

Disaster planning

Going beyond the bricks and mortar

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If the last two years haven't convinced you that the impossible is possible, think again.

From tornadoes to hurricanes, from droughts to rolling energy black-outs, it is more apparent than ever that businesses need to be prepared for the worst.

After the September 11 tragedies, businesses owners sat up and took notice, yet many small business owners still do not have an operational business contingency plan.

It is estimated that following a disaster, one in four businesses will close. And beyond the closures of business and the employers and employees that are hurt, an entire community suffers from catastrophic business failures.

Businesses should be prepared for disaster in their community, regardless of whether it strikes the business or not. Damage to your customer base can be just as devastating.

Owners and operators are encouraged to take the time to evaluate, if they were one of the lucky three, what would happen to their business. The surviving businesses are drastically affected through a changed or minimized customer base, communications lapses, and insufficient insurance -- all problems that arise through lack of proper planning.



Since 1976 Texas declared 51 Federal disasters, California 45 and Florida 35. (FEMA)

Disaster statistics

25 natural disasters produced 1.8 million claims in 2002 (ISO)

40 states had insured-property damage from disasters in 2002. (ISO)

16 percent of insurers have noticed an increase in terrorism coverage - mostly due to lender requirements. (CIAB)

27% of losses from September 11, 2001 came from business interruption. (Insurance Information Institute)

Top ten planning guide

1. Establish a clear chain of command and communication for you and your employees in the case of an emergency.
2. Set priorities regarding what your business could not operate without, and what must be back online first.
3. Establish a back-up plan for your business services (power company, shippers and suppliers, internet provider, etc.).
4. Get disaster insurance and have a clear understanding of what it covers.
5. Determine how long your business could exist during a prolonged closure (paying creditors, employees, etc.).
6. Explore your options for off-site storage of crucial documents and replacement equipment.
7. Diversifying your customer base isn't just good business, it's a good disaster protection plan.
8. Analyze what resources you have and what kind of resources you need in an emergency to get back to business (human capital, financial savings, temporary business location, etc.).
9. Get involved in the community-wide plan. Contact your local emergency planning services to determine what they can do for you and what you can do for them.
10. Write down all important information in your emergency plan, be sure to train employees and your family on the plan. Make copies.

Resources on the web

SBA's Disaster Planning Tool Kit

<http://www.ibhs.org/docs/openforbusiness.pdf>

SBA Web site information/links

<http://www.sba.gov/beawareandprepare>

Disaster Recovery Journal

<http://www.drj.com>

Red Cross Disaster Planing

<http://www.redcross.org/services/disaster/beprepared>

FEMA Emergency and Management Guide

<http://www.fema.gov/pdf/library/bizindst.pdf>