Week 01 Assignment 1-4

William Slater

CYBR 625 – Business Continuity Planning and Recovery

Bellevue University

An Evaluation of Oreck Corporation's Hurricane Katrina Experience and Response

Sue Sampson, M.S. - Professor

September 2, 2012

An Evaluation of Oreck Corporation's Hurricane Katrina Experience and Response

Hurricane Katrina was a category 4 hurricane that devastated New Orleans and major sections of the Gulf Coast across Louisiana, Mississippi, and Alabama in between August 31, 2005 and September 2, 2005. With approximately $96 billion in damages and over 1,300 people killed, Hurricane Katrina soon went on record as being one of the costliest and most deadliest storms in U.S. History (Gibson, S., 2006).

In the aftermath of this, historic and catastrophic event, Tom Oreck, president of Oreck Corporation, a vacuum cleaner manufacturer, faced some significant unexpected challenges to get his business returned to normal operations (Overby, S., 2006). This brief paper will review those challenges, and provide suggestions for improvements to Oreck Corporation's contingency plan based on the technology options that are now commonly available in 2012.

Oreck Corporation's State of Preparedness Before Hurricane Katrina

Oreck did have a Disaster Recovery Plan and a Business Continuity Plan prior to the Katrina catastrophe. However, virtually no one was prepared for the technical and logistical nightmares that followed Katrina.

Hurricane Katrina's Aftermath - Unexpected Challenge Number One and Oreck's Response

Oreck's first surprise was the major impact to area-wide communications. However, Oreck's future response to mitigate the risk of communications difficulties was to require that every employee carry and information card with two numbers that will be activated in the event of a disaster: "One number is where they can be reached, so they can leave their location, and the

other will be the number for a daily 8 a.m. conference call, beginning the day after the disaster (Overby, S., 2006)."

Hurricane Katrina's Aftermath - Unexpected Challenge Number Two and Oreck's Response

The Katrina disaster made Oreck realize that it had depended on a single facility. Then after setting up a second facility 76 miles away, Oreck learned that it was possible for a disaster to take out both facilities (Gibson, S., 2006). Oreck's mitigation of this risk was to do better risk analysis and ultimately relocate the company to a lower risk area less than 18 months later (Savidge, M., 2007).

Hurricane Katrina's Aftermath - Unexpected Challenge Number Three and Oreck's Response

Oreck was shocked by the overall magnitude and overreaching negative impacts of the storm. They learned the hard way that IT operations are run by people, but when those people have their families and homes negatively impacted by a catastrophe of this magnitude, they have difficulty performing their job responsibilities. Short term mitigation: trauma counselors and claims assistance for employees. Long term mitigation: better disaster recovery planning and business continuity planning (Overby, S. 2006).

Hurricane Katrina's Aftermath - Unexpected Challenge Number Four and Oreck's Response

Critical supplies that the business operations needed were scarce or unavailable. Mitigation: they utilized good relationships with suppliers like UPS to put in the extra effort to provide these critical supplies (Overby, S. 2006).

Hurricane Katrina's Aftermath - Unexpected Challenge Number Five and Oreck's Response

Less than 18 months after Katrina stuck, faced with complex post-Katrina problems such as skyrocketing insurance rates, a labor shortage and lack of affordable housing, Oreck made the business decision to relocate Oreck Corporation to Tennessee.   Oreck came to the realization that remaining in the Gulf region would threaten the profitability, competitiveness, and long term viability of the company. This relocation dealt yet another bitter blow to the economy of the Gulf region as it costs Mississippi about 500 jobs (Savidge, M., 2007).

Suggested Improvement Number One for Oreck Corporation's Contingency Plan

Have executive management create and disseminate a Vision Statement related to Disaster Recovery and Business Continuity. Support this plan with the creation of new policies that will support the creation, maintenance, and continuous improvement of a Disaster Recovery Plan and the Business Continuity Plan (Calder, A, and Watkins, S., 2010).

Suggested Improvement Number Two for Oreck Corporation's Contingency Plan

Perform a Risk Analysis to understand all the risks that can adversely affect the business operations. Use this Risk Analysis input to the Disaster Recovery Plan and the Business Continuity Plan (Whitman, M.E. and Mattord, H.J., 2007).

Suggested Improvement Number Three for Oreck Corporation's Contingency Plan

Perform a Business Impact Analysis (BIA) to understand and prioritize all business critical assets. Use this BIA information as input to the Disaster Recovery Plan and the Business Continuity Plan (Whitman, M.E. and Mattord, H.J., 2007).

Suggested Improvement Number Four for Oreck Corporation's Contingency Plan

Train all business critical employees in the understanding and use of the Disaster Recovery Plan and the Business Continuity Plan. At a minimum, conduct a realistic exercise to test the Disaster Recovery Plan and the Business Continuity Plan at least every six months with the business critical personnel, and update the plan after each exercise (Calder, A, and Watkins, S., 2010).

