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Great timing for a business continuity conference

Company that didn't have one had to close for a while after flood

By **Andrea Rumbaugh** | April 21, 2016 | Updated: April 22, 2016 12:37am

1

If one piece of machinery had stopped working at Closets by Design of Houston, owner Travis Chambers could have handled it. But when 18 inches of water damaged all of his equipment and stopped production, Chambers was left without a plan.

He was thrown into a mass of displaced business owners seeking portable office space. He struggled to reach employees and customers. And he relied on other franchisees in Austin and Dallas to manufacture products and ship them to Houston.

Almost 40 percent of small businesses never reopen their doors after a disaster, as a few inches of water can cause tens of thousands of dollars in damage, according to the Federal Emergency Management Agency. Having a disaster recovery or business continuity plan can help guide employers through the aftermath of such disasters and help them remain in business.

"Companies that are hit the worst are small and medium-size businesses," said Al Berman, president and CEO of Disaster Recovery Institute International.

His New York City-based nonprofit has organized a disaster recovery and business continuity event at the University of St. Thomas. The one-day conference slated for this Saturday was planned about a month ago but seems almost timed to the torrential rains that flooded the Houston area.

"Maybe more people will actually look at it and say, 'OK, this is something that's very important,' " said Beena George, dean of the Cameron School of Business at the University of St. Thomas.

Space is limited but business owners and business continuity professionals can pay \$50 to attend.

Other threats

In addition to natural disasters, the event will discuss continuity plans specific to the health care industry and how businesses can prevent and respond to cyberattacks, among other things.

"It is good that we are offering this so that people can learn how to deal with these disasters," George said. It's also an educational event for students.

A business continuity plan ranges from data backup efforts to systems for contacting employees, customers and suppliers after a disaster.

MORE INFORMATION

Creating a business continuity plan

The Insurance Institute for Business & Home Safety outlines eight areas that should be included in business continuity plans. It offers a free business continuity tool for small businesses called Open For Business-EZ.

- 1. Know your risks: Evaluate the extent of your business's vulnerability to disruptions.**
- 2. Know your operations: Identify your key business functions and processes and decide how long you can go without being able to perform each of them.**
- 3. Know your employees: Keep employee contact information updated to locate them quickly after a disaster, inquire about their safety, and inform them about the status of your business operations, where and if they should report and what to do following a disaster.**
- 4. Know your key customers, contacts, suppliers and vendors: Keep contact information for your key customers, contacts, suppliers and vendors up-to-date.**
- 5. Know your information technologies: Protect your company's hardware and data.**
- 6. Know your finances: Establishing clear strategies and procedures for controlling costs, reporting information to appropriate organizations and clearly budgeting for and tracking what is actually spent during a significant disruption can have a positive impact on the business's bottom line performance and recovery.**
- 7. Know where to go for help: Maintain a channel of communication with community leaders, public**

It's important to practice this plan before a catastrophe happens.

safety organizations such as the police, fire and emergency medical services, government agencies, utility companies, and others.

"It's almost a very sophisticated fire drill," said Anthony Pizzitola, a Houston-based assessor with Disaster Recovery Institute International who examines companies and evaluates if they're prepared for disasters.

**8. Know when to update and test your plan:
Schedule regular reviews and updates to your plan.**

Data should be backed up at an off-site location or in a cloud, and small companies can use free or relatively inexpensive programs like Dropbox or Google Docs.

"The cloud has become a really efficient way of doing data backup automatically," Berman said.

Also before a disaster, he said, it's important to take pictures and video of the property. This will help during the insurance claims process to show the extent of the damages.

Purchasing business interruption insurance can cover a company's lost income, and extra expense insurance can reimburse the extra money spent to remain open during the restoration period, according to the Insurance Information Institute.

During or after the disaster, it's important to contact employees to make sure they're all right and to provide guidance on whether they should come to the office. Suppliers should also be contacted to ensure they aren't shipping products to the destroyed facility.

Business owners should also check with suppliers before a disaster to make sure they have a thorough business continuity plan.

Customers will be more sympathetic if the company tells them it's closed because of a disaster. They will be more likely to take their business elsewhere if they aren't given a heads up.

And finally, Pizzitola said, employees should know how to continue working even when

the office is closed.

Some companies create plans that ensure their operations are never offline. StormGeo, which provides weather-related guidance to companies around the world on whether they should operate, works with a facility in College Station to store its backup data. The facility also has office space for employees to work from if its Houston office becomes inhabitable.

Help employees

The Houston office has generators and food rations.

And there is a mass messaging system to contact employees. This system can require a response to make sure employees are OK, and it can also inform non-essential employees to stay home.

Because of its work, some StormGeo employees must be in the office, and the company will make accommodations for them.

Ed Schlichtenmyer, senior manager of business continuity for StormGeo, said this mass communication system was used on Monday.

"We weren't nervous about our facility, but we were concerned about our employees," he said.

Chambers, with Closets by Design of Houston, had to close his business for two days before reopening Wednesday. He has patched up his Greenspoint facility to the point where it can begin manufacturing on Friday, though it will temporarily move offices elsewhere.

BUSINESS

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"It worked out pretty well, but I would definitely have a plan in place moving forward," he said.

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