
EMERGENCY PREPARATION

— a step-by-step guide for businesses —

do  thing/ BUSINESS

SMALL STEPS TOWARD PREPARING YOUR BUSINESS FOR EMERGENCIES

do thing/BUSINESS

Step 1: Risk Assessment	3
Step 2: Essential Business Functions	7
Step 3: Facilities	10
Step 4: Insurance	13
Step 5: Vital Resources	20
Step 6: Key Personnel	24
Step 7: Communication	27
Step 8: Community	30
Step 9: Personal Preparedness	34
Step 10: Emergency Plans	38
Step 11: Exercise	41
Step 12: Recovery	45

Do 1 Thing is a national non-profit based in Michigan's capital area. Do 1 Thing is more than an awareness program, it is an action program. It is designed to empower people to protect themselves and their families in a disaster. Follow us for 12 months and find out how easy it is to prepare yourself, your family, and your community!

do  thing.com

do **1** thing/BUSINESS

SMALL STEPS TOWARD PREPARING YOUR BUSINESS FOR EMERGENCIES

Step 1: Risk Assessment



THE GOAL: Understand how an emergency or disaster could affect your business and identify your potential risks.

For businesses, a disaster is any event that endangers its ability to continue operating and follow its business plan. Statistics show that one in four businesses won't reopen after a disaster. New research shows that many more businesses will reopen, only to fail within a few years of a disaster, often after the business owner has exhausted their life savings trying to stay afloat. Understanding your risks is the first step to making your business disaster resilient.

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

- ☐ **Identify general hazards that can occur in your community, and specific hazards from which your business may be at risk.**
- ☐ **Understand major variables that can affect your ability to reopen after a disaster.**
- ☐ **Take steps to protect your assets from those hazards.**

No business or community will ever be disaster-proof. Disaster resilience is the ability of a business to withstand the impact of disaster and continue as a strong, healthy organization—even if it isn't exactly the same organization that it was before the disaster.

☐ **Identify general hazards that can occur in your community, and specific hazards from which your business may be at risk.**

Identify your potential hazards by completing a business impact analysis (BIA) for your organization. A BIA identifies the ways your business may be vulnerable in disaster.

IDENTIFY WHICH OF THESE POTENTIAL HAZARDS COULD AFFECT YOUR FACILITIES:

- | | | | |
|--------------------------------|-----------------|---------------------------|---|
| • Structure Fire/
Explosion | • Ice and Sleet | • Extreme Cold | • Disease Outbreak |
| • Wildfire | • Tornado | • Hail | • Radiological Incident |
| • Flood | • Hurricane | • Terrorism | • Dam Break |
| • Wind | • Earthquake | • Civil Disturbance | • Hazardous Materials
Release (on or off site) |
| • Blizzard | • Subsidence | • Transportation Accident | • Other: |
| | • Extreme Heat | • Infrastructure Failure | |

DETERMINE WHICH OF THESE IMPACTS COULD AFFECT YOUR BUSINESS FROM THE HAZARDS ABOVE:

Not every hazard has the same impacts. Localized hazards, like floods or structure fires, are unlikely to disrupt the supply chain or overwhelm healthcare systems, but they can have a devastating impact if your business is directly affected. Other hazards, like earthquakes and civil disturbances, may have a severe impact even if your business isn't directly impacted.

Put together a team of staff members from each area of your business to talk through how hazards might impact your business

Short-term Impacts:

- | | |
|---|--|
| • Property damage or loss | • Disruption of supply chain |
| • Injuries and loss of life | • Loss of communications, business records
and transportation |
| • Disruption of law and order | • Employees unable or unwilling to come to
work |
| • Loss of public services and utilities | • Loss of business income |
| • Overwhelmed public safety resources | |
| • Overwhelmed sanitation and
health care systems | |

Long-term Impacts:

- | | |
|--|---|
| • Change in community demographics | • Changes in business' economic base due to
changes in the community |
| • Changes in demand for product/services | |

☐ Understand major variables that can affect your ability to reopen after a disaster.

THERE ARE FIVE MAJOR VARIABLES THAT AFFECT YOUR BUSINESS' CHANCES OF RESUMING OPERATIONS AFTER A DISASTER:

- **Effects On Customers:** Businesses whose customers are severely impacted by disaster are less likely to survive. This is particularly true when the product or service the business provides is a not a necessity or can be postponed. Customers who are displaced by the disaster may not move back to the same location. Having multiple locations or a geographically diverse customer base increases your business' chance of survival.
- **Available Substitutes:** If substitutes for your product or services are readily available, you may have trouble winning customers back when your business reopens. The longer you are closed, the harder it will be. Specialized products or services increase your business' chance of survival.
- **Industry Innovation:** A business that was competitive before the disaster has a better chance of recovering afterward. Finding ways to be competitive now increases your business' chance of survival after a disaster.
- **Loss Of Vital Resources:** Specialized machinery or equipment may be hard to replace if damaged in a disaster. Suppliers and transportation companies may also be affected. The more you rely on a single supplier, the harder it will be for your business to recover. Employees may be impacted by the disaster. They may be reluctant, or unable, to return to work if their homes are damaged or their families are affected. Employees displaced by the disaster may not move back. Other vital resources include inventory, production time, and facilities. Identifying alternatives to key resources ahead of time increases your business' chance of survival.
- **Owner Response To New Environment:** This is the most important factor in whether or not a business will recover after a disaster. A business owner who recognizes the changes in the post-disaster market and can adjust to them is more likely to survive a disaster. Creating contingency plans increases your business' chance of survival.

Disasters change things. Communities and businesses are never exactly the same after a major disaster. Recovery may not mean a return to business as usual. The goal is to have an organization that is financially viable in the post-disaster environment.

☐ Take steps to protect your assets from those hazards.

Steps you take to protect your business before the disaster are called mitigation. Mitigation can be structural (changes to a building) or non-structural (changes to the way you do business). Studies show that for every dollar spent on mitigation, an average of four dollars is saved in a disaster through damage that is prevented.

HERE ARE A FEW THINGS YOU CAN DO TO LESSEN THE IMPACT OF DISASTER ON YOUR BUSINESS:

- **Facility Protection:** If your business is in a floodplain, or in an area prone to earthquakes or hurricanes, retrofit your facility to withstand those hazards as much as possible.
- **Redundant Systems:** Evaluate how your records are stored, particularly if you are in a hazard-prone area. Store copies of important records offsite or add extra protection to your current storage systems. Also consider adding a backup generator for important systems and processes in case of a long-term power outage.
- **Shelter Areas:** Designate shelter areas for tornados or hazardous materials release. If you are in a tornado prone area, consider adding a safe room for employees. Consider accessibility for customers or employees with disabilities. Consider areas of refuge in a structure fire, such as stairwells with fireproof doors, where people who are unable to evacuate can wait to be rescued.
- **Have Appropriate Insurance:** Make sure that your insurance covers the hazards you have identified. You may need to add to your existing policies.

Information in this factsheet was adapted from: Surviving Extreme Events: A Guide to Help Small Businesses and Not-for-Profit Organizations Prepare for and Recover from Extreme Events by Daniel J. Alesch and James N. Holly. Available through the Public Entity Risk Institute at <http://www.riskinstitute.org>.

do1thing.com/business

do **1** thing/BUSINESS

SMALL STEPS TOWARD PREPARING YOUR BUSINESS FOR EMERGENCIES

Step 2: Essential Business Functions



THE GOAL: Determine what keeps your business running and take steps to ensure you can continue in an emergency or disaster.

A lot happens in your business every day. Some activities can be suspended, and some can't. Prioritize which business functions are critical to the continued operation of your business in a disaster. Identify what functions can be delayed (and for how long) and what can be deferred in the event of a potential disaster. This is the foundation of your business continuity plan.

