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# Continuity and contingency planning

Continuity and contingency planning is about being prepared for all types of disruptions, for example, an earthquake, broken equipment or losing a supplier — and quickly getting back on your feet.

Use this step-by-step guide to get your plan sorted. It's vital to your business's survival.

# Business Continuity Planning = Plan B

A business continuity plan (BCP) pinpoints the most important parts of your business, identifies potential risks to these critical pieces and prepares you to recover as quick and easy as possible. Contingency planning is a crucial part of continuity planning — it means having a backup if your original plan no longer works. It's your plan B.

Your BCP shouldn't be limited to what to do after a natural disaster. It should cover any risks or threats that could disrupt your most important business activities.

# Watch: Plan for the unexpected

**Video transcript: Plan for the unexpected**

[Audio/Visual: Upbeat music starts playing with blue introduction screen with white business.govt.nz logo. The words "Plan for the unexpected" appear on screen for a few seconds. The screen cuts to a profile shot of the male presenter against a blue background. He is wearing an ivory blazer over a white dress shirt.]

It's never a bad idea to prepare for the unexpected,

[Visual: the letters "BCP" appear on the top right of the screen in white, bold letters. Bellow this, the acronym is spelt out: "Business Continuity Planning". This stays on screen for a few seconds.]

and business continuity planning is a plan B for your business. It pinpoints the most important parts of your business, identifies potential risks to these critical pieces and prepares you to recover as quickly and easily as possible.

[Visual: the screen cuts to an upper body shot of the presenter.]

Business owners aren't legally required to do business continuity planning, but there are many reasons to put time and energy into it.

[Visual: the screen cuts to a profile shot of the presenter.]

it's important to note that a continuity plan is different from emergency planning.

[Visual: the screen cuts to a shot of the defence force wearing high-vis vests. The back of one of the vests says "Response Manager". After a few seconds, the shot changes to a broken, twisted train track covered in fallen trees. After a few seconds, the shot changes to the New Zealand Navy loading bags and supplies onto a boat.]

While emergency plans cover in-the-moment procedures in a crisis, like a natural disaster, business continuity planning, or BCP, covers how you'll get core parts of your business up and running again.

[Visual: the screen cuts to an upper body shot of the presenter against a blue background. A title appears in the top right "BCP step-by-step guide". This disappears after a few seconds]

So, here's a step-by-step guide to business continuity planning.

We're going to ask you a range of questions and we recommend that you note down your answers, and then form this into the first draft of your BCP.

[Visual: the screen cuts to a profile shot of the presenter on the left-hand side of the screen. A title appears on the top right of the screen in white, bold text "Step 1 – Identify key products or services". Below the title, bullet points appear as the presenter lists them:

- Risks to profitable activity]

Step 1. Identify key products or services

What are the biggest risks to your most profitable activity? How can you reduce these risks?

[Visual: the bullet point changes to:

- Essential to key activities]

What is essential to produce or carry out these key activities, like. raw materials, or a fully functioning website?

[Visual: the bullet point changes to:

- Least profitable activity]

What is your least profitable activity? Are you prepared to pause or stop this until you get back on your feet?

[Visual: the bullet point disappears and the title changes to "Step 2 – Identify key internal people. Below this, bullet points appear as the presenter lists them:

- Staff or business partners]

Step 2. Identify key internal people

If you have staff, could your business continue without some or all of them on deck?

[Visual: the bullet point changes to:

- One person for key tasks]

Does your business rely heavily on one person for key tasks? What happens if this person is unavailable?

[Visual: the bullet point changes to:

- Temporary staff]

How might you get temporary staff at short notice?

[Visual: the title changes to "Step 3 – Identify key connections". Bullet points appear below the title as the presenter lists them:

- Suppliers, providers, clients]

Step 3. Identify key connections

These might be suppliers, service providers, clients or regular customers.

