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Is Your Company Prepared For A Disaster?

It Can Come In Many Forms: Storms, Attacks, Death

Wisconsin State Journal :: CAPITAL REGION BUSINESS JOURNAL :: 2

Friday, February 1, 2008
By Ellen Williams-Masson

When Ron Fruit pulled the main circuit breaker and silenced WRCO Radio, it was one of the lowest moments in his broadcasting career with the station. Foresight and contingency planning helped ensure that it wasn't his last.

Fruit, general manager and owner of WRCO AM1450/FM100.9 Radio in Richland Center, was hunkered down with his staff behind a sandbag barrier last August, relaying storm updates to the surrounding community as floodwaters rose from the nearby Pine River.

As conditions steadily worsened, WRCO employees moved most of the transmitting equipment to higher ground, leaving behind only the essentials needed to stay on the air.

After lightning knocked out the FM transmitter and the station flooded, they packed the remaining equipment on a boat and moved operations to their transmitter facility, where the station was back on the air three hours later. WRCO is currently broadcasting from temporary office space while awaiting repairs to the radio station.

The 1940s building had weathered three previous floods without damage. Fruit credits community support and the preparations he and his crew made after the area's last flood for their ability to stay on the air and continue serving listeners in southwestern Wisconsin during, and after, the crisis.

"We had talked in 1992 about what would we do if this happened again - hoping it wouldn't, but figuring it would - and so we had purchased plastic, caulk and other supplies," Fruit said. "We had made some plans about how would we stay on the air if we had to leave the radio station, and how we would try to keep water out of the station if that was a factor."

An estimated 25 percent of businesses fail to recover from a major disaster, according to the Institute for Business and Home Safety, but Capital Region businesses that plan for the worst will be much more likely to survive the next calamity.

DISASTERS CAN COME IN MANY FORMS

Rex Koderl, of the Small Business Development Center at UW-Madison, teaches a disaster planning class and reminds businesses that disaster can come in many forms.

"Disasters are not necessarily tornadoes, thunderstorms, earthquakes, hurricanes and things like that," Koderl said. "Disasters can also be if you have a partner die, or if your CEO dies, or if the special shipment that you had coming in for your sale next week was caught up in a snowstorm. Disasters can affect you from a lot of different ways."

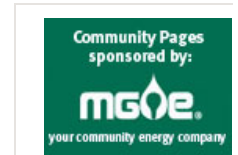
Small businesses may be tempted to place contingency planning on the back burner, but Koderl said that disaster planning should be a part of routine business practices.

"During the normal business operations if they would just donate a small percentage of time to say, 'What if it goes the way we planned?' 'What if it does not go the way we planned?' or 'What if it goes better than the way we planned?'" he said. "Just asking those three simple questions can avoid problems for a lot of people."

FIVE LIKELY THREATS

Sandra Schettl, senior vice president of operations at Park Bank, said that their organization plans for complete disasters but also focuses attention on the five most likely threats for a financial institution in this area:

- * Equipment failure
- * Interruption of utilities



- * Human error
- * Weather
- * Facility damage

Park Bank stores electronic records in multiple offsite locations including their data processor, and they have detailed contingency plans for various scenarios. Banking operations could be switched from one location to another if needed, and many of the organization's 12 locations have fully furnished lower levels that could be used to accommodate surplus staff.

"When you talk about business continuity, you have to talk about the entire bank," Schettl said. "It's not just the teller line – you have to look at all the different access points. Our number one goal is to make sure our customers do not feel the impact of any interruption."

A DISASTER CAN CLOSE DOORS

Advanced planning to coordinate emergency response efforts within the community can help ensure that a business isn't an island in a crisis.

Schneider National Inc.

, based in Green Bay, employs 21,600 people and is a global provider of truckload and intermodal services.

Bill Marotz, Disaster Recovery/Business Continuity coordinator, explained a formal agreement his company recently inked with Ashwaubenon to coordinate emergency response efforts within federal Incident Command guidelines developed to standardize on-scene management.

"We sat down with the Department of Public Safety and looked at the whole Incident Command structure they have," Marotz said. "We wanted to make sure that Unified Command has a liaison from our coordination team, and that as they break into the various subsections within Unified Command that, where applicable, we have our people, our public relations and our emergency responders, working with external emergency responders."

By keeping Schneider personnel in the loop during a disaster, the company would be better prepared to protect its employees as well as vital components of the business, such as their firewall-protected corporate data center.

"If they cut off power to the building, they could disrupt our machinery while we are trying to (transfer) over to our backup data center or get some last minute support transferred out," Marotz said.

"We are a global organization – we support Europe and Asia – we can't just have them do that if there is a way that we can keep that running while we do our own internal recovery."

The agreement between Schneider National and Ashwaubenon Public Safety was facilitated by a federally funded program to encourage partnerships between the public sector, businesses and nonprofit organizations for joint crisis management.

Program Director Brit Weber at Michigan State University said the Critical Incidence Protocol is being used in 21 states and 34 communities, including Brown, Dane, Eau Claire, Milwaukee and Racine counties in Wisconsin.

"We get people willing to play in the sandbox together, so to speak, and bypass either political, financial or other conflicts that there might be," Weber said.