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

- ☐ **Identify the functions that are essential to the operation of your business.**
- ☐ **Determine what things could interrupt essential business functions and take steps to minimize your risk.**
- ☐ **Consider diversifying your business functions to become more disaster resilient.**

Essential functions are the parts of your business that cannot be suspended for more than 30 days if your business is to continue. These are the functions to focus on when you are planning for disaster.

☐ **Identify the functions that are essential to the operation of your business.**

IDENTIFY WHICH BUSINESS FUNCTIONS OR OTHER ORGANIZATIONAL FUNCTIONS MUST BE RESTORED WITHIN 30 DAYS. THESE ARE YOUR ESSENTIAL FUNCTIONS.

- Review your business plan, standard operating procedures, organizational charter and mission statement to determine which business functions cannot be suspended for more than 30 days. Then identify those that must be restored within 12 hours in order for your business to continue.
 - Review employee job descriptions to determine which human capital are critical to support the functions you identified above.
 - Determine which clients (and client information), inventory, and infrastructure are critical for the continued operation of your business.
 - Establish which information technologies and vital records are critical for continued operations.
-

You have now identified the essential business functions you need to sustain your business in a disaster.

☐ **Determine what things could interrupt your essential business functions and take steps to minimize your risk.**

GATHER THE RESULTS OF YOUR BUSINESS IMPACT ANALYSIS (BIA) FROM DO 1 THING MONTH ONE (RISK ASSESSMENT).

- Determine your top BIA risks and impacts that come with them.
 - Determine how each impact affects the essential business functions you identified above.
 - Determine what steps can be taken to minimize your risk. For example, your business depends on infrastructure (utilities, communications, internet access, transportation, logistics, etc.), how would losing those system affect your ability to continue your essential functions? What can you do to prevent it?
-

FOR EXAMPLE:

- **Impact**—Long-term power outage (more than 48 hours).
- **Effect on Business**—Critical systems that rely on electricity are down (sales, manufacturing, etc.). Support systems may be affected as well (heating/cooling for servers, security, etc.).
- **Minimize Risk**—Purchase a generator with enough capacity to power key systems. Contract with a fuel supplier to make sure that you will be able to continue to operate until power is restored.

☐ **Consider diversifying your business functions to become more disaster-resilient.**

Diversifying your business isn't something that you can do overnight, but as you develop long-term plans, consider how you can make your business stronger.

DIVERSIFY OPERATIONS

After a disaster, your customer base may change. This is especially true if you are a retailer with a localized clientele. Neighborhoods often change drastically after a disaster. Residents move away, especially in areas with a high rental rate. New residents move in, often from different income levels, age ranges or ethnic groups than previous residents. They may not need the goods or services that you provide. Even if your customer base stays the same, they may not have the income to shop at your business for several months after the disaster. Could you adapt your product or service to something that is needed after a disaster? For example, a shoe store might focus their stock on protective equipment like boots and work gloves to help customers with clean up after a disaster.

DIVERSIFY SUPPLIERS

There are many benefits to using local suppliers: transportation costs are lower, you can develop close relationships, and you are contributing to the local economy. However, a disaster that affects your business is also likely to affect your local suppliers. Suppliers that have multiple locations around the region or around the country are more likely to be able to continue operations in the immediate aftermath of a disaster. Talk to your suppliers about their business continuity plan. Don't let your business fail because others have failed to plan. Consider clauses in supplier contracts that will release you in the event of a disaster.

DIVERSIFY CUSTOMERS

Brainstorm potential customers for your product or service. Think about different geographic markets, demographics, even how your product or service might be used differently. How could you market your product differently to appeal to a different audience? Write down every possibility, even those that don't seem realistic at the moment.

In the aftermath of a disaster, you will have to make many hard decisions, often under the worst possible conditions. Record the ideas that you come up with now to use as contingency plans after an emergency event and as a guide for future development of your business.

Information in this factsheet was adapted from: Surviving Extreme Events: A Guide to Help Small Businesses and Not-for-Profit Organizations Prepare for and Recover from Extreme Events by Daniel J. Alesch and James N. Holly. Available through the Public Entity Risk Institute at <http://www.riskinstitute.org>.

do1thing.com/business

do **1** thing/BUSINESS

SMALL STEPS TOWARD PREPARING YOUR BUSINESS FOR EMERGENCIES

Step 3: Facilities



THE GOAL: Take steps before, during, and after a disaster to keep your business running, even if you and your employees can't get to your normal worksite.

If your facility is damaged, how will you continue to operate? Taking steps to protect your building and its contents ahead of time can get you back into your facility faster. Alternate worksites, telecommuting, even working from a vehicle are all potential solutions, but need planning ahead of time to make them successful.

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

- ☐ **Take steps to protect your building from hazards.**
- ☐ **Identify alternate worksites in the event that your building becomes unusable.**
- ☐ **Consider risk when choosing a new business location.**

Location may be one of your business' most valuable assets. It could also be a liability if you are in a hazard-prone area. If you haven't already done so, identify what hazards might affect your facilities. See Do 1 Thing Business Month 1: Risk Assessment for more information.

Take steps to protect your building from hazards.

Mitigation is the process of protecting your property by reducing the impact that disasters will have. Research shows that every dollar spent on mitigation ahead of time saves four dollars when disaster strikes. Decide how much you can invest now and develop a plan to keep investing over time. Even if you can't do everything, every small step you can take can make your business more resilient.

If you own the building, talk to a contractor about the cost of structural mitigation like earthquake or flood retrofitting, hurricane shutters or fire suppression systems. Plan for those as capital improvements are made in the future.

If you don't own the building your business is in, talk to the building owner about mitigation. They are protecting their own business assets by mitigating, as well as yours.

There are many things you can do that are less costly, but that can provide big savings in prevented damage.

FOR EXAMPLE:

1. Make sure there are working fire extinguishers throughout your facility and that staff is trained in how and when to use them. Make sure everyone also understands when a fire is too big to try to use a fire extinguisher. Contact your local fire department and see if they can offer any training.
 - Visit <http://www.usfa.fema.gov/> for information on fire safety and training
 - Visit <https://www.osha.gov/SLTC/firesafety/index.html> for OSHA fire safety requirements
2. Use straps to fasten down shelves, filing cabinets, cubicles, and tabletop equipment to prevent losses in an earthquake or tornado.
 - Visit <http://www.fema.gov/earthquake/earthquake-information-businesses-and-other-organizations> for information on earthquake safety
 - Visit <https://www.osha.gov/dts/weather/tornado/index.html> for tornado safety planning.
3. Install flood drain plugs in floor drains to prevent sanitary or storm sewer backups into your building.
 - Visit <https://www.fema.gov/media-library/assets/documents/10618?id=2737> to download a copy of FEMA Guide 551: Selecting Appropriate Mitigation Measures for Floodprone Structures.

☐ **Identify alternate worksites in the event that your building becomes unusable.**

BUSINESSES MAY BECOME INACCESSIBLE IN A DISASTER FOR A NUMBER OF REASONS.

The building itself may be damaged, or damage to the surrounding neighborhood or roads could prevent access. A release of hazardous materials or biohazards could contaminate your building. Power may be out, making it impossible for you to continue to operate from that location.

- **If you can't get into your building, can you stay in business?**
- **Make a plan to relocate your critical operations to another site.** Look for sites that will support your critical systems (customer accessibility, phones, computers, internet access, adequate power and workspace, etc.). If you have employees with disabilities, think about what accessibility issues might exist with an alternate site, and what adaptive technology might be needed.
- **Consider allowing employees to work from home.** If working from home is an option, plan ahead to make sure staff will have access to the software and systems that they will need to do their jobs.
- **Can your internal email system be accessed from an outside site?** What about customer records and other vital information? If not, consider backing up vital records regularly to an outside location. If records are backed up to a server on your site, you may want to consider an alternate back up site anyway, just in case your building is damaged.

