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CRS Member Connect Online Exclusive: Disaster Recovery Plans

Preparing for the Worst

As residents of the Southeastern U.S. clean up from Tropical Storm Fay, many small businesses in the region must come to terms once again with the challenges that a storm of that magnitude can bring. For small-business owners, the difference between a fast recovery and the failure to recover at all often hinges on whether or not they have a solid disaster recovery and business continuity plan in place before such a calamity — or even a brief computer network outage — strikes.

But a recent survey commissioned by Office Depot shows that 40 percent of small business owners admit they are not prepared for a major business interruption and one-third say they have no plans to draft a disaster recovery plan. That's remarkable, considering the Institute for Business & Home Safety finds that one-fourth of small businesses that close because of a fire, flood or other disaster never reopen, while 40 percent of them close within five years.

To ensure the continuity of your business and avoid becoming a statistic, it makes good sense to create and maintain an emergency plan that includes, at minimum, a list of alternative working spaces, emergency phone numbers and, most importantly, the processes and procedures you'll need to protect vital business data.

Olivia McClellan, CRS, of Triple8 Associates, Inc. in Las Vegas, says a comprehensive business continuity plan can be the lifeline that keeps a small business afloat when disaster strikes.

“Advance planning of how you will resume business operations and restore critical data can determine the survival of a company,” says McClellan, who is a Certified Business Continuity Professional. “Planning is imperative in our industry, because most real estate brokerages are small businesses reliant on technology for business-critical operations and infrastructure, including digital client databases, paperless file systems, and online banking records.”

McClellan ought to know. She was the certified business continuity coordinator for an international financial services company following the Sept. 11 terrorist attacks. She worked closely with the local police, fire and security staff to write, deploy and test the company's continuity program, which covered real-world concerns, such as evacuation and emergency safety training drills, in addition to computer network back-up and redundancy plans.

Although most small businesses don't require a continuity plan that is quite so extensive, the basics remain the same. “The training I received while working as a certified business continuity coordinator [helped me when the time came to] implement a similar business continuity and disaster recovery plan for my brokerage at Triple8 Associates, albeit on a smaller scale.”

The Plan

McClellan believes data redundancy, which involves keeping multiple back-up versions of business-critical files, is the cornerstone of a good business continuity plan. "Our reliance on technology makes data redundancy vital to our survival," says McClellan.

The agents in McClellan's office carry their laptops with them at all times, which protects their data in case of a fire or other disaster at their home or office. For example, "If an agent opens escrow and turns in a paper file to the broker, with no plan, and then the office burns down, the file must be re-created," she says. "If, on the other hand, as part of your business continuity plan, all files are scanned and input into a paperless system which is Web-based or duplicated on a server level and regularly backed up, that same fire does not have the same severe impact on your business."

Also, all agents in McClellan's office are required to back up their PC's hard drive onto a USB drive nightly. Agents convert paper-based client files into PDFs, which are stored offsite using an online data storage service. "Additionally, the third-party online transaction-management service also does daily backups on a server level so there is redundancy," McClellan says.

When a property transaction is closed, agents burn three CDs or DVDs with the client's files, notes, e-mails and images from the transaction. One is stored at the office, one is stored at McClellan's home and one is given to the client.

"All of our data is available to me anywhere 24/7 via the Web, and is backed up both on my personal system and through the third-party service providers on a server level," says McClellan.

Low-Cost Security

Of the 40 percent of small business owners who indicated in the Office Depot survey that they were not prepared for a disaster, 37 percent said they had simply not taken the time to do so, 17 percent felt it was too expensive, and 11 percent said they don't know what to do. However, of the 5,000 respondents, the nearly two-thirds (61 percent) who said they *do* have a disaster recovery plan in place said it was because they acknowledged that crafting one does not have to cost a lot of money or time.

"Today's real estate agent should be mobile and be capable of receiving e-mails, faxes and completing contracts anywhere at any time," says McClellan. "We can use that same technology to ensure redundancy protocols so no matter what we face, our clients will be well served and our business will be secured."

Disaster Recovery Planning 101

Don't know where to start? BusinessWeek.com has some helpful hints to ensure the survival of your small business after a disaster of any magnitude.

- Determine how long employees can work from home, and research companies in your area that rent out office space and/or meeting rooms.
- Plan to reroute incoming calls to your temporary office location.
- Have employees keep copies of emergency phone lists and make sure to update them periodically.
- Decide how you will back up your data. There are typically three ways: computer tapes, online data storage and Internet services that make real-time copies while also storing your programs and applications.

By Kathryn Rudziensky, a staff writer for The Residential Specialist magazine and CRS Member Connect.

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