicating the need to revise activities or timelines; and

- **DONORS:** Informing them of the impacts of the event and the plan to move forward. If directly requesting further donations, providing overview of what funds will be used towards;

Considerations:

- Have you created contact lists for key stakeholders? Is it regularly updated?

- Determine the best methods for communicating with stakeholders (such as call trees, emails, messaging platforms, and social media groups).

- Consider how frequently you will communicate with stakeholders and establish standard messaging to meet their information needs.

- Identify who on your team is best suited to lead communications. Do external communications require public statements or media involvement? Does your plan designate a spokesperson?

- Determine what key messages or important information you may be re-communicating as new details emerge.

Building a recovery plan

A recovery plan is the core document to guide an organization's recovery activities. Each recovery plan is unique to the organization's priorities, capacities, vulnerabilities, and available support. The plan should outline strategies, processes, activities, roles and responsibilities, and key contacts to help your team achieve its objectives. While the plan will provide a comprehensive outline of pre-planned strategies, it is important to understand that modifications and adaptations will be necessary post-disaster to address specific needs arising from the event. Conducting an annual review and ongoing preparation exercises helps keep the plan relevant and up to date.

Considerations:

- What strategies, processes, and activities do you anticipate during the recovery phase following a disaster?

- Consider which team members would be well-suited to coordinate recovery activities.

- Identify internal and external contacts that should be documented in your plan.

- Does the plan realistically reflect your financial realities?

- Are most of your suppliers small or large-scale? What alternatives do you have if they have disruptions or are unable to continue operations after the event?

- Does your re-opening plan require special considerations for clients or consumers, if applicable?

- Does the plan identify communication strategies for various audiences, including personnel, suppliers, stakeholders, etc.?

- Does your plan identify existing local, provincial or federal programs or initiatives that can assist in recovery?

Remember, Recovery planning is different than Business Continuity planning.
Business Continuity aims to maintain and operations to a pre-determined level for a limited period of time. Recovery aims to enable the restoration of operations to fully functional due to unfavourable or unusual impacts after an event.

Developing a recovery team

The recovery phase poses new challenges, stressors, and pressures, often when organizational capacity is reduced. Depending on the size of your organization, it may be beneficial to establish a recovery team to coordinate recovery objectives outlined in your plan.

The size and structure of a recovery team will be unique to your organization's makeup, capacity, and objectives - one individual can oversee multiple functional areas. Key functional areas may include leadership, finance, human resources, communications, IT, legal, and operations. It is essential to ensure clarity of the roles and responsibilities for each functional area and to establish clear expectations for how team members will work together. There may be an overlap in personnel between emergency response and recovery teams.

Considerations:

- Have you established a recovery team with clearly defined roles and responsibilities to implement your recovery plan?

- Have leads been assigned for all functional areas? Are backup personnel (deputies) assigned to each area to ensure continuity?

- Are there external representatives who should be included in the recovery team structure?

Training, practicing, and testing your plan

To ensure your organization is prepared for recovery, you will need to train personnel and conduct exercises to practice your plan. Practicing helps familiarize personnel with the recovery plan, priorities, procedures, and roles and responsibilities allowing them to learn and ask questions in a non-emergency setting. This can drastically increase your team's comfort level and readiness to carry out recovery activities in the event of an actual emergency.

Complementing training with exercises, such as mock scenarios, to test your plan is an excellent way to anticipate potential decisions, action items, challenges, and solutions to various impacts. These exercises also provide an opportunity to identify and address inefficiencies in your plan before an emergency occurs. Conduct training and exercises regularly to keep personnel informed about hazard risks and improve your strategies to mitigate potential impacts.

Considerations:

- Consider which personnel should be included in training and exercises. Have you planned for continuity in the event a team member is unavailable?

- Deliver training to ensure your team is familiar with the recovery plan and clear about their roles and responsibilities.

- Identify mock scenarios that could help test your plan's effectiveness and highlight areas for improvement.

- Determine the appropriate frequency and timing for engaging your team in training and exercises. Have there been recent personnel changes? Aim for an annual testing of your plan.

- Establish a process after training and exercises to gather feedback and incorporate lessons learned into the recovery plan.

- Are there key partners or stakeholders you could invite to participate to add value to recovery training or exercises?