

## HURRICANE PLAN CAN HELP BUSINESSES WEATHER A STORM

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If we learned anything from Katrina, it is the importance of planning and what can result from the lack of it. For a small business, taking a few precautions could be the difference between staying in business or going under after a disaster.

**[The University of South Alabama Small Business Development Center will hold a [hurricane preparedness conference](#) on August 30 at the Marriott Hotel on Airport Boulevard.]**

The U.S. Small Business Administration recommends focusing on four main areas: facilities - buildings and equipment, operations, information and communication, and insurance. A small business owner should consider how the company could stay in operation if the office, plant, or store is not useable.

Some possibilities might be to work out of a home or nearby storefront; making sure critical items such as computers, inventory and equipment can be moved quickly; keeping replaced equipment as backup to newer equipment that could get damaged; and storing inventory, equipment and supplies off site. The owner should examine the possibilities, create a disaster plan, and train employees on what to do.

Duplicates of hard-to-replace parts or supplies should be kept on hand but stored off site. If this cannot be done, the owner should work with suppliers in advance to assure a secure and adequate supply. Several days' supply should be stored in a place that is not vulnerable to the same disaster. The auxiliary supply should be kept current.

The owners should make changes now that could prevent possible future damage. Installing storm shutters or adding a retaining wall is a relatively minor project compared to losing a building.

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Non-electrical items, such as a printed price list and a manual credit card machine, could keep a business going for several days until power is restored. A backup generator could help maintain full operations or at least critical functions, such as refrigeration, lighting, security systems, and computers, if the power fails.

The business should establish and maintain relationships with alternate vendors and shippers in case primary ones are disabled. By occasionally placing orders with them, the business will be considered an active customer when needed.

The business should guard against losing its customer base by diversifying product lines, sales locations, or target customers. New customers should be developed, even if the current customer base seems adequate.

Backup copies should be made of all critical records such as accounting and employee data, as well as customer lists, production formulas, and inventory. A backup copy should also be made of the computer's basic operating system, boot files, and critical software. All vital information should be stored on site and in a second safe, off-site location. Files should be backed up routinely.

The business should make arrangements in advance with computer vendors to quickly replace damaged vital hardware. Invoices, shipping lists, and other documentation of the system configuration should be kept off site so replacement components can be ordered quickly. The owner should take care of credit checks, purchase accounts and other vendor requirements in advance so that the vendor can ship replacements immediately.

All computer and phone equipment should be surge protected. A battery backup can keep systems working through blackouts.

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An up-to-date copy of phone numbers, computer and Internet logon codes and passwords, employee phone numbers, and other critical information should be kept in an accessible location. An employee telephone tree should be developed so employees can be contacted rapidly in an emergency.

Current insurance coverage should be reviewed to make sure it is enough to get the business back in operation and will cover the replacement cost of vital facilities. Contents insurance should cover the replacement cost of critical equipment. Also, the owner should know what insurance does not cover and consider adding coverage for likely perils.

Business interruption insurance may help the business meet payrolls, pay vendors, and purchase inventory during a shutdown. A review of insurance coverage should be done annually. The owner should not assume that, just because it has not happened, it never will.

More information to assist a small business in preparing a disaster plan is available on SBA's web site at [www.sba.gov/disaster\\_recov/prepared/getready.html](http://www.sba.gov/disaster_recov/prepared/getready.html). Also, the University of South Alabama Small Business Development Center provides one-on-one counseling and can assist in the development of a continuity plan. The USA SBDC will hold workshops June 6, 8 and 13 on how to apply for loans that can be used for Katrina recovery or disaster preparedness. Call the Center for details.

Two publications that can also help business owners create a continuity plan can be obtained free on the Internet. "Open for Business, A Disaster Planning Toolkit for the Small to Mid-Sized Business Owner" was developed by the Institute for Business & Home Safety and the SBA. It is available at <http://www.disastersafety.org>.

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“Open for Business” includes 13 key forms for recording information to help a business recover essential business functions and inform individual employees about their responsibilities. It also includes a property protection checklist that will help identify items that have an important bearing on the safety of the building, and to protect the building and its contents from damage.

The other publication is FEMA’s “Emergency Management Guide for Business and Industry; A Step-By-Step Approach to Emergency Planning, Response and Recovery for Companies of All Sizes.” It is available at [www.fema.gov/business/guide/index.shtm](http://www.fema.gov/business/guide/index.shtm).

Once the continuity plan is created and the property protection checklist completed, the owner should be sure they are maintained so all information is current. Also, employees should be updated on their responsibilities and the plan tested periodically.

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