

## **Small businesses disaster planning needs to be more sophisticated than in the past**

The Associated Press

Posted May 17, 2007

NEW YORK -- The tornado that decimated Greensburg, Kan., this month and the upcoming official start of the hurricane season should serve as a reminder to small business owners that they need to prepare their companies for the absolute worst -- physical devastation of their premises and an indefinite interruption of operations if a catastrophe strikes.

But one of the lessons of Hurricanes Katrina and Rita two years ago is that traditional planning may not be enough. When New Orleans residents left the city before Katrina hit, no one could have envisioned that it would take months for many companies to be up and running again, and that many others would have to relocate permanently or shut down.

In the case of Rita, some of the residents evacuating Houston found it wasn't so easy -- they ran out of gas in traffic jams that extended up to 100 miles north of the city.

Many business owners have learned that disaster planning needs to be increasingly sophisticated, and detailed, for a company to survive. For example, while disaster preparation experts have long advised business owners to have a list of employee phone numbers, that might not be enough. Now, the recommendation is that you also have contact numbers for relatives and friends for each staffer, and if there's an evacuation, you should also know where your staffers will be staying.

But many business owners, even having heard the horror stories of businesses lost to Katrina and other disasters, haven't done any planning.

Steven C. Preston, administrator of the U.S. Small Business Administration, said many owners, unless they've already been through a disaster find it hard to grasp the need for planning.

"In areas that have been hit in the past couple of years, it's a whole different level of awareness," Preston said in a telephone interview. "The challenge is in a place that isn't as accustomed to thinking in terms of preparedness."

These are some of the most critical parts of a small business disaster plan:

- Ensuring that employees and their families will be safe.
- Protecting the company's data, such as customer lists and financial records.
- Securing the physical premises as much as possible.
- Creating a plan to restart operations remotely if necessary.
- Buying adequate disaster insurance.

Any one of these areas can be complex, depending on the type of business you have. Before you start putting a plan together, it's best to get a quick education on disaster planning.

The Internet has sources to help small businesses with disaster planning. The government has several sites, including [www.ready.gov](http://www.ready.gov) and the SBA's [www.sba.gov/beawareandprepare/business.html](http://www.sba.gov/beawareandprepare/business.html).

The Institute for Business & Home Safety Web site has a toolkit called Open for Business that includes the kind of things a small business should consider in preparing for a disaster. You can link directly to it at [www.ibhs.org/business\(underscore\)protection](http://www.ibhs.org/business(underscore)protection).

The planning process also isn't one you should be doing on your own. Preston noted that in a larger company, there is often an employee dedicated to putting a plan together, but smaller companies often don't have that luxury.

Still, he said, owners should consult staffers, who probably know minutiae about the company's operations that the boss doesn't. "They're the ones who know what it's going to take to get them (small businesses) back on their feet," he said.

Brainstorming with other business owners, particularly if their companies are similar to yours, will also help you with a plan -- and may help you think of details and contingencies that might not have occurred to you on your own.

For example, many companies now understand the need for backing up their data such as customer lists and financial records, and many know that the safest way to protect the data is to store it offsite. But a New Orleans company that had its data stored not far away may well have lost it, or certainly lost access to it. And, even if the information was stored in a very remote location, unless the owner and employees had access to their usual programs and applications, it could be harder to access the data.

So, talking out the "what ifs" with someone else can help you think about all the possibilities for what might go awry -- and to be better prepared.