



Chapter III: Disaster Preparation Measures- Building Capacity for Recovery

Introduction

Disaster preparedness measures support the economic development organization's ability to effectively support economic recovery for the community following a disaster. Following a disaster, the EDO will have the dual challenge of recovering its own business and that of assisting the business community as a whole. In recovery efforts, the EDO will need to be able to reach out to its members, communicate their needs and inform them as to the status of emergency responses and programs. It may have to do this work from temporary quarters while it too is prevented from reaching its primary offices and support systems. The EDO, often the Chamber of Commerce, is the trusted representative of the business community and holds the local knowledge of business operations and will quickly understand what those businesses need to recover. An EDO that takes steps to prepare for a disaster, and that educates and trains local businesses in disaster preparedness, will have the capacity to provide effective support at a very critical time for its community.

The local government will put emergency management plans into action after a crisis that are likely to have a direct impact on business recovery, such as community reentry, access to property, cleanup activity, and rebuilding of infrastructure. The EDO is the business community's link to the emergency management operations. The EDO and the business community should be aware of these emergency management response plans in advance of a major incident, and should prepare the information necessary to include business needs, such as reentry and damage assessment, into emergency management plans.

Small businesses are unlikely to have considered the effect of a disaster. The EDO can provide trainings on business continuity planning and disaster preparedness. EDOs have a key role in connecting small businesses with these resources. The EDO can host a speaker event to have their local businesses hear from small business owners that have experienced a disaster. By sponsoring the conversations about disaster recovery, the EDO will promote valuable discussions within the community about particular risks and mitigation strategies for their community, as well as the preparedness measures that should be taken throughout the business community.



OFB-EZ™ –Business Continuity Planning Toolkit

OFB-EZ™ is a free toolkit designed to help even the smallest businesses focus on planning for any type of business interruption. OFB-EZ is available as a downloadable Adobe Acrobat (.pdf) toolkit and as individual module forms in both Adobe Acrobat (.pdf) and Word formats (links below) that can be filled in and printed for safekeeping.

The OFB-EZ™ covers the following:

- Know Your Risks
- Know Your Operation
- Know Your Employees
- Know Your Key Customers, Contacts, Suppliers, and Vendors
- Know Your Information Technology
- Know Your Finances
- Know When to Update Your Plan
- Know When to Test Your Plan
- Table Top Exercise: Power Outage Scenario
- Know Where to Go for Help

*The entire toolkit is available in the **Resources Appendix**.*

Note: The OFB-EZ™ Toolkit is available for download as a pdf at http://www.disastersafety.org/wp-content/uploads/OFB-EZ_Toolkit_IBHS.pdf and as a word document at: <http://www.disastersafety.org/disastersafety/ofb-ez-individual-forms/>.

Business Continuity Planning

Business continuity planning is the process of considering how a business will stay in operation in the event of a disaster. Business continuity planning looks at the effects of interruptions in supply chains, production capacity, and cash flows. Business continuity considers alternatives and strategies for protecting operations, assets, and personnel. Business continuity planning improves the ability of the business to respond and recover from threats, emergencies, or disasters. Business continuity planning builds resilience both for the business and the community.

In disaster-impacted communities, economic development organizations (EDOs) and chambers of commerce often lead economic recovery efforts. An EDO's business continuity plan will include operational continuity as well as planning for its role in disaster response and recovery. Even very simple steps, such as gathering cell phone numbers for membership and key industry leaders, can greatly enhance the EDO's effectiveness following a disaster.



Identifying Critical Business Functions

Immediately following a disaster, economic development organizations are likely to be operating at reduced capacity. Any number of factors could affect their operations, such as displaced staff, damaged facilities, reduced operational funds, and/or utility outages. Yet these organizations will need to respond to the immense post-disaster economic recovery needs in their community. In order to do this, they need to understand what critical business operations they will need to rely on internally in order to be useful in assisting the community.

Identifying critical business functions is integral in resuming operations following a disaster. The steps in the following “Identifying Critical Business Functions” text box will walk you through identifying the most critical functions in your organization. You may consider your critical functions as those activities that are vital to your organization’s survival and to the resumption of business operations.

Typically, the critical business functions are those functions that

- (1) are most sensitive to downtime,
- (2) fulfill legal or financial obligations to maintain cash flow,
- (3) play a key role in maintaining your business’ market share and reputation, and/or
- (4) safeguard an irreplaceable asset.

