



Reduce the Effects of a Disaster on Your Business

A Wolgast Restoration White Paper



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An Employee-Owned Company

When Mayhem Strikes... We Strike Back!

Reduce the Effects of a Disaster on Your Business

Research has shown that one in four businesses are forced to close after a disaster strikes. Small businesses are particularly susceptible because of their inability to survive substantial revenue interruption. Every business, regardless of their size, should prepare a plan that will allow them to recover from a catastrophic event that disrupts their operations.

In this paper we have identified some important measures to take, and information you should know to mitigate the affects of a disaster that could potentially shut your doors for good.

What are your Risks?

Identifying and understanding your risks will allow you to evaluate how susceptible your business is to a serious disruption.

Because no two businesses are alike, potential threats can vary considerably from one business to another. How you protect your business and recover from a disruption is determined by many factors, such as your: location, industry type, corporate culture, management style, business functions and objectives.

Many small businesses often fail to recognize potential threats, and underestimate the impact of a known threat.

By accurately identifying your risks, you will then be able to evaluate their probability of occurrence, their severity, and their impact on your key business operations.

Identify your Threats.

Make a list of potential threats to your business.

Common threats from natural disasters in our region of the country include: Tornados; Severe Winter Weather; Frozen Water Lines; Straight Line Winds; Loss of Utilities; and Flooding.

Other factors that threaten businesses include: Internal and External Fire; IT/Computer System Failure; Computer Viruses; Employee Illness; Workplace Violence, Theft, Discrimination and Harassment.

Assess the Probability of Threats.

Evaluate how likely each threat is to occur, and rate them accordingly. This will provide you with a guide for determining how urgently the threats should be addressed.

Determine the Severity of Threats.

Assess the potential severity of each threat. Take into consideration the amount of damage each threat may cause, as well as the duration, magnitude, and impact on your operations, customers, employees, suppliers, and surrounding community.

Also, take into account the possibility of damage to your local infrastructure like roads, bridges, and utilities that could hamper your ability to resume business operations, and develop a strategy to overcome these obstacles to recovery.

You should also obtain a Community Hazards Vulnerability Analysis from your local emergency management office. This document provides you a list of possible natural and man-made hazards that could affect your community and your business.

Prepare Your Operations.

Recovering quickly from any form of business disaster can make the difference between surviving or going out of business.

It is imperative to know the maximum amount of time your operations can be down after experiencing a catastrophic event. Evaluate your key business functions and systems and determine how long you can get by without the ability to perform them.

Consider the following:

- What are your main products and services?
- How do you produce your products and services?
- What things could most likely impact your ability to do business?
- If your business were impacted, who would you need to call? How would you reach them?
- What other business functions and processes are required to run your business?
- Which of these business functions and processes have legal, contractual, regulatory or financial obligations?
- Can any functions be performed offsite? What equipment is required?
- How much downtime can you tolerate for each function?
- What are the consequences if the function cannot be performed?
- Can your business survive without a specific function?

Also consider your employee's daily, weekly, monthly, and annual tasks and responsibilities. Think about the functions and processes required to run your business in: accounting/finance; production/service delivery; sales/marketing; customer service; human resources; administration; information technology; and purchasing.

Prepare Your Employees.

The most valuable asset to any business is its employees. Suppose a disaster prevents them from having access to your business.

- Would you know how to reach your employees?
- Do you have their current home and mobile telephone numbers, addresses, e-mail addresses, and emergency contact information?
- Is your employees' contact information available to you outside your business location?

Access to current employee contact information allows you to reach your employees to establish their safety and whereabouts, inform them of the status of your business, where, when and if they should report, and what to do following a disaster.

Two-way communication with employees is critical before, during and after a disaster. Create an employee telephone calling tree and an emergency call-in voice recording telephone number, and know how to e-mail and text your employees. Designate a telephone number where employees can leave messages.

Determine what assistance is needed for employees with disabilities or special needs, such as communications difficulties, physical limitations, equipment instructions and medication procedures. Determine whether employees are caring for individuals with special needs, which could prevent them from being available during a disaster. Identify employees who are certified in First Aid and CPR, and those with special skills that could be helpful during emergencies.

Employee preparedness can make the difference between whether your business is able to effectively recover from a disaster or not. Encourage employees to make personal emergency preparedness plans. The more prepared your employees are at home, the faster they will be able to return to work to help your business respond and recover from a disaster.