[Visual: the bullet point changes to:

- Robust supply chain]

How robust is your supply chain?

[Visual: the bullet point changes to:

- Backup suppliers / manufacturers]

If your business relies on external suppliers or manufacturers, do you have a backup if something goes wrong?

[Visual: the bullet point changes to:

- Alternative transport solutions]

If your business uses transport to deliver products or services, what are your alternatives if something goes wrong?

[Visual: the bullet point changes to:

- Good relationships]

Who might help you get back on your feet?

[Visual: the bullet point changes to:

- Access premises or IT systems]

Who can help if you can't get into your premises or IT systems?

[Visual: the title changes to "Step 4 – Identify essential equipment and supplies". Below this, bullet points appear as the presenter lists them:

- Rent alternative equipment or premises]

Step 4. Identify essential equipment and supplies

If you rely on your own equipment to make products, could you borrow or rent alternative equipment or premises if yours are out of action?

[Visual: the bullet point changes to:

- Suitable staff devices]

Could your staff use their home computers for work if business computers are unavailable

[Visual: the title changes to "Step 5 – Consider relocation options". Below this, bullet points appear as the presenter lists them:

- An alternative site or home]

Step 5. Consider relocation options

If you need to vacate your usual premises unexpectedly, how can you keep your business ticking along?

Could staff work from an alternative site, or from home, if your premises can't be used?

[Visual: the bullet point changes to:

- Communicate with customers]

If you need to move, how can you best communicate with your customers about your new location — and from your new location?

[Visual: the title changes to "Consider insurance options". Below this, bullet points appear as the presenter lists them:

- Business interruption insurance]

Step 6. Consider insurance options

What could go wrong with your business or at work? Is it covered by insurance? Business interruption insurance can help to cover losses after an emergency.

[Visual: the title changes to "Identify who would run the business in your absence". Below this, bullet points appear as the presenter lists them:

- Who takes over important tasks?]

Step 7. Identify who would run the business in your absence

If something takes you or another important team member away from the business, who can take over those important tasks?

[Visual: the bullet point changes to:

- Each member's role]

If there's a major disruption, what is each member's role in getting the business back on its feet?

[Visual: the title changes to "Step 8 – keep contact details handy". Below this, bullet points appear as the presenter lists them:

- Staff
- Emergency services
- Clients and suppliers
- Insurance details
- Security company
- Neighbouring businesses]

Step 8. Keep contact details handy

Do you have emergency contact details handy? This list may include staff, emergency services, clients and suppliers. You may also include your insurance details, security company and neighbouring businesses.

[Visual: the title changes to "Step 9 – back up important data". Below this, bullet points appear as the presenter lists them:

- Customer details
- Emails
- Files
- Spreadsheets]

Step 9. Back up important data

What data — customer details, emails, files and spreadsheets — are critical to your business?

[Visual: the bullet points change to:

- Personnel files
- Bank details
- Tax documents]

What sensitive data — personnel files, bank details, tax documents — do you need to keep safe?

[Visual: the bullet point changes to:

- Hard drive
- Server
- The Cloud]

Do you regularly back up data on a hard drive, server or in the cloud? If you don't do this already, it's a good time to start!

[Visual: the title changes to "Step 10 – Put it into practice]

And finally, step 10. Put it into practice

Much like emergency plans, a business continuity plan shouldn't just sit on the shelf. It needs to be tried and tested at least once a year. This doesn't need to be expensive or time-consuming.

[Visual: a link, "getready.govt.nz/prepared" appears on the bottom right of the screen.]

For a downloadable guide and template that walks you through important steps of BCP, see the Wellington Emergency Management Office website Get Prepared.

[Audio / Visual: The music slowly fades out while a blue outro screen appears with the business.govt.nz logo in the centre of the screen. This logo disappears and the Ministry of Business, Innovation, and Employment logo

appears on the left-hand side and the Te Kāwanatanga o Aotearoa, New Zealand Government logo appears on the right-hand side.]

