

Small Business Disaster Planning Guide

Are You Prepared? Are You Prepared?

According to U. S. Department of Labor Statistics:

- Over 40% of all companies that experience a disaster never reopen!
 - Over 25% of the remaining companies close within two years
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Helpful Agencies

- In an emergency dial 9-1-1
- Florida Department of Insurance 1-800-528-7094
- National Flood Insurance Program 1-800-427-4661
- Small Business administration (SBA) 1-800-359-2227
- FEMA Tele-registration hot line 1-800-462-9029
- TDD 1-800-462-7585

Federal Emergency Management Agency (FEMA)
1-202-566-1600
P. O. Box 70274
Washington, D.C. 20024

Orange County Emergency Management
6590 Amory Court
Winter Park, FL 32792
407-836-9140
TDD 407-836-9041
FAX 407-836-9147

Introduction

This planning guide to Disaster Preparedness and Recovery is intended for use by small businesses. However, the general concepts of this plan may be used by all.

You may believe you are familiar with disasters by watching them on television or reading about them. Please be assured that until you have experienced the real thing, i.e., watching windows being blown out around you, roof blowing off of a building, being without electricity, drinkable water, or telephone for several days or weeks, you have not experienced the full impact of a disaster.

The objectives of this plan are:

- To educate small businesses in disaster management, to prepare in advance, to help themselves and others during a disaster, and the process for returning to normal operation.
- To motivate everyone to share in the responsibility of community preparation. No community can be totally prepared for a major disaster, but a prepared community can rebuild faster and become productive more quickly than one that is unprepared.
- To reduce the apathy level that exists in many communities, the "it will never happen here" attitude must be overcome because unfortunately, someday it very likely will happen here. The ability of a community to recover is directly related to the seriousness of the devastation, and the level of apathy in the community

Disaster

An occurrence causing widespread destruction and distress

- Hazards most likely to affect your business and community
- Accidents Explosion off / on Site, Power Loss, Water Leak / Plumbing Failure, Toxic Contamination, Medical Emergency and or, Fire.
- Weather Severe Storms, Lightning, Tornadoes, Hurricanes, Freezes, Floods.

- Hazardous Materials Chlorine-Swimming Pools, Cleaning Agents, Warehousing, Manufacturing.
- Vehicle Incidents Airplanes, Trains, Trucks and Cars.
- Civil Disturbances Labor Unrest or Civil Disobedience, Vandalism.
- Terrorism Planned Mass Destruction and/or Injuries, Bomb/Bomb Threat, Sabotage, Toxic Contamination.

PREPARING FOR AN INCIDENT PRE-DISASTER ACTION CHECKLIST

- Monitor incident progression.
- Determine if you must evacuate and or secure your business, based on the emergency or disaster.
- Secure your home and family.
- Preserve records.
- Preserve equipment.
- Obtain insurance information.
- Protect building/house.
- Review "recovery consideration" checklist.
- Review "mitigation action plan" prior to determining recovery actions.

DISASTER HAS NO PREDICTABILITY

The only disasters that come with a warning are some weather-related incidents, however these can cause great destruction and devastation, with the most dangerous being hurricanes and tornadoes. Hurricanes, although not predictable, generally form at sea giving us ample time to prepare. Tornado watches and warnings are generated by the weather bureau when the atmospheric conditions are conducive for tornadic actions to occur.

In order to have ample time to respond to the threat of hazardous weather such as hurricanes or tornadoes, you must monitor weather reports daily. The key information for which you are listening is the issuance of a weather warning for the Orange County area.

A "Weather Alert Radio", available at most electronic stores, is most valuable in receiving weather alerts. Also, monitor local radio and television programs as they do an outstanding job of alerting the public to the National Weather Service Warnings and announcements.

HURRICANE REPORTS

1. Hurricane watch issued 36 hours before landfall
2. Evacuation of Mobile and Manufactured Homes strongly recommended 30 hours before landfall
3. Hurricane warning issued 24 hours before landfall
4. Weather deteriorates (high winds, heavy rain) complete preparations 18/20 hours before landfall

Records and Equipment Preservation

Safeguarding records and equipment, which are both replaceable and irreplaceable, will ultimately save you much time and aggravation in the event your business suffers storm damage.

Based on the emergency/disaster, if an evacuation order is issued, you must determine:

- Which records and equipment need to be evacuated from the premises versus being protected on premises? Backup copies of records need to be stored off premises.
- How well will the selected items be evacuated or protected?
- Where will the evacuation items be taken for safekeeping?
- Who will be responsible for accomplishing each of these tasks?

Remember: If you have any employees, they will also need time to take similar measures to prepare their own homes and families.

