



ANSWERS: Small Business Preparedness Quiz

- 1. A business continuity plan is:**

A definitive market place advantage. Not only will having business continuity plan help you survive and recover, it may even help you thrive. Remember the Bubba-Gump Shrimp Co. from the movie “Forrest Gump”? Disaster may actually create business opportunity for you, but only if you are prepared.
- 2. What is the easiest, most cost-effective method to protect your business against asset loss and ensure a speedy recovery after a disaster?**

Provide for insurance that will be sufficient to cover any loss of assets and review it annually to confirm it’s still relevant to your business. Having established and maintaining adequate insurance coverage with a reputable company will be an easy, cost-effective way to protect your business.
- 3. The very first step in preparing your business continuity plan is:**

Understanding your business. You cannot protect what you do not understand. Ask yourself questions like “What defines my revenue stream?” or “What are the critical components of my supply chain?”
- 4. Of all of your business resources, the most important are:**

My employees. I can’t do the work all on my own. Even one-person companies tend to rely on someone, usually a friend or family member, to help from time to time. In larger companies, employees are considered the most important of all resources. Data, without employees to manage it, is useless. On the other hand, employees, even without data are usually creative enough to find work-arounds to keep the business going.
- 5. One of the least understood, yet most important aspects of business continuity planning is:**

The interdependencies that exist in business. Interdependencies exist in every business. These are usually defined as Critical Inputs: those things you need from others to do your work and Critical Outputs: those things you produce that are needed by others. Failure to recognize and understand the relationship of interdependencies and their effects on your business can exacerbate the crisis of a disaster.

6. Along with data protection, what other document protection should you consider?

Vital records protection. Nearly restoration efforts will require various forms of documentation. Additionally, there may be documentation that is required by law to be kept for a time period. Documentation of business transactions or those of a legal nature are also vital. All of these forms of documentation should be protected from destruction and stored long-term in some kind of well-protected document storage facility. A variety of companies specialized in vital document protection and restoration.

7. There are many financial benefits to using the Just in Time (JIT) method of inventory management. What is one of the business continuity concerns with using JIT?

Shipments may be interrupted for a period, causing me to run out of inventory. JIT means that you have only enough of what you need for a short period of time before another shipment arrives. If the transportation system is disrupted, there is a union strike from the delivery drivers or any other event which interrupts your supply chain; you may not be able to meet your customers' needs. History has shown that customers will find a way to keep their needs met, even if it means leaving a long-time favored merchant.

8. What would be a good question to ask your critical supplier?

What are your plans for ensuring that you can continue to supply me? If you rely on this supplier to provide something that is critical to your business operations, it would be a good idea to make sure they have business continuity planning to ensure they can support you in the event of a disaster.

9. During a disaster, my employees most important concern will likely be:

Their family. Employees will be concerned about their family's well-being. This may be physical health, emotional health or even financial health. Train employees to be prepared for disaster and you are more likely to have them focus on your business rather than worry as much about their families.

10. Once you have a business continuity plan put together, you should:

Test the plan to confirm it. Once you have your plans, you must test them. Move the concepts from the theoretical to the practical. Confirm or reject your assumptions against reality. Until you have tested your plans, all you have is a collection of guesses and assumptions.