☐ **Consider risk when choosing a new business location.**

- **Moving to a new location is a great opportunity to protect your business from future disasters.** Find out whether prospective sites are in the floodplain by calling your local Planning or Emergency Management office. Ask your realtor to find out if the building has ever been affected by disaster before.
- If you are leasing, make sure the lease clearly states who is responsible for damage to the building and for providing insurance. If there is flood insurance on the building, find out if it covers contents as well as for the building itself.
- **If the lease binds you to the property even when damaged, don't sign.** Make sure you can be released from the lease if the building is damaged, or if an important adjoining business property (which operates as a magnet) is not repaired with a specified time period (30, 60, or 90 days).
- **When building a new facility or renovating an old one, consider using flood, storm, earthquake and fire-resistant materials as needed based upon your business impact analysis (BIA) risk assessment.** Make sure your buildings meet or exceed local building codes for wind resistance. Your investment will pay off in prevented losses in a disaster.

do **1** thing/BUSINESS

SMALL STEPS TOWARD PREPARING YOUR BUSINESS FOR EMERGENCIES

Step 4: Insurance



THE GOAL: Make sure you have insurance that will enable you to get back into business after a disaster.

Finding the capital to make repairs and restore vital resources can be difficult after a disaster. It is critical for businesses to move quickly in reopening their doors. Having the right insurance and the necessary amount of coverage can be the difference between success and failure.

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

- ☐ **Assess the insurance your business will need if you are affected by disaster.**
- ☐ **Assess the insurance your building will need if you are affected by disaster.**
- ☐ **Purchase special hazard insurance, such as flood and wind damage insurance.**

Government assistance for businesses after a disaster is primarily in the form of loans, and may come with stipulations attached. For example, if your business is located in the floodplain and you get assistance from FEMA after a disaster (even if it isn't a flood) you will be required to get flood insurance.

☐ **Assess the insurance your business will need if you are affected by disaster.**

With adequate insurance, a business has options after a disaster. This is especially important for small businesses, where the owner's financial health is often closely tied to the health of the business.

The cost of insurance will vary between companies. It also changes based on what deductible you choose, what coverage options you choose, and the size of your business. Ask any professional associations you belong to if they work with insurance companies that offer discounts to members.

INSURANCE CAN COVER MANY DIFFERENT AREAS; HERE IS A LIST TO CONSIDER:

- **A business owners policy or commercial package policy** generally provides property protection, liability protection, and may also cover certain losses from business interruption (business income). Talk to your insurance agent about what your policy covers. Some businesses are considered high risk and may not be acceptable to all carriers.
- **Property Insurance**—Covers damage and loss of buildings, business inventory, and equipment. It can cover items that you lease as well as what you own. (You may also purchase coverage for other people's property in your care, custody or control.) Ask about coverage for computers and data, and for vital records. If your business requires travel, find out what coverage your policy provides to equipment you use while you are on the road. Also find out if goods you own are covered while being shipped or in transit.

PROPERTY POLICIES MAY EXCLUDE:

- Valuable papers and records
- Money and financial documents
- Property off of the insured premises
- Certain types of outdoor property

»» What happens without insurance?

- The owner may lose their investment in the business – which may be their life savings.
- The owner may feel compelled to reopen, even if the prospects for survival are not good.
- The owner may have to invest additional personal assets and even take on loans, further worsening a shaky personal financial condition.

TENANT OR FIRE LIABILITY INSURANCE

- If you don't own the building you are in, you may still be liable for damage to the facility. The liability portion of your BOP or commercial package should provide coverage for fire liability. Clarify with the building owner who provides insurance for disaster damage, as well as more common occurrences like broken windows or damage to plumbing. Make sure your policy covers what your landlord's doesn't.

BUSINESS INTERRUPTION/BUSINESS INCOME INSURANCE

- Covers lost income when the business is shut down. This is usually limited to shut downs caused by direct losses from events like fire, flood or tornado. You may also be able to get coverage for direct losses to suppliers and customers that cause your business to be interrupted.
 - Examine your need for business income coverage for losses caused by a power or utility failure off the business premises, for example during a regional blackout.
 - If staying open is important for retaining customers, look for a policy that does not limit extra expense recovery, covering additional necessary expenses that help you remain open during a repair period, even if they exceed the business income loss.

INVESTIGATE BEFORE YOU BUY:

- Identify your assets at risk
- Look for exclusions
- Compare coverage and cost
- Look into adding flood, earthquake, and hurricane events to the policy if you have these risks.

Reassess your business insurance needs annually. Did you buy new equipment? Has the number of people on your staff changed? Have operations or the scope of your business changed? If so, is the new operation properly covered? As your business changes, your coverage needs may change as well.

FOR MORE INFORMATION:

- Flood Smart: <http://www.floodsmart.gov/floodsmart/>
- FEMA: <http://www.fema.gov/business/nfip/>
- <http://www.ready.gov/business/>
- <http://www.fema.gov/business/guide/index.shtm>
- <http://www.sba.gov/content/buying-insurance>

☐ **Assess the insurance your building will need if you are affected by disaster.**

If you own the building your business is located in, or if you are a landlord, you need to do more than just ensure the business can continue, you need to ensure that the investment you have made into the structure is protected.

PROPERTY INSURANCE

- If you own both the business and the building, your property insurance policy will probably cover both the structure and your equipment and inventory. If you own just the building, make sure your tenant understands what your policy covers and what they should insure for themselves.
- Find out whether your policy covers the actual cash value or the replacement value of the property. If you have a mortgage on the building, your mortgage lender may require you to insure for replacement value.
- What a tenant uses the premises for, or what nearby businesses are doing, can affect your insurance rates, as well as theirs. Insurance may be more expensive for some types of businesses, and you may be required to carry more insurance.
- Make sure your policy adequately covers things outside the building, such as: fences, outdoor signs and landscaping.

ORDINANCE OR LAW COVERAGE

- If you have an older building that is grandfathered under your local building code, ordinance insurance will cover the cost of bringing it up to current codes after it is damaged. Flood insurance policies through the National Flood Insurance Program contain a rider that will cover these costs (up to \$30,000). It is called the Increased Cost of Compliance rider.

INVESTIGATE BEFORE YOU BUY:

- Look for exclusions
- Compare coverage and cost

Reassess your building insurance needs annually. Did you expand, or replace any building systems? Do you have a new tenant? Remember that your building insurance needs may change if uses of the building change.

»» Factors that affect the coverage and premiums offered by insurers include:

- The type of construction of the business' premises (fire rating)
- Protection class—based on fire department ratings and the distance to the nearest fire hydrant
- The risks of the type of business and those in the same development
- Any built-in hazard protection such as a reliable sprinkler system, fire alarm or burglary system
- Location of the business in relation to known hazards, like rivers, levees, or fault lines

☐ **Purchase special hazard insurance, such as flood, earthquake, and wind damage insurance.**

Business Owners Policies and most property policies do not cover losses from certain natural and manmade hazards.

THESE INCLUDE:

- Earthquake (and other ground movement)
- Flood
- Wind damage from hurricanes
- Loss of utilities
- **Earthquake Insurance**—About 90% of Americans live in an area at risk from earthquakes. The likelihood of your business being damaged by an earthquake depends on two things: your seismic hazard zone and the construction of your building.

Earthquake insurance typically covers structural repairs and damage to other property, as well as for the removal of debris. It may cover the increased costs of bringing your building into compliance with earthquake codes. It may also pay for temporary relocation while your building is being repaired (Go to www.naic.org/documents/consumer_guide_earthquake.pdf for more information).

- **Flood Insurance**—Flood insurance through the National Flood Insurance Program covers losses from flooding, regardless of whether or not you are in the floodplain, and regardless of the source of the flooding (stormwater, body of water, broken water main, etc.). However, the water must be from an overland flood—not from a basement drain—and not solely contained to your property. Back up from drains and sewers can be covered by the property section of your BOP or Commercial Package. Check your policy to make sure you're covered (Visit Floodsmart.gov for more information).

