

5 reasons small and medium businesses need a business continuity plan

Business continuity: Why SMBs need it

Any unplanned interruption of normal business processes, from a simple power outage to a major hurricane to a worldwide pandemic can cause businesses to encounter hurdles and setbacks that impact operations and revenue. It is imperative for all businesses to have a business continuity plan in place to help prevent and minimize the damage of continuity interruptions.

Disruptions cost real money

In a [recent study Citrix](#) conducted, only 3 percent of businesses said they do not experience any downtime on a year-to-year basis. On average, our SMBs said they experience nearly 62 hours of downtime each year at a cost of \$1,278 per hour. That's \$77,989 every single year.

What is business continuity?

So, what is business continuity? Business continuity is an organization's ability to maintain essential processes before, during, and after a disaster. Unlike disaster

recovery (which recovers a business's hardware, applications, and data when information technology stops working), business continuity is a business-wide implementation plan that ensures the continuation of critical business functions in the event of a disruption.

At its core, a business continuity plan is a strong framework to support businesses when the unexpected occurs. By predicting potential crises and identifying mission critical functions, you can increase opportunities for overcoming challenges with ease. A systematic approach ensures everyone understands their roles and has the greatest chance of success.

5 reasons SMBs need a business continuity plan

There are five key reasons why, as a business owner, you need a business continuity plan. Companies often underestimate the importance of having one until they're affected by a disaster. By then, it's too late.

1. Employees require direction

A lot of businesses presume their employees will know how to react when faced with disaster. But no matter how skilled or experienced they are, it isn't guaranteed everyone in the company will know their role. A continuity plan will help your business work together to combat potential issues and avoid any panic.

2. Insurance isn't enough

Insurance isn't enough to cover all the damages of a disaster. Yes, it can cover costs of repairs, but in terms of loss of revenue and business prospects due to downtime, it has little effect. A lengthy downtime can have detrimental effects on businesses, which is why a

plan is so important to ensure these disasters are both prevented and minimized by reducing damages.

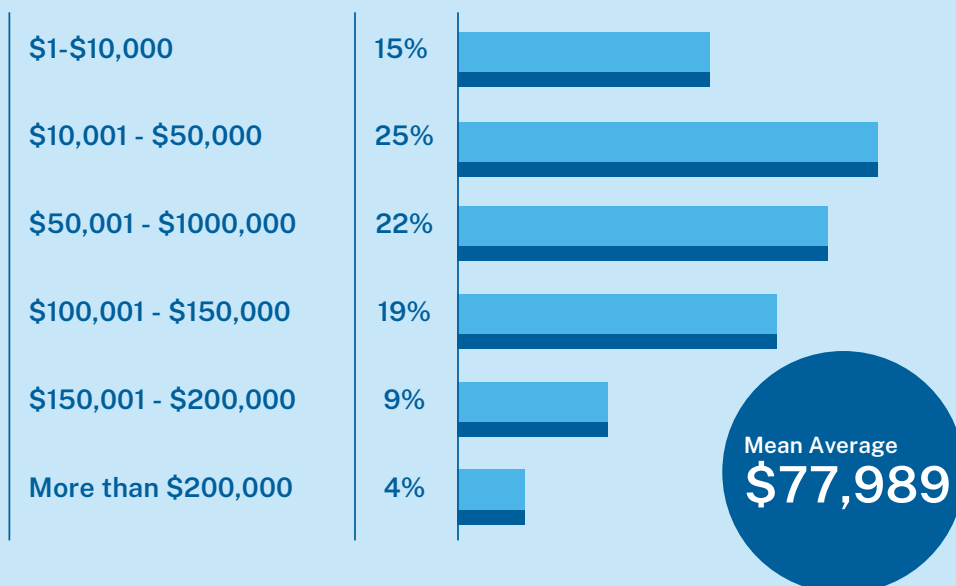
3. Customer trust & retention is critical

If your business can respond rapidly to disasters then you will gain more trust from customers, knowing that they themselves won't suffer the negative impacts of a disaster striking your business. If a customer uses a company that is often unavailable to provide the services it promised, they will look elsewhere. To ensure customer retention and bolster trust, businesses must develop a business continuity plan.

4. Business must go on

Many businesses believe they will have the means to deal with disasters with or without a business continuity plan. Disasters can close businesses down for good, so it is important in making sure your business remains open in face of a major event. Business continuity allows organizations to enable seamless workforce productivity during any kind of business disruption, planned or unplanned.

How much does downtime cost your company annually?



5. Employees & customers depend on information technology

In recent years, businesses have become increasingly dependent on information technology, using it to collaborate, communicate, store and process data, complete transactions, and much more. As dependence on technology grows, so does the impact of IT disasters such as hardware failures, power outage, and cyber-attacks. It's important to have the right procedures in place to prevent these types of disasters.

What does a business continuity plan typically include?

Business continuity plans typically include five main components to ensure efficiency and keep you above water should disaster strike.

Throughout training, and the time of disaster, you should review and audit your business continuity plan to make sure it's working successfully, and work on ways to strengthen it in the future. This should be done regularly for both internal and external processes.

The importance of having a business continuity plan and the benefits it can bring can't be understated. Although it can appear time consuming and costly, it's more than a worthy investment, and something that all businesses should have in place.

Planning and organization

Before you begin drafting a plan, it's important to put a management committee together that has a strong understanding of the business, its functions, and its capabilities. The committee oversees initiating necessary steps, planning for implementation, delegating roles and resources, and ensuring a continuous improvement to your overall strategy.

Risk assessment

Assessing risk will help identify your most critical internal and external business processes. Identifying the processes and assets most valuable for your business's functionality offers a list of priorities to work through should disaster strike. When it comes to prioritizing, you should also consider which services generate the most revenue.

Throughout the risk assessment, you will also evaluate the potential impact, and how long your business will be able to survive downtime for each service. Don't forget that customers and shareholders should also be considered.

Response and recovery

Once you have a management committee, and you've completed a risk assessment, it's time to put your business continuity plan together. This will outline the actions you need to take to ensure critical business services remain functional or are fixed as efficiently as possible at the time of disaster. This should be in-depth for every service that's valuable to the business.

During the risk assessment, you should have identified all the possible risks and threats, recovery processes already in place. Now you must develop the necessary responses. It's best to have as many measures in place as possible in order to prevent damages – a good example would be using [cloud storage](#) to protect data off-site. Each service should be overseen by someone knowledgeable in that area that is responsible for their team.

Necessary training

Your strategy can be as thorough as you like, but without the right capabilities to implement it, it will be ineffective. Train the entire company on the response strategy to make sure they understand how to help the business.

Make sure they are aware of the function of their team, giving them knowledge of the bigger picture when it comes to the business continuity plan. Recreate a disaster scenario and run exercises and tests on employees' responses, so when the time comes, they are prepared.



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