

do **1** thing/BUSINESS

SMALL STEPS TOWARD PREPARING YOUR BUSINESS FOR EMERGENCIES

Step 12: Recovery



THE GOAL: Create a plan that will help you make sound decisions about the future of your business after a disaster.

Major disasters change communities forever. Shopping patterns, income levels, and demographics may be permanently affected. Skilled employees may leave the community and no longer be available. Business owners must be prepared to make difficult decisions about location, staff, operations, and whether to reopen at all. Laying the groundwork ahead of time can make it easier to make sound decisions after a disaster.

▶▶▶ CHOOSE ONE OR ALL OF THE FOLLOWING THINGS TO DO THIS MONTH TO PREPARE YOUR BUSINESS FOR A POTENTIAL EMERGENCY:

- ☐ **Make a checklist of considerations for getting back into business if your facility is damaged.**
- ☐ **Make a plan for post-disaster staff support.**
- ☐ **Make a checklist of considerations to help you make decisions about the future if your business is affected by disaster.**

Make human resources your first priority after a disaster. Taking care of your existing staff can save money and get your business back to normal faster. If you have lost skilled workers, hire or temporarily contract for them.

☐ **Make a checklist of considerations for getting back into business if your facility is damaged.**

When your facility is damaged you must choose between restoring that facility and moving into a different site. Develop a checklist now that will help you get back into your facility quickly, and that will help you recognize when trying to return to your old location is not feasible.

»» Consider the Condition of Your:

- **Your Building**—Is damage cosmetic or structural? How long will it take for repairs to be made? Talk to your insurance agent as soon as possible and find out how long it may be before your claim is paid. Add that time to the amount of time it will be before repairs can be made. If you rent, get a timeline from the building's owner.
- **Transportation Routes**—Were transportation routes impacted? If so, when will they be restored?
- **Utilities**—What utilities were damaged and when will they be restored?
- **Surrounding Structures**—If buildings around yours are likely to remain vacant for a long time, will it negatively impact your business?
- **Neighborhood**—If your business relies on customers from a specific area, how badly was the area affected?

Another factor when deciding whether to wait to get back into your building or relocating is the impact the disaster has had on demand for your product or service. If the event has caused an increased demand, you will want to get back into business as quickly as possible. Once that demand is met following the event, it may reduce demand for that product or service for a period of time afterward.

Make a plan for post-disaster staff support.

The trauma of a disaster or emergency event can make it difficult for employees to return to work, and can make them less productive when they do. Effects can be multiplied if both the employee's home and workplace are affected, or if the event takes place while they are at work. Providing an emotional support system can help employees manage the effects of the disaster and can ultimately help your business return to productivity sooner. It can reduce sick days and worker's compensation.

Traumatic stress can affect our ability to think clearly, our relationships with others, and even our physical health. A person suffering from traumatic stress often won't recognize the symptoms in themselves. Mood swings, irritability, insomnia, headaches, inability to concentrate, loss of appetite, even eating and sleeping too much, can be signs of traumatic stress.

If you contract with an employee assistance program, discuss what kind of support they can offer to employees after a disaster. Otherwise, find out what other resources are available in your community. In many areas Disaster Mental Health or Critical Incident Stress Management Teams are available to work with employers to help manage the stress and trauma of an extreme event. Talk to them in advance to find out what kind of services they can offer.

Be visible to your employees. Make sure they understand their role in the recovery of the business. Set achievable goals and recognize when they are met. Clearly communicate any changes in management structure or procedures, including whether the changes are permanent or, if temporary, how long they are expected to be in place.

☐ Make a checklist of considerations to help you make decisions about the future if your business is affected by disaster.

Post-disaster decision making isn't limited to whether to reopen or relocate to a new site. You may be faced with the decision of whether or not to reopen at all. The Natural Hazards Research Center describes disaster decisions as being made in an "emotional, reactionary, time-sensitive, expensive, and politically charged atmosphere...based upon incomplete information, disproportionate needs, and the worst working conditions imaginable." (Holistic Disaster Recovery, 2001)

For a small business, "survival" must be defined as the financial survival of the business owner.

SURVIVAL DOES NOT NECESSARILY MEAN:

- Continuing in the same line of business, or staying in any business at all
 - Staying at the same location
 - Serving the same customers
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After a serious disaster, it usually takes the same level of commitment and energy to revitalize a business as it did to start it.

THINK NOW ABOUT WHAT YOU MIGHT DO IF YOUR BUSINESS WAS CLOSED BY DISASTER:

- Operate the same business
 - Open a new business
 - Enter a new occupation, or
 - Retire
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Do you still have what it takes to do it again? Are you and your family in good health? Has the disaster caused you severe stress? Is stress affecting your decision-making?

The more vital assets you lose in a disaster, the harder it will be to get back up and running after a disaster.

Consider the Condition of Your:

- Place of business
- Inventory – Review customer orders and sales projections.
- Production equipment/processes
- Key personnel and institutional memory
- Business records
- Customers/Suppliers – How will you contact vendors and customers to let them know your status? How will you find out if local customers and suppliers were affected by the disaster?

Have You Lost:

- Production time
- Inventory
- Materials
- Labor
- Capital assets
- Key employees
- Facilities

Research shows that smaller businesses are often more likely to fail after a disaster than larger businesses. A business that is struggling before the disaster, or that is only marginally profitable, may be more likely to fail than a business that is healthy. Reopening a business that was not strong before the disaster occurred can be financially and emotionally draining, and it may still fail. Even if the business was strong before the disaster, an extended closure can cause a loss of market share which may be hard to recover from.

The bottom line is that, as a business owner, recovery from a disaster doesn't always mean getting back to your pre-event condition. It may mean finding a new way to be financially viable.

Post-Disaster Decision Tree

FROM SURVIVING EXTREME EVENTS: A GUIDE TO HELP SMALL BUSINESSES AND NOT-FOR-PROFIT ORGANIZATIONS
PREPARE FOR AND RECOVER FROM EXTREME EVENTS BY DANIEL ALESCH & JAMES N. HOLLY



