

# Business Continuity for Small Business Owners: Do the Tools Fit Their Need?

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## ABSTRACT

Business continuity planning for private sector organizations has not reached the level of readiness as has the public sector. This disparity has reached national attention as the Secretary of the U.S. Department of Homeland Security addressed it in a statement, “ensuring America's small businesses have the critical information and training they need to better respond to disasters will strengthen the entire nation's preparedness and resilience (DHS, 2010).” The release of this statement and the DHS program (PS-Prep) was a promise to provide the necessary tools to small business owners so they could build effective business continuity plans. The major contributions of this research will be to provide an evaluation of the applicability of PS-Prep to small businesses, and to provide the needs assessment for parallel research of leveraging the current capabilities of a Business Emergency Operations Center in the development of a Virtual Small Business Emergency Operations Center (VSBEOC).

## Keywords

Business continuity, small business, incident command system (ICS), emergency operations center (EOC), virtual business emergency operations center (VBEOC), business continuity plan.

## INTRODUCTION

Business continuity is not a new concept; it is a growing concern across public and private sectors alike. The public sector began addressing these concerns in the early 1970's following the wildfire season in southern California. The primary focus was on providing a new fire response program that unified the command of multi-agency response (FIREScope, 1988). This program continued to develop and became the national standard when the Incident Command System (ICS) became the national standard of incident command under the National Incident Management System (FEMA). As the public sector was progressing through the many iterations of improvement in their continuity and response efforts little was being completed in the private sector.

Private sector organizations that do not rise to the current complex challenges of business continuity management are at risk of disruptions and failures that may significantly affect their ability to stay in business (Davis, 1999). Statements of this nature are mainly associated with large corporations or organizations which have substantial budgets to address the major business continuity challenges. Little research has been completed with respect to the small business community or a small business owner's ability to adopt an effective business continuity plan.

On September 30, 2010 Secretary of the Department of Homeland security, Janet Napolitano announced a key milestone in the Department's efforts to develop a robust small business preparedness plan (DHS, 2010). She stated that, “ensuring America's small business have the critical information and training they need to better respond to disasters will strengthen the entire nation's preparedness and resilience (FEMA, 2010).” The program which is cited to assist the small business community is called the Private Sector Preparedness (PS-Prep) Accreditation and Certification Program PS-Prep (DHS PS-Prep, 2010). Under this certification plan the Department of Homeland Security (DHS) website list three documents:

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1. ASIS SPC.1-2009 Organizational Resilience: Security Preparedness, and Continuity Management System.
2. British Standard 25999-2:2007 Business Continuity Management.
3. National Fire Protection Association 1600:2007/2010 Standard on Disaster / Emergency Management and Business Continuity Programs.

New Jersey Institute of Technology (NJIT) developed, implemented and continues to improve a Business Emergency Operations Center (BEOC). The BEOC is a private sector organized, managed, and staffed emergency coordination/operations center focused on all-hazards disaster prevention, preparation, response, and recovery (New Jersey Institute of Technology, 2009). The BEOC is being considered by the DHS for national implementation. A separate organization of New Jersey businesses, The New Jersey Business Force (NJBF) enjoys an alliance with the BEOC which allows for the sharing of information leading to better sense making capabilities for the member organizations. The BEOC operates a versatile communication hub which links the public and private sectors in omni-directional information sharing (New Jersey Business Force, 2010).

This research will evaluate the ASIS SPC.1-2009, and other related documents to determine the applicability of PS-Prep to adequately address the needs of small business owners. It will be the basis and provide the needs assessment for separate but related research which is developing the framework to leverage existing BEOC capabilities for a Virtual Small Business Emergency Operations Center (VSBEOC) (Bell, 2010).

## LITERATURE REVIEW

### Business Continuity

The events of September 11 raised awareness that the survival of business depends on many external factors (Haddow, 2008). Survivability is defined as the ability of a system to continue to deliver service whilst it is under attack or partially disabled (Gomez, 2010; Somerville, 2007; Ellison, 1999). Moreover, the nature and complexity of recent disasters has increased the demands for accurate risk assessments and mitigation solutions. These mitigation solutions are sometimes costly and much of the mitigation actions take place during the recovery of an event. The private sector has been somewhat isolated in their response parameters as the majority of the public response is geared toward rescue and infrastructure restoration. This sentiment is changing as the DHS and many other emergency response entities have begun building collaborative activities with the private sector to form a crisis response team. A crisis response team is defined as “a real and virtual community of specialists and experts that must have unrestricted access to one another and is able to act as a collective (Gomez et al., 2006; Turoff et al., 2004; Hardeman, et al, 1998; Weick 1993, 1995)”. One such organization is the alliance between the New Jersey Business Force (NJBF) and the Business Emergency Operations Center (BEOC). The BEOC provides both open source and sensitive/controlled unclassified public sector information to NJBF members. NJBF membership has grown since its inception but is comprised of large organizations. Small businesses are not represented and therefore do not receive the information that would provide an improved sense making ability during an emergency response event. The collapse of the small businesses sense making ability could be catastrophic.