Equipment Preservation

Various methods for protecting your equipment:

- Relocate outside of home/business building.
- Elevate above flood level inside of building.
- Move away from windows and doors.
- Protect with plastic sheeting or bags and duct tape.



Equipment	Method of Protection	Comments
One of a kind molds, plates, etc.		
OFFICE ELECTRONICS:		
Telephone		
Computers		
Printers		
Fax Machines		
Copiers		
Other_____		
OFFICE FURNITURE/APPLIANCES:		
Other_____		

Records Preservation

GATHER ORIGINALS AND MAKE COPIES OF:

DOCUMENTS	COPIES MADE	ORIGINALS RELOCATED	COMMENTS
Formulas & trade secrets			
Original ownership documents (such as the title on building and company vehicles)			
Mortgage Holder and Account Numbers			
Financial and Banking Info.			
Insurance Policies (include agent's name, phone & address) <ul style="list-style-type: none">■ Property Insurance■ Flood Insurance■ Vehicle Insurance■ Income Loss Insurance■ Requirements for Claims			
Engineering Plans, Drawings			
Product List, Specifications			
Employee Database			
Customer Database			
Supplier Database			
Personnel Files			
Backup Computer Files			
Other:			

INSURANCE TIPS

Attempt to familiarize yourself with your insurance policy **before** the storm!

Obtaining answers to the following questions will help you to be better prepared **after** the storm.

- Does my policy cover the cost required to upgrade my building to code if my business is damaged?
- What perils or cause of loss does my policy cover?
- What are my deductibles?
- What is the name and phone number of my insurance company?
- What does my policy require me to do in the event of a loss?
- What type of records and documentation will my insurance company want to see?

Insurance may be one of the few consolations you will have after the storm. Here are some tips to make dealing with companies less confusing.

- Contact your agent as soon as possible
- Tell your insurer if you are in an emergency situation
- Policies usually pay for temporary repairs to protect your business and the actual value and replacement value of damaged property. Many policies don't pay for debris removal. However, if a tree falls on your business, your insurance might pay for its removal.
- Flood damage caused by rising water is covered under flood insurance, which is required in some areas if you have a mortgage. The federal government underwrites flood insurance, but most insurance adjusters can handle the claims. Ask your agent about flood insurance.
- Only make repairs necessary to prevent further damage to your business. Don't make permanent repairs without consulting your agent.
- An insurance adjuster will make an appointment to visit your business. It may take days, be patient.
- Before the adjuster arrives, prepare a list of damaged and destroyed property. The list should include a description of the item, date of purchase or age, cost at time of purchase and estimated replacement cost. If you have canceled checks or receipts for those items, collect them to show the adjuster.
- If possible, get a detailed estimate for repairs.
- Take photographs or videos of damaged areas.
- Keep all receipts for all work done on your business.
- Be aware of unsolicited and uncertified repair and recovery firms who approach you right after an event
- The Florida Department of Insurance has a **hot line** to handle questions and complaints. The number is **(800) 528-7094**. It is staffed from 8:00am to 5:00pm Monday through Friday.

PROPERTY PROTECTION

Protecting your building can be very time consuming and labor intensive; therefore, it is important to accomplish as much as possible in advance. Maintaining your building's integrity should be a

priority whether or not it is located within an evacuation area.

A good and effective idea is to install storm shutters or have thick $\frac{3}{4}$ " plywood cut to fit the windows with permanent attachments for easy installation. Water damage from blown out windows is a major source of loss and can lead to further damage.

Depending on the size of your business and building, you may want to consider establishing an advance agreement with a contractor to board up the windows and doors, in the event of a disaster.

The following videos can be obtained from the Federal Emergency Management Agency by writing to:

FEMA

P.O. Box 70247, Washington, DC 20024

Telephone: 1-800-480-2520

Against the Wind (Homeowners and General Audience – running time 18:12; includes an 8-page brochure in English and Spanish): Step-by-step instructions for protecting a home from Hurricanes and other weather disasters.

Hurricane: Prepare to Survive (General audience-running time 20:35 includes handout): Based on the experiences of Hurricane Andrew. Provides guidance on actions to take before, during, and after a storm. (General audience-running time 20:35 includes handout): Based on the experiences of Hurricane Andrew. Provides guidance on actions to take before, during, and after a storm.

SHELTER ARRANGEMENTS

The most important issue to address in this section is your employees. Who lives in a flood prone area or a mobile/manufactured home and who doesn't?

Knowing the answer will tell you who is available to perform last minute tasks to keep your business open as long as possible. Those living in a flood prone area or mobile/manufactured homes will want to leave/or not come to work when word of an approaching hurricane is announced.

