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Disaster Planning Tips for Small Businesses

By Charell Star, Business News Daily Contributor   *September 27, 2017 02:23 pm EST*

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It takes a lot of money and manpower to bring a business back online following a massive natural disaster – such as Sandy, Harvey or Irma – but it can be just as challenging to reopen after a localized incident like a fire or flood. When it comes to prepping your business to survive a disaster,

you should probably keep this old sport adage in mind: The best defense is a good offense.

Getting your professional house in order takes time, but the sooner you get started, the more prepared your business will be if disaster strikes. Since many companies don't know where to begin with disaster planning, we tapped a few industry experts to curate five of the best disaster planning tips for small businesses.

Editor's Note: Are you interested in disaster recovery solutions like backup services? If you want information to help you choose the service that's right for you, use the questionnaire below and our sister site, BuyerZone, will provide you with information from vendors for free:

Approximately how much total data do you want to back up?

○ Less than 100GB   ○ 100GB to 1TB   ○ 1TB to 5TB

○ More than 5TB   ○ Not sure / please advise

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Plan to communicate

According to Christopher Berry, senior director at Kroll's security risk management practice, planning how a business will communicate with stakeholders, customers and vendors during and following a disaster is a must.

Berry said businesses need to "make certain that the contact information for all employees are up to date and appropriately inclusive of home, mobile phone numbers and email addresses." Review this list annually. Since electronic files may not be accessible if power or internet service is interrupted, it would be wise "to consider keeping a hard copy of the appropriate list securely off-site in a home safe."

Extend that list one step by adding the names and contact details for your emergency service providers that your business may need to reach following a disaster. The time to figure out which gas company serves your building or who your local insurance representative is should be before you're dealing with an issue, not after.

Berry also recommends "establishing a process to keep employees, customers and vendors informed regarding business operations during an emergency. This could be done by posting status updates on a company Facebook page or using the company's website." Let people know in advance the methods your business will use to provide updates.

Determine a backup and access plan

Coming up with a process for protecting your records and data is also an important step. Chloe Demrovsky, president and CEO of Disaster Recovery

Institute International, advises small businesses to "make copies of vital records and their most important documents and store them electronically, safely … [in] affordable cloud-based storage."

Make sure you schedule tests of your backup data for your employees to ensure the files are complete and easy to access. You'd hate to find out after disaster hit that an important file didn't upload correctly or an old home computer is too out of date to access a key application remotely.

Andy Abramson, CEO of the boutique marketing agency Comunicano, also recommends small businesses consider making the transition to cloud-based services for day-to-day operations before disaster strikes. "Fortunately, because we're all cloud, all the time [using Google's G Suite] … all my data is there," he said.

Abramson said Comunicano also uses Dialpad for communications and UberConference for collaboration, "so all of my phone calls, text messages and recordings are also stored in the Google Cloud."

When Abramson's hardware failed him, he got back up and running within a few minutes after accessing his cloud accounts on a new laptop.

Make a financial and insurance plan

It may be hard to imagine, but more than 40 percent of businesses do not reopen after a disaster, according to the Federal Emergency Management Agency. Part of the reason is that many small businesses do not have an adequate insurance plan or a system to keep cash flowing into their business in emergencies.

Andy Wood, chief administrative officer at small-business insurance agency Insureon, recommends opting for business interruption insurance in addition to simple general liability coverage. Not having "a business interruption policy means expenses needed to restart a business in event of a hurricane [or other business-interrupting incident] are not covered." If

you have it, this coverage can help replace lost revenue while you work to get your doors reopened.

Even if you have the proper insurance, it can take a few weeks to a few months to provide all the required documentation for a claim following a disaster. You'll want to be prepared to keep your business afloat during this time.

After a careless tenant left the tap running overnight above, the water trickled down and flooded Hollywood Mirrors director Adam Watson's entire product stock. "The only reason we survived is because I like to keep three months of running costs in the bank as a safety net," Watson said. It took four months to get the insurance claim paid, water cleaned up and new inventory in stock.

"It is imperative you have reserve funds for unexpected disasters like this," Watson said. "If you run out of cash, you will be out of business. It's as simple and as easy as that, and it can happen to anyone."

Prep for employee needs

Your employees are the heart of your business, so don't forget to include their needs in your disaster preparation plans. Peter Yang, co-founder of ResumeGo, recommends including "ample time for your employees to evacuate the region with their family" in your plans. That's what he did before the recent Hurricane Harvey hit one of his offices in Houston. He also prepped his employees in another region so they could pick up the slack during the transition time.

If your team works remotely or travels for business, it is imperative that you have a system in place to check in during a localized incident or disaster. Erik Endress, CEO of Share911, knows the impact real-time communication can have on a business during a fire, flood or hurricane. Endress' software enables employers to know which employees are safe and which may need assistance during disasters. This access helps ensure

employers can get employees the help they need and get everyone back to work faster once the danger passes.

Practice the plan

Matthew Hilton, Switchvox product marketing manager at the business communication company Digium, recommends you "train your staff to the point where the plan can be done easily. Practice, practice and then practice again so there are no surprises when a real event occurs." A plan step that seems simple – such as posting company updates to clients on Facebook – may require more thoughtfulness than it appears.

For instance, who is posting the updates? How many times are updates being posted in a day? What happens if there are no updates in a specific period – is that an update? Fleshing out the plan details and practicing the various scenarios reduces the chances of confusion and the time your business may be offline.

With luck, you'll never need to use your disaster plan, but that doesn't mean you and your employees shouldn't be ready to use it at the drop of a hat.

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