Suggested Improvement Number Five for Oreck Corporation's Contingency Plan

Purchase hardened, secure USB thumb drives for every employee who is required to execute the Disaster Recovery Plan and the Business Continuity Plan. Also ensure that the most current copy of the Disaster Recovery Plan and the Business Continuity Plan is placed onto this USB thumb drive and that each employee who is required to execute the Disaster Recovery Plan and the Business Continuity Plan has one of these USB drives. This will mitigate the risk of having the plans wiped out, and help ensure that they can be successfully accessed when required.

Suggested Improvement Number Six for Oreck Corporation's Contingency Plan

Consider the use of Cloud Computing resources that are located in ISO 27001-certified Data Centers that are located in regions that are low risk and which have stable power, cooling,

and Internet-enabled resources. This helps mitigate the risk of IT staff that could be affected by a local disaster that affects a business.

Conclusion

Disasters such as the Great Chicago Loop Flood of 1992, the first bombing of the World Trade Center, the terrorist attacks of September 11, 2001, and Hurricane Katrina have each shown us that we live in an age that has disasters that can be costly and catastrophic to people and business critical operations.   We also now know that with each of these unpredictable disasters was accompanied with sets of difficult circumstances that created formidable challenges to business operations. Because we can expect no less from future disasters, the most sensible response of every organization that plans to exist and thrive in the future is to have a well designed and tested Disaster Recovery Plan and a Business Continuity Plan that are each routinely tested and continuously improved. To be effective, each of these plans must be created using sound principles in Business Impact Analysis, Risk Assessment, and other proven techniques that produce sound Disaster Recovery Plans and a Business Continuity Plans (Whitman, M.E. and Mattord, H.J., 2007).

Finally, those that make such Disaster Recovery Plans and a Business Continuity Plans must remember that every business organization is part of an "economic ecosystem" which interacts with other people and businesses. For these plans to be really effective, every manager must understand and document the major risks associated with the business entities with which it interacts, and these risks should be reflected and accounted for in the Disaster Recovery Plan and a Business Continuity Plan.

References

Calder, A. and Watkins, S. (2010). IT Governance: A Manager's Guide to Data Security and

ISO27001/ISO27002, 4th edition. London, UK: Kogan Page.

Gibson, S. (2006). Katrina: What Have We Learned? An article published at eWeek.com on

August 25, 2006.   Retrieved from http://www.eweek.com/c/a/IT-

Infrastructure/Katrina-What-Have-We-Learned/ on September 2, 2012.

Gregory, P. (2008). IT Disaster Recovery and Planning for Dummies. Indianapolis, IN: Wiley

Publishing.

Horne, J. (2012). Five myths about Hurricane Katrina. An article published on August 31, 2012

at WashingtonPost.com. Retrieved from

http://www.washingtonpost.com/opinions/five-myths-about-hurricane-

katrina/2012/08/31/003f4064-f147-11e1-a612-3cfc842a6d89_story.html on

September 2, 2012.

Kranz, G. (2006). Disaster recovery planning gets another look after Hurricane Katrina. An

article published at SearchCIO TechTarget.com in March 2006. Retrieved from

http://searchcio.techtarget.com/tip/Disaster-recovery-planning-gets-another-look-

after-Hurricane-Katrina on September 2, 2012.

Overby, S. (2006) Q&A: Tom Oreck on recovering from Katrina. An article published at

ComputerWorld.com on March 21, 2006. Retrieved from

http://www.computerworld.com/s/article/print/109753/Q_A_Tom_Oreck_on_rec

overing_from_Katrina?taxonomyName=Disaster+Recovery&taxonomyId=83 on

September 1, 2012.

Redfern, J. (2012). Jay Talking: Wataga native puts lessons from Katrina into practice. An

   article published on September 2, 2012 at Galesburg.com. Retrieved from

   http://www.galesburg.com/features/x1903460882/Jay-Talking-Wataga-native-

   puts-lessons-from-Katrina-into-practice on September 2, 2012.

Savidge, M. (2007). Oreck brushes off the Gulf Coast. An article published at MSNBC.com on

   February 23, 2007.   Retrieved from

   http://www.msnbc.msn.com/id/17300566/ns/nbcnightlynews-

   after_katrina/t/oreck-brushes-gulf-coast/ on September 2, 2012.

Wallace, M. and Webber, L. (2011). The Disaster Recover Handbook: A Step-by-Step Guide to

   Ensure Business Continuity and Protect Vital Operations, Facilities, and Assets,

   second edition: New York, NY: American Management Association.

Watters, J. (2010). The Business Continuity Management Desk Reference: Guide to Business

   Continuity Planning, Crisis Management & IT Disaster Recovery.

   Northamptonshire, UK: Leverage Publishing.

Whitman, M. E. and Mattord, H. J. (2007). Principles of Incident Response & Disaster Recovery.

   Boston, MA: Course Technology – Cengage Learning.