[Video ends]

# Watch: Building a resilient business

**Video transcript: Building a resilient business**

[Audio/Visual: Upbeat music starts playing with blue introduction screen with white business.govt.nz logo. The words "Resilience tips to build a strong business and future" appear on screen for a few seconds. The screen cuts to a profile shot of the male presenter against a blue background. He is wearing an ivory blazer over a white dress shirt.]

Resilience is a company's capacity to absorb stress, recover critical functionality, and thrive in altered circumstances.

[Visual: the screen cuts to a shot of a busy café with customers sat down at tables and waitstaff taking orders and delivering food.]

As the business environment grows more dynamic and unpredictable, resilience is only becoming more important.

[Visual: the screen cuts to a shot of two woman sitting with a laptop at a dining table and taking notes.]

Building a resilient business is about planning and developing routine practices to become more resilient.

[Visual: the screen cuts to a profile shot of the presenter. The words "Building a resilient business" appears on the top right in bold white text. This disappears after a few seconds.]

Here are some simple, practical, steps that will get you well on the way to surviving in a crisis and, potentially, also thriving in the aftermath.

[Visual: the screen cuts to an upper body shot of the presenter on the left side of the screen. The words "Step 1: Be alert to changing conditions" appears on the top right of the screen.]

Step 1. Be alert to changing conditions.

Business crises are not necessarily natural disasters;

[Visual: the screen cuts to a shot of two disused petrol pumps, followed by a shot of a woman plugging in her electric car.]

a slow creep of changing customer tastes can be just as critical to your business as an earthquake.

[Visual: the screen cuts to an upper body shot of the presenter on the left side of the screen.]

Be involved in industry and local business associations and networking groups;

[Visual: the screen cuts to a shot of three people sitting and talking at a café. This last for a few seconds and then cuts back to the upper body shot of the presenter.]

Get to know your neighbours, customers, suppliers, competitors, and local community.

The more people you know and interact with, the more information they will funnel your way that is relevant to your business. This information may enable you to adapt your business before a crisis develops.

[Visual: the words "Step 2: Identify core business needs" appear on the right side of the screen.]

Step 2. Identify core business needs.

The easiest way to do this is to put some of your scenarios to your team.

[Visual: the screen cuts to a shot of three tradies with toolbelts talking at a building site. After a few seconds, the shot cuts to two workers at a bakery. Both workers are wearing aprons, hairnets and facemasks and cutting and rolling dough.]

These can range from the simple; if you are a bakery, then discuss "what do we do if we come in one morning and the oven does not work?",

[Visual: the screen cuts to an upper body shot of the presenter on the left side of the screen.]

to the more complicated "what do we do if there is a fire in our building and everything inside is damaged?"

[Visual: the screen cuts to a shot of two women looking at notepads and talking in a warehouse. There are tall commercial storage racks in the background, and staff pushing trolleys and operating a forklift.]

Make sure you consider people, premises, processes and technology.

[Visual: the screen cuts to an upper body shot of the presenter on the left side of the screen.]

The point is not to come up with right or wrong answers but to explore what your options may be, as well as revealing the key vulnerabilities of your business.

When coming up with scenarios, consider the following questions:

[Visual: a titles "Step 2: Identify core business needs" shows up on the top right of the screen. The title stays on screen. Below this, a bullet point appears:

- What are the things your business needs to operate?]

What are the things your business needs to operate? And how might they be vulnerable?

[Visual: the bullet point changes below the title to say "How vulnerable to damage are your premises?"]

How vulnerable to damage are your premises?

[Visual: the bullet point changes below the title to say, "How vulnerable are your key suppliers?"]

How vulnerable are your key suppliers?

[Visual: the bullet point changes to say, "What are your risks in getting things you need to operate?". After a few seconds, the bullet point and title both disappear.]

What are your risks in getting things you need to operate?

