Crisis management preparedness, as FEMA defines, can consist of several components to include program management with the life cycle of planning, implementation, testing & exercises, and program improvement.

This SLP will focus on the planning part of preparedness. The following is taken in part from the FEMA website. The planning process should take an “all hazards” approach. There are many different threats or hazards. The probability that a specific hazard will impact your business is hard to determine. That’s why it’s important to consider many different threats and hazards and the likelihood they will occur.

Strategies for prevention/deterrence and risk mitigation should be developed as part of the planning process. Threats or hazards that are classified as probable and those hazards that could cause injury, property damage, business disruption or environmental impact should be addressed.

In developing an all hazards preparedness plan, potential hazards should be identified, vulnerabilities assessed and potential impacts analyzed. The risk assessment identifies threats or hazards and opportunities for hazard prevention, deterrence, and risk mitigation. It should also identify scenarios to consider for emergency planning. The business impact analysis (BIA) identifies time sensitive or critical processes and the financial and operational impacts resulting from disruption of those business processes. The BIA also gathers information about resources requirements to support the time sensitive or critical business processes.

This information is useful in making informed decisions regarding investments to offset risks and avoid business disruptions.

Business Impact Analysis

A business impact analysis (BIA) predicts the consequences of disruption of a business function and process and gathers information needed to develop recovery strategies. Potential loss scenarios should be identified during a risk assessment. Operations may also be interrupted by the failure of a supplier of goods or services or delayed deliveries. There are many possible scenarios which should be considered.

Identifying and evaluating the impact of disasters on business provides the basis for investment in recovery strategies as well as investment in prevention and mitigation strategies.

The BIA should identify the operational and financial impacts resulting from the disruption of business functions and processes. Impacts to consider include:

Lost sales and income

Delayed sales or income

Increased expenses (e.g., overtime labor, outsourcing, expediting costs, etc.)

Regulatory fines

Contractual penalties or loss of contractual bonuses

Customer dissatisfaction or defection

Delay of new business plans

Timing and Duration of Disruption

The point in time when a business function or process is disrupted can have a significant bearing on the loss sustained. A store damaged in the weeks prior to the holiday shopping season may lose a substantial amount of its yearly sales. A power outage lasting a few minutes would be a minor inconvenience for most businesses but one lasting for hours could result in significant business losses. A short duration disruption of production may be overcome by shipping finished goods from a warehouse but disruption of a product in high demand could have a significant impact.

Hazard Prevention and Deterrence

Many hazards can be prevented. Workplace accidents are a good example. A comprehensive accident prevention program can reduce the frequency of accidents dramatically. Most fires can be prevented. Spills of hazardous chemicals can be avoided. Business disruptions resulting from machinery breakdown can be prevented by following the manufacturer’s recommendations for inspection and maintenance.

Resources for hazard prevention include OSHA’s free on-site consultation for small business. OSHA also provides many resources to evaluate and improve workplace safety. Many insurance companies provide free workplace safety, property loss prevention and other assistance for their policyholders. Check with your agent, broker or underwriter to see what services are available. Contact your local fire department’s fire prevention division for assistance with fire prevention.

Deterrence is a strategy to prevent criminal activity. A building with clear lines of sight and lighting around its perimeter is not an easy target for criminals. Security of all entrances and screening of visitors, contractors, employees and packages is another element in a good security program. A properly designed and installed intrusion detection system provides a measure of deterrence and can provide notification of unauthorized entry. Security begins with every employee. Consider providing basic training for all employees so they know how they can contribute to a secure workplace.

Cyber or information security should be a part of the security program. Installation of antivirus and anti-spyware software and maintaining strong firewalls are essential to protect network and information security. Keeping computers updated with the latest operating system and application “patches” should be part of the cyber security program.

Natural hazards such as flooding, earthquakes and hurricanes cannot be prevented. However, there are still opportunities to reduce damage from natural hazards.”

Information above taken from website: FEMA Business Impact Analysis

Based on the readings and research/analysis for the organization chosen and framework developed in Module 2, Answer the following:

Define at least two hazards to address.

Conduct a brief business impact analysis that identifies:

Sensitive and critical processes

Resource requirements to support

Hazard prevention and deterrence—what is the risk mitigation strategy for these hazards?