

Planning for Disaster

June 1 marked the beginning of another hurricane season. If a hurricane hit tomorrow, would your business weather the storm? Is your business prepared for a disaster?

According to the Federal Emergency Management Agency (FEMA), 40 percent of businesses never reopen after a disaster and another 25 percent fail within one year. Statistics from the United States Small Business Administration (SBA) show that over 90 percent of businesses that were unable to reopen within 5 days fail within two years after a disaster.

We tend to focus on hurricanes but it is important for businesses to be prepared for any type of disaster. Wildfires, flooding, and severe storms are some of the natural hazards we face in our community; however, a disaster doesn't have to be community-wide to negatively affect your business.

Major disasters are rare. Small disasters happen every day. For example, water damage due to a faulty sprinkler system could lead to a catastrophic business failure.

So what can you do to protect your business from disaster?

FEMA recommends that all businesses—small to large—have a Business Continuity Plan. A commitment to planning today will help support employees, customers, the community, and the local economy.

The first step in continuity planning is to **be informed**. Ask "what if." Determine and document all of the different risks that could impact your business. You may be aware of some of your risks; others may surprise you.

[SBA.gov](https://www.sba.gov) has a number of tools to help you conduct a risk assessment of your business.

The second step is to **determine critical business functions**. Carefully assess how your company functions, both internally and externally, to determine which staff, materials, procedures and equipment are absolutely necessary to keep the business operating. Include emergency payroll, expedited financial decision-making and accounting systems to track and document costs in the event of a disaster.

Keep copies of important records such as site maps, building plans, insurance policies, employee contact and identification information, bank account records, supplier and shipping contact lists, computer backups, emergency or law enforcement contact information and other priority documents in a waterproof, fireproof portable container. Store a second set of records at an off-site location.

While there is no way to predict what will happen or what your business's circumstances will be in a disaster, there are things you can do in advance to help protect your physical assets. Install fire extinguishers, smoke alarms and detectors in appropriate places.

Identify what production machinery, computers, custom parts or other essential equipment is needed to keep the business open. Plan how to replace or repair vital equipment if it is damaged or destroyed. Identify more than one supplier who can replace or repair your equipment. Store extra supplies, materials and equipment for use in an emergency.

The third step is to **communicate with your employees**. Include co-workers from all levels in planning and as active members of your emergency management team. Consider a broad cross-section of people

from throughout your organization, but focus on those with expertise vital to daily business functions. These will likely include people with technical skills as well as managers and executives.

Your employees and co-workers are your business's most important and valuable asset. Two-way communication is central before, during and after a disaster. Include emergency preparedness information in newsletters, on company intranet, periodic employee emails and other internal communications tools.

If individuals and families are prepared, your company and your co-workers are better positioned in an emergency situation. Encourage your employees and their families to: Get a Kit, Make a Plan, Be Informed. Go to <http://www.ready.gov> for more information on personal preparedness.

The fourth step is to **make a list of your most important customers** and proactively plan ways to serve them during and after a disaster. Also, identify key suppliers, shippers, resources and other businesses you must interact with on a daily basis. Develop professional relationships with more than one company in case your primary contractor cannot service your needs. A disaster that shuts down a key supplier can be devastating to your business.

The fifth step is to **plan what you will do if your building, plant or store is not accessible**. Define crisis management procedures and individual responsibilities in advance. Talk with your staff or co-workers and frequently review and practice what you intend to do during and after an emergency.

This is a good time to review insurance coverage. Inadequate insurance coverage can lead to major financial loss if your business is damaged, destroyed or simply interrupted for a period of time. Insurance policies vary, so check with your agent or provider about things such as physical losses, flood coverage and business interruption. Understand what your policy covers and what it does not.

In this era of technology, there are numerous tools for business continuity planning.

<http://www.baycountyfl.gov/emergency/coop-tool.php>, floridadisaster.org, sba.gov, and fema.gov are just a few of the sites that offer free disaster planning software, brochures, or templates.

It is important to review your plans annually. Just as your business changes over time, so do your preparedness needs. When you hire new employees or when there are changes in how your company functions, you should update your plans and inform your people.

Go beyond planning and frequently practice what you intend to do during a disaster. Conduct regularly scheduled education and training seminars to provide coworkers with information, identify needs and develop preparedness skills. Include disaster training in new employee orientation programs.

Evaluate and revise processes and procedures based on lessons learned and keep training records. Drills and exercises will help you prepare.

If you would like a speaker to address your employees or co-workers, please call Bay County Emergency Services at 850-248-6040 or email Brooke Powell at bpowell@baycountyfl.gov.