Keep in mind; the process of identifying your critical business functions will work in close conjunction with the risk assessment analysis it is suggested you perform.

Please see the [appendix](#) for a copy of the Insurance Institute for Business and Home Safety’s (IBHS) OFB-EZ™ which is a new streamlined business continuity program for small businesses that serves as a user-friendly tool to help them quickly re-open and resume operations following a disaster. Additional information on the Open For Business-EZ tool and other business continuity resources are available on the website for the Institute for Business and Home Safety at disastersafety.org.

For a more comprehensive business continuity toolkit, download the Open for Business (OFB)® Basic Toolkit at www.disastersafety.org.¹³ Available in English and Spanish, it provides 50 pages of content and forms to help make sure small and midsized businesses are prepared to withstand the effects of natural and human-caused disasters.

¹³ **Open for Business** (<https://www.disastersafety.org/open-for-business/>) is a business continuity planning guide published by the Insurance Institute for Business and Home Safety.



IBHS Checklist for Identifying Critical Business Functions

Steps

- Identify the critical and time-sensitive business functions of your organization.
- Classify these critical business functions into the following categories: high (most severe), medium and low (least severe).
- How much downtime can I tolerate for each business function?
- Which business functions are necessary to fulfill my legal and financial obligations?
- Which business functions are essential to maintain my market share and reputation?
- Complete the Critical Business Functions Chart with each critical business function (See form in [Resource Appendix 2](#)).

Considerations when Determining Criticality of a Function:

Please reference the following considerations when determining the criticality of each business function.

- What is my organization's core business?
- What would be the consequences if I lose or do not have access to my...
- Facilities/buildings
- Contents/ inventory
- People (employees or customers)
- Vital records
- Equipment
- Utilities
- Support Systems (computers, networks, communications, transportation)
- Suppliers

Source: Adapted from IBHS' Open for Business Toolkit for the Small to Mid-Sized Businesses.

Note: A PDF form for identifying critical business functions is available from

https://www.disastersafety.org/wp-content/uploads/4_Business_Function.pdf

Case Study: Disaster Preparation for EDOs in Joplin, Missouri

A catastrophic, EF-5 tornado with wind speeds of up to 300 mph tore a path roughly one mile wide through the southern part of Joplin, Missouri on May 22, 2011. It caused the tragic loss of 161 people and demolished 8,000 buildings (one-third of the city), including 530 places of employment. Two years later, approximately 449 businesses (85 percent) had reopened in the area.

The Joplin Area Chamber of Commerce played a pivotal role in assisting businesses in the recovery process. The chamber president, Rob O'Brian, recognized the importance of having a disaster plan in place before a



potential disaster. As Mr. O’Brian says, “First, you have to be functional yourself” before you look to assist others. He recommends the following critical disaster preparedness actions:

Have a disaster plan in place for your organization in the event of a catastrophe. In 2010, the Joplin chamber staff attended an event, “A Day Without Business” in Tulsa, OK, where they learned about creating a disaster plan for their organization. While there are disaster plan templates, the plan should be tailored to the needs of the organization and its own potential disaster threats.

Know how to effectively communicate with internal staff and external members. When phone lines, internet and cell phone towers go down, it’s important to have a back-up method to stay in contact. In their plan, the chamber designated emergency meeting locations and used SMS text messaging to communicate with their own employees. It is important to collect cell phone numbers of local business owners in case of an emergency.

Know your data is securely backed up in real time and in an offsite location. This includes all computer data such as supplier and client contacts, contracts, monthly financials, and other documents that critically support your operations. Tape backups may fail or become corrupted. Also, backups that are kept in your office, car, or house may be destroyed in a large-scale event. As part of its preparation plan, the chamber backed up its data electronically—in real time—at a secure, underground server vault over 80 miles away. This backup location will depend on the type of disaster your community is vulnerable to. This enables your organization to focus on more important recovery initiatives - not retrieving your basic business data.

Prepare and maintain resources and lists that businesses can use to deal with their immediate response needs. This includes lists of general contractors, suppliers of heavy equipment, generators, or office equipment, available building space, local banks, and other professional services that are in great need following a disaster. These lists should include contact information including a phone number and/or temporary location address for any critical service that supports the local business community.