### Tools, Media Use and Sense Making

Based on the Mann Gulch disaster, Karl Weick (1993) writes that the crew at Mann Gulch was considered an organization by virtue of a role structure of interlocking routines and where sensemaking capabilities were lost (Muhren, et al., 2009; Weick, 1993). This description would fit many of the small businesses in operation today. At Mann Gulch thirteen men died resulting in the Forestry Service providing a redundancy in the communications platform and by providing specific technical and survival training to all personnel. Do any or all of these actions provide small business owners with the sense making capabilities needed to overcome interruptions in the continuity of their business? We posit that business continuity for small businesses must at minimum provide sense making capabilities and training to provide the necessary skills to develop, test and improve business continuity plans. How we pair sense making with the appropriate tools needs to be addressed. For example, Daft and Lengel's (1986) media richness theory dates back to 1984 and is based on two forces: uncertainty and equivocality (Gomez et al., 2006; Gomez, 2010) Using rich media for rich information is predicted to resolve ambiguity and equivocality. Face-to-face (FtF) is considered a rich media but not sufficient for collaboration with organizations such as the BEOC.

Sense making defined as “a valuable theory to describe and understand how actors communicate and process information in crisis environments (Muhren, et al., 2009; Weick, 1993)”. The means and medium for the

communication should be chosen according to goals and situations. Dennis et al. (1998) introduce media synchronicity theory (MST) relates the extent in which a communication environment encourages individuals to work together on the same activity, with the same information, at the same time (Dennis and Valacich, 1998). MST differs from media richness theory by placing emphasis on an outcome-centered approach to media selection. MST also includes “two sub processes necessary for the conveyance and convergence communication process: (1) information transmission and (2) information processing.

## THE EVOLUTION OF BUSINESS EMERGENCY OPERATION CENTERS

### PS-Prep: ASIS SPC.1-2009

This management system *Standard* has the applicability in the private, not-for-profit, non-governmental, and public sector environments (ASIS, 2009). The scope of this standard specifies requirements for an organizational resilience (OR) management system to enable an organization to develop and implement policies, objectives, and programs taking into account legal requirements and other requirements to which the organization subscribes, information about significant hazards and threats that may have impact on it (and its stakeholders’), and protection of critical assets (ASIS, 2009). All the requirements in this standard are intended to be incorporated into any of the organization’s OR management system.

ASIS SPC.1-2009 was developed to bring unity, standardization and certification for private sector organizations. Appendix B of the *Standard* illustrates its compatibility with several ISO standards. This relationship was established in order to cross certify organizations from this standard to ISO certifications. Much of the terminology in Appendix D is cross referenced in ISO standards. One of the impediments to large corporations becoming certified to ISO standards is the prohibitive costs associated with maintaining the certification.

Appendix A gives guidance and explains the use of the *Standard*. The introduction to this appendix states that the *Standard* provides organizations of all sizes and types with the elements needed to achieve and demonstrate proactive risk reduction and organizational resilience performance related to their physical facilities, services, activities, products, supply chains, and operational (Business) continuity. This section also states that the Standard does not have to be implemented throughout the organization. Section A.4.3, details the communication and warning recommendations. Organizations should identify and establish relationships with public sector agencies, organizations, and officials responsible for intelligence, warnings, prevention, response, and recovery related to potential disruptions identified in the risk assessment. The organization should also designate a single primary spokesperson who will manage and disseminate crisis communication to media and others. This section indicates that sense making capabilities although not detailed are a priority. Section A.4.7 describes the operations with incident prevention, preparedness, and response. Each organization should develop incident prevention, preparedness, and response procedures that suits its own needs. Again, indicative that the *Standard* is an adaptive system. One of the most valuable statements, people are the most important aspect of any preparedness and response plan. Disaster mental health (DMH) interventions have become recognized as a necessary component of disaster response (Belsher, 2009). The last section describes the actions that are normally associated with obtaining and/or maintaining certification. Monitoring, measuring, compliance and testing are some of the actions described in Section 5. Control of records and record retention are commonly used to fulfill legal or organizational requirements but also records play an essential role in the continual improvement of any emergency response or business continuity plan.