HOW AREA BUSINESSES PLAN FOR DISASTER

The local effort in Dane County includes dozens of public and private entities and is being cosponsored by Dane County Emergency Management, American Family Insurance, MATC, Oscar Mayer/Kraft and Target.

J. McLellan, population protection planner at Dane County Emergency Management , said community building is essential since emergency response to large-scale disasters involves businesses and government working together.

"Rather than meeting at two o'clock in the morning in a rainy parking lot and introducing yourself, that familiarity is well worth the time and effort," McLellan said.

"It can seem rather easy to forget that businesses are part of your community when responding (to emergencies). It comes down to identifying resources and knowing who has what resources, and who can do what with what they have."

American Family Insurance has been an integral partner in the Dane County collaboration, which business continuity and safety director Dave Bertsch said builds solidarity within the community.






"It's a very good awareness campaign to understand what kind of resources are out there with some of our other businesses as well as understand each others' planning processes and functions and how we might be able to all support each other if we did have a large-scale crisis," Bertsch said.

The main focus of continuity planning within the American Family organization is to protect the company's most important asset – its employees – with employee training and a solid life safety plan.

Beyond that, Bertsch said that understanding and mitigating potential risks is key to business survival.






"Part of the planning process is doing a business impact analysis and looking at different types of crises that might impact the organization, and what that impact might look like operationally or financially," Bertsch said. "Then it's a matter of developing a continuity strategy – what is it we are going to do as an organization if, in fact, we have a crisis occur?"

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American Family maintains detailed continuity plans at all department levels to account for thousands of business processes, with built-in redundancies to allow for internal recovery should disaster affect one of their facilities. Testing the plans and keeping them up to date is also an important part of continuity planning, which Bertsch said should be an ongoing process.

"People change, processes change and functions change," he said.

"There is a lot of diligent work that has to go in to ensure that it's always up to date and accurate at any given time, because of course you never know when that crisis may impact your operation."

International companies like Kraft Foods, which has facilities all over the world, may have increased exposure to disaster but also benefit from the broadened scope of the organization.

"This diversity makes disaster management easier in that the risk is spread, and we can learn from other locations," said Nick Merigglioli, president of Oscar Mayer, a brand owned by Kraft Foods.

"Due to our size, Kraft Foods has experienced disasters at various locations including tornados, floods, power losses, etc. We have been able to take key learnings from events in other locations and countries and apply them to planning here."

PERIODIC DRILLS HELD

Even the best-laid plans would go awry without electricity, and Madison-based Alliant Energy has a crisis management team with emergency operation centers ready to handle any threats to the power grid.

"We perform periodic drills and tabletop exercises of our continuity plans to make sure that our plans are complete and executable," said Steve Lipshetz, Business Continuity consultant.

"Our IT area has very lengthy and detailed disaster recovery plans for rebuilding our systems and our field office personnel – the people who actually keep the lights on and the gas flowing – have very detailed emergency operations plans that they execute if our customers are disrupted. They also have regional command centers that they set up during a customer outage or disruption."

Lipshetz was working for an insurance company in New York City during the terrorist attacks on Sept. 11, 2001, and said "things got very intense for business continuity planning" after the nation got a wakeup call to the potential for disaster.

The Department of Homeland Security and many of the federal guidelines for disaster planning were created as a reaction to the events of 9/11, including the Incident Command System followed by emergency responders. McLellan said 9/11 changed assumptions from "what if" to "this is," making cooperation the best strategy for businesses and individuals alike.

"The bottom line is, you make a friend before you need a friend," McLellan said. "Getting together and figuring out what you can do ahead of time, planning and building those relationships, that is what is going to make you stronger and more resilient. Your first, best, last line of defense anywhere is your neighbors."

CHECK INSURANCE COVERAGE

Steve Hlavacek, general manager of the Stoughton Country Club, said insurance coverage was the "lifeline" that helped get golfers back on the links after a series of tornados in 2005 destroyed the clubhouse, golf course and almost two-dozen surrounding homes.

"If we hadn't had business interruption insurance, we'd be done," Hlavacek said. "Our golf course is still wonderful (because) things can be fixed."

Helping businesses find that light at the end of the tunnel is the specialty of crisis management consultant Walter C. Clark of Spring Green. Clark has military, government and private sector experience in crisis response planning.

"No organization will ever be immune from crime, terrorism or natural disaster," Clark said. "I believe that emergency and crisis response planning is all about corporate responsibility."

MAKE PLANS

Ron Fruit at WRCO Radio and his wife, Beth, are remodeling the station based on lessons learned during last summer's flooding in order to "control their own destiny" as much as possible.

Although they would prefer to move the station to higher ground, the Fruits are already financially committed to upgrading the station's FM signal. In the meantime, they have made contingency plans with Richland County Emergency Management to broadcast directly from the Emergency Operations Center at the county courthouse if necessary during the next crisis.

"You'd like to be able to go on vacation without having to worry 'What if it rains?' and not have that cloud of uncertainty hanging over your head," Fruit said. "If we can eliminate that threat, it would be nice to do so, but until such time, we are going to do all we can to minimize the risk that we have."