Create and strengthen partnerships before a disaster arrives at the door of your community. The Joplin chamber relied heavily on the cooperative relationships that it had established with the city and local schools in the 1980s and 1990s. It is recommended to take time during normal periods to clearly define roles of various stakeholders in the event of a disaster. This includes designating who is responsible for business recovery activities or can serve as a spokesperson for the business community after the disaster.

A full case study can be found in [Case Study Appendix 1](#).

Review Checklist for Needed Supplies for Disaster Response

When disaster strikes, the EDO may be on its own for hours or even several days. Keeping supplies on hand can help you take care of your employees, customers, or others on your premises until help arrives. Use the



following checklist for recommended supplies. Remember to check your kit every six months to replace expired or outdated items.

Understand your Organization's Insurance Plan and Make Adjustments as Necessary

Organizations should review insurance plans on an annual basis to ensure appropriate coverage in terms of replacement costs for the business and business interruption insurance for different types of hazards. Here are several questions that should be a part of that review:

Are you located in an area that is particularly vulnerable to specific hazards such as tornadoes, earthquakes, flooding or hurricanes? You should be aware of both what your insurance will cover as well as what will not be covered. Too many organizations are underinsured because of a lack of knowledge about what their insurance policy includes in terms of coverage.

- Do you need to buy additional insurance coverage? Most commercial property insurance does not cover flood or windstorm damage. Flood insurance involves a separate policy from the National Flood Insurance Program. This is particularly important for businesses operating in a floodplain.
- Are you shopping around for more affordable insurance? Beware of companies that offer a 'low-ball' bid where the quote comes in 20 to 50 percent less than prevailing rates. This type of bid translates into either stripped-down service or a rate increase when the insurance policy comes up for renewal.
- Has your business grown in recent years? If so, you'll need to review the coverages for your organization in terms of expanded equipment or operations.
- Do you have sufficient coverage? Do you have coverage to either rebuild the structure of your business operations or replace fixtures at current replacement prices? After a disaster, your organization will not be in a position to shop around for good prices, as supplies will be short. It is wiser to overestimate replacement costs. Talk to your insurance agent about recent business changes and if you may need to adjust your coverage limits appropriately.

Identify a Backup Office Location in the Event of a Disaster

EDOs Should Arrange for Two Alternate Office Locations

As part of the organization's business continuity plan, an EDO should plan for at least one backup office location – preferably two backup office locations - to use in the case of an emergency. This ensures that if the first alternate location is also impacted, a second location is available. In the case of Hurricane Gustav, the economic development organization in Jefferson Parish, JEDCO, had arranged for a backup office location in Baton Rouge, but the facility was not available for back-up use as the city was also impacted by the hurricane.

Establish a Backup Data System for Your Organization

Organize a Remote Server to Serve as Backup for Your Vital Records

Your business operations rely on access to data and information. The EDO should arrange for a remote data backup of its computer network. Your organization may want to consider the services of a data center and disaster recovery facility where data is backed up in real time. Some experts recommend a backup off-site



location that is at least 50 miles away but that depends on the type of disasters your organization may face. A hurricane can have a path larger than 50 miles so it may be wise to consider another state.

Organizations should seek to backup all vital records that can include employee data, payroll, financial records, strategic plans, customer or client lists, vendor lists, building plans / blueprints, the lease, insurance records and other valuable documents that contribute to the organization's bottom line.

For example, your organization's key function may be its Business Retention and Expansion (BRE) function. If the BRE database is only stored at the office, the EDO may lose the ability to access emergency contact information. They may even lose the data permanently depending on the damage to their facility. EDOs should follow suit as more and more businesses and public agencies are creating redundant systems - backing up data in remote locations.

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IBHS Voice/ Data Communications Checklist

If your organization relocates at a temporary recovery location, it is likely you will need to lease or purchase telecommunications equipment. The Voice / Data Communications form in [Resource Appendix 4](#) may be helpful to organize a list for what is needed in case of a disaster.

Note: A PDF of the IBHS Voice/Data Communications Checklist form is available at http://www.disastersafety.org/wp-content/uploads/11_VoiceData_Comm.pdf.

