



DISASTER PROOFING YOUR BUSINESS

Business disasters can either be natural, technological, or man-made. Natural types of disasters include floods, earthquakes, tornadoes, hurricanes, landslides, tsunamis, and even a pest infestation. On the other hand, technological and man-made disasters involve hazardous material spills, infrastructural or power failure, nuclear power plant meltdown or blast, chemical threat and biological weapons, cyber attacks, explosions, or acts of terrorism and civil unrest. *(This picture is from an actual cry for help that I posted on FaceBook in Sept 16'. Help came right away.)*

1. Take a Business Inventory

Creating a business inventory includes listing all business equipment, supplies and merchandise—and don't forget to include commercial vehicles.

2. Put your plan in writing

Get your team together and create a comprehensive plan of action that will work for your business. This needs to be tailored to your organizations own particular needs.

Keeping a copy of this document offsite, preferably in more than one place, is vital. Also, be sure to include all of your emergency contact details for your employees and suppliers in there **too**.

3. Find an alternative site or a rendezvous point

Having an alternative site where your workers can carry on running the business in the event of a disaster is vital if you want to maintain smooth operations. From the backup site you will be able to communicate properly to any suppliers, customers, indeed employees that you may need to contact, even when your main premises are inaccessible.

4. Establish now who will be in charge of what

Having an effective chain of command will help employees know who they can turn to if a disaster was to strike. If the company's hierarchy are not available at the critical moment it is vital that the responsibility falls to someone who is capable of handling the situation correctly.

5. Review insurance policies

One of the biggest risks for entrepreneurs is unpreparedness. While insurance companies faced 1.2 million personal property claims and more than 156,600 business claims in the wake of Hurricane Katrina, only 167,900 policy owners received payment for losses caused by floods.

Review your insurance policies now- before a disaster strikes or filing a claim. It is important that your business have both the right amount and type of insurance for its needs and risk profile.

- **Liability**
- **E & O**- check to see if it covers you in all the states you work in
- **Flood** – flood maps have been revised again
- **Personal articles policy**

- **Utility service interruption insurance** - which provides coverage for direct physical loss, damage, or destruction to electrical, steam, gas, water, sewer, telephone, or any other utility or service including transmission lines and related plants, substations and equipment of suppliers of those services."
- **Business interruption policy**- is key in paying for unexpected expenses that arise after a disaster. Businesses can add coverage of up to 2 years to the business interruption policy.
- **Terrorism insurance**- A commercial terrorism policy covers damaged or destroyed property—including buildings, equipment, furnishings and inventory. It may also cover losses associated with the interruption of your business. Terrorism insurance may also cover liability claims against your business associated with a terrorist attack.

6. Buy a generator to lessen losses

Loss of electricity can greatly affect businesses big or small and is one of the most common aftereffects of a natural disaster. According to Agility Recovery, power loss of at least one hour will affect up to 70 percent of businesses each year. In the case of large disasters, companies could be without working utilities for days or even weeks.

In the case of Hurricane Katrina, more than 1.7 million people lost power. Portable generators are a viable solution for power loss, however, businesses need to calculate their required power output prior to purchasing.

7. Back up essential business

Loss of power is a catalyst for a number of business-halting risks. Even an hour is a significant amount of time to be without electricity. Companies can lose money and customers if they are unable to access telephones, emails or client data- create an offsite list of all insurance policies, banking information and vendor information. Paper documents should also be backed up too. [Document scanning services](#) will ensure that your essential paper documents are protected and stored on a CD, DVD or portable hard drive.

8. Start putting away a rainy-day fund

Not only does your business need to be able to survive the storm, but you need to have a strategy for when you are rebuilding your business. Companies should have a rainy day fund to cover extra expenses, employee wages and other incidentals as repairs and insurance claims can take weeks to months to complete.

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