These sessions may result in follow up plans or agreements, or they may simply provide you with a pre thought out course of action that can be easily carried out in the heat of a crisis.

[Visual: the screen cuts to three people sitting at a table with a laptop in an office setting. They are talking and smiling.]

Make the activity fun and keep repeating it.

[Visual: the screen cuts to an upper body shot of the presenter on the left side of the screen. Text appears on the right side of the screen "Step 3: Getting back together".]

Step 3. Getting back together.

Being able to contact each other is a key first step to beginning recovery from a major disaster.

[Visual: a bullet point appears under the "Step 3: Getting back together" title: - Communications systems resilient.]

Are your communications systems resilient and ready?

[Visual: the bullet point changes to "IT system down", and a second bullet point appears below this "Office access".]

Do you know how to contact your staff, your suppliers, and your key customers if your IT system is down and you cannot get into your office?

[Visual: the second bullet point disappears, the first one changes to "Alternative contact information".]

Do you have alternative contact information for when landline or mobile networks are down?

[Visual: the bullet point changes to "Information location access" and disappears after a few seconds.]

Does anyone else in your organisation know where to find this information if you are not there?

[Visual: Three new bullet points show up:

- Compile a list of contact details
- Electronic and paper format
- Update periodically.

The bullet points and original title disappear after a few seconds on screen.]

Compile a list of contact details and make multiple copies in both electronic and paper format, then set a reminder to check that it's up to date periodically.

[Visual: a title "Step 4: Backup your data" appears on screen in bold white text. This stays on screen with changing bullet points as points are made.]

Step 4. Backup your data

Be clear about what data is critical to the operation of your business.

[Visual: a bullet point appears below the title:

- Critical operational data
- Mobile phone data
- Off site copies.

These disappear after a few seconds.]

Most firms ensure their accounting data is backed up – but what about your customer contact lists, process manuals, and important contracts?

Is the information stored on your mobile phone also stored elsewhere? Is there a backup copy off site?

Generally, the quicker you can get your key systems up and running, the less interruption to your cash flow.

[Visual: a title "Step 5: Cultivate open-mindedness and adaptability" appears on screen in bold white text.]

Step 5. Cultivate open-mindedness and adaptability.

[Visual: the screen cuts to a shot of an old-fashioned rotary dial phone. After a few seconds the shot changes to a man in high-vis in working on a tablet. There are pallets, workbenches and a forklift in the background.]

If you have a rigid way of doing things and seeing the world, then you will have difficulty in adapting to the new circumstances presented by a crisis.

[Visual: the screen cuts to a profile shot of the presenter against a blue background.]

If innovation or creative thinking is not your thing, perhaps someone else in the business can be this champion?

[Visual: the screen cuts to a shot of a woman sitting in front of a computer. There is another lady stood next to her pointing at the computer screen.]

If you're the go-to person for any problems or issues, start trying to develop your team's ability to come up with solutions by asking them what they suggest.

[Visual: the screen cuts to a profile shot of the presenter against a blue background. A bullet point appears saying "Test vital business operation".]

In summary, test the things that are vital for your business operation.

[Visual: the bullet point changes to read "Identifying your core business".]

Refer to the lessons learned in identifying your core business needs, and ensure any plans you create are tested, or at the very least ask: "But what if...?".

[Visual: the bullet point changes to read "Conduct a trial data restore".]

If you have physical backup systems like power, phones, and IT, then switch to them once a month and conduct a trial restore of your computer data.

[Visual: the bullet point changes to read "Run new scenarios annually".]

And continue to run new scenario exercises at least annually.

[Audio / Visual: The music slowly fades out while a blue outro screen appears with the business.govt.nz logo in the centre of the screen. This logo disappears and the Ministry of Business, Innovation, and Employment logo appears on the left-hand side and the Te Kāwanatanga o Aotearoa, New Zealand Government logo appears on the right-hand side.]

