



# Small Business Disaster Preparedness Guide

**YOUR KEY TO DISASTER RESILIENCY**



State Designated as Florida's Principal Provider of Business Assistance [§ 288.001, Fla. Stat.]

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## A Note from the Florida SBDC Network

Dear Small Business Owner,

Most entrepreneurs know that a well-conceived business plan is critical to the successful launch of a new business. It should be just as well understood that a Business Resiliency Plan will be critical to the on-going sustainability or success of your business. Every business will face an unexpected disruption at some point. The planning that you do now could mean the difference in how quickly—or whether—your business recovers.

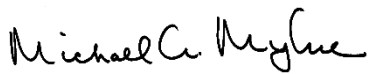
This Business Resiliency Guide is a tool to help you assess risks and make contingency plans that will enable your business to recover from the immediate threat, as well as the disruptions that could continue over weeks or months, as we have seen with the recent coronavirus pandemic.

Since 1976, the Florida SBDC Network has provided one-on-one, confidential, no-cost consulting to help aspiring and existing small business owners grow and succeed. With deep roots in Florida's small business community, we have adapted our consulting approaches and educational offerings to meet the unique needs of small business owners across the state.

If you need assistance with disaster preparedness and recovery, or any other small business challenge, I encourage you to visit our website at [www.FloridaSBDC.org](http://www.FloridaSBDC.org) to locate the SBDC nearest you. Thanks to support from federal, state, and local funding partners, our customized and confidential consulting is provided at no cost to your business.

The Florida SBDC Network knows that your business is your livelihood and we want to do everything possible to help ensure you have the tools and information you need to succeed.

Sincerely,



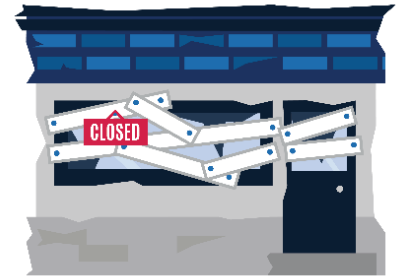
Michael W. Myhre  
CEO, Florida SBDC Network



## Purpose

This guide is designed to be used with the Business Resiliency Plan and the Emergency Procedures templates which can be found on our website at [www.FloridaSBDC.org/Preparedness](http://www.FloridaSBDC.org/Preparedness). The Business Resiliency Plan will be the culmination of the work you do throughout this guide. You should print out the templates and have them with you as you work through this guide. They contain full-sized versions of the tables introduced in this guide with space to complete your emergency response plans.

Small businesses across the state of Florida are all exposed to the threat of disasters and hazards. The most common natural hazards in Florida are tropical cyclones (hurricanes and tropical storms), floods, severe storms, tornadoes, and wildfires. Additionally, your business could forfeit valuable data in a cyber-attack, be robbed, lose a major customer, or unexpectedly must operate without a key employee. As we've seen most recently, the coronavirus pandemic has caused businesses to shut down for weeks and even months. Such disasters can occur with little or no warning.



Being prepared can help your business limit the damage done and resume operations faster.



**40%**

of businesses do not reopen following a disaster (FEMA)



**ANOTHER  
25%**

fail within one year (FEMA)

According to FEMA, 40% of businesses do not reopen following a disaster and another 25% fail within one year. No one likes to think about disasters or losing key employees. However, when these events do happen, prepared businesses are better off. The goal of this guide is not to scare you with doomsday scenarios, but rather provide an opportunity for you to increase the resiliency of your business against disasters.

Federal, state, and local governments recognize the necessity of disaster planning and have resources to help businesses prepare for and recover from disasters.

Some planning is even required, as the Occupational Safety and Health Administration (OSHA) requires businesses to have written and oral emergency response plans. A framework for making your written plan can be found on the Florida SBDC Network website in a document called 'Emergency Procedures'.

The purpose of this guide is to assist you through the planning process and to get you thinking about how to best prepare your business for any potential disaster. This guide is designed to help you evaluate your business' goals and to plan how the fundamentals of your operations can be protected, maintained, and recovered when problems arise. It is difficult to prepare for every possible disaster, but the fundamentals presented in this guide can help you build a solid foundation for your business to stand on in case of a disaster.

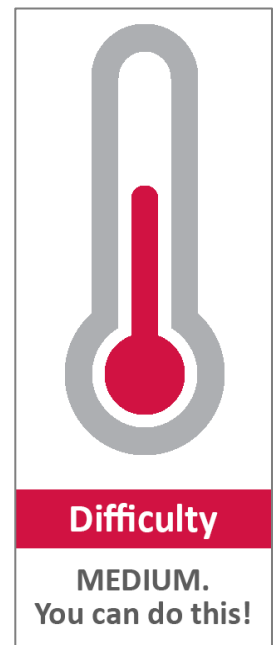
## Using This Guide

This Business Resiliency Guide is arranged to follow a four-phase process, as displayed in the graphic below. In each section, blank tables are provided for you to fill in your business' unique information. This will be the base for your Business Resiliency Plan. Since every business faces different threats, your plan will be different from the plans of other businesses. Not every business has the same probabilities of experiencing a flood, fire, long-term power outage, or other event that would cause a disruption of a company's ability to conduct their normal course of business.

To maximize the utility of this guide, it is important that throughout the process, you honestly consider where your business currently stands in its various emergency preparation efforts and where it is vulnerable in these efforts. This guide and the Florida SBDC website provides basic information, tools, emergency contacts, and other resources that will help you with the process of making a Business Resiliency Plan that is tailored to your business.

Being prepared now will save you time and resources in the future.

<b>1. Identify</b>	<b>Identify</b> key resources, employees, business functions, goals, and threats.
<b>2. Plan</b>	<b>Plan</b> for the threats and impacts to the business functions as identified in Phase 1.
<b>3. Implement</b>	<b>Take</b> the necessary steps to implement the plan set forth in Phase 2.
<b>4. Recover</b>	<b>Adopt</b> recovery strategies to return to normal business operations as well as utilize resources from the U.S. Small Business Administration.