IHBS Checklist for Computer Equipment

It is likely you will need to lease or purchase computer equipment and replace your software if you relocate to a temporary location. The IHBS Checklist for Computer Equipment form can be used to know what you would order. In cases of sufficient warning, computer equipment should be moved to higher ground or to an alternative safe place. This form can be found in [Resources Appendix 5](#).

Note: A PDF of the computer equipment checklist can be downloaded at http://www.disastersafety.org/wp-content/uploads/10_Hardware_Software.pdf.



Collect Critical Emergency Contact Information from Local Businesses

When a major disaster strikes, communication channels are commonly disrupted at a time when the community needs them most. EDOs should prepare to have several different ways of contacting local businesses. Disasters can disrupt power sources, which means that internet and email are inaccessible. Cell phones can also be down for a period of time, but their text functions may still work in an emergency situation. Therefore, EDOs should make sure to collect the cell phone numbers of key executives in the business community ahead of time.

An online registration system is a useful tool for collecting this information. Businesses can register online and provide basic company information and alternative contacts prior to a disaster. If the area is hit by a disaster, this information allows economic developers to contact local businesses, identify the impacts of the disaster, and determine the business community's most immediate needs. Online registration systems can also be streamlined with existing BRE software programs

Collect Employee Emergency Contact Information

Prepare for the unexpected in communicating with your employees following a major disaster. Modern telecommunications channels may be disrupted by power outages, damage to infrastructure, or system overload. This is particularly important if the disaster happens outside of normal operation hours. Compile key personal contact details for your employees.. This may include personal cell phone and personal email addresses. Following a disaster, you will need to inform them of the status of business operations and where they should report to work depending on the magnitude of the disaster and its impact on the built environment.

For large organizations, you should consider setting up a special number for employees to call-in to or can you arrange for programmable forwarding of your main business line. An out-of-state number may be a wiser option to enable employees to get through if the disaster's magnitude is large. Other options to consider are sending an email to both work and personal email addresses as well as posting information on your organization's website. Communication needs to be two-way so the employee can also share concerns in returning to work. Your employees may be experiencing significant loss in terms of damage to their homes, closure of daycare and schools, transportation challenges, and potential injury or loss of life of family members and friends. Senior management needs to take extra care in communicating with employees, as they are often your key assets to protect and serve.

Employee Needs Following a Major Disaster

Consider the following issues that may arise for your employees in their ability to resume working:

- Need for alternative transport modes
- Provision of emergency housing
- Short-term financial aid for immediate needs
- Childcare facilities
- Payroll continuity is key!



An important question to consider is whether your disaster plan takes into account the safety and wellbeing of your employees in the event of a major disaster. If a disaster happens during normal hours of operation, do you have emergency contact information for your employees so you can notify their families if the disaster makes it difficult for them to leave the work premises?

Finally, employee contact information needs to be regularly updated. It is suggested that you meet with your employees once a year not only to review emergency plans but to also update emergency contact details.

Engaging the Business Community in Disaster Preparedness

Economic development organizations (EDO) have the unique ability to coordinate involvement and leverage resources from the business community after a disaster. They are likely to take a leadership role in facilitating job recovery and stabilizing the community's economic base.

To facilitate this role, there are a series of preparedness activities that EDOs should be conducting, such as:

- Engage and educate the business community in disaster preparedness
- Plan for economic disaster recovery
- Build organizational capacity for economic recovery
- Establish a tiered system of business reentry
- Make preparations for business financing after a disaster
- Prepare media messages and communication channels
- Develop redevelopment and re-use strategies

Involving the business community in the disaster preparation process at an early stage will help to ensure their specific needs are addressed in emergency plans and increase their resilience to the disaster's impact. Business owners and executives don't naturally see their role in a community's disaster preparedness effort, so the EDO plays an important role in conveying these understandings. While local government has the legal responsibility to address disaster risks and make emergency management plans, businesses and the business community will recover much more effectively from a disaster if they have taken preparedness steps tailored to business needs.



Case Study: Polk County Office of Economic Development

In 2004, a series of three hurricanes swept through Florida over the course of three months and hit Polk County with significant force. Despite extensive damage throughout the area, the Polk County Office of Economic Development (OED) responded quickly to mobilize an economic recovery team immediately after the first hurricane. OED reached out to the 13 chambers of commerce within the county's 17 municipalities and included them on the recovery team.