Note: The National Flood Insurance Agency does not provide coverage for Business Income or Business Interruption. Unfortunately, because flooding is excluded on the BOP or Commercial Package, there would be no coverage from that policy either.

- **Hurricane Insurance**—Hurricane damage comes from wind and water. Coverage for flooding caused by hurricanes is covered by the National Flood Insurance Program (see above). The wind coverage should be provided by your property policy. If you live in a coastal area, your wind coverage may have a second deductible that is different than the deductible for other damage. Hurricane wind deductibles are generally not set as a dollar amount, but as a percentage of the damage (typically 3 to 5%). In some areas, dollar amount deductibles are available, if you agree to a higher premium.
- **Loss of Utilities**—In 2008, changes in the insurance industry led to the exclusion of losses caused by utility failure from most policies. Utility Service insurance is still available, but it must be purchased as a separate endorsement. Coverage typically includes the interruption of water, power, and communications services (including internet and cell service). Policies typically exclude power surges and may exclude some failures that result from on-premises equipment. (Power surges are considered “sudden and accidental damage from artificially generated electrical current.” Check with your insurance agent to see if your property policy covers those losses.)

Reimbursement for some disaster losses may be available after an event through a Presidential Disaster Declaration. Not every event receives a Presidential Disaster Declaration, and not every Presidential Disaster Declaration results in assistance for damaged homes and businesses. In some cases, low-interest loans may be available through the Small Business Administration or other federal agencies. Adequate insurance coverage is your best bet for getting back in business quickly after a disaster.

Information in this factsheet was adapted from: Surviving Extreme Events: A Guide to Help Small Businesses and Not-for-Profit Organizations Prepare for and Recover from Extreme Events by Daniel J. Alesch and James N. Holly. Available through the Public Entity Risk Institute at <http://www.riskinstitute.org>.

do1thing.com/business

do **1** thing/BUSINESS

SMALL STEPS TOWARD PREPARING YOUR BUSINESS FOR EMERGENCIES

Step 5: Vital Resources



THE GOAL: Make sure that vital resources are available, even when you can't get back to your site.

Records, systems and equipment are vital to the operation of your business. Could you continue to operate if you lost your customer or sales records? What about inventory or equipment? Identifying and protecting those resources ahead of time can save valuable time and money after a disaster, when replacements may be hard to find, if available at all.

Small businesses are more likely to fail after a disaster if they have lost significant assets. When deciding whether or not to reopen after a disaster, consider the condition of your:

- Facility And Building Systems
- Inventory
- Equipment/Processes
- Employees
- Institutional Memory
- Business Records

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

- ☐ **Identify what records, systems, and equipment are necessary to continue essential functions in your business.**
- ☐ **Back up vital records and equipment off-site.**
- ☐ **Make a Go Kit for vital resources in case you have to evacuate your building.**

☐ **Identify what records, systems, and equipment are necessary to continue essential functions in your business.**

VITAL RESOURCES ARE THINGS YOU NEED IN ORDER FOR YOUR BUSINESS TO FUNCTION.

Identify specific vital records, databases/systems and equipment. Then look for ways they could be vulnerable to damage or loss.

How are records stored? Are they on digital media or in hard copy form? What equipment or systems do you use for daily operations or production? For payroll and administration? Are servers onsite or backed up elsewhere?

Some vulnerabilities to consider are fire and water damage, power failure, cyber attacks, vandalism or theft, and deterioration over time.

Short-term Impacts:

- What records do you need to access in order to operate?
- What records do you need to maintain for legal or financial reasons?
- How up to date the records need to be?
- Do you have an inventory list of what you own?
- Do you need to maintain employee records?
- That equipment do you need to operate that you won't be able to easily obtain in a disaster?

Focus on the minimum number of records that you will need to operate—those that are vital to operating during the emergency or that are difficult or hard to replace. The U.S. National Archives and Records Administration estimates that no more than 7% of most records kept are essential. The number is probably between 3 and 5%.

(<http://www.archives.gov/northeast/vital-records-management.pdf>)

☐ **Back up vital records and equipment off-site.**

- **Document:** The make and model of critical equipment and whether alternatives are available. Include a list of suppliers who have the equipment, with contact information. Create a quick reference guide with information about the equipment, what steps need to be taken to move it, if appropriate. If a limited number of people know how to operate the system or equipment, consider affixing procedures for use to the equipment itself. Make sure at least two staff members know where critical equipment is located.
 - **Look:** At your vital records and decide how to best protect them. Are records routinely backed up? If so, to where? What form is the record in (paper, digital, microfilm, etc.)?
 - **Choose:** Which systems to back up or recover vital records, identify alternatives or duplicates for vital equipment, identify what form the record is in (paper, digital, microfilm) and where it is stored. Also identify where and how the record is backed up. If it is backed up to a server, where is the server located? Consider a place that is practical and safe, if the building is evacuated. Back up your computer records daily and store them offsite overnight. For vital records, keep customer lists, accounts receivable/payable records, and supplier records backed up and offsite. Have multiple lists of important contacts in different locations. Keep insurance policies in a secure location, and have copies in other locations. Have a list of the locations of important business information and make copies for future reference.
-

Finding the capital to replace critical assets and reopen can be difficult and risky if done haphazardly, especially if the business was not insured properly.

☐ **Make a Go Kit for vital resources in case you have to evacuate your building.**

Go kits are made to assure that your employees will be safe and have what they need in case of an emergency or evacuation order.

»» A “Go Kit” Should Include:

- Backup of critical files on a thumb drive or other media
 - Quick reference card with instructions for shutting down systems before evacuation, if necessary
 - Extra equipment or a quick reference card with a list of equipment to be evacuated
 - Staff contact list
 - Flashlights and extra batteries
 - First aid kits
 - Whistle
 - Dust or filter masks
 - Moist towelettes or hand sanitizer
 - Wrench or pliers to turn off utilities
 - Battery powered radio with extra batteries
 - NOAA Emergency Alert Radio with extra batteries
-

Think about anything else you may need when relocating your critical operations. Consider what could be pre-positioned in your alternate facility.

YOUR GO KIT WILL NEED TO BE UPDATED PERIODICALLY. MAKE IT PART OF YOUR ANNUAL INVENTORY, OR ANOTHER PROCESS THAT YOU DO REGULARLY.

Information in this factsheet was adapted from: Surviving Extreme Events: A Guide to Help Small Businesses and Not-for-Profit Organizations Prepare for and Recover from Extreme Events by Daniel J. Alesch and James N. Holly. Available through the Public Entity Risk Institute at <http://www.riskinstitute.org>.

do1thing.com/business

do **1** thing/BUSINESS

SMALL STEPS TOWARD PREPARING YOUR BUSINESS FOR EMERGENCIES

Step 6: Key Personnel



THE GOAL: Identify your key personnel and make sure that at least one other person could step in and do their job in the event that they are not able to make it in.

Whether you are a business with only a few employees or many employees, human capital is the heart of your business. Identifying the critical functions that your staff performs, and making sure that someone is available to do it, is a key part of surviving a disaster.

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

- ☐ **Identify personnel who perform essential functions in your business.**
- ☐ **Create a succession plan.**
- ☐ **Cross-train employees in critical operation skills in case a key employee is unable to come to work**

Terminology: Words like “critical” and “essential” are used a lot when developing disaster plans. Identifying employees who perform essential tasks is important, but it can make other employees uncomfortable. Most people don’t want to say that their job functions are non-essential. To avoid this, consider using other terms, such as “COOP” (continuity of operations) functions or “Non-COOP” functions when determining essential and non-essential job tasks and employees.

☐ **Identify personnel who perform essential job functions in your business.**

Your staff is a vital resource in your business. Their skill and knowledge is critical to your organization's success. In a disaster, some employees may not be able to come to work. It is important to know ahead of time what tasks must be completed in order for your business to continue in a disaster.