If you hit a stumbling block along the way, visit our website to locate the Florida SBDC nearest you and connect with a professionally certified business consultant for further assistance.

 **FloridaSBDC.org**

## Phase 1: Identify

### Why Do This?

A business needs to know:

- what poses the greatest risks to their company,
- their critical business functions that need protection, and
- the resources needed to support those functions.



Once this information has been identified, then an effective resiliency plan can be created.

### Business Goals

Before anything else, let us start by looking at your business' goals and objectives. What are you looking to accomplish and improve upon with your business? Your goals likely give your business its direction and motivation. This direction and motivation are what drives businesses to grow. Protecting your business' ability to grow is just as important as keeping it operational.

#### *What are your goals that drive your business forward?*

Write down some of these goals below; keep them in mind as you continue through this guide.

BUSINESS GOALS	
e.g.	Expand manufacturing operations by buying new machines, new software, and new computers.
1.	
2.	
3.	
<b>Notes:</b>	

## Critical Business Functions

Critical business functions are unique to each business—without them your business cannot continue to operate. Some critical business functions are determined by what you need to keep your business operational. This is the starting point. You won't accomplish your goals if you do not have a business to accomplish them with!

Some examples of critical business functions are machinery for production or Point of Sale systems.

### *Typically, critical business functions:*

1. Are an irreplaceable asset
2. Are most sensitive to downtime
3. Fulfill legal or financial obligations
4. Play a key role in maintaining your business' market share and reputation
5. Maintain cash flow

Other critical business functions could be determined by what resources you need to meet your company's goals. Whatever your mission, you have critical business functions that make it possible. Maybe you listed above that you have a goal to increase your productivity, expand your customer base, or add additional locations.

You may also want to identify the resources that allow your critical functions to operate. These resources should have backups, so in the case of an emergency your business can continue to operate as smoothly as possible. Backup resources should be readily available and stored in a place where they would be unaffected by the same situations that could affect your primary resources. In some cases, backing up a resource can be too costly, or simply not feasible. In these situations where you have no backup resource, it is important to plan how to get that resource up and running quickly following a disruption. This will help limit downtime and the impact of a disruption your business.



In the worksheet provided on the following page take the time to identify your critical business functions and the resources they use. There is section at the bottom of the table on the next page for you to make notes on any irreplaceable resources. We will address the impact of losing a critical function or supporting resource later in the guide.

***What are the critical business functions and resources you need to keep your business operational and meet your company's goals?***

Write down some of the functions and resources you need below:

CRITICAL BUSINESS FUNCTIONS & RESOURCES			
Critical Business Function	Supporting Resource(s)	Function of Resource	Backup Resource(s)
e.g. Machinery for Manufacturing	Employee	Employee has specialized training to use the machine	Trained two extra employees in case they get sick or leave
	Electricity	Allows us to run the machine	Backup generator
	Internet Connection	Allows processing of orders, tells how much production should be	Certain employees can work from home with internet
<p><b><i>Sometimes there is no backup resource you can use. What other steps can you take to limit problems or downtime when a critical business function does not operate as it should?</i></b>            e.g. if a key machine stops working, you could have a backlog of side projects already prepared for employees to work on until the machine is fixed. Perhaps an earlier model is in storage that, although it may operate at a lower production rate, it can be used until the primary machine is operating again.</p> <p><b><i>Irreplaceable Resources:</i></b></p>			



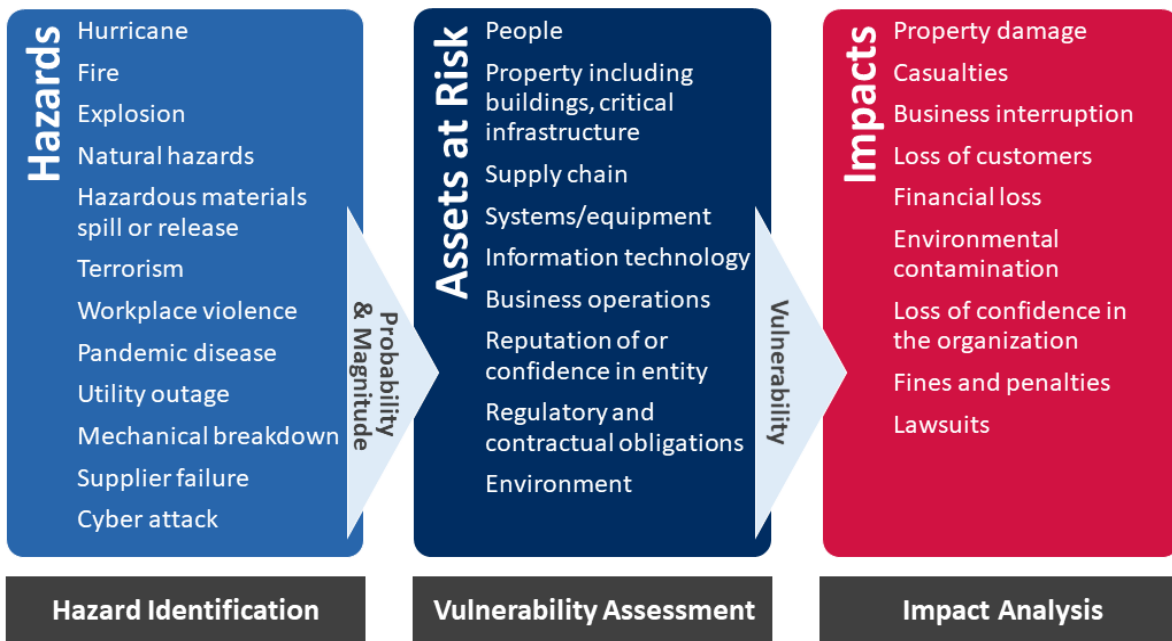
# Hazards

Emergencies and disasters, no matter how big or small, have the potential to disrupt critical business functions. If these functions come to a halt, your business will be unable to work properly, affecting its ability to assist customers, turn a profit, and can jeopardize the success of the business. This makes planning ways to limit the negative impact on a critical function’s downtime crucial.

