Management Update: Blackout Lessons on How to Prepare for Emergencies

The huge power failure of August 2003 brought a large section of the North American economy to a standstill. Enhance your emergency management plan with these steps to prepare for the next emergency.

Power Outage Paralyzed Large U.S. Areas

On 14 August 2003, a major power outage — believed to be the largest in North American history — left large areas of northeastern and midwestern United States and central Canada without electricity. The blackout affected an estimated 50 million people, leaving major population centers, including New York City, Toronto and Detroit, without most communications, public transportation and other essential infrastructure and services (including, in some cases, water).

Enterprises Should Plan and Test for Disasters

The widespread impact of the blackout emphasizes enterprises’ urgent need to plan and test for regional events — that is, disasters that are outside their span of control, but which can have a profound and highly damaging impact on their ability to continue business operations. The business and operational consequences of an event such as this power outage are similar to the impact of the Sept. 11 terrorist attacks: loss of power, communications (such as wireless telephone service) and transportation capabilities. These types of events dramatically challenge enterprises’ ability to manage thousands of people, typically across highly distributed operations and dispersed geographical areas. They show how interconnected the business world has become.

Many Blackout Challenges

The blackout was challenging for enterprises in many ways. Early in the blackout, for example, information was difficult to obtain, partly because the problem affected a large area. Some enterprises faced difficulties in evacuating personnel who were reluctant to leave their buildings because they were uncertain what was outside. (Fear of another terrorist attack was widespread in the early hours of the blackout.) Another problem was that many enterprise locations were affected.
Resources (personnel and equipment) were difficult to reallocate because the affected locations did not know if they would need the resources themselves. Financial services providers found the blackout particularly difficult because the financial markets were open the next day, and they were legally required to do the same. No “breathing room” existed similar to after Sept. 11, when the markets were closed for several days.

How to Prepare for an Emergency

Although you can’t predict what will go wrong, you can build a flexible response strategy. To prepare for disasters and other major events, enhance your emergency management plans by following these steps:

- Review the geographic spread between your primary and recovery locations. The blackout meant that distance was no guarantee of recovery capability. One or both sites must be highly resilient with backup generators. Simply putting 50 miles between locations is not necessarily enough.

- Establish a command and control organization and processes, as well as a command center to manage the event and handle communications to the press and public.

- Build links to local, state and federal authorities into your business continuity plans to ensure that the most up-to-date information about the event is available, and that decision making is done at the appropriate management level.

- Designate your facilities management teams as permanent members of your emergency management teams — partly because these teams frequently are the only people allowed into a building, in addition to local police, fire and gas personnel, during an emergency.

- Ensure that you have up-to-date contact information for employees, as well as an established communication plan to provide immediate and ongoing status updates to them. For example, use an emergency notification service to contact employees regarding the initial event and perform additional call-outs with event status updates. Use the corporate Web site to relay information to employees.

- Have a plan in place to immediately contact customers, suppliers and other external partners to maintain business relationships and keep loss of business to a minimum.

The blackout was as much about people as it was about assets — that is, ensuring that employees could work. Enhancements to business continuity plans include:

- Secure alternate workspaces. Many enterprises have moved their data centers out of metropolitan areas; however, office facilities remain there. When those facilities are nonoperational, employees must be able to continue work at an alternate location, such as at a disaster recovery service provider, via telecommuting options or both.

- Ensure that skilled resources are available (see “Protect Your Workers Now; Don’t Wait for the Next Blackout,” TG-20-9639).
• Secure backup power to ensure an orderly shutdown of computing equipment (to avoid data loss or hardware damage) as well as the continuation of operations at the production site. Having a backup power generator may mean that a disaster declaration can be avoided or delayed. This saves enterprises the expense of paying for a disaster recovery service provider. However, even backup power may not keep the telephone system working; therefore, you may not be able to operate completely, even if you don’t suffer a major loss of processing capability.

• Ensure that transportation alternatives are available for employees (for example, contract with car, van, bus and truck services).

• Consider the use of walkie-talkie communication devices/services to enable communication between closely located personnel, especially those assigned to a recovery team.

Managers should remember that crises cause disruptions at the business and personal levels. Ensuring employees’ well-being — physical and psychological — is a critical element of recovering business operations. Enterprises can have a profound impact on how their employees react to a disaster simply by providing basic supplies, such as water, flashlights and batteries, and offering training classes and awareness workshops on how to respond to emergencies. (The American Red Cross provides excellent advice on how families can manage in such events at www.redcross.org/services/disaster/keepsafe/blackout.html.) Enterprises — and, more importantly, government agencies — can help ensure that individuals respond appropriately in crisis situations by providing them with accurate, realistic assessments of how the crisis is being handled, as well as the level of service that they can expect during and following the crisis.

**Bottom Line**

• The blackout on 14 August 2003 shows that North America’s critical infrastructure, as well as the enterprises that depend on it, are extremely vulnerable to many types of failures.

• Although many improvements in enterprise disaster preparedness have been made since the Sept. 11 terrorist attacks, enhancements to enterprise emergency management and business recovery plans are necessary.

• A key component of these plans must be clear, actionable communication to employees to ensure that they know their roles during an emergency.

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For related Inside Gartner articles, see:

• “Management Alert: Effective Disaster Recovery Management Could Save Your Business,” (IGG-07232003-02)

• “CIO Alert: Plan and Design a High-Availability Network for Your Enterprise,” (IGG-11062002-03)

• “CIO Update: How Enterprises Are Spending on Disaster Recovery,” (IGG-09182002-04)