If you created a list of vital business functions in Month 2 (Essential Business Functions), use it now to identify the staff members that you need to complete those functions. They are your key personnel.

A list of essential employees (key personnel) should be included in your emergency plan. Have up to date contact information for them, including alternate phone numbers if possible.

Identify someone else within your organization that may be able to perform their essential job functions if they are unavailable in a time of an emergency.

☐ **Create a succession plan.**

A succession plan is an important step to defining how you can implement your emergency plan effectively. Your succession plan should allow you to respond quickly and confidently in case leadership or vital staff members are unavailable to perform their essential functions during a disaster. It is important that your organizations leadership, including your management team or Board of Directors, be aware of your succession plan.

Identify what authorities are held by your key personnel. Can they sign checks, hire and fire employees, or enter into contracts? If so, make sure that the person who will replace them in the succession plan is able and prepared to take on those authorities.

Identify your line of succession by utilizing your organization and include this in your formal emergency response plan.

☐ **Cross-train employees in critical operation skills in case a key employee is unable to work.**

There are often employees in an organization that are experts in specific areas. They may be the only ones who know how to complete specific tasks, or who have information about a specific part of your business. If those employees are not available after a disaster, it could impact your ability to do business effectively. Cross-training employees can avoid that situation. Make cross training part of your regular training program.

In your emergency plan, clearly identify who may need to be trained to perform some of the following essential functions, such as, contract, check and purchase order authorization, human resource functions, etc.

Clearly establish rules, procedures, and limitations for when authority is delegated and who can implement these responsibilities. Make sure to incorporate laws and regulations, union contracts, define where authorities come from, and what are the specific guidelines imposed. Build and incorporate all of this into the training and include this information in your formal emergency response plan.

Information in this factsheet was adapted from: Surviving Extreme Events: A Guide to Help Small Businesses and Not-for-Profit Organizations Prepare for and Recover from Extreme Events by Daniel J. Alesch and James N. Holly. Available through the Public Entity Risk Institute at <http://www.riskinstitute.org>.

do1thing.com/business

do **1** thing/BUSINESS

SMALL STEPS TOWARD PREPARING YOUR BUSINESS FOR EMERGENCIES

Step 7: Communication



THE GOAL: Develop strategies to communicate employees, suppliers, and customers during an emergency.

Your business relies on good communication during normal operations. Communication is even more critical during a disaster or emergency. You must be able to get information about the event and to share information with staff, customers, and suppliers. Look at the ways that you communicate on a day to day basis and find ways to ensure that you can continue to communicate effectively when your business is affected by disaster.

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

- ☐ **Determine what events might cause communication systems to fail, and take steps to minimize risk.**
- ☐ **Ensure redundant systems are in place for key communication systems.**
- ☐ **Create a communication plan that will allow you to reach your employees, suppliers, and key customers in the event of a disaster.**

If your community uses a reverse-911 type emergency notification system, it may only contact landlines. You may need to register other phone numbers, including VOIP phones, with the provider. Contact your county sheriff's department or local emergency management to find out.

☐ **Determine what events might cause communication systems to fail, and take steps to minimize risk.**

On a day to day basis members of your organization communicates internally, between departments, and between management and employees; and externally, with customers, suppliers and others. You may communicate by phone, fax, email, mail, social media, through your website, or face to face.

UTILIZING THE INFORMATION FROM YOUR BUSINESS IMPACT ANALYSIS (BIA) FROM MONTH 1, RISK ASSESSMENT, EVALUATE HOW:

- Each hazard could affect your normal means of communication.
 - Estimate how long systems could be down if a communication failure occurs.
 - Identify alternate modes of communication.
-

After you have identified alternate modes of communication, write them into your procedures and familiarize your employees with the plan.

☐ **Ensure redundant systems are in place for key communication systems.**

All businesses rely on phone numbers and/or internet accessibility to operate their business. To ensure continuance of operations, evaluate your communication methods and evaluate back-up systems if a disaster strikes.

COMMUNICATION SYSTEMS TO EVALUATE:

- VoIP phone systems
 - Landline
 - Cell phones
 - Servers
 - Internet Accessibility
 - Website Accessibility
-

What redundant systems can you install in place of your current key communication methods?

☐ **Create a communication plan that will allow you to reach your employees, suppliers, and key customers in the event of a disaster.**

Now that you have evaluated alternative communication methods, it is important to plan how you will communicate with employees, suppliers and customers if a disaster strikes.

Consider setting up a call-in number for employee updates, or plan to use social media systems to stay in touch after a disaster.

COMMUNICATION METHODS TO EVALUATE:

- Create an employee, supplier and customer contact phone tree and establish a clear path of who needs to call whom.
- Establish an information (incoming only) hotline where company situational awareness information can be assessed by employees, supplier, and/or customers.
- Emailing is easy, but you may not have access at your business during an emergency. Emailing via VPN may be a workable alternative for your organization to communicate with employees, supplier, and/or customers. And the utilization of your company website is an alternative to making company announcements to employees, supplier, and/or customers.

LASTLY, DO NOT FORGET HOW YOU WILL COMMUNICATE WITHIN YOUR FACILITY IF A DISASTER OCCURS:

- If you have an overhead paging system, develop procedures to use it in an emergency. Make sure it reaches all areas of your facility. If you choose to use emergency codes instead of giving information directly, keep them simple.
- Consider having two-way radios (FRS radios can be a relatively inexpensive option) that can be used to communicate emergency information to people in your facility.

Once you have developed your communication plan, train your employees on the various methods of communication. Include your communication plan in your formal emergency response plan.

Information in this factsheet was adapted from: Surviving Extreme Events: A Guide to Help Small Businesses and Not-for-Profit Organizations Prepare for and Recover from Extreme Events by Daniel J. Alesch and James N. Holly. Available through the Public Entity Risk Institute at <http://www.riskinstitute.org>.

do1thing.com/business

do **1** thing/BUSINESS

SMALL STEPS TOWARD PREPARING YOUR BUSINESS FOR EMERGENCIES

Step 8: Community, Customers, and Suppliers



THE GOAL: Understand and be prepared to manage the effects of an incident on your customers, suppliers, and outside operations in a disaster.

Communities, individuals, and businesses can be affected by disaster in a number of ways. Immediate property damage and loss, disruption of services and supply chains, and loss of production time are immediate effects. Long-term effects include demographic and economic changes in the community, suppliers going out of business, and workers not returning to the disaster area.

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

- ☐ **Create a list of customers, suppliers and other operations which could be affected by an incident at your site.**
- ☐ **Analyze your customer base.**
- ☐ **Create a long-term diversification plan.**

The impact of the disaster on your customers, your community, and your suppliers will be a major factor in deciding what to do after a disaster. If you can get the inventory, raw materials, services, and utilities you need; if your production facilities are relatively undamaged; and if your customers are relatively unaffected, it may make sense to reopen. If one or more of these things is not true, you may want to consider closing or changing the business, or reopening elsewhere.

☐ **Create a list of customers, suppliers and other operations which could be affected by an incident at your site.**

The relationships between a business and its customers and suppliers are critical. You can take steps now to strengthen and preserve those relationships when disaster strikes.

- **Make a list of your major customers and suppliers.** Include contact information, goods or services provided, methods of delivery, and how often you do business with them. Note if they are located in areas that are vulnerable to common hazards, like hurricanes, earthquakes, wildfire, or tornadoes, or if they are located in the floodplain.
- **Make contact with your most important customers and vendors to talk about business continuity planning.** Having your own business continuity plan (like the one you are developing through Do 1 Thing Business) can be a selling point for your business.
- **After a disaster, be visible to your customers.** Contact them and let them know what your recovery timeline is. Make sure they have a way to contact you if they have questions or concerns. Make sure you communicate your progress and your successes during recovery. Place updates on your website. If you have a neighborhood business post signs in your window letting customers know your status and update them often. If you have a message on your phone, update that often as well. Updating often keeps you visible to your customers.
- **Social media can be a great way to keep vendors and customers informed about what you are doing after a disaster.** If you have a Facebook or Twitter account, or if you routinely use another form of social media, make sure that you are promoting it to your customers and vendors. Maintaining those relationships can be critical after a disaster.