Identifying potential hazards to critical functions, along with assessing the severity and likeliness of those hazards, is the most important aspect of preparing for emergencies. Examples of potential hazards are a tornado destroying your storefront, a wildfire damaging the supply chain, the death of a key manager, or a break-in.

### Examples of Hazards:

- Fires
- Wildfires
- Floods
- Earthquakes
- Power Outage
- Lack of Access
- Hurricanes
- Thunderstorms and Lightning
- Tornadoes
- Tsunamis
- Extreme Heat
- Winter Storms/Extreme Cold
- Medical Emergency
- Supplier/Distributor Failure
- Cyberattack
- Loss of Key Employee
- Robbery
- Civil Disturbance
- Drought
- Transportation Accident
- Infrastructure Failure
- Arson
- Bomb Threat
- Workplace Violence
- Active Shooter
- Pandemic
- Blockage of Supply Chain (ex. interstate closure)
- Hazardous Materials Incidents
- Nuclear Power Plant Emergencies
- Biological Threats
- Chemical Threats
- Nuclear Threats
- Nuclear Blasts
- Radiological Incident
- Explosion



Impacts from natural disasters are highly dependent on location. Researching common or likely disasters in your businesses’s region is the first step to pinpointing what emergencies are probable. As this guide is general in nature, it cannot go in depth for each type of possible incident, but simply helps start the brainstorming process for probable emergencies. Some emergencies are harder to prepare for but acknowledging them and what effects they could have on your business can set a foundation to build on.

### ***What are some of the hazards that your business faces?***

The table on page 10 is for identifying the different types of hazards your business faces. You can use the scales below to rate how likely a hazard is to occur and how severe it would be. These numbers can then be used along with the risk matrix on the following page to determine which hazards your business is most exposed to. This can help you prioritize which threats to focus your limited resources on.

<i>Likelihood</i>				
1	2	3	4	5
Rare	Unlikely	Possible	Likely	Almost Certain

- ***Rare:***  
Highly unlikely, but it may occur under exceptional circumstances. Less than once every 10 years.
- ***Unlikely:***  
Not expected, but it could occur. There are no recent incidents. Has little means of occurring. Less than once every 2 years.
- ***Possible:***  
Should occur at some time, but very infrequent. Has some reason or means of occurring. Less than twice per year.
- ***Likely:***  
This will probably happen. There is a history of regular occurrences. It has considerable means of occurring. Two to five times per year.
- ***Almost Certain:***  
Very Likely. The event is expected to occur as there is a history of regular occurrences. Strong means of occurring. More than five times per year.

<i>Severity</i>				
1	2	3	4	5
<b>Insignificant</b>	<b>Minor</b>	<b>Moderate</b>	<b>Major</b>	<b>Critical</b>

**Risk Matrix**

		<i>Severity</i>				
		1	2	3	4	5
<i>Likelihood</i>	5	<i>Moderate</i>	<i>Moderate</i>	<i>Major</i>	<i>Critical</i>	<i>Critical</i>
	4	<i>Minor</i>	<i>Moderate</i>	<i>Major</i>	<i>Major</i>	<i>Critical</i>
	3	<i>Minor</i>	<i>Moderate</i>	<i>Moderate</i>	<i>Major</i>	<i>Major</i>
	2	<i>Minor</i>	<i>Minor</i>	<i>Moderate</i>	<i>Moderate</i>	<i>Moderate</i>
	1	<i>Insignificant</i>	<i>Minor</i>	<i>Minor</i>	<i>Minor</i>	<i>Moderate</i>

- **Insignificant:** Acceptable. Highly unlikely to require specific application of resources. Monitor.
- **Minor:** Acceptable. Unlikely to require specific application of resources, manage by routine procedures. Monitor and review.
- **Moderate:** Acceptable. Unlikely to cause damage and/or threaten efficiency. Manage by specific monitoring and response plans.
- **Major:** Generally, not acceptable. Likely to cause some damage or breach of controls. Management attention needed and management responsibility specified. Response plans need to be developed.
- **Critical:** Not acceptable. Likely to threaten the survival or continued effective functioning of the business. Immediate action required. Need a response plan.

	<b>Employee Safety</b>	<b>Business Interruption</b>	<b>Reputation &amp; Image</b>	<b>Business objectives</b>
<b>Insignificant</b>	No or only minor personal injury; first aid needed but no days lost	Negligible; critical functions unavailable for less than an hour	Negligible impact	Resolved in day-to-day management
<b>Minor</b>	Minor injury; medical treatment and some days lost	Inconvenient; critical functions unavailable for several hours	Adverse local media coverage only	Minor impact
<b>Moderate</b>	Injury; possible hospitalization and numerous days lost	Client dissatisfaction; critical functions unavailable for less than 1 day	Adverse city media coverage	Significant impact
<b>Major</b>	Serious Injury and/or long-term illness	Critical functions unavailable for one day or a series of prolonged outages	Adverse and extended national media coverage	Major impact
<b>Critical</b>	Fatality(ies) or permanent disability or ill-health	Critical functions unavailable for more than a day (at a crucial time)	Demand for government inquiry	Disastrous impact

Identify some of the different types of hazards your business faces below:

TYPES OF HAZARDS				
Hazard	How Likely? (1-5)	How Severe? (1-5)	Risk	Notes
e.g. Wildfire	3	4	Major	Need to be ready for this one. Wildfires are possible in our area and very severe.



## What are some of the risks that your suppliers and distributors face?

Depending on the location of suppliers and distribution centers, natural disasters could disrupt parts of your supply chain. Recognizing risks for supplying regions is equally important as identifying your own risks. How will your business get resources if your supply chain is compromised? What is your backup method of distribution?