### Business Emergency Operations Center (BEOC) Development

The BEOC is a private sector alliance organized, managed, and staffed for emergency coordination/operations center focused on all-hazards disaster prevention, preparation, response, and recovery (New Jersey Institute of Technology, 2009). It’s goal is to make the Private sector self-reliant and self-sufficient during emergencies and disasters through information sharing and shared situational awareness. Four roles and functions of the BEOC include: 1) Business-to-Business collaboration and communications; 2) Interface with Public Sector Emergency Operations Centers (EOC’s); 3) Business to Non-Government Organization (NGO) Collaboration; and 4) Asset and Volunteer mobilization. Research being conducted at NJIT provides advances in the technologies that are used to support the roles and functions. NJIT is installing new computer hardware, advanced simulation and modeling software, enhanced internet access, and an upgraded video wall. The newly appointed BEOC will not only serve during a disaster or drill, it will be utilized to conduct valuable research to further improve BEOC capabilities. Available technologies at the BEOC include:

1. Notification/Alerts – NC4, NJN’s DigitalSource datacasting capabilities, and HAM radio enhance communications.
2. Collaboration – Integrated video conferencing, Physical Collaboration with Picatinny Arsenal’s EOC, and Mobile Collaboration with Monmouth University’s Rapid Response Center.
3. Communication – Use of Verizon’s video conferencing suite, embedded NJBF Private Channel within Nc4 ESA, and Apex Innovations i-Info systems capabilities.
4. Incident Management Support – Continued enhancement and deployment of the Apex Innovations’ i-Info supported BRN asset and volunteer registry.
5. Total Integration – The deployment of new technologies and researched solutions to create a collaborative emergency response environment.

## CONCLUSIONS AND FUTURE RESEARCH

Homeland Security Presidential Directive/HSPD-5 was released to enhance the ability of the United States to manage domestic incidents by establishing a single, comprehensive national incident management system (HSPD-5, 2003; FEMA, 2010). In 2010 DHS Secretary Janet Napolitano released a statement indicating that, “ensuring America’s small business have the critical information and training they need to better respond to disasters will strengthen the entire nation’s preparedness and resilience (FEMA, 2010).” The program associated with this news release was the Voluntary Private Sector Preparedness Accreditation and Certification Program (PS-Prep). During the evaluation of the PS-Prep it was obvious that it did not contain any reference to HSPD-5. There was also no reference to the Incident Command System (ICS) which is the national standard for emergency response. ICS was implemented partially to establish common terminology during emergency response. The appendix in SPC.1-2009 presented common terminology to ISO programs. At the same time the program wants the private sector organizations to develop relationships with the public sector. It would have been more beneficial to the private sector if PS-Prep utilized ICS common terminology.

Ps-Prep appears to have been originally written for large private sector organization and edited to contain language that would entice small business participation. The *Standard* contains many statements that are contradictory as to the size of the organization. One example is that companies should have a crisis management team and center, and an EOC. How many small businesses can afford the financial cost alone to have an EOC? A crisis management team and center would also cost much. The *Standard* contains valuable information that every organization can use to create business continuity plans. Many of the benefits that are afforded large corporations are not readily available to small businesses merely because small businesses do not have the staffing to perform in both normal operations and business continuity planning. Small businesses alone are at a disadvantage in the PS-Prep environment. One way to make PS-Prep as advantageous to small business as it is to large organizations is to create a collaborative environment where small businesses can work together as a virtual large organization.

The BEOC is currently operating in alliance with the NJBF in a collaborative environment created to increase the shared situational awareness of the member organizations. PS-Prep outlines several communication and warning functions which are congruent with those of the BEOC. Some of the functions are 1) public-private sector relationships; 2) effective communications platform; 3) capability to manage information flow to news media. 4) potential disruptive incident alerts; and 5) simulation and drill assessments. The PS-Prep falls short for the small business community as it exists today. It also fails to promote the common terminology that is the national standard for incident response. PS-Prep coupled with the capabilities of the BEOC can be leveraged to create a virtual organization that can realize the benefits afforded large organizations, mainly better sense making capabilities and increased shared awareness during emergency response activities. The goal of future research is to identify the means to train the private sector in common ICS terminology and to create a Virtual Small Business Emergency Operations Center. This research should increase the effectiveness of the private sectors emergency response actions.

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