To maintain your communication readiness, have your employees review and update their contact information at least every six months. Create a special emergency e-mail account using free services provided by Yahoo, Gmail, Hotmail, etc., to enable people to contact the company regarding their status. Be sure all employees know how to access the emergency account.

Prepare Your Customers, Suppliers, and Vendors.

Disaster preparedness is about having the ability to manage any business disruption to ensure the continuation of services to your customers. Your customers need to know that you can still provide essential services, even if others in your area cannot. They will want to know how the disruption will affect their operations. Maintaining up-to-date contact information for your key customers, contacts, suppliers, and vendors is critical.

The ability to resume your business operations relies on the capability of your suppliers and vendors to deliver what you need on time.

- Be sure your suppliers and vendors are not all in the same geographic location as your business.
- Have alternate or backup suppliers in place.
- Request copies of your suppliers' business continuity plans.
- Establish a notification list and procedures.

Keep a list of key contacts for those that provide administrative services to your business, such as:

- Accountant
- Bank
- Billing/Invoicing Service
- Building
- Manager/Owner
- Security
- Insurance Agent/Broker
- Internet Service Provider
- Payroll Provider
- Public Works Department
- Utility Providers

Unfortunately, you face the risk of losing customers if you cannot service their needs due to a business disruption. After a disastrous event, it is important to keep customers informed about the status of your business, your product or service, delivery schedules, etc., and to develop mutually agreeable alternative arrangements, if necessary.

Establish multiple methods for communicating with your customers after a disaster. Direct phone calls, text messaging, e-mail, Twitter and Facebook posts, or announcements on your website are all very effective ways to reach them.

Prepare your Information Technology.

Information technology (IT) is the lifeblood of most businesses, and must be included in your business continuity plan. Without access to your computer hardware, software, and digital data, your business operations can come to a halt. Every business communicates with or conducts business with their customers, partners, suppliers, and vendors via the Internet. This means your ability to do business depends on your computer system's connectivity and data communications.

If you are given significant warning of an impending disaster, shut down and unplug all your computer hardware to avoid serious damage due to power fluctuations and surges. In the event of a potential flood, consider elevating equipment off from the floor or moving it offsite. You could also have employees take laptop computers and tablets home with them, so they can work offsite if necessary.

Determine which data and records are vital to perform critical business functions, and regularly back them up on one or more types of digital media. Store a backup copy onsite for use during small disasters, and store a second copy offsite, in a safe location that can be easily accessed during large disasters. This is to ensure your data and IT systems are available to you when you are able to resume operations.

Keep a backup copy of your computer's operating system, boot files, critical software, and operations manuals.

- Backup computer files, including payroll, tax, accounting and production records.
- Maintain an up-to-date copy of computer and Internet login codes and passwords.
- When possible, keep hard copies of critical virtual files offsite.
- Make arrangements with IT vendors to replace damaged hardware and software, and/or to set-up hardware and software at a recovery location.
- Request written estimates for rental or purchase of equipment, shipping costs and delivery times. Be sure to list these companies on your supplier and vendor form.
- When flooding is possible, elevate computer equipment stored on the floor.

Prepare Your Finances.

The best time to prepare your business' finances is before a disaster occurs. Preparing your business financially now so it is ready to recover and continue operating when a business disruption occurs is just as critical as knowing exactly what to do when disaster strikes.

Some emergency financial preparations include:

Emergency cash reserve fund.

Cash may be needed to purchase supplies or equipment, or relocate your business temporarily.

Available line of credit.

Be sure to have a line of credit or credit card available in case you don't have enough cash in your emergency fund.

Identify financial obligations.

Never assume that your suppliers, vendors, and creditors are aware that you were struck with disaster and will automatically grant you an extension. Mortgage, lease, or rental payments may still need to be made after a disaster strikes your business.

Create an emergency payroll policy.

You should not assume that your employees will continue to work without pay during or after a disaster. Make employees aware of your payroll continuity plan ahead of time. This will allow them to plan for their financial obligations in the event of a disaster, as well.

Developing clear strategies and procedures for controlling costs, reporting information to appropriate agencies and clearly budgeting for and tracking what is spent during a business disruption will have a positive impact on your bottom line performance and business recovery.

Seek Professional Assistance.

Having good relationships with public agencies and private partners can improve your ability to protect your business and return to normal after a disaster. Maintain a communication channel with community leaders, public safety agencies, government agencies, utility companies, insurance companies, and disaster restoration contractors. Working with outside agencies can be very beneficial, because they can provide you with a wealth of information to help you recover quickly from a disaster.



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