Identify hazards for your suppliers and distributors below, just like you did above for your business:

SUPPLIERS AND DISTRIBUTORS: TYPES OF HAZARDS					
Supplier Name	Resources Supplied	Threats They Face	How Likely? (1-5)	How Severe? (1-5)	Risk
e.g. Supplier 1, California	Widget Pieces	Earthquake	2	3	Moderate
		Tsunami	1	5	Moderate
		Wildfire	3	4	Major
Distributor Name	Product Distributed	Threats They Face	How Likely? (1-5)	How Severe? (1-5)	Risk

Identify your backup suppliers and distributors below:

<b>Backup Supplier</b>			
Address			
Contact Name		Email	
Phone		Fax	
Materials/Services		Account #	
<b>Backup Distributor</b>			
Address			
Contact Name		Email	
Phone		Fax	
Materials/Services		Account #	

## Phase 2: Plan

In Phase 1 you identified the goals of your business, critical business functions that enable those goals, and the hazards your business and supply chain is susceptible to. The next phase is to plan for when those hazards become a reality. In order to create a Business Resiliency Plan, a Business Impact Analysis must be done. This analysis can determine the potential impacts of a disruption on your critical functions. Then we will walk you through emergency procedures, an emergency communications plan, and a Business Resiliency Plan. This is a crucial section, as thoughtful and careful planning can determine how well your business responds in a disaster.

### Business Impact Analysis

The Business Impact Analysis is based on the risks you identified in Phase 1. It predicts consequences of the disruption of a business function, which provides a starting place for making recovery strategies. Part of the Business Impact Analysis is identifying impacts that result from disruptions. Impacts could be financially harming, hinder operations, hurt brand image, or sever your customer base.

#### *Examples of impacts could be:*

- Lost sales, income, or employees
- Regulatory fines
- Increased expenses
- Customer dissatisfaction
- Loss of data
- Downtime
- Damages to buildings, machinery, or inventory



Time plays a major role in how a disruption can impact the business. A short disruption could have no noticeable difference in business operations, but a longer disruption, or one that requires a longer-term recovery could have sizable impacts. This is incorporated into the Business Impact Analysis as the recovery time objective. It is the point in time when a critical business function or process must be recovered before unacceptable consequences begin to occur.

An example of a hazard is power outages, which are not an uncommon occurrence. Power outages occur during hurricanes, thunderstorms, and even on a sunny day when you least expect it. What would the impact of such an incident be? Depending on the type of business, a problem with electricity or other utilities could stop production, stall customer service, and/or halt a business function that requires the internet, etc. In this example, we determined there is an estimated financial impact of up to \$7,000 if the power were to go out for one day. What would a power outage do to your business for a day? For a week? An example of what this impact would look like, when included in your plan, is on the next page.

If an unexpected hazard occurs, do you feel confident that your business will be able to respond if a critical function is affected? Using the table below, you can list the hazards that you identified earlier in this guide. Possibilities could be a cyberattack, the loss of a main supplier or customer, or a major equipment malfunction, etc. (refer to the hazards you listed in Phase 1). Next, determine which critical business functions would be impacted, the recovery time objective, and the effect on both your operations and finances.

**Hint:** The financial impacts include both the money you need to pay to solve the problem, the money you would have made had the problems never occurred, and the money you pay for your employees to be idle.

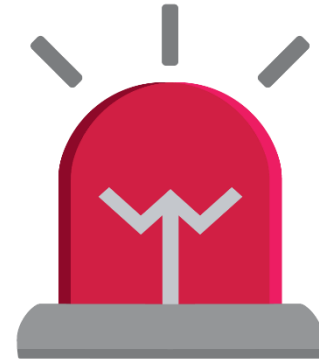
It is important to remember that disasters could have multiple effects. For example, a hurricane could knock out power city-wide, affect your supply chain by damaging roadways, and impact your potential customers and sales due to mandatory evacuations, loss of discretionary income, or your customer's inability to leave their home.

**Identify some of the impacts that result from potential disruptions your business may encounter below:**

<b>BUSINESS IMPACT ANALYSIS</b>					
<b>Disaster</b>	<b>Business Functions Impacted</b>	<b>Resources Impacted</b>	<b>Recovery Time Objective</b>	<b>Operational Impacts</b>	<b>Financial Impacts</b>
<b>Power Outage</b>	Production	Machinery	1 day	Production halted	\$1,000 (1 day) - \$5,000 (1 week)
	Communication	Computer Systems and Phones	1 day	Cannot take orders or contact customers	\$500 (1 day) - \$2000 (1 week)
<b>Notes:</b>					

## Emergency Response Plans

Your Emergency Response Plan is a set of objectives your business can use to combat the hazards you listed on the previous page in your Business Impact Analysis. It is strategic plan of what your organization will do. Emergency response plans will be a composition of procedures that are unique to your business. Two of these procedures could be a Communications Plan and a Business Resiliency Plan. Explanations of these two procedures, as well as employee emergency procedures can be found below.



You will likely want an Emergency Response Plan for the hazards you are most exposed to, as you identified previously. An example for hurricanes is given below. This is just an example; your emergency response plans should be tailored to your business. A blank template for making emergency response plans can be found in the Business Resiliency Plan template.