If you attempt to work out a sheltering plan at the workplace or among fellow employees ("host" shelters for co-workers), they may feel more secure and be more productive. If your facility is a safe structure, allowing them to "ride out the storm" at work can be mutually beneficial. To further assist them, provide a list of supplies needed and information on how to prepare their home for a hurricane. These informational brochures are available from your local Emergency Management Office or the Federal Emergency Management Agency (FEMA). See references for further information.

The goal should be to help them be prepared so they'll be there to help you.

SHELTER SUPPLY KIT

The last option is public shelters. Space is very limited and conditions are severe. If you plan to evacuate to a public shelter, be prepared for very crowded conditions.

- Bring folding chairs, cots, pillows and blankets, special dietary needs, prescription

medications, baby diapers, formulas, etc.

- Bring three-day supply of non-perishable foods and water for you and your family.
- Bring books, puzzles, and other quiet games to keep you and children busy.
- **DO NOT** bring pets, firearms. Illegal drugs or alcohol to shelter bring pets, firearms. Illegal drugs or alcohol to shelter

SHELTER CHECKLIST

All employees who live in "safe" areas are encouraged to "host" an employee and their family who live in a danger area. Together, you can prepare for the storm and recover from the damage caused, through teamwork.

The following is a list of instructions to assist you.

If you live in a flood prone area or mobile/manufactured home

1. Know where you will evacuate. The best option is a fellow employee, family or friend who lives in a non-danger area.
2. Monitor weather conditions. Keep your vehicle in good repair. Always have at least ½ tank of gas.
3. When a hurricane watch is issued, secure your facility. Bring in loose objects, pack your survival kit, let friends and neighbors know where you are going and be ready to evacuate to your pre-determined destination.
4. If an evacuation is ordered, make sure it applies to your **AREA**. If it does evacuate immediately.

Please do not:

- go to public shelters, unless you have no other place to go. no smoking, alcoholic beverages, weapons or pets allowed in public shelters.

If you do not live in a flood prone area or mobile/manufactured home.

- go to public shelters, unless you have no other place to go. no smoking, alcoholic beverages, weapons or pets allowed in public shelters.

If you do not live in a flood prone area or mobile/manufactured home.

1. Offer to shelter fellow employees who live in flood prone areas or mobile homes.
2. Monitor weather conditions daily.
3. When a hurricane watch is issued:
 - Trim Trees
 - Bring in loose objects
 - Shutter/Board Windows (at least one safe room)

During and after the storm **please do not:**

- use candles for light or open flames inside
- go outside
- go near windows
- drive unless it's an emergency

- expect to have power, water or sewer
- evacuate if you are in a safe area
- call 9-1-1 unless it's an emergency

WHAT TO EXPECT DURING THE STORM

The unknown is always the worst. So perhaps sharing these expectations with your employee will help to reduce their stress.

DARK & SPOOKY: Whether it is day or night, the cloud coverage and shutters will ensure that your lighting will be only as good as your emergency lighting or flashlights.

POWERFUL WIND: Orange County is not that far inland to not worry about heavy winds. The wind will be of great force and it will generate unceasing noises – anything from a shriek to a howl to a continuous shhhhhhhhhh. **The noise will get on your nerves.**

LETHAL MISSILES: Hurricane force winds will make lethal missiles of tree limbs, roof shingles, and your neighbor's fence, etc.; as it hurls them against your walls, roof and garage doors.

CHANGE IN ATMOSPHERIC PRESSURE: Depending on how close you are to the eye of the hurricane, your ears may start popping. A good swallow should help to clear them.

BREEZE INSIDE YOUR SHELTER AREA: Even though there may be no broken windows, you may feel a breeze; that's just the wind's ability to find the tiniest holes and blow through.

THE SOUND OF RUNNING WATER: Let's hope you don't hear it. Unless you left the water on, it means that you have a leak. The storm has probably torn off part of the roof and the rain is pouring in.

ISOLATION: Your battery operated radio is your link to the rest of the world (don't be without one). It will be comforting to hear a human voice as you feel all the chaos happening around you. It will be unnerving to sit in the dark, listen and feel the chaos and **WAIT**.

STORM AFTERMATH

After the storm has passed, emergency crews will be assessing the damage, performing search and rescue efforts, clearing debris and beginning to restore essential services.

During this period, travel will be difficult and strictly controlled.

Evacuated and damaged areas will be secured by law enforcement, until they are considered safe. Local Law Enforcement authorities will authorize reentry into these areas through the media.

