Friday, March 20, 2020

In uncertain times like these, we think back to Hurricane Sandy and the efforts of business owners to continue operations through that emergency situation. Business continuity planning was important then and it is equally important now as business owners strategize and probe for ways to continue operations through the coronavirus (COVID-19) pandemic.

What is Business Continuity Planning?

Business continuity planning is intended to drive a business through temporary (i.e., not permanent) disruptions. Each plan should address practical considerations relevant to the business which, at a minimum, may include the following categories:

- Dislocation from office or key physical assets due to an emergency situation
- Information backup processes and procedures
- System restoration processes and procedures
Continuation of customer service and customer communications
Loss or unavailability of business operational systems and components
Loss or unavailability of key personnel
Supply or distribution channel impacts
Processes and procedures for training employees
Recordkeeping and supervisory obligations
Emergency contact and communications trees
Risk and liability mitigation strategies

In certain industries, regulatory authorities governing those industries require license holders to maintain a Business Continuity Plan as part of the license holder’s fiduciary duty to customers and may specify the issues that each plan is to address. While in other industries it is deemed to be a best practice. Also, it is not uncommon for commercial agreements between partners to require each party to produce their plan, including in Supply Agreements, Manufacturing Agreements, Distribution Agreements, Product Development Agreements, and general Services Agreements.

How Can a Business Continuity Plan Help During the Coronavirus Pandemic?

The Business Continuity Plan can be an important tool for ensuring that a business’s service line is preserved during and through the incident that causes business disruption, like the coronavirus pandemic. We expect that those businesses with such plans are actively consulting and utilizing their plans as they work through the current national emergency, and would suggest that the plans be amended on a real-time basis as management pivots to address situations that arise.

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National Law Review, Volume X, Number 80