[Video ends]

**A continuity plan is different from emergency planning.**

Emergency plans cover in-the-moment procedures in a crisis, for example, a natural disaster. BCP covers how you'll get core parts of your business up and running again.

Emergency planning (/risks-and-operations/planning-for-the-unexpected-bcp/emergency-planning-for-businesses/)

# Why you need to plan

Business owners aren't legally required to do business continuity planning (BCP) but there are many reasons to put time and energy into it. Many small businesses struggle to reopen after a disaster. Planning greatly improves the likelihood that your business will survive — so it should be on your must-do list.

Other reasons to do BCP:

- It's a plus for potential buyers and investors — it shows you've thought about other scenarios than simply business-as-usual. It gives your staff confidence, especially if you get them involved in planning.
- It helps you spot good opportunities for your business now, for example, outsourcing payroll.
- It could help you negotiate lower insurance premiums — the more resilient you are, the more likely insurers will consider you a lower risk.

**Don't let your plans gather dust on the shelf.**

# Step-by-step guide to business continuity planning

This guide will get you thinking about how to protect the most important aspects of your business.

As you go through each step, consider:

- your particular risks if something goes wrong
- how you might get back to business-as-usual as quickly and smoothly as possible
- what the options are if you can't get back to business as usual.

It's important to think of different options rather than absolutes.

### Step 1. Identify key products or services

Questions to ask:

- What are the biggest risks to your most profitable activity? How can you reduce these risks?
- What is essential to produce or carry out these key activities, for example, raw materials, a fully functioning website?

- Can you get by without your full suite of products or services?
- What is your least profitable activity? Be prepared to pause or stop this until you get back on your feet.

## Step 2. Identify key internal people

These might be staff or business partners — or your board, if you have one.

Questions to ask:

- If you have staff, could your business continue without some or all of them on deck?
- Does your business rely heavily on one person for key tasks? What happens if this person is unavailable? What are the main duties of all staff?
- How might you get temporary staff at short notice?
- How can you support staff and their families if they are affected?

### Case study

**Casual workers at short notice**

Dahlia runs a café and both her servers are off with the flu. But she has a plan in a place for this situation — Student Job Search. She already has a job ad written up and on file, plus job search login details and instructions on how to post an ad.

She gets the ad up first thing in the morning. Temporary servers are in their aprons by the lunch rush.

Just like the rest of her employees, these casual workers need an employment agreement.

Dahlia uses business.govt.nz's online Employment Agreement Builder to quickly put together simple and legally safe agreements. She keeps these on file for next time she needs to call on these workers, or hire new casual employees.

[Type of employment agreement: Casual employee(external link)](https://eab.business.govt.nz/employmentagreementbuilder/application/typeOfEmploymentAgreement) — Employment Agreement Builder

## Step 3. Identify key connections

These might be suppliers, service providers, clients or regular customers.

Questions to ask:

- How robust is your supply chain?
- If your business relies on external suppliers or manufacturers, do you have a backup if something goes wrong?
- If your business uses transport to deliver products or services, what are your alternatives if something goes wrong? Can you rent vehicles? What if the port, airport, road or rail system is disrupted? Could customers come to you in the short term?
- Who might help you get back on your feet? Do you have good relationships with your bank, landlord or advisors?
- Who can help if you can't get into your premises or IT systems?

## Step 4. Identify essential equipment and supplies

Questions to ask:

- If you rely on your own equipment to make products, could you borrow or rent alternative equipment or premises if yours are out of action?
- Could your staff use their home computers for work if business computers are unavailable? Find out who has suitable devices — the business can help pay for internet use.

## Step 5. Consider relocation options

Questions to ask:

- If you need to vacate your usual premises unexpectedly, how can you keep your business ticking along?

- Could staff work from an alternative site, or from home, if your premises can't be used? You may want to ask your main suppliers, customers — even competitors — if they could spare room in their premises in an emergency.
- If you need to move, how can you best communicate with your customers about your new location — and from your new location?

