

What are the Costs?

No Cost	Under \$500	More than \$500
Meet with your insurance provider to review current coverage.	Buy a fire extinguisher and smoke alarm.	Consider additional insurance such as business interruption, flood, or earthquake.
Create a list of inventory and equipment, including computer hardware and software, for insurance purposes.	Set up a telephone call tree, password protected page on the company website, an e-mail alert, or a call-in voice recording to communicate with employees in an emergency.	Purchase, install and pre-wire a generator to the buildings essential electrical circuits. Provide for other utility alternatives and back-up options.
Create a list of critical business contractors and others whom you will use in an emergency.	Provide first aid and CPR training to key co-workers.	Consider a professional engineer to evaluate wind, fire or seismic resistance of your building.
Create procedures to quickly evacuate and shelter-in-place. Practice the plans.	Back up your records and critical data. Keep a copy offsite.	Consider a security professional to evaluate and/or create your disaster preparedness and continuity plan.
Know what kind of emergencies might affect your company both internally and externally.	Elevate valuable inventory and electric machinery off the floor in case of flooding.	Upgrade your building's HVAC system to secure outdoor air intakes and increase filter efficiency.

*From U.S. Department of Homeland Security's Ready.gov web site

of an emergency. Also, you may want to consider including disaster training in your business's new employee orientation program(s).

Do you have a disaster kit on site? Does it have directions on how to turn off utilities at your business's location? To learn more about what your disaster kit should include, check out the emergency supplies chart on pg. 3.

Cross-train your employees so they are all capable of carrying out tasks vital to the business's survival in the days following the disaster. And last but not least, encourage employees to design a disaster plan for their own families. The Federal Emergency Management Agency (www.fema.gov) and the Department of Homeland Security (www.ready.gov) both offer resources that can help your employees develop their own plans.

Communication

One of the most important parts of disaster preparedness is your communications plan. You need to be able to communicate not only with your employees, but also with your suppliers and customers. When building your communications plan, here are some helpful components to include:

- Designate an out of town number where employees can leave an "I'm okay" message if the disaster occurs after hours.
- Assign certain employees as spokespersons for contacting suppliers, creditors, other employees, customers, media, and/or utility companies, so you get the word out quickly that your business is still available or, if not, update your business communication on your rebuilding efforts.⁴

- Take into account how your customers might be affected by a natural or manmade disaster and how long it might take them to purchase your goods and services again. Would additional advertising help in such a situation, and if so, could you afford to invest in an additional advertising campaign?

Insuring Your Business

Assess your current policy with your insurance representative. Most policies do not include flood or earthquake damage, so you may need to purchase separate coverage. For a list of helpful questions to ask your insurance agent, go to Homeland Security's webpage at www.ready.gov.

Out of all the additional insurance coverage you can add to your policy, flood insurance is crucial. Most of the 43,000 disaster loans made by the SBA after the 2005 Gulf Coast hurricanes were for flood damage.⁵

Consider business interruption insurance that could assist you during your rebuilding efforts. It may help you with paying your employees and vendors as well as purchasing inventory until you are up and running again.

Protecting Your Records

First and foremost, back up your data on a regular basis. According to a University of Texas study, 43% of companies experiencing a catastrophic data loss never recover, and half of them go out of business within two years.⁴

Store extra copies of important records like maps, building plans, insurance policies, employee contact and identification information, bank account records, sup-

plier and shipping contact lists, and computer back-ups at an alternative, off-site location. SCORE, a non-profit association that serves as counselors to small businesses, recommends keeping these important records in a portable lockbox, at least 500 miles away.

To further guarantee the protection of your data and reduce the need for additional paper records, consider creating electronic copies of essential documents and storing them on a zip drive or on CD-ROM to be stored off-site.