### HURRICANE EMERGENCY RESPONSE PLAN

#### XYZ Company

Last Updated: July 7, 20XX | Next Update: January 7, 20XX

Person responsible for this plan: John Doe

	<b>RESPONSIBLE PERSON:</b>
<p><b>PREPARATION:</b></p> <ol style="list-style-type: none"> <li>Take pictures of rooms, areas, and equipment that could sustain damage. This will be for insurance purposes. Have these pictures stored digitally and as a hard copy so that we don't lose them. Update these pictures as needed. <b>Completed by</b> <u>John Doe</u> on <u>July 7, 20XX</u></li> <li>Review property insurance with your small business agent to discuss adequate hazard, flood, and business interruption insurance. <b>Completed by</b> <u>Samantha Doe</u> on <u>July 7, 20XX</u></li> <li>Establish an emergency communication line. <b>Completed by</b> <u>Samantha Doe</u> on <u>July 7, 20XX</u></li> </ol>	<p>John Doe</p> <p>Samantha Doe</p> <p>Samantha Doe</p>
<p><b>ACTION:</b></p> <ol style="list-style-type: none"> <li>Initiate our Communication Plan to let employees and others know that our hurricane plan has been activated.</li> <li>Initiate our emergency procedures.</li> <li>Contact insurance company.</li> <li>Initiate our Business Resiliency Plan after the hurricane has safely passed.</li> <li>Determine steps to recover to regular operations based on impacts of the storm.</li> </ol>	



## Emergency Procedures

Emergency procedures are needed so employees know what they should do if an emergency were to take place during work hours. Below is a checklist that you can use to see what plans you already have created. This is not an exhaustive list, but rather meant to get the ball rolling. If you already have emergency procedures, this would be a good opportunity to look through them and make sure they are up-to-date. An emergency procedure is typically designed to be a step-by-step guide that every employee can easily follow when they are faced with an emergency. A booklet of example emergency procedures to help you make your procedures can be found on the Florida SBDC website, alongside this guide and other preparedness resources.

Emergency procedures should be posted somewhere in the office where employees can easily find them.



Fire	Person with a Weapon
Power Outage	Hurricane
Medical Emergencies	Tornado
Workplace Violence	Flood/Water Damage
Chemical Spill/Fire	Thunderstorms/Lightning
Bomb Threats	Cyberattack
Biohazards	Pandemic

## Emergency Communication Plan

In the event of any emergency, a Communication Plan is critical for coordinating between employees, distributors, customers, and other important business personnel. An Emergency Communication Plan should communicate to all your business' contacts to answer their specific questions, preserve the image of the business, and coordinate any business operations during and post-incident.



The plan should effectively reach all contacts and tailor each message to the specific need of that audience. A customer may want to know something different than the government or emergency personnel. Be prepared to answer how the incident or emergency will affect each contact. For the Communication Plan to stay useful, up-to-date contact information is needed. An effective Communication Plan should be able to communicate through several different channels.

**Tip:** Social media accounts are a good way of reaching a large amount of people if cell service and the internet are still available.



In the event of an emergency, cellular and internet service may be down. Because of this, you may wish to consider distributing a hard copy of your Communication Plan to your staff, thus ensuring your plan can still be carried out. Like emergency procedures, this hard copy should be readily accessible to all employees. There should be employees who are specifically responsible for this plan, so that in the event of an emergency it is not forgotten.

The Communication Plan should not only communicate to your employees, but to your broader community, which includes business partners, suppliers, and distributors, so that they feel confident in your ability to handle the situation. What is your Emergency Communication Plan? How will you contact your customers, suppliers, distributors, etc.? Who oversees implementing this plan?

Identify some of your contacts (employees, partners, suppliers, etc.) and methods below:

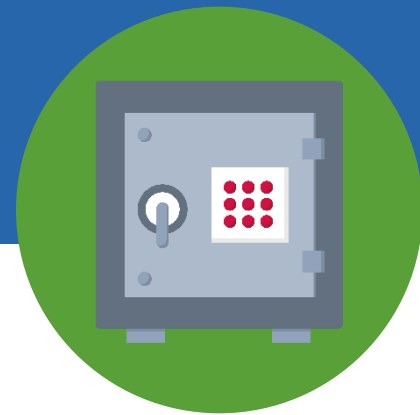
CONTACTS		
Name	Role	Phone & Address
METHODS OF COMMUNICATION (cell phone, social media, person-to-person)		
Method	Person Responsible	Notes
e.g. Cell Phone	Samantha Doe	We will try to contact all the above people at their cell number. If they don't respond, we will leave a message.
<b>Person responsible for this plan:</b>		

## Business Ready “Records-To-Go” Box

After a disaster occurs, you may need disaster assistance to help your business rebuild, recover, and reopen. Every business should have a fire- and waterproof Business-Ready “Records-To-Go” box that includes essential information and documents necessary for business to continue and/or when applying for state and federal assistance after a disaster.

### *Records needed to continue business include:*

- ✓ Disaster Preparedness, Business Resiliency, and Recovery Plan
- ✓ Emergency contact list of employees and key customers
- ✓ Insurance policies and agent information
- ✓ List of suppliers and distributors
- ✓ Customer records
- ✓ Back-up computer systems and data files
- ✓ Bank records



### Information & Documents Needed to Apply for State & Federal Disaster Loans

#### *Customary Information Needed*

- ✓ Physical address of the business
- ✓ Tax identification numbers
- ✓ Legal structure or incorporation papers
- ✓ Name, social security number, contact information and percentage of ownership for each owner; and
- ✓ List of business key creditors and vendors

#### *Customary Documents Needed*

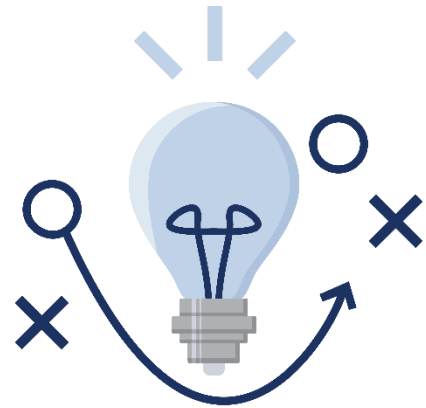
- ✓ Business tax returns
- ✓ Personal tax returns for each owner
- ✓ Employee verification documentation (e.g. IRS Form 941, W-3s, W-2s)
- ✓ Schedule of liabilities and debts of the business; and
- ✓ Current and year-to-date financial statement (profit and loss, balance sheet, and cash flow statements)

## Business Resiliency Plan

Once you have conducted the Business Impact Analysis, you have the necessary information to start working on a Business Resiliency Plan. The resiliency plan is meant to smooth out the negative impacts of disruptions on business functions following a disaster, as you identified in the Business Impact Analysis. In perfect execution, following a resiliency plan should allow you to respond in a manner that will minimize impact. The resiliency plan can provide a bridge between short-term operations following a disaster and long-term recovery.

