

# **SOLUTIONS FOR SMALL BUSINESS**

Report Series

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## **Business Continuity Strategies for the Small Business Market**

*Solutions for Small Business Reports are designed to demonstrate how new technologies enabled by cable providers help small business owners and managers address key challenges, solve problems and achieve mission critical objectives.*

*More resources can be found at [solutionsforsmallbusiness.com](http://solutionsforsmallbusiness.com)*

*Business continuity/disaster recovery (BC/DR) strategies are affordable for small businesses and are well worth the risks they mitigate.*

## **Business Continuity Strategies for the Small Business Market**

In order to be in business, you need to stay in business. Sounds simple enough, but the truth of the matter is that too many small businesses consider serious IT business continuity (and its cousin, disaster recovery) a luxury that only large organizations can afford.

Ask typical business owners to describe their strategy for maintaining operations in the event of a disruptive catastrophe, and you will get one of two responses:

- They point to their temple and say “It is all right here in my head”; or
- They look blankly back and ask why they should really care. “After all, what are the chances that some event will take us out of business?”

In one survey of small business owners and executives conducted on behalf of the Department of Homeland Security, 91 percent of respondents stated that they believe it is “very” or “somewhat” important for businesses to take steps to prepare for a catastrophic disaster, such as an earthquake, hurricane or terrorist attack. However, only 38 percent said their business had an emergency plan in place in the event of a disaster.

Further corroboration of this sentiment is reflected in a survey, conducted at America’s Small Business Summit 2010, held May 17-19, 2010 in Washington, D.C., which found that nearly half of small businesses are operating without a business continuity plan.<sup>1</sup>

It is an attitude that is not only dangerous, but counter-productive. There are technologies and business practices today that not only make business continuity affordable, but they can actually improve the level of service that many small businesses provide to their customers and clients.

Thus, far from being a waste of time and money, modern business continuity/disaster recovery (BC/DR) strategies can help organizations streamline operations, improve ongoing availability of service to customers, and actually reduce the cost of certain infrastructure investments, such as physical and digital storage and network resources.

<sup>1</sup> <http://continuitycentral.com/news05221.html>

More importantly, BC/DR offers small business owners a very practical way to understand, manage and mitigate risk without absorbing a huge expense.

### **The Way We Were**

To be fair, BC/DR has not always been a straightforward proposition. In a paper-based manual and analog world, ensuring continuity of operations and ongoing access to critical information and communications resources was a labor and resource-intensive proposition.

*In the manual and analog world of the past, “backing up” meant making paper copies and renting storage facilities, both costly and time-consuming.*

“Backing up” an office, store, warehouse, or even a medical or legal practice involved making copies of critical documents (or typing everything up in triplicate), paying the rent for storage facilities, making investments in redundant equipment, establishing a secondary staging /location from which to resume operations; and/or documenting existing procedures, and creating contingency plans for replicating capacity in an emergency setting using what would usually be a diminished emergency state.

In general, BC/DR seemed to call for redundant and costly investments in time and money. Moreover, if the cutover to an emergency situation was going to work, the emergency process would need to be drilled on some sort of regular basis so that people would know where to go and what to do in the event of an emergency.

For small businesses operating with lean staffs, lean budgets and even leaner reserves of patience, owner operators could be forgiven for paying business insurance premiums, and simply collect a settlement check and rebuild the pieces of their lives and their business from scratch in the wake of a catastrophic event.

### **An Economic Survival Imperative**

But times have changed in several important ways. For one thing, the percentage of the economy that is dependent upon small businesses for an array of critical functions is growing. The employees and business partners of small businesses are increasingly critical to local, regional and even national economies.

If this lesson was forgotten in the wake of the terrorist attacks in New York City and Washington, DC, we were reminded of the importance of small business operations after Hurricane’s Katrina, Ike, and most recently, and tragically in the same region, by the BP tragedy in the Gulf of Mexico.

*Digitization, cloud computing and communications technology, including reliable Internet, phone and cable TV service, have eliminated the barriers to BC/DR processes.*

Clinics, pharmacies, retailers, law offices, truckers and many other small businesses have played a critical role in the recovery efforts of the region. The argument could thus be made that there is a national imperative to ensuring that a resilient, as well as vibrant, small business community be in place.

Most importantly, however, is the technological infrastructure that has emerged over the past decade. The rise of digital commerce, which has affected brick and mortar businesses almost as much as the new virtual players that have entered the marketplace, has done far more than simply accelerate the ability to meet new demands and cut costs; it has fundamentally changed the very economics of BC/DR.

- **Digital commerce**, in effect, has eliminated the barriers to entry by integrating and monetizing systems and processes that support day-to-day, as well as emergency operations. How has this occurred?
- **Digitization** has reduced, if not eliminated, the need for many organizations to store paper records in facilities that can withstand a major catastrophe.
- **The growing popularity of cloud computing** among small- and medium-size businesses has built in redundancy and created the ability to logically separate applications, information and many business processes from specific business locations. More simply, people can execute more activities from almost any location. This means that if a specific locale is compromised by, for instance, a flood, many administrative functions can be performed from alternate locations without having to change the way business is normally done.
- **Communications technology links** to key resources offered by service providers – such as cable companies – are now more resilient and redundant than ever before. Owners and managers that subscribe to business services often have access to triple play communications links, including Internet, phone and cable TV service. This means that if land lines are down, wireless links may be available as a back-up...and it is already included in a service that is used routinely.