Emergency Supplies Kit

Water , if feasible, store one gallon of water per person per day, for drinking and sanitation.
Food , at least a three day supply of non-perishable food
Battery-powered radio and extra batteries
Flashlight and extra batteries
First Aid kit
Whistle to signal for help
Dust or filter masks , readily available in hardware stores, which are rated based on how small a particle they filter
Moist towelettes for sanitation
Wrench or pliers to turn off utilities
Can opener for food
Plastic sheeting and duck tape to “seal the room”
Garbage bags and plastic ties for personal sanitation

*From U.S. Department of Homeland Security’s Ready.gov web site

Maintaining Business Operations

Planning ahead for the aftermath of a disaster is just as important as prevention. Your business’ ability to continue operating after a disaster is dependent on many factors, including records, utility service, and access to inventory and suppliers. In developing a disaster plan for your business, consider asking the following questions:

- Am I prepared to stay open for business, even if I have to relocate to a temporary location?
- Do I have enough suppliers, so if one or more faces damage, my business operations will not suffer as well?
- How will my business be affected by utility disruptions? Have I consulted with utility providers about possible alternatives? And am I protected from power surges?
- What additional costs will be faced in replacing inventory, machinery and equipment, furniture, and possibly real estate damage?
- Can the business’ clientele base be broadened, so my business can still operate efficiently if one area is affected?

- Do I have all the necessary materials needed to apply for a loan if I should need to?*

Protecting Your Business against Pandemic Flu

Although it is hard to imagine, the threat of a pandemic flu is real. If a pandemic flu were to strike, 40% of your workforce could be absent for as many as three to four months.⁶ In the event of an outbreak, business owners like yourself who will play a key role in protecting your employees’ health and safety as well as reducing the negative impact of such a disaster on the economy and society. Unlike natural or manmade disasters, pandemic flu demands a more detailed set of contingency plans—combined with those you *hopefully* already have in place—because it affects a much larger geographical area and could potentially last for months at a time.

Thus, when building the specialized contingency plan for your business, make sure to address long-term absentee rates. Can your business operate over a sustained amount of time with only a limited workforce? Consider what effects the pandemic will have on your business operations. Will there be an increase or decrease in demand for your products and/or services? Will your business be affected by restrictions against mass gatherings?

Take steps to educate your employees about the threat of a pandemic flu and the company’s plan in the event of a highly contagious outbreak. In addition, make sure to address family and medical leave with your employees and the importance of staying away from the office if they become ill.

Another possibility to consider is an at-home work policy. Expand your business’s network access and security so your employees have the option of safely working from home. Lastly, talk with your insurers, health care planners and facilities to learn about their capabilities and plans should a pandemic flu occur and incorporate these plans into your own business contingency plan.

Additional Resources

<http://www.sba.gov/npm2006/>
www.ibhs.org/businessprotection

(By filling out their Business Continuity Forms, the Institute for Business and Home Safety can guide you in developing a detailed disaster plan.)

www.disasterinformation.org/disaster2/home/
 (Hurricane Insurance Center)

The National Women’s Business Council is a bi-partisan federal advisory body created to serve as an independent source of advice to the President, Congress and the U.S. Small Business Administration on economic issues of importance to women business owners. The Council’s mission is to promote bold initiatives, policies and programs designed to support women’s business enterprises at all stages of development in the public and private sector marketplaces—from start-up to success to significance. For more information about the Council, contact: National Women’s Business Council, 409 3rd Street, SW, Suite 210, Washington, DC 20024; phone 202-205-3850; fax: 202-205-6825; e-mail: info@nwbc.gov ; Web site: www.nwbc.gov.

¹ From the U.S. Small Business Administration (www.sba.gov/disaster_recov/prepared/getredy.html)

² From the American Red Cross (www.redcross.org/services/disaster/0,1082,0_606_00.html)

³ From the Institute for Business & Home Safety *Open for Business*sm Disaster Planning Toolkit

⁴ From the U.S. Small Business Administration (www.sba.gov/npm2006.faq.html)

⁵ From the U.S. Small Business Administration (www.sba.gov/news/06-41.pdf)

*A 2005 Department of Energy study found that a sustained interruption of power costs an average of \$1,067 for a commercial business and \$4,227 for an industrial business. (Enterprising Women, “Protecting Your Business from Power Loss” by Suzanne M. Burns)

** To apply for a loan from the Small Business Administration, you will need a copy of your federal income tax information, a short history of your business, and personal and business financial statements.

⁶ From the Trust for American’s Health (<http://healthyamericans.org/reports/flu/brochures/FluBrochure.pdf>)