The Business Resiliency Plan starts with a section similar to the Business Impact Analysis. You will fill in your critical functions, the staff in charge, resources needed, and backup resources. Remember from earlier that backup resources should be readily available and stored in a place where they would be unaffected by the same situations that could affect your primary resources.

Backup resources could also be your already established secondary or tertiary source of materials should your primary source's ability to ship a product be compromised. Keep in mind that your primary source's other customers will also be scrambling to find alternate suppliers. Having an established business relationship with already identified alternate suppliers may give you an edge over your competitors.



The second part of the resiliency plan will be identifying a backup location to run your business if your primary offices are compromised. Just like your backup resources, you will likely want this location to be somewhere that typically would not be impacted. If a hurricane hit your town and your backup location was close to your primary location, both could be compromised.

The next part of the resiliency plan will be copying down your Communication Plan and backup suppliers/distributors. You should have already done these charts in previous sections of this guide.

Another key part of your resiliency plan is to prepare a Business Ready 'Records-To-Go' Box. This box includes essential documents that are needed to continue business and to apply for disaster loans.

The last step of the resiliency plan will be filling in the 'Procedures' box. This will lay out your business' step-by-step procedures for following the Business Resiliency Plan.

On the following page is an example Business Resiliency Plan. A Business Resiliency Plan template with space for you to fill out your business' information can be found on the Florida SBDC Network website, alongside this guide and other disaster preparedness resources.

A Business Resiliency Plan includes your critical business functions, backup location, communication plan, backup suppliers and distributors contact list, and the procedures for following the resiliency plan.

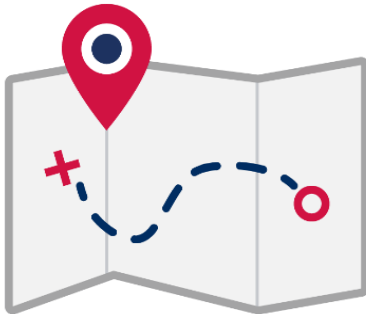
An example of a Business Resiliency Plan is provided below:

## Business Resiliency Plan: XYZ Company

These are the critical business functions we need to run our business:

CRITICAL BUSINESS FUNCTIONS				
Critical Function	Recovery Time Objective	Staff In Charge	Resources Needed	Backup Resources
Production of Widgets	1 day	Jerry Doe 123-456-7890 Jerrydoe@xmail	Widget Machine	Have our old machine in our storage facility.
			Raw Materials	Have enough materials for one week of production stored in storage facility.
Communication	1 hour	Samantha Doe 098-765-4321 Samanthadoe@xmail	Landline Phones	We can use cell phones.
			Email	If internet is down, we can call people.

This is our backup location we will use if our primary offices are compromised:



**Name of Backup Location:** XYZ Hotel

**Address:** 3000 W. Hibiscus St., FL 32502

**Phone number:** 143-143-1433

**Person Responsible for Contacting:** Billy Doe

*\*Include a map with your locations marked*

If an emergency takes place, we will contact the following people:

*A copy of your Emergency Communications Plan you made earlier will go here.*

If our primary supplier or distributor is compromised, we will contact the following backups:

*Your backup supplier and distributor information you filled out earlier will go here.*

**In the event of a disaster, we have prepared a Business Ready ‘Records-To-Go’ box that includes information and documents needed to continue business and to apply for state and federal disaster loans, if necessary.**

*The information and documents that are included in our Business Ready ‘Records-To-Go’ box will be checked off here.*

<b>LIST OF INFORMATION &amp; DOCUMENTS</b>			
X	Disaster Preparedness, Business Resiliency, and Recovery Plan	X	Legal structure or incorporation papers
X	Emergency contact list of employees and key customers	X	Name, social security number, contact information, and percentage of ownership for each owner
X	Insurance policies and agent information	X	List of business key creditors and vendors
X	List of suppliers and distributors	X	Business tax returns
X	Customer records	X	Personal tax returns for each owner
X	Back-up computer systems and data files	X	Employee verification documentation (e.g. IRS Form 941, W-3s, W-2s)
X	Bank records	X	Schedule of liabilities and debts of the business
X	Physical address of the business	X	Current year –to-date financial statement (profit and loss, balance sheet, and cash flow statements)
X	Tax identification numbers	X	Other (list)

**These are our step-by-step procedures for following our Business Resiliency Plan:**

<b>PROCEDURES</b>		
1. We will first identify if our primary location is usable.	Person Responsible:	Jane Doe
2. The recovery team will meet at our primary location if usable; at the backup location if unusable.	People Involved:	John & Jane Doe
3. We will contact each person in charge of critical business functions. They will identify if the critical function is still working and initiate a backup if needed.	Person Responsible:	Jane Doe
4. Initiate our Emergency Communication Plan.	Person Responsible:	John Doe
5. If it is determined that our primary supplier or distributor is compromised, we will contact our backup.	Backup/s:	John & Jane Doe
6. Decide what the next step for our business is based on the disaster and impacts.	Person Responsible:	Jane Doe

# Preventative Measures

Being proactive is the best thing your business can do to prepare for disasters. Preventative measures can sometimes stop, or mitigate, the harmful effects of a disaster on your business, making it so you never have to use your Business Resiliency Plan, or recovery plans. Preventative measures should be in place for the hazards you are most exposed to, as you identified previously. You should be proactive in preparing your building, business operations, and employees to minimize damage. By doing this, you will minimize recovery time and save money. The hazards to the health and safety of your employees should be addressed foremost.