For knowledge workers, this pretty much takes care of almost all operational contingencies. On the other hand, businesses that are dependent on the integrity of a geographic location, such as retailers, clinics, warehouse operators, etc., these solutions are not quite the silver bullet. That said, the BC/DR infrastructure available today provides even brick and mortar business with the ability to return to some sort of nominal operational state, and accelerates the pace to business as usual.

*An effective BC/DR plan includes an understanding of business impact, risk assessment, communication strategy and technology/process selection.*

### BC/DR Planning

So where do we go from here? The first step is to put some thought into an effective plan that is both affordable and easily implementable. There are key considerations that owners and managers must take into account:<sup>2</sup>

- **Business Impact**
  - Analyze and document critical business processes (what they do, who does them and how);
  - Calculate the impact on the business should critical processes be interrupted; identify the dependencies for these processes (people, infrastructure, tools, records, etc.).
- **Risk Assessment**
  - Determine threats to which the organization is subject and its vulnerabilities;
  - ascertain the probability of those threats materializing;
  - Put in place controls to mitigate or reduce the risk.
- **Communication Strategy-**
  - Ensure that all key people know what to do, how and when to do it, and what to say in the event of a crisis.
- **Technology and Process Selection-**
  - Select technologies and design business processes that can work in both normal and stressed environments. This will reduce the need to make redundant investments, while ensuring that emergency operations are executed in as smooth a fashion as possible because special processes or procedures are uncalled for.

### Testing and Execution

According to analysts at Aberdeen Group, having a BC/DR plan is a good first step, but means nothing if business owners and operators stop right there. Jeffrey Hill, a senior research analyst in the data management and storage practice of the firm, points out that if the plan is not tested regularly, organizations will have no idea whether it works as expected or even at all.

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<sup>2</sup> [http://searchcio-midmarket.techtarget.com/tip/0,289483,sid183\\_gci1180131,00.html](http://searchcio-midmarket.techtarget.com/tip/0,289483,sid183_gci1180131,00.html)<sup>3</sup>  
<http://www.aberdeen.com/Aberdeen-Library/4662/RA-business-continuity-disaster-recovery.aspx>

*A BC/DR plan must be tested regularly to ensure small businesses are prepared.*

“While testing is imperative to be truly prepared, it is also extremely difficult and disruptive. Oftentimes, companies must plan a test some time in advance, hence ensuring that all groups are prepared for the system shutdown. This in itself results in a test occurring in optimal conditions, hardly what would be expected in a real emergency. However, small- and medium-size companies do not test their plans that often. Only 20 percent test their plans quarterly or more frequently, while 24 percent do not test on a regular basis at all,” says Hill.<sup>3</sup>

On the other hand, if the systems, technologies and business processes that underpin day-to-day operations are designed with business continuity in mind, emergency training is already built in to routine practices. And, conveniently, many related solutions are available from telecommunications service providers such as local cable companies.

### Conclusion

By looking for opportunities to digitize manual and paper-based processes, while embracing online resources such as storage, business applications and even communications<sup>4</sup> (all conveniently available from telecommunications service providers, such as local cable companies), small businesses can go a long way towards improving the resilience of their operations, having access to key resources, and providing services to customers and clients at any time of day or night.

Small businesses should take BC/DR seriously. It may have been true at some point in time (no more than 10 years ago) that a comprehensive and practical strategy similar in structure to those of large enterprises was beyond the reach small business operators. Today, however, new technologies, new business strategies, and new competitive imperatives have elevated both the need and the feasibility to execute effective initiatives that greatly enhance the resilience of small business operations.

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<sup>3</sup> <http://www.aberdeen.com/Aberdeen-Library/4662/RA-business-continuity-disaster-recovery.aspx>

<sup>4</sup> See Solutions for Small Business White Papers on Online Productivity Solutions and Cashflow Management at [www.solutionsforsmallbusiness.com](http://www.solutionsforsmallbusiness.com)

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### **About Solutions for Small Business**

*Solutions for Small Business* is an initiative of CTAM, the Cable & Telecommunications Association for Marketing, which is dedicated to helping the cable business grow. Cable companies supporting the initiative include: Armstrong; Atlantic Broadband Business; Bend Broadband Business; Bresnan Business Services; Bright House Networks Business Solutions; Cable One Business; Charter Business; Comcast Business Class; Cox Business; Insight Business; Mediacom Business; Optimum Business; Suddenlink Business and Time Warner Cable Business Class. Small business owners can learn about the initiative at [www.solutionsforsmallbusiness.com](http://www.solutionsforsmallbusiness.com).