Analyze your customer base.

Research shows that the extent to which a business' customers are affected is a major factor in whether or not that business continues to be successful after a disaster. This is true even if the business itself is not damaged in the disaster.

If your customers are concentrated in one geographic area, the impact to your business is likely to be higher. If that geographic area has a high rental rate, more people are likely to move out after a disaster.

CONSIDER WHAT THE ANSWERS TO THESE QUESTIONS WILL BE FOLLOWING A DISASTER:

- Do customers need your product or service right now?
 - Can they afford it right now?
 - Have your customers moved out? If so, who has moved in? Are their needs the same as your former customers?
 - How has your neighborhood changed?
 - How is it likely to change? (Changes that were happening slowly before a disaster are likely to continue at a higher speed after the disaster)
 - Did customers suffer losses?
 - If my business has been damaged, are they buying elsewhere?
 - Can customers still get to your business (in person or electronically) to do business?
-

Look at available substitutes for your products or services. If customers can't wait for you to get back up and running, can they find what they need elsewhere? Can they replace it with something else? The answers to those questions will give you a good idea what your customer base will be like after a disaster.

Focus on your organization's strengths. Do you have a unique product or service? Do you provide excellent customer service? Is your business easy to access? Highlight these things after a disaster. Find ways that your strengths play into the needs of your customers after a disaster.

☐ **Create a long-term diversification plan.**

A disaster doesn't have to affect your building to have a major impact on your business. Impacts on customers, suppliers, or the transportation routes that connect you to them can cause long-lasting disruption even if the disaster is in another part of the country or the world.

LOOK FOR WAYS TO DIVERSIFY YOUR:

- **Product Lines—so you are not dependent on a narrow part of the market.** You might do this by adding product lines that are related to what you already sell, or by adding products that are unrelated, but use the production or marketing methods that you are already using.
- **Customer Base—so you don't go out of business if an important customer does.** Look at emerging trends in the community or business environment. Disasters typically accelerate changes that are already underway (social, economic, political, demographic). Look for ways that your products or services could be marketed to a different customer base.
- **Supply Lines—so you can continue to get materials and supplies to stock your inventory.** Identify alternate suppliers that could provide what you need if your current suppliers can't deliver. Ask your suppliers about their continuity of operations plans. Make sure supplier contracts have clauses that will release you if the supplier is unable to provide goods or services because of a disaster. If you are a major customer, you might also request a clause stating that you will get priority service if their goods are greatly in demand after a disaster.
- **Locations—gives you options for continued operations if just one location affected by disaster.** This includes your own facility locations, those of your suppliers and the location of your customer base. Consider multiple locations for storage and operations. If you do business in an area affected by hurricanes, you will increase the risk of your business being impacted if all of your customers and suppliers are also in hurricane-prone areas.

Information in this factsheet was adapted from: Surviving Extreme Events: A Guide to Help Small Businesses and Not-for-Profit Organizations Prepare for and Recover from Extreme Events by Daniel J. Alesch and James N. Holly. Available through the Public Entity Risk Institute at <http://www.riskinstitute.org>.

do1thing.com/business

do **1** thing/BUSINESS

SMALL STEPS TOWARD PREPARING YOUR BUSINESS FOR EMERGENCIES

Step 9: Personal Preparedness



THE GOAL: Increase the resiliency of your business by encouraging personal preparedness for your employees their families.

Making sure employees and their families are prepared can keep them safe when disaster strikes. Employees who feel that their families are protected will be more likely to come to work during and immediately after an event. When an employee's house and belongings survive a disaster, they are more likely to stay in the community afterwards.

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

- ☐ **Encourage your employees and their families to participate in Do 1 Thing's personal preparedness program (www.do1thing.com).**
- ☐ **If you have employees or regular customers with disabilities, take steps to ensure that they will be safe and informed in an emergency.**
- ☐ **Train your employees to be ready for emergencies at work.**

Your business is your livelihood. You are the only one that can ensure that it can survive a disaster. Protecting it and yourself will give you peace of mind.

❑ Encourage your employees and their families to participate in Do 1 Thing's personal preparedness program (www.do1thing.com).

Encourage team members to participate in the regular Do1Thing Program. Get employees involved at work through contests, seminars, newsletters, sharing best practices and plans with each other, etc.

It is important to remember to take care of not only your business, but yourself, and your family at home. Small business owners may experience "360-degree disasters". When disaster affects your home but you can go to work and feel "normal", or vice versa, disaster is likely to have less of an emotional impact. For small business owners, personal investment in the business is often so high that the impact of disaster can be devastating.

☐ If you have employees or regular customers with disabilities, take steps to ensure that they will be safe and informed in an emergency.

Identify places where those with disabilities could take shelter. Make sure that the route to the shelter locations are wheelchair accessible, and that they are clearly marked.

Think about investing in equipment that can help evacuate people with disabilities when needed. Special items like stair chairs, warning strobe lights, and braille markers to identify routes for the visually impaired, are all ways you can minimize impact on anyone who has a disability.

Make sure to designate a few employees to assist with special needs evacuations, and train them in the use of any special equipment. Many resources are available to assist you with creating safe accessible evacuation routes and creating clear signs that will help those who need it evacuate. Understanding the needs of people with disabilities will assist you in making your business inclusive and accessible.

Resources:

- The National Organization on Disability: <http://www.nod.org/>
- The ADA: <http://www.ada.gov/>
- The US Department of Labor (Preparing the Workplace for Everyone): <http://www.dol.gov/odep/pubs/ep/preparing2.htm>

☐ **Train your employees to be ready for emergencies at work.**

There are many types of emergency training available. The Community Emergency Response Team (CERT) Program educates people about disaster preparedness and trains them in basic disaster response skills, such as fire safety, light search and rescue, team organization, and disaster medical operations. In many communities, CERT training is available free.

The American Red Cross, the American Heart Association, and many other community organizations offer emergency training. Consider CPR, or purchasing and training employees on an AED (automated external defibrillator). Check with your insurance agent to see if offering safety training could lower your insurance rates.

Having employees that are equipped to deal with emergencies will make your business more disaster-resilient, and it could save a life.

»» Resources:

- CERT Training: <http://www.fema.gov/community-emergency-response-teams>
- Red Cross Training: <http://redcross.org/what-we-do/training-education>
- American Heart Association: <http://www.heart.org>

Information in this factsheet was adapted from: Surviving Extreme Events: A Guide to Help Small Businesses and Not-for-Profit Organizations Prepare for and Recover from Extreme Events by Daniel J. Alesch and James N. Holly. Available through the Public Entity Risk Institute at <http://www.riskinstitute.org>.

do1thing.com/business

do **1** thing/BUSINESS

SMALL STEPS TOWARD PREPARING YOUR BUSINESS FOR EMERGENCIES

Step 10: Emergency Plans



THE GOAL: Create emergency and continuity plans that will guide your employees and your business through disaster.

Disasters and emergencies are low-frequency, high-stakes events. Because they don't happen every day it's easy to postpone planning for them. Unfortunately, failure to plan can result in financial loss, injury, and death when emergencies do occur. Planning doesn't have to take a lot of time or resources. Investing a few hours now can save money and even lives later on.

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

- ☐ **Create emergency plans for your building.**
- ☐ **Create contingency plans for your business.**
- ☐ **Formalize your emergency plan.**

Creating any plan is only the first step. Make sure your staff knows the plan. For emergency plans, which may not get used right away, it's especially important to provide training and testing for the people who will be implementing it when the time comes.