One hazard to be considered is long-term lack of access to your business. This could be caused by infrastructure failure nearby, road construction, or any sort of natural disaster in your area. If consumers can't get to your place of business for some reason, do you have another means of getting your product/service to them? If you do not, are they likely to go to a competitor who can provide for their needs with less inconvenience? Could you list your products online or offer delivery? Considering multiple means of delivering goods/services to customers is a great preparation step for many hazards.

## *What are some proactive preventative measures your business could take to mitigate risk?*

Identify some of the proactive preventative measures you can take below:

PROACTIVE PREVENTATIVE MEASURES	
Hazard	Measures
e.g. Hurricanes	<ul style="list-style-type: none"> <li>• Make our business area defensible against hurricanes according to FEMA standards.</li> <li>• Annually review our resiliency plan.</li> <li>• Back up key documents and files.</li> <li>• Keep up-to-date on hurricanes by following the National Hurricane Center and other credible sources.</li> </ul>

## Phase 3: Implement



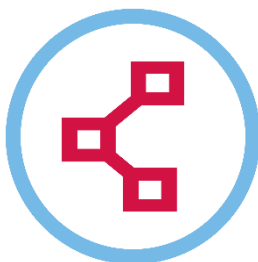
### And.... Action

The next step is implementing your plans from Phase 2. Implementing procedures and safety measures that will help prevent or prepare for future disasters is critical to minimizing the effect on business operations and ensuring the safety of your customers and employees. Simply having a plan is extremely beneficial, but even the best plans are useless unless implemented and practiced.



### Risk Management

Every business faces risks, whether internal or external. Risk management is important to create stability for your business. Minimized risk will lead to better cash flow and stability, which leads to good credit and longevity. Looking back at the hazards that you identified previously, which risks are the most severe and likely to happen? By prioritizing these risks, and planning how to respond to them, you can minimize and control the impacts that your business will face. Communicating risks to managers, training and practicing plans with employees, staying aware of changes in the community, and having insurance that is specific to each risk, are all good practices for risk management. Insurance is a way to mitigate your exposure to risk. Good insurance isn't free, but by having strong risk management you can lower your insurance premiums making risk management a money saver instead of a money drain.



### Training

Emergency procedures should be clearly outlined and practiced with all new and existing employees. This training could be included in a new employee orientation to bring it even further into the company culture. FEMA states that all employees should be trained in 1) protective actions for life safety (evacuation, shelter, lockdown, etc.), and 2) safety, security, and loss prevention programs. It is likely that some employees will have special responsibilities in emergency situations.

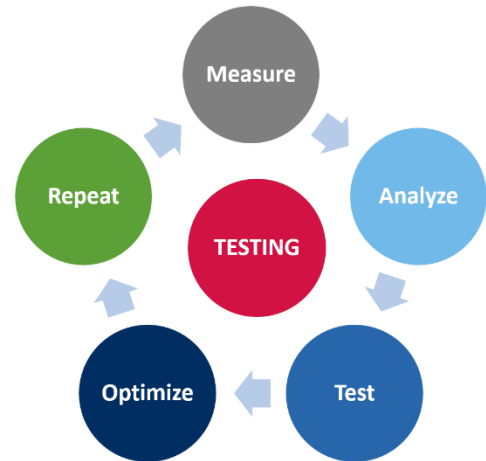


### Testing and Exercises

Training employees on plans and procedures goes hand-in-hand with testing. Tests should include all employees. The purpose of testing is to ensure that the business resilience plan is effective and gives employees confidence and understanding of the plan. Testing will also show any weaknesses that need to be addressed and any improvements that could be made.



The Business Impact Analysis you performed earlier is a good place to start with testing. You and your employees should test the disasters most likely to hit your business by simulating one or more identified critical functions being compromised. You will want to fine tune your process until you can get functions up and running within your defined recovery time objective. It would be good to be able to get these functions up and going faster than your recovery time objective during these simulations. This will help provide buffer time during an emergency in case everything doesn't go according to plan. A successful test should show that your business could continue functioning even if a critical business function had downtime. Any gaps in your plans found during testing should be addressed and revised.



The Business Resiliency Plan should be re-assessed and updated periodically. Your business changes over time and so should your plan.

## Allocation of Resources

Earlier you identified the resources needed to support your business functions. It is critical to have these necessary resources to continue business operations after a disaster. Examples include raw materials, energy, or vital records. The resources that are most important to your business and the resources that are most exposed to hazards should be prioritized. These resources should be backed up first to ensure your business is prepared. It is likely that all resources can't be replaced right away after a disaster. By prioritizing important resources, you can help to make sure the most important resources will be available.



The backup resources you have should be stored in a place where they would not be affected by the same situations as your primary resources. For example, backups of vital records could be stored on a cloud server in case your hardware malfunctions.

## Phase 4: Recover

### Now What?

You developed your plans, and everyone understood and practiced their roles. When the worst happens, and a natural disaster affects your location, you have a plan to put in place. You know the status of your employees' safety, and you have a head start in getting your business up and running. So here we are post disaster, what do you do? Your response and recovery will vary depending on the degree of the disaster or disruption.

### Recovery Strategies

Your recovery process will likely be different for each disaster you could face. The disaster may have affected a key supplier, or one of your largest customers. Disruptions may affect different business functions and different resources. By having a general recovery strategy you can work to get back to normal operations as quickly as possible. A key part of recovery will be following your Business Resiliency Plan. While following the Business Resiliency Plan, your business might use backup resources to sustain operations, or you may be operating at an alternate facility.



The goal of recovery should be to get off backup resources and to return to your regular office functionality. The strategies you make for your recovery should be in line with the recovery time objectives you made for each critical function. These recovery time objectives could be greatly affected if your primary offices are compromised for a long period of time. Having a strong backup location with the resources needed to continue operations is essential to recovery. Ready.gov

provides a detailed description of recovery strategies. The last page of this guide has the link to this resource, as well as other helpful resources.

Following a disaster, it is a good idea to review the process your business followed. Maybe there was some preventative measures you could have taken, or better steps you could have added to your emergency response plans. You can now make those changes in order to strengthen your business and reduce your exposure to the next disaster.