Leasing or buying premises (/risks-and-operations/equipment-premises-and-assets/leasing-or-buying-premises/)

### Case study

**Making the best of it**

After the Christchurch earthquake, two panel-beating businesses could no longer work from their premises. They both had access to a temporary workspace, but it wasn't big enough for all their workers.

Partnering up was an obvious solution — the owners had already been thinking about sharing a space due to rent rises.

They decided to offer a 24-hour service, with staff working in shifts around the clock in the temporary workspace.

This short-term solution — which drew on their contingency planning in case of rent rises — meant they could keep revenue coming in after the emergency.

## Step 6. Consider insurance options

Questions to ask:

- What could go wrong with my business or at work?
- Have I got it covered?
- Is business interruption insurance, which covers against losses after an emergency, a good option?

Insurance (/risks-and-operations/planning-for-the-unexpected-bcp/insurance/)

Cover your assets(external link) (https://www.resorgs.org.nz/resources/resilience-booklets/) — Resilient Organisations

## Step 7. Identify who can run the business in your absence

Questions to ask:

- If something takes you or another important team member away from the business, who can take over important tasks?
- If there's a major disruption, what is each staff member's role in getting the business back on its feet?

## Step 8. Keep contact details handy

Questions to ask:

- Do you have emergency contact details handy? This list may include staff, emergency services, clients and suppliers. You may also include your insurance details, security company and neighbouring businesses.
- When were contact details last updated — is it time to check for any changes?

## Step 9. Back up important data

Questions to ask:

- What data — customer details, emails, files and spreadsheets — are critical to your business?
- What sensitive data — personnel files, bank details, tax documents — do you need to keep safe?
- Do you regularly back up data on a hard drive, server or in the cloud? It's time to start if you don't do this already.

Storing and backing up data (/risks-and-operations/it-risk-and-avoiding-scams/storing-and-backing-up-data/)

## Step 10. Put it into practice

Much like emergency plans, a business continuity plan shouldn't sit on the shelf. It needs to be tried and tested with relevant staff at least once a year. This doesn't need to be expensive or time-consuming.

Run 20-minute stress test exercises where you give staff a scenario to plan for. Rather than fixating on the cause of the disruption, e.g. a natural disaster or power cut, focus on how to manage the consequences:

- What will they do if an important machine isn't working?
- What options do they have if the premises are closed for a week or longer?

No two crises are the same. But together, you may find similar solutions to different situations. Your plan will change as your business evolves, so make sure you debrief after each test and update the plan if necessary.

Staff need to know what to do even if you're not available. Make sure your plan is easily accessible.

For a downloadable guide and template that walks you through important steps of BCP, see Wellington Emergency Management Office's website Get Prepared.

[Prepare your business(external link) (https://getready.govt.nz/en/prepared/work/)](https://getready.govt.nz/en/prepared/work/) — Get Ready

Resilient Organisations has resources to help small businesses thrive in any environment.

[Guides for businesses(external link) (https://www.resorgs.org.nz/resources/resilience-booklets/)](https://www.resorgs.org.nz/resources/resilience-booklets/) — Resilient Organisations

[Earthquake preparedness checklist [PDF, 356 KB] (/assets/Uploads/Documents/earthquake-preparedness-checklist.pdf)](/assets/Uploads/Documents/earthquake-preparedness-checklist.pdf) — Resilient Organisations

**Do talk to your bank manager about how to manage cash flow through a disaster.**

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If risks can't be reasonably eliminated, the law says you must take "reasonably practicable steps" to minimise them.

(/risks-and-operations/health-and-safety/what-is-reasonably-practicable/)
What's reasonably 'practicable'?
(/risks-and-operations/health-and-safety/what-is-reasonably-practicable/)

**10-step business plan**

(/assets/uploads/Documents/quick-focus-plan.pdf)

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