Create emergency plans for your building.

Building emergency plans are safety plans for specific facilities. These include evacuation plans for fire and other emergencies, shelter plans for tornadoes or hazardous materials releases, etc.

CONSIDER CREATING PLANS FOR THE FOLLOWING:

- **Evacuation**—What is the best route for employees and customers get out of the building? Consider designating an assembly spot outside of the building, at least 100 feet away, where employees can meet and make sure everyone is accounted for.
- **Accountability Systems**—How will you know who is in your building if you have to evacuate? Do you have the means of identifying what employees, customers or visitors are in the facility at any time? An accountability system can help you ensure that everyone has gotten out safely in an emergency.
- **Shelter In Place**—Shelter in place is most common in tornado warnings, but could also be required for a hazardous materials release or another event where it is not safe to be outdoors. Designate a shelter in place location that is big enough for everyone in the building to wait comfortably for at least 45 minutes.
- **Fire**—Evacuation is one part of a fire plan. If you have an evacuation route map posted, consider adding fire extinguisher locations. Also add information about fire doors and fire safe areas. Make sure that everyone knows not to use elevators in a fire. Talk to your local Fire Marshal about potential areas of refuge where people with disabilities who cannot evacuate because of stairs or other barriers, can safely wait for fire personnel to arrive.
- **Emergency Evacuation Team/CERT Team**—Consider training staff members as a Community Emergency Response Team. This 20 hour training can equip your personnel to respond to emergencies and safely implement emergency plans. Visit <http://www.citizencorps.gov/cert/> to find more information about CERT training in your area.

Include employees in the planning process. It's especially important to include employees with disabilities in planning for evacuation and areas of refuge. They will be able to offer valuable insight.

☐ **Create contingency plans for your business.**

Contingency plans are “what-if” plans. What if a major supplier is shut down? What if you experience an extended power outage? What if another essential service you count on is lost? If you have been following Do 1 Thing Business each month, you may have already done some contingency planning.

A contingency plan is a “what-if” plan. By thinking through the possibilities now, you make it easier to make good decisions when something goes wrong.

SOME CONTINGENCIES TO CONSIDER ARE:

- What if you had to operate with less staff?
 - What if your key supplier or major customer shut down?
 - What if your building is inside a chemical release zone and has to stay empty for days?
-

Create a planning team of key staff members to talk through these and other “what-if” questions. Rank them by probability and severity. Are they low or high-frequency events? Are they low or high-impact when they do occur? High-frequency/high-impact events should be your priority for contingency planning. After that look at low-frequency/high-impact events.

CONTINGENCY PLANS CAN EQUIP YOU TO PROTECT YOUR BUSINESS IN A CHANGING WORLD.

- Follow a planning process
 - Determine your risks
 - Define essential functions
 - Design a plan
 - Test, train, and exercise the plan
 - Distribute and update the plan
-

☐ **Formalize your emergency plan.**

do **1** thing/BUSINESS

SMALL STEPS TOWARD PREPARING YOUR BUSINESS FOR EMERGENCIES

Step 11: Test, Train, and Exercise



THE GOAL: Make sure employees understand their role in a disaster and are equipped to respond safely and appropriately.

The disaster environment is fast-paced and stressful. Danger, adrenaline, and exhaustion can affect our ability to carry out critical tasks. Familiarizing your staff with emergency plans and procedures ahead of time through testing, training, and exercising can minimize danger and financial loss in a disaster.

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

- ☐ **Train employees on their role in a disaster or emergency.**
- ☐ **Hold a drill or tabletop exercise to test emergency procedures.**
- ☐ **Offer additional safety and response training for staff members.**

From a business standpoint, the time needed for emergency training may seem hard to justify, but workplace training will pay for itself in: fewer accidents, fewer lost work days, and lower workers' compensation costs. It can improve productivity, and it demonstrates to your employees that you care about their safety and that you consider them an important part of the business.

☐ **Train employees on their role in a disaster or emergency.**

Disasters require people to do things they are not familiar with, and to do them in a fast-moving, high-pressure environment. Provide training to make sure employees are thoroughly familiar with what they are expected to do and why.

- Hold training sessions on continuity and emergency plans.
- Create quick response flip charts or checklists that can be understood at a glance.
- Make sure everyone is comfortable with the training and that they understand what is expected of them.

☐ **Hold a drill or tabletop exercise to test emergency procedures.**

THE PURPOSE OF DRILLS AND EXERCISES IS TO TEST PROCEDURES ON WHICH PEOPLE HAVE ALREADY BEEN TRAINED.

Talking through scenarios can also be a good way to develop plans and procedures, but these should not be considered exercises. Once procedures are developed and employees have been familiarized with them, an exercise can ensure that they can be implemented in an emergency.

Create a scenario and talk it through with your employees. For example, what would happen if a tornado hit your facility.

Test capabilities. Do they know where the shelter location is at work? Are they following the role that they were assigned in training? Would this be a good plan if this actually took place?

- Go over any suggestions anyone has—the more input the better!
- Use the tabletop or drill to really understand what additional actions should be added to your plans.
- Have participants examined, discuss, and resolve problems based on existing operational plans and identify where those plans need to be refined.
- Create an After Action Report and share it with participants. Consider having your local Emergency Manager look over the report.
- Create a corrective action plan based on lessons learned in the test, and implement it.
- Look at your team, after a tabletop or a drill you might consider changing roles of necessary; you want the employees in a role that they are good at and that they understand.

After an exercise, be sure to give participants a chance to give feedback and capture any suggestions or lessons learned—and then make changes to the procedures based on that feedback. The most common failure in an exercise program is not adapting procedures to reflect lessons learned.

☐ Offer additional safety and response training for staff members.

Police, fire and emergency medical personnel are known as “first responders”, but in an emergency the first response often comes from friends, family, and co-workers on the scene. Train your staff in what to do while they wait for emergency personnel to arrive.

- Make sure everyone knows where First Aid Kits, fire extinguishers and other emergency supplies are located.
 - Call the Red Cross to find out about community education; hold a CPR class, or encourage employees to take one.
 - If you have an AED, make sure everyone knows how to use it.
 - Support safety training that will be relevant to the job. FEMA offers free Independent Studies that can familiarize your staff in basic safety and incident command.
 - Make sure that personal protective equipment is available and that staff is familiar with its proper use.
-

If your building has more than one entrance, arrange a location to meet responders with the 911 dispatcher. Have someone guide responders to the site of the emergency.

Training should include what employees should do, but it should also include what employees shouldn't do in an emergency. For example, fire extinguisher training should cover how to tell when a fire is too large to put out with an extinguisher. Medical training should include awareness of when it's not safe to try to offer first aid (for instance, if you don't know why someone has collapsed it could be because of chemical fumes or other dangers at their location). Trying to help without proper training and preparation can lead to rescuers becoming victims.

