Emergencies happen. Does your Small Business Have a Disaster Recovery Plan?

I was chatting with some local small business CEOs and our conversation went to the disasters faced by small businesses in California. I asked, “if your business was in one of those communities, what would you do”. Silence.

No business, no matter its size nor the industry it’s in, is immune to the risk of a disaster. Although mega-catastrophes, like earthquakes, fires and major power outages, rarely occur, smaller-scale unwelcome events pose equal or greater risk because they happen more often.

Whether you're facing a storm, flood, earthquake, fire, server failure, burst water pipe, data breach or some other disaster, your ability (or lack of) to recover quickly will affect your business's bottom line—and your employees, customers, vendors and suppliers.

FEMA estimates that nearly half of small businesses facing a disaster never reopen their doors. That’s why it’s critical to have a disaster recovery plan in place before the unthinkable strikes. Knowing what to do in an emergency will help you spring into action so you can resume serving your customers and community.

From the SCORE website, you can download a free Small Business Disaster Planning Guide that shares what you should consider including in your disaster recovery plan. Also, the U.S. Small Business Administration (SBA) has a helpful downloadable checklist to help you plan for the worst.

Some of the key takeaways from these resources include:

1. What events pose a disaster risk to your business and how likely are each of them to occur?
2. Who will be on your recovery team and what are their roles and responsibilities?
3. What potential impact would a disaster have on your business? (For example, lost revenue, additional expense, unhappy customers, etc.)
4. Where will you temporarily relocate your business in the event of an emergency?
5. How will you communicate (internally and externally) during a disaster? Do you have emergency contact info readily accessible and multiple methods of communication available?
6. What procedures should be followed if you experience an interruption in accessing the technological tools necessary for running your business? What team members and vendors will manage the technical recovery process?
7. What data will need to be available at your off-site emergency location?
8. What are the critical business functions within your company and how will you restore them?
9. Do you have adequate insurance coverage to cover you in a disaster?
10. Do your vendors and suppliers have disaster recovery plans? Do you have backup vendors and suppliers you can depend on if yours are temporarily unable to serve you?
11. Have you communicated your disaster recovery plan with everyone within your organization and key business partners, so they're ready to act if an emergent situation arises?

The above are just a sampling of what you may need to address if ever you face an emergency that renders your business temporarily inoperable. If you need assistance in making sure you cover all the bases, consider reaching out to SCORE for guidance and feedback.

With the livelihood of your business on the line, there's good reason to make disaster planning a priority. Plan now to avoid debilitating consequences later.

Dean L. Swanson
Southeast Minnesota SCORE
c/o Rochester Area Chamber of Commerce
220 South Broadway, Suite 100
Rochester, MN 55904
www.seminnesota.score.org/
*Dean is a volunteer Certified SCORE Mentor and former Regional Vice President for the North West Region of SCORE