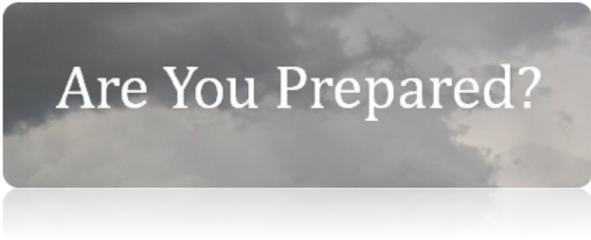


STEP 1: IDENTIFY AND ASSESS RISKS

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Have A Plan



Are You Prepared?

Recovery action plans begin with risk assessment. Your ability to respond quickly to any type of business disruption could make the difference between staying open or closing. The best way to ensure a better outcome after a disaster or disruption is to have a plan that is grounded in a realistic assessment of your risk.

Recognizing Real Threats

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Have A Plan

- Anticipate the types of risks that may impact your business
- Assign probability
- Record the risks in the Risk Assessment section of your Disaster Recovery Plan



Assessing risk is not complicated and doesn't require a consultant or expert. A realistic risk assessment allows you to anticipate the types of risks that may impact your business so you can prepare for them and reduce the impact they have on your continuing operations. By giving serious thought to the types of events that may disrupt your business or your location – and how likely they are to occur - you can start to assess risk. Assigning probability of occurrence to the risk helps you to anticipate the right level of preparation necessary. Think about roads, bridges, electrical power, and land-line phone service that could be impacted, even if your facility is not and how that might alter your business operations. Then, record this information and calculate the impact value these events may have on your business.

How to Assess Risk

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Have A Plan

PREPARE MY BUSINESS RISK ASSESSMENT

To plan for recovery you must understand what risks threaten your organization and employees. This assessment checklist will guide you through identifying and rating these risks. You can then focus mitigation efforts on risks with higher importance, which is calculated by multiplying the probability (increasing 1 to 5) and impact (increasing 1 to 5) ratings. Use the blank rows to write in any other threats unique to your organization. Focus only on direct threats to your organization. Do not include secondary challenges.

Risk	Importance		C
	P	I	
EXAMPLE: intruder enters to building	Probability 1	Impact 5	5
EXAMPLE: transformer hit by lightning, power out	Probability 2	Impact 3	6
Power outage: consider whether your facilities to restore quickly	Probability	Impact	
Lead enters to building, due to pest and quarantine, crime scenes, etc.	Probability	Impact	
Critical equipment failure: examples are email server, key file server, fax or A/C	Probability	Impact	
Phone/fax/internet outage: cut cable, phone company power line, phone service down	Probability	Impact	
Wax, solvents, nearby building fires, and chemical fires are possible sources	Probability	Impact	
Tornado and other high winds: impact increased if building is not stormproof	Probability	Impact	
Waves: may represent regional flooding from coast or surge, for cities/beaches	Probability	Impact	
Natural/seasonal storms: ice storms represent similar risk for other regions	Probability	Impact	
Insufficient power supply chain effects, not just your own building	Probability	Impact	
Employee absences: those with unique skills or special needs for family	Probability	Impact	
Mass absences: pandemic or transportation breakdowns are threats	Probability	Impact	
Earthquake/fault: heightened risk if near highways, railroad, airport, chemical plant	Probability	Impact	
Terrains: communications and transport likely to cause secondary challenges	Probability	Impact	

- Start with a risk assessment worksheet
- Assign probability and impact ratings (1-5)
- Multiply the numbers for *probability* and *impact*
- Results will identify areas of higher importance

This is your first plan worksheet.

To calculate the impact value, start with a worksheet that can help you identify the types of risk you face. This assessment checklist guides you through identifying and rating these risks. Then focus mitigation efforts on risks with higher **importance**. The risk importance is calculated by multiplying the numbers for **probability** (on an increasing scale of 1 to 5) and **impact** (on an increasing scale of 1 to 5). Use the blank rows to write in any other threats unique to your organization. You will consider risks to your supply chain in a separate checklist, so here you should focus only on direct threats to your business and employees.

Risk Assessment

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Have A Plan

Now that you have an understanding of the purpose of [reason for] the risk assessment, download the Risk Assessment worksheet and complete it.