

Ways to minimize the damage caused by natural disasters

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Central Texans are grateful the rain has let up and the landscape has seemingly dried out, but hurricane season is now firmly upon us. Hurricane Dean may have turned its fury toward Mexico, but the Greater Austin area remains vulnerable to additional flooding, hurricane-force winds and tornadoes, if the right storm veers in the region's direction.

Businesses face many risks in a disaster, including damage to assets and property, as well as downtime and lost profits. Disaster planning means more than buying extra batteries. It's creating a plan in advance that ensures a company's employees are safe, the business is insured, and basic supplies and systems are available should the power and water fail or roads become impassable.

Unfortunately, most businesses are woefully underprepared. According to the Department of Emergency Management, 40 percent of businesses that close due to disaster never reopen. The stakes are high for businesses, yet many necessary steps are never taken.

Identify and protect

Business continuity strategies should be developed for a company's most valuable assets. Understanding what to protect, versus trying to cover all the bases, will help focus efforts. Most companies need to protect their intellectual property, documents, data and ability to communicate. More than a safe to protect against fire, companies need an off-site location for their valuable documents and processes. Backing up data and taking it home can save revenue in a disaster.

Some businesses have mission-critical needs and now, more than ever, services are emerging to get organizations back up and running quickly. For example, Agility Recovery provides services including mobile, temporary offices with Internet and phone connections. They offer programs that guarantee companies a backup office with communications systems should they be off-line due to disaster.

Austin's high-rises are on high alert

It's important to plan from the beginning and select a location carefully. Many businesses have their operations in multi-tenant buildings. In Austin, many of the large commercial buildings are managed by the Austin affiliate of the Building Owners and Managers Association. Through BOMA, these building managers, overseeing the safety of thousands of building occupants throughout Greater Austin, are connected to the Office of Emergency Management and the city's emergency notification systems.

Last year BOMA Austin established a two-way radio system that enables real-time collaboration between Greater Austin's building managers and emergency responders, including the Austin Fire Department, Austin Police Department and Austin-Travis County Emergency Medical Services. This collaboration allows BOMA-member building managers to alert their tenants to any incidents or dangerous conditions and direct building occupants to the safest routes and locations.

Insurance

Without proper insurance coverage, companies often cannot survive a disaster that takes their building and equipment off-line for prolonged periods of time.

According to Jim Sammons, a certified insurance counselor and licensed risk manager at Watkins Insurance Group, business owners are often confused and under dangerous assumptions when it comes to disaster-related insurance needs.

Property and casualty insurance is an important component of an organization's basic plan. However, businesses need to know their individual policies' specific guidelines. Property insurance covers the cost of the materials needed to rebuild, but does not cover a property's market value. The cost of materials continues to rise. Businesses should regularly update property insurance coverage to avoid being underinsured.

Loss-of-business-

income policies can help a company get through a severe disaster, including a fire, tornado or other extreme occurrence.

However, these policies require businesses to have a backup strategy for shifting operations in case of a disaster, and do not apply liberally to every situation.

As many Katrina victims learned, flood insurance is a separate animal. Businesses in flood-prone regions should be just as cautious as homeowners in regard to insurance.

"Businesses need to think through their coverage and build a risk management strategy based on the fundamentals of their organization," Sammons says.

Make decisions, line up vendors

A business that knows who will help it rebuild is one that can often make decisions quicker and save valuable time. Combining a clear chain of command inside a company to handle recovery is crucial. A simple document and stated, accessible company policy can eliminate confusing communication.

In the event of a disaster, a predetermined list of vendors, including restoration specialists, IT specialists and other services specific to a business' needs can also save time. Imagine a building has been flooded requiring that work stop. Time wasted equals further damage. Meet with quality restoration companies and contractors to predetermine who will manage cleanup and reconstruction.

Business continuity requires more than information technology systems. Every business, regardless of size, can benefit from creating basic plans to reduce exposure in case of a real emergency or disaster. Tornadoes, floods, and even a simple broken pipe, can wreak havoc. Beat the odds by planning for the worst-case scenario.