

Business Survival Guide

Quick
Tips

May 2008

"The life vest for your business."™

Volume 4, Number 1

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- Risk Tolerance
- Tolerance Zones

Contingency Solutions, LLC provides custom designed business continuity and emergency preparedness plans and training to both public and private sector clients.

Coming in Next Issue:

- Common BCP Mistakes

This Month's Quote:

"The tendency of an event to occur varies inversely with one's preparation for it."

-David Searles

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What's Your Risk Tolerance?

Risk is a normal part of everyday life. We make decisions about our tolerance for it every time we decide to cross the street, drive a car or ride an elevator. The amount of uncertainty we are willing to accept is our tolerance level.

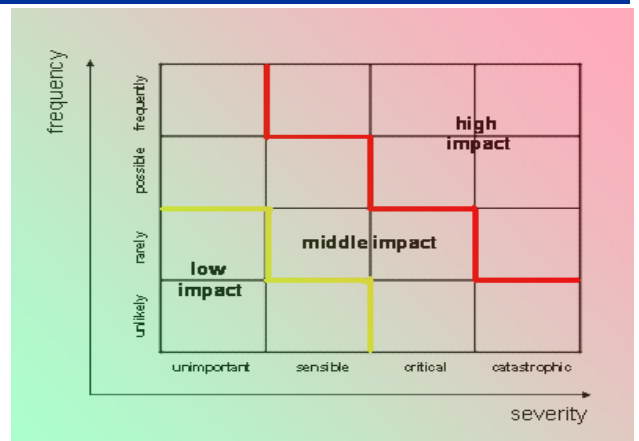
These levels can and should vary between exposures or departments. For example, a high tolerance may be acceptable in Research & Development, but not in the Customer Service or Order departments.

Regardless of its size, every business has areas of "low" or "no" risk tolerance. These are the parts of the operation that simply have to keep going even in the face of a disaster. How they will continue to function is prescribed in the business continuity plan ("BCP").

The first step in creating an effective BCP is to take stock of what's critical to your continued operation. The importance of people, equipment, supplies, customers, locations and processes must all be considered. **Ask yourself: "How long can we go without _?" The shorter the answer, the lower your tolerance.**

Tolerance Zones

As Frequency and Severity rise, so too does the need for a Business Continuity Plan.



Those things with the shortest acceptable downtime will form the basis for your plan. A not-for-profit organization may view client services, such as meal delivery, as mission-critical, while a warehouse may see its forklifts as the key to staying open. Whatever your definition of "vital," an updated and tested BCP is essential to an organization's survival.

No time? Contact us to develop a customized BCP for you!