



**Your Business  
Continuity Plan (BCP):  
A Trusted Partner Can Help**

**PAYCHEX**<sup>®</sup>

HR | Payroll | Benefits | Insurance

# Is your business prepared for when the unexpected happens?

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Pandemics. Wildfires. Hurricanes. Floods. It seems like every day there's a disaster in the news. We often think of the big catastrophes, but even relatively small events, such as local storms or blackouts, can interrupt your business operations.

While we hope you never need to use it, it's critical to have a Business Continuity Plan (BCP) in place. And just as important, a trusted partner you can rely on for support. For nearly 50 years, Paychex has helped businesses successfully respond to unforeseen events that impact business operations. We know that disaster situations can be complex, overwhelming, and stressful. We can't promise they'll ever be easy, but we can help make managing them simpler.

## **What Is A BCP, And Why Do You Need One?**

Just like it sounds, a BCP is a preparedness plan to help businesses continue operations in the event of a disaster or emergency. Depending on the type and severity of the event, they may face issues such as:

- Reduction of customers
- Slowdowns in cashflow or credit
- Temporary supply chain interruptions
- Staff shortages due to illness or quarantine
- Inability for people to get to work (such as in a weather event)
- Physical damage to the facility
- Technology, communications, or systems downtime

Disasters are often unpredictable, and some scenarios may be impossible to anticipate. But a well thought-out BCP can give you the confidence you need to respond in a wide variety of situations. So how do you get started?

# First, Assess Your Risk

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Risk assessment can be centered around your geographical location, the type of industry you're in, and the physical logistics of your facility. For example, the risk of an earthquake is going to be higher in California than it is in New York. A restaurant business may face more risk of supply chain interruption than an IT company. And an older facility may be more vulnerable to infrastructure damage than a newer one.

The American Red Cross recommends that you research the types of disasters that are common to your region. You may also want to have your building assessed for structural weaknesses. And what about workplace safety? Your business must comply to OSHA standards, but are there other drills or protocols you can put in place to protect your people?

You also might consider a temporary relocation plan, where you can set up critical business operations in an alternate location. And be sure to have an action plan in your employee handbook that outlines what they need to do in the event of a crisis.

Regardless of size or industry, any business can be affected by a public health crisis, national disaster, or security breach, so be sure to craft a BCP plan that addresses all three.



# Public health: Pandemics and infectious diseases

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A global infectious disease outbreak such as COVID-19 (coronavirus) can impact your business in terms of risk to employee safety, loss of sales, and economic uncertainty. Pandemics can also cause disrupted supply chains, absenteeism, and the inability to deliver products and services. Unfortunately, they can also generate panic and misinformation, so it's important to rely on trusted sources to help protect your business and its employees.

For example, during a public health crisis, Paychex can provide you with:

- An online resource which provides trusted, verified information on workplace health and business continuity best practices
- Market research to understand how businesses are responding to the outbreak, so that we can proactively help them during the crisis
- Cloud-based payroll, HR, and time-tracking solutions that enable necessary work functions anytime, from anywhere, especially in the event of a quarantine

# Natural Disasters

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Earthquakes, hurricanes, tornadoes, floods, wildfires—natural disasters can wreak havoc on physical facilities, cause power outages, and put systems in downtime. As we have seen in disasters like Hurricane Sandy, business owners may be faced with dealing with property damage, power loss and the destruction of important documents.

When looking for a trusted partner for your BCP, be sure they have:



## **Data back-up and accessibility**

When your “brick and mortar” office is out of service, be sure to have ample back-up to avoid data loss. For instance, Paychex has data centers in multiple locations with built-in redundancies to protect all HR, payroll, and benefits data. Having quick access to health insurance information is particularly critical after a disaster. Cloud-based HCM solutions that provide access to payroll, and insurance benefits information enable faster response in a crisis. And, when your data is secure and easy to find, your business can get back up and running more quickly..

