

Disaster Action Plan

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From time to time, we have been called upon to participate on several companies' disaster recovery team. Their basic question is what are the necessary steps companies should consider in the event of some catastrophe (fire, earthquake, flood, terrorism, security breach, etc.)? Does your company have a contingency plan for emergencies?

In preparing for a Disaster Action Plan, several things to consider include:

1. Create an Action Plan Team:

- Talk to and partner with existing vendors and other professionals whom are experts in their fields. Special areas include telecommunications, real estate, legal, insurance, staffing, computer networking, furniture, etc...).
- Find out from each of them how certain scenarios would play out depending on the level and scope of the emergency.
- Create partnerships with these companies and get a level of understanding about what would be expected of each team member in the event of an emergency.

Revisit the plan twice a year to insure you have the right Action Team Members and the most sound execution plan.

2. Create a Communications Plan

- Designate a communications center and coordinator
- Identify staff members (internal) to communicate with employees; create a phone-chain.
- Create different levels of emergency plans based on various situations: non-life threatening emergencies (power loss or severed phone lines) or more catastrophic situations caused by wide spread tragedy (earthquakes or terrorism).
- Have a written plan and communicate it with employees and the Action Team on a regular basis.
- How will the company's customers be contacted and what resources will they have in order to continue buying the company's products or services?

Communication is paramount during crisis.

3. Emergency Relocation Plan

- Under extreme conditions, what kind of relocation plan would you have? Where would the company locate (based on where employees live) in an emergency? How many people would likely be involved? Could a work-at-home program work? If so, are employees able to access information remotely?
- If an emergency only effects your Downtown location, for example, what other areas of the region should you consider if you had to relocate? Are you best suited to lease offices at a Regus Business Center or HQ Global Workplace or would you need fully built-out offices for 50 or more

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people? How long should you expect to occupy the space? What landlord is going to be best equipped to make fast decisions and execute a lease?

- What will the company do for office furniture and equipment if forced to relocate?
- What about computer hardware and software? Is there back up storage readily available?

Following the September 11th disaster, there are many stories of company's frantically locating office space. One company rented a significant amount of rooms in a Manhattan hotel, moved the bedroom furniture to storage and moved in temporary furniture and equipment. In this case, the space was readily available, every room was networked for voice and data, and they had the flexibility to occupy the space for as short or long as needed. Every hour of downtime could mean millions of dollars of lost revenue.

In establishing an Emergency Contingency Plan, consider establishing geographic diversity. Is there a regional office that can support or sustain your business and communications during an emergency? With my Emergency Contingency Clients, they've asked me to submit reports on office space that is readily available in certain St. Louis sub-markets.

4. Know Your Lease and your landlord

- How is your lease currently written and what protections to you have in the event of a simple or significant emergency. In many leases, tenants don't spend enough time negotiating their rights in the event of an emergency. In most cases, it's only the landlord who has the right to terminate a lease if the premises can't be restored, not the tenant. For example, if your office building was significantly damaged by fire (and your business can't function), typical leases usually required to pay rent until the time the premises have been restored or the landlord has determined that it can't be restored. Sometimes, the lease will grant periods of abatement while the space is being rebuilt but abatement doesn't begin until 30 to 60 days from the date of destruction. This could result in months of disruption.
- Try to negotiate into your lease certain security standards and procedures that your landlord must follow. Incorporate sections of your company's emergency plan(s) in to the lease to insure continuity in the event of emergency.
- Make sure your company's insurance is equipped for emergency situations. Aside from standard casualty insurance coverage, consider business interruption insurance, delayed profits insurance, leasehold insurance, and lease termination insurance.

In considering a Disaster Action Plan, the main objective is to be as prepared as possible. Pre-planning, asking for assistance, creating a team and thinking through possible scenarios will insure a speedy recovery in the event of emergency.