



## Software Review

# Business Continuity Plan

## Software developed by Nancy Lininger and The Consortium

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Reviewing the Business Continuity Plan Package offered by Nancy Lininger of The Consortium ([www.liftburden.com](http://www.liftburden.com)) was one of my more pleasurable tasks. I sensed that it would be “fun” when I read the Nancy’s job title and tag line...“Professional Weightlifter, Lifting the Burden of Compliance and Marketing Off of the Shoulders of Financial Services Professionals.”

It should be noted that this program was sent to NAPFA in Spring 2004 and should have been reviewed in the summer; plenty of time for advisors to consider it for the October deadline. Well, the original submission is floating around some post office, and we all know that even some of us who should have a business continuity plan (BCP) don’t; also, this program will be worthwhile to those who will need it in the future.

The terms business continuity plan and disaster recovery plan are the same,

and simply refer to your plan to keep your business operating and your clients informed, with access to their accounts, in the case of an event that precludes



*Nancy Lininger and Business Continuity Plan software can lift the burden of compliance.*

normal business operation. While it may have always been a good idea to address these issues, the Securities and Exchange Commission (SEC) mandated that they be addressed in writing, through a rule that became effective on Oct. 5, 2004. In all likelihood, state-registered advisors

may face the same requirement down the road.

Planners usually can see the larger issues, and over the last few years we have all been witness to graphic examples of what can prevent a company from doing its business in a normal fashion. These can be acts of terrorism, long-duration power outages, floods, and so on. Large firms may have different strategies than smaller firms, but each one will have a strategy.

### BCP Template

The business continuity plan from The Consortium consists of a MS Word template, BCP.doc, on diskette, which may be problematic if your computer doesn’t have a floppy drive. However, I was assured by Nancy Lininger that the Word document will be emailed to those who do not have access to a floppy drive. The package also includes a BCP Checklist and a separate Succession Planning synopsis included for your reading enjoyment.

Using the template is intuitive, and it greatly simplifies the process of creating a business continuity plan. The template identifies the issues that an examiner may look at, but it is up to the user to provide the solution. For example, the software prompts you on the subject of a Command Center. A text box contains information about what a Command

Center is and the problems you should consider in creating your Command Center. Then the software asks you if your office is in your home or very nearby, and is it wise to have the command center in your home or next door. (Note that the text boxes are informational and should be deleted when you are preparing your document.)

One great feature in the software package is a checklist of “events” and how you would deal with them. The list demonstrates that the event does not need to be major to disrupt your business — such as a “minor injury,” for which the checklist will tell you to apply first aid, notify a supervisor, and/or call a doctor. Major events on the list include Internet connection failure, an earthquake, or an explosion.

### Getting Organized

As a sole practitioner, I know that there will be some very simple answers in my BCP because all of my clients’ accounts are all their names, and each client has access to the custodian. Yet,

preparing the BCP still was valuable; it helped me get more organized, forced me to list my business resources, and made me consider exactly how I would handle certain events.

The amount of time that it takes to prepare a business continuity plan will vary greatly, depending on your own circumstance. The procedure that I used was to read the printed template and to gather the information that was required, such as contact information, serial numbers on equipment, software versions, etc., and then write down the responses to the various questions. The actual typing took less than three hours, which may be a reflection on my poor typing skills.

The most difficult part was simply coming to grips with the question: “What would I do if...?” I do know that in the event of some emergencies, my first step will be simply to notify my clients of the situation so that they could deal with the custodian.

The software package costs \$300, which seems like a reasonable price considering how easy the program is to

use and the well-organized final document that it produces. I will add that The Consortium also publishes a monthly newsletter called *Compliance E News*, which I found enjoyable and educational. It provides bullet points and some detail on various news events, regulatory announcements on a federal and state level, and NASD requirement updates.

Incidentally, I learned something interesting from a recent *Compliance E News* issue: A broker-dealer cannot refuse to transfer basis data, if asked, to a new broker-dealer. The only exception is if the old broker-dealer did not have the information available in electronic form. It’s nice when regulations work in our favor every once in a while.

To get the software go to [www.lift-burden.com](http://www.lift-burden.com).

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