## **A nationwide presence**

What happens if your local HR/payroll provider is also affected by the disaster? It’s important to have a partner who has operations in more than one branch or office. With 100+ U.S. locations, Paychex can continue serving its customers regardless of local conditions. Additionally, we back up client information in geographically diverse data centers that are built to withstand power failures, enabling us to deliver maximum uptime.

## **Business interruption insurance**

Business interruption insurance helps cover loss of income and protects companies from potential liabilities that may be incurred during a disaster. Through our relationship with major insurance carriers, Paychex may be able to assist your business in getting the coverage you need for added peace of mind.



# Cybersecurity

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Cyberattacks are on the rise, and they can affect businesses of all types and sizes. Common threats include phishing, malware, data and identity theft, and password attacks. Using a technique called distributed denial of service (DDoS), cybercriminals can even crash servers, wreaking havoc upon a company and its customers.

The 2018 Hiscox Small Business Cyber Risk Report found that many businesses experienced more than one cyberattack a year, with some businesses reporting as many as five or more. The report estimated the average cost of cybercrime to be \$35,000 a year for small businesses, and millions of dollars a year for larger companies.



The costs of cybercrime can't be measured in dollars alone. Losing customer confidence in your security can incur lasting damage to your business. That's why it's important to include a cybersecurity plan in your BCP.

Cybercrime protections can include regularly updating IT systems, backing up data to the Cloud, and training employees on good internet security practices. At Paychex, we can help mitigate the impact of a cyber attack by:

- Backing all payroll and HR information to our data centers
- Ensuring safety measures for our mobile device solutions
- Providing Cyber Liability Insurance

Paychex Insurance Agency offers cyber liability insurance to help protect businesses from the financial burden that can come with trying to recover from data breaches and online attacks. Insurance can also include 24/7 crisis management, with expertise from one of the nation's top cyber security law firms.

\*Cyber insurance is available through Paychex Insurance Agency. The AXIS policy is administered through risk purchasing group North American Data Security RPG.

# Getting Started

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To help you begin developing your BCP, here are some additional resources. Feel free to reach out to Paychex directly with any questions.

**Ready.gov** The government's [ready.gov](https://www.ready.gov) website includes valuable information for establishing your own BCP from business impact analysis to recovery strategies to plan development and testing exercises.

**Cyber liability insurance checklist** Learn more about the benefits of [cyber liability insurance](#).

**Infectious Diseases** Learn how to [prepare for pandemics](#) such as SARS and COVID-19.

# About Paychex

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Paychex, Inc. (NASDAQ:PAYX) is a leading provider of integrated human capital management solutions for human resources, payroll, benefits, and insurance services. By combining its innovative software-as-a-service technology and mobility platform with dedicated, personal service, Paychex empowers small- and medium-sized business owners to focus on the growth and management of their business. Backed by more than 45 years of industry expertise, Paychex serves approximately 670,000 payroll clients as of May 31, 2019 across more than 100 locations in the U.S. and Europe, and pays one out of every 12 American private sector employees.

Learn more about Paychex by visiting [www.paychex.com](http://www.paychex.com), and stay connected on Twitter and LinkedIn.

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**800-319-1335**

<https://www.paychex.com/payroll>



## The benefits of partnering with Paychex? We...

- Are financially stable with no long-term debt
- Serve approximately 670,000 payroll clients, touching one in 12 U.S. private-sector workers every two weeks
- Move more than 700 billion dollars on behalf of our customers
- Are the largest provider of outsourced HR services in the U.S., serving more than 500,000 worksite employees\*
- Have 700,000 retirement services participants in 80,000 401(k) plans (one of every seven in the US) with \$23.5 billion in plan assets
- Are listed among the World's Most Ethical Companies\*\*

\*Among small and medium-sized businesses

\*\* Ethisphere® Institute, 2020

### Questions? Contact us at 855-973-2408

[paychex.com/human-resources](http://paychex.com/human-resources)

### Worx References

[Protect Your Company With a Business Contingency Plan](#)

[Business Continuity Planning for Small Business](#)

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