Although we naturally want to return to our communities, homes or businesses as soon as possible after a disaster, we must be careful. Immediately after a disaster is a period of extreme danger due to downed power lines, potential traps from water, half downed trees, walls, hazardous material spills, etc. Even if a few more pieces of your furniture are ruined, it is not as important as your life. Do not return to your home or business until the authorities approve it.

IMPORTANT: Always carry a photo ID to provide identification to authorities or in the case of injury, so that your family may be contacted.

RECOVERY CONCERNS

EMPLOYEES:

- Can you make payroll or at least small cash advances for an extended period with no income?
- Your bank may be unprepared to support you without electricity.
- Will you lose employees to other jobs?
- Meeting place for employees and employee family members.
- Stress Management.

SALVAGE/REPLACEMENT OR RELOCATION:

- Agreements with service contractors for the salvaging and securing of equipment.
- Protect the building and equipment from additional damage.
- Can you quickly replace lost equipment?
- Temporary power and phones for your building.
- How will major repairs be accomplished?
- What if contractors are not available locally?
- If needed, can you relocate operations on a temporary basis?

CUSTOMERS:

- Can you fill your customers orders, with or without electricity?
- How will customers be able to contact you?

SUPPLIERS:

- Can you stop delivery of materials that will no longer be needed?
- Can you get large amounts of replacement stock to get back in business?

HAZARDOUS MATERIALS:

- Has the building damage caused any hazardous materials situations?

CITY, COUNTY, STATE, FEDERAL, OR OTHER REGULATORY AGENCIES:

- Must you report your loss to some regulatory agencies?
- Do you have to be recertified?

ASSESSMENT AND RECOVERY

Initially, authorities will begin allowing only limited reentry into evacuated areas. It is possible that reentry will only be allowed during daylight hours. During this time, property owners may begin to assess the damage of their businesses and homes and begin the clean up process.

As a part of the plan, you will need to decide which person will be responsible for assessing the damage to your business and for completing a damage assessment report. The report should provide enough information to help you make the recovery decisions as outlined on "Recovery Concerns List page 16".

Some of the recovery related questions can be answered or addressed now, rather than after the storm in the midst of all the confusion. An important question to consider is:

CAN YOU ASSURE ALL EMPLOYEES THAT THEY WILL HAVE A JOB AFTER REBUILDING?

This would help morale; since many may not have anything left except their job, and would give you a more enthusiastic rebuilding crew.

At a minimum, you may want to agree, in advance: If any employee sustains major damage to their home, the company will assist them as much as possible to include arranging for contractors to perform emergency repairs and arranging transportation to work, if necessary.

SMALL BUSINESS ADMINISTRATION (SBA) -- DISASTER LOAN ASSISTANCE

Documentation requirements Per Atlanta Office (1-800-359-2227)

CORPORATIONS/PARTNERSHIPS:

1. 3 years corporate tax returns
1-year personal tax returns on principle.
(Affiliates with greater than 20% interest).
2. One year tax returns on affiliated business entity.
3. Current P&L statement (within 90 days).
4. Listing of aged account receivables/payables.
Listing of inventory (advisable).
Schedule of liabilities.
5. Balance Sheet (as recent as possible).

SOLE PROPRIETORSHIPS:

1. 3 years tax returns with schedule C.
(Plus above if applicable).
2. Approvals – usually within 30 days of application.
3. Checks – 45 days (approximately).

MITIGATION

Mitigation is both the last phase of the emergency management process and the first.

What can be done to reduce your loss/damages now? "Before" a hurricane or other disaster strikes? Examples include:

- Purchasing/making shutters for windows.
- Upgrading insurance coverage (business loss).
- Purchasing a generator.

What can be done "after" a storm to reduce future loss/damages? Examples include:

- Replacing broken windows with laminated safety glass.
- Replacing/repairing your damaged roof with a better design and anchoring systems

- Relocating to a non-flood prone area.

Many times it is not cost effective to make desired structural or location improvements, as long as the structure is meeting the current needs. However, if it were to be damaged, that could be the incentive to "do things differently".

MITIGATION

Sustained action that reduces or eliminates long-term risk to people and property from natural hazards and their effects.

References

Emergency Management Guide For Business & Industry - A step-by-step approach to emergency planning, response and recovery for companies of all sizes.

FEMA Publication #141 / October 1993
Community Disaster Education Guide
American Red Cross, Publication DIS4461
Revised July 1996

WEB SITES

Federal Emergency Management Agency (FEMA) www.fema.gov
Florida Department Community Affair www.dca.state.fl.us/fdem/index.htm
Orange County Florida www.ocoem.com
American Red Cross Home Page www.crossnet.org/
Internet Disaster Information Center www.disaster.net