Information in this factsheet was adapted from: Surviving Extreme Events: A Guide to Help Small Businesses and Not-for-Profit Organizations Prepare for and Recover from Extreme Events by Daniel J. Alesch and James N. Holly. Available through the Public Entity Risk Institute at <http://www.riskinstitute.org>.

do1thing.com/business

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
-

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
-

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:

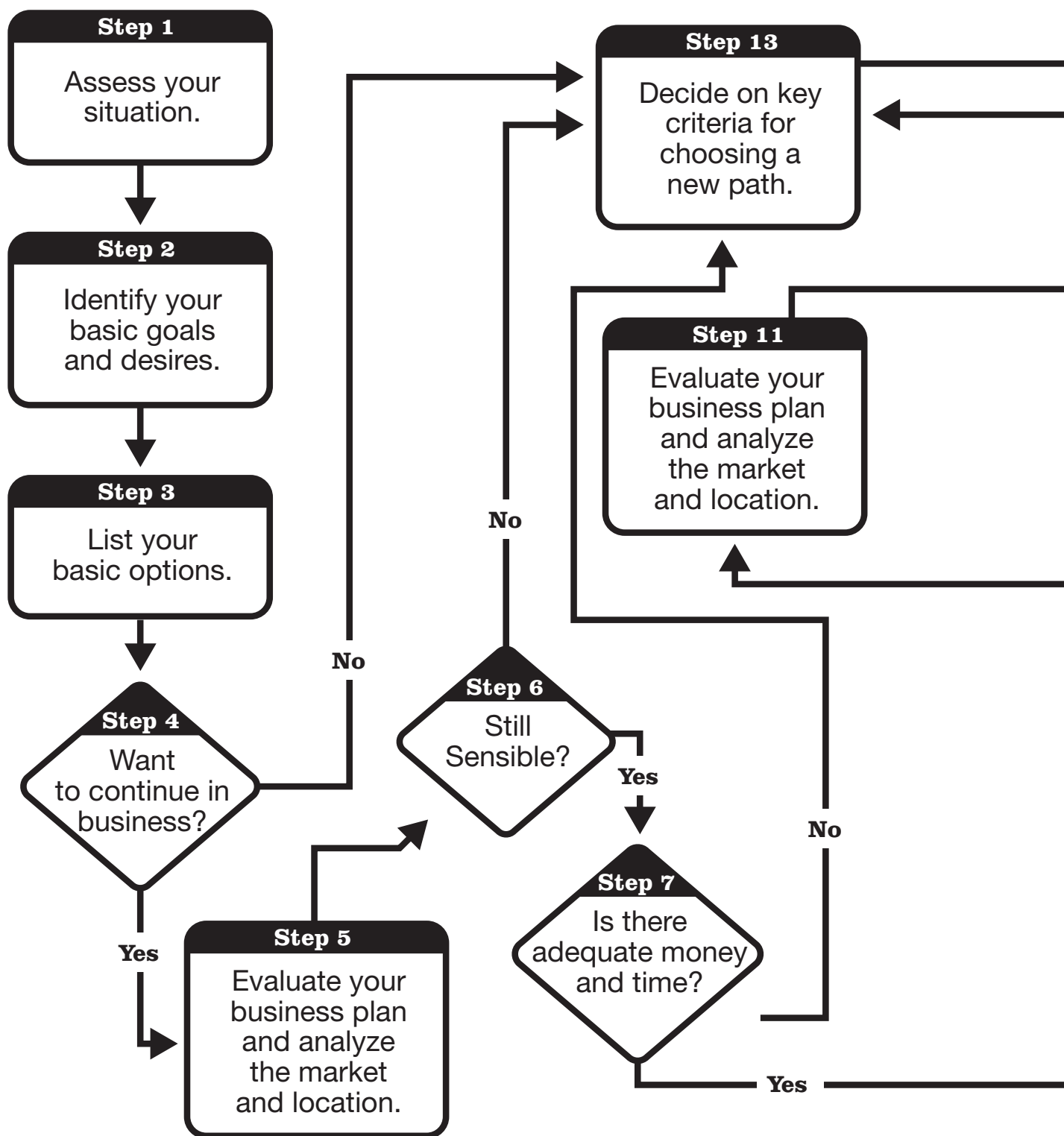
- Production time
- Inventory
- Materials
- Labor
- Capital assets
- Key employees
- Facilities

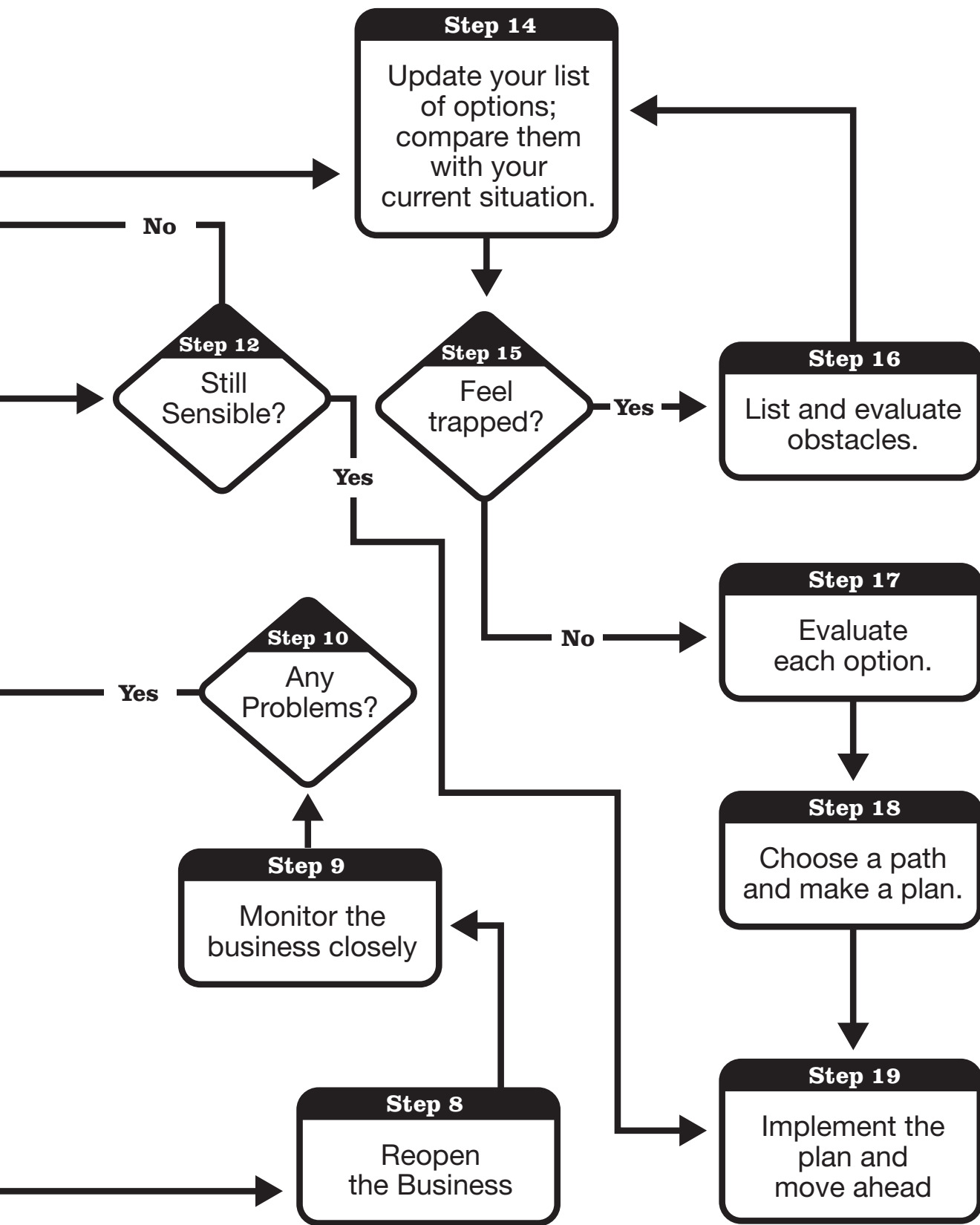
Research shows that smaller businesses are often more likely to fail after a disaster than larger businesses. A business that is struggling before the disaster, or that is only marginally profitable, may be more likely to fail than a business that is healthy. Reopening a business that was not strong 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





**Get more tips
and stay up to date!**

Visit our website to sign up for
monthly reminders and track your
progress. Each month you will be one
step closer to being prepared.

do  thing.com

Follow us on Twitter: **@do1thingus**

Like us on Facebook: **www.facebook.com/do1thingcom**

Email us: **contact@do1thing.com**

-----  815 MARSHALL STREET, LANSING MI 48912  -----

© Do1Thing, All Rights Reserved