### Insurance

Insurance is a key part of the recovery process. If you have the right coverage, it can cover the expenses you would incur from any damages experienced in the disruption. This can help you re-establish access to resources and resume regular operations. During the creation of this Business Resiliency Plan is a good time to review your insurance and check what it covers. Your insurance will ideally cover the disasters or disturbances most common in your area. This can also serve as an opportunity to re-evaluate the size of your policy. Your business has likely grown since you bought your initial coverage, or perhaps you've



downsized. A good practice to start would be taking photos of everything in your office, so that in the event of an emergency you have proof of what was damaged. These photos should be securely stored away from your offices and periodically updated. If recovery funds beyond your insurance coverage are needed you may qualify for a U.S. Small Business Administration (SBA) loan specifically designed for post-disaster or a state disaster loan program, if activated.

## Disaster Loan Assistance

Following a disaster, if there has been extensive damage done and assistance beyond what your insurance covers is needed, the SBA has two types of disaster assistance loans, among other resources to help businesses recover. The two types of disaster loans are the Physical Disaster Loan and the Economic Injury Disaster Loan (EIDL). The Physical Disaster Loan has both a home and a business aspect to it but does not cover anything that is already insured or underinsured. The Physical Disaster Loan is used to repair or replace real property, machinery, equipment, fixtures, and inventory or leasehold improvements. The Economic Injury Disaster Loan offers businesses in a declared disaster zone the working capital necessary to cover operating expenses until normal business operations resume. More information on SBA disaster recovery loans and the application process can be found on the SBA website at [SBA.gov/Disaster](https://www.sba.gov/Disaster).

The state of Florida may also activate its Florida Small Business Emergency Bridge Loan program. The bridge loan program provides short-term, interest-free loans help bridge the gap between the time the economic impact occurred and when a business secures other financial resources, including payment of insurance claims or longer-term SBA loans.

To learn how Florida SBDCs can help you apply for disaster loans, please visit [www.FloridaSBDC.org](http://www.FloridaSBDC.org).

## Conclusion

As a reminder, the goal of this guide is to get the ball rolling for your business' disaster and emergency preparedness. It is important to be aware of potential hazards to your business and be prepared before they even happen. Many of the disasters covered in this guide can happen with no warning, but you can reduce the negative impacts of disasters on your business through preparedness.

We hope that this planning process will not simply be a one-time exercise, rather it should be a continually improving process. Plans should be regularly reviewed and updated to keep them useful to your business as it changes. Training and practicing with your employees are essential to giving emergency plans their utility. If employees are not aware of emergency procedures or are not trained to follow the procedures, the plans you've made are useless.

We hope you've found this guide helpful and that you use it in the way that best helps your business. Please contact us if you have any questions about this guide. We wish you the best, as you move forward with your business resiliency planning.



## Helpful Resources

As a principal responder in the state’s Emergency Support Function (ESF) 18 for Business & Industry, the Florida SBDC Network is a key economic development organization that supports disaster preparedness, recovery, and mitigation through its [Business Continuation services](#).

Through the network’s service offering, professionally certified business consultants can help small business owners develop comprehensive business resiliency, emergency preparedness, and disaster recovery plans at no cost. As part of its service offering, the Florida SBDC also offers [Bizaster](#), a free mobile disaster assistance app. Bizaster, available in both English and Spanish for Android and iOS, features risk assessments, customizable checklists, and other resources.

In the event of a disaster, Florida SBDC disaster specialists are available to help affected businesses prepare disaster loan applications. The network will also deploy its mobile assistance centers into communities for affected businesses to receive on-site assistance with disaster loans and other post-disaster challenges.

Florida SBDCs also offer educational training on disaster preparedness, tips, and resources.

### Disaster Resources: Where to Go

- For more information regarding the Florida SBDC’s services, links to this guide and the resiliency plan and emergency procedures templates, tips for assembling a Business Ready ‘Records-to-Go’ Box, and our Bizaster app, please visit [www.FloridaSBDC.org/Preparedness](http://www.FloridaSBDC.org/Preparedness).
- [www.FloridaDisaster.org](http://www.FloridaDisaster.org) – The state’s official source of general and specific information for individuals and businesses from the Florida Division of Emergency Management.
- [www.FloridaDisaster.biz](http://www.FloridaDisaster.biz) – The Florida Department of Economic Opportunity’s website provides businesses access to critical information before, during, and after a disaster.
- [Ready.gov/Business](http://Ready.gov/Business) – The official website of the Department of Homeland Security provides in-depth information and resources for businesses to prepare for, respond to, and mitigate disasters.
- For a hurricane preparedness checklist and other resources from the U.S. Small Business Administration (SBA), please [SBA.gov](http://SBA.gov).

For more information and to find the Florida SBDC near you, please visit [www.FloridaSBDC.org](http://www.FloridaSBDC.org).



*Special thanks to the Washington SBDC for curating and sharing the Small Business Disaster Preparedness Guide and templates for modification by the Florida SBDC Network. The contents of the guide and templates were compiled from multiple sources including, but not limited to the, Department of Homeland Security, Occupational Safety and Health Administration, U.S. Environmental Protection Agency, National Institute of Standards and Technology, U.S. Small Business Administration, and DisasterAssistance.gov.*

## Notes

Visit us online to find your local SBDC and get started on your preparedness planning today!



FloridaSBDC.org



The Florida SBDC Network is a statewide partnership program nationally accredited by the Association of America's SBDCs and funded in part by the U.S. Small Business Administration, Defense Logistics Agency, State of Florida, and other private and public partners, with the University of West Florida serving as the network's headquarters. All opinions, conclusions, and/or recommendations expressed herein are those of the author(s) and do not necessarily reflect the views of the SBA or other funding partners. Florida SBDC services are extended to the public on a nondiscriminatory basis. Language assistance services are available for individuals with limited English proficiency.