

June 30, 2009 11:15 AM

Small businesses urged to develop disaster plans

When a fast-moving storm pummeled parts of southeastern Massachusetts with more than 2.5 inches of rain in under 90 minutes last August, many area businesses were not prepared to deal with the flooding, road and business closings left in its wake.

Nearly a year later, some of those businesses are not any closer to having a disaster response plan in place.

But being prepared for the impact of these small storms is just as important as getting ready for disasters on the magnitude of Hurricane Katrina, experts say.

"It's not just preparing for a major catastrophe, it could come down to preparing for something as simple as a power outage," said Wendy Rose, spokeswoman for Institute for Business and Home Safety and disastersafety.org.

Rose conducts seminars across the country on preparing businesses for cataclysmic as well as more mundane issues that could affect their business.

"A lot of the time it's the simplest things that companies overlook, from how they will contact their main customers if something should happen, to contacting their supplier or even employees," she said.

Rose suggested that first off, businesses should have all their vital information in one spot, somewhere where it's easy to get to if you need it in a big hurry. If the business is reliant on one main supplier or manufacturer, it should have a backup in case something happens to them.

"Always have a credit agreement in place with another company because their disaster could be yours if you have to scramble to find a replacement," said Rose.

She said businesses need to figure out the least amount of money they need to operate at a minimum and from a legal obligation standpoint and take inventory of what people, equipment, and services the business can provide to meet that minimum.

"Each business should formulate their own Business Continuity Plan as part of their disaster plan so that when something does happen, they can put that plan together quickly," said Rose.

Other ideas include scoping out a second location if something should shut down your business's location short or even long-term.

"Businesses have to be able to stay open at all costs and they may need a remote location rather quickly and they will need to put that plan together rather quickly or it could be the life and death of the business," said Rose.

According to Diana McClure, business resiliency program manager for the Institute for Business and Home Safety, interest in planning for business interruptions is growing and organizations like local chambers of commerce are looking to provide information to their members.

But many small businesses have yet to develop a plan to keep them in operation during emergencies, and others say that, though they've taken steps, they could probably do more.

Some small businesses are feeling the pressure from larger businesses who are urging or even requiring their small suppliers to develop plans, McClure said. A large bank, for example, will be looking at how it will stay in business if some of its critical vendors are not prepared, she said.

"It's that continuum of dependency (that will affect this); none of us operate in isolation anymore," she said.

Another factor that is beginning to push more small business owners to create plans is a growing trend toward more legal and regulatory requirements. There are some industries, McClure said, like financial services and healthcare that are already required by law to have plans in place.

"This is a trend that is only going to be increasing, that there are regulations in place by federal law or there will be an emphasis on having plans to meet business standards," she said.

"So it's to (small businesses') benefit to at least get started," McClure added.

"Many businesses just think about how a disaster would affect the business within their four walls but it will affect much outside those walls as well and they have to be ready for that," said Rose. "Even if nothing ever happens, it helps you to think of alternative measures for your business."

When it comes to computers, businesses can do a number of things to prepare for disasters, according to Nathan Viveiros, CEO of ThinkTech Computers Inc. of New Bedford. Viveiros said his company recommends backing up an entire server through what is called an "Image", which is basically a snapshot of the entire system — programs, settings and configurations — not just data.

"We also suggest that you put it on a different piece of equipment off site and that you test the system once every quarter," said Viveiros.

"Some backup systems say they are backing up properly when they are not. Test it regularly," he advised.