The team also consisted of OED's economic development, tourism, and SBDC staff. OED's unique relationship with the local chambers allowed each municipality to conduct business surveys in their respective jurisdiction and report back to OED on ground-level impacts and damages. This team assisted OED in capacity issues and helped to collect and disseminate valuable economic information to local, state, and federal officials. As recovery efforts moved forward, OED engaged local bank representatives to join the recovery team as they started to distribute business recovery loans.

After Hurricane Charley, the recovery team transformed into an official Emergency Support Function (ESF 18) as part of Florida's state-level ESF 18 system. The ESF model, originally developed by the Federal Emergency Management Agency (FEMA), enables government agencies to better coordinate their disaster response and recovery efforts in multiple areas. The ESF 18 group specifically deals with recovery efforts related to business and industry. The creation of the ESF 18 team at the local level allows Polk County's economic recovery team to have greater access to federal and state emergency funding like planning and mitigation grants. Polk County OED has used these funds to work on a Post-Disaster Redevelopment Plan, which engages the private and public sectors in a discussion of how they can redevelop and make their community more resilient in the wake of a major disaster.

The full case study can be accessed in [Case Study Appendix 2](#).

The following are practical suggestions to effectively engage local business representatives in activities that not only will protect their business assets but also expedite the recovery of the local economy in the event of a major catastrophe.

Build an Economic Response/Recovery Team

An EDO should engage business leaders in disaster preparedness efforts, particularly those businesses that may have important resources for response and recovery. It is recommended that an economic recovery team be formed ahead of a disaster to specifically address the post-disaster economic recovery issues that a community may face. The team would review the community's emergency response plan to evaluate how the business community and local economy might be impacted by decisions laid out in the plan. This economic recovery team



would also play a role in working with emergency management personnel to influence a tiered system of reentry for critical businesses that need early access back in the community following a disaster.

After the 2001 Nisqually earthquake in Seattle, local officials closed a particular block because of one building's potential to collapse. Therefore, owners and employees of undamaged businesses in the area were barred from entering their shops and facilities. The restrictions were eventually modified to allow business access while maintaining public safety, but the time it took to make these changes left many businesses with significant damage to their bottom line.

Case Study: Cedar Rapids Chamber of Commerce and Priority One

After the 2008 flood in Cedar Rapids, Iowa, the Chamber of Commerce and Priority One (a regional economic development organization) established the "Adopt-a-Business" program. This program allowed unaffected businesses to donate resources to the 602 businesses affected by the flooding. These resources included "temporary facilities, business coaching, and financial assistance; clean up labor, [and] construction materials." This program allowed businesses to become operational more quickly without incurring more loans, and contributed to the strong sense of community that emerged following the flood.

The full case study can be accessed in [Case Study Appendix 3](#).

Identify Community Stakeholders for Recovery Team

Invite a mix of strategic representatives from both the private and public sectors to participate in the economic recovery team. Ensure good representation from experienced business people. Even a well-intentioned public official may not understand the scope of economic impacts with the seemingly simple decision of closing a few streets. That one decision can slow recovery, force businesses to relocate or close, and drive residents and customers away – thereby affecting the available workforce and economy.

Team members should involve the following groups of stakeholders:

- Economic development stakeholders (representative from EDO, small business development corporation, business or trade association, business district, etc.);
- Public and elected officials (emergency management and public safety personnel; council members, etc.); and
- Significant representation from the business community.

Private and public sector involvement on this team will ensure that communication flows between these two groups to reveal any potential conflicts and/or duplication of effort in the recovery process. The public sector is better informed of their decisions that could delay the recovery effort and is informed of the private sector's priorities for re-investment and redevelopment. Trust is built as these stakeholders cooperate in the pre-



planning phase so that these relationships can be relied on when the disaster strikes, and there is need for an expedited decision making process.

The team should select the appropriate leader who has an articulated position of authority to provide proper support to the team; someone who understands the needs of the private sector and can facilitate participation from all representatives. His or her role will be to establish agendas, facilitate discussion and information exchange within the team, delegate tasks and follow-up, and evaluate group objectives and outcomes.

Case Study: Greensburg, KS

After Greensburg, KS was devastated by an EF-5 tornado in 2007, the community made the decision to build back more resilient through several sustainability efforts. Community planning was guided by the Greensburg Sustainable Comprehensive Plan, created after the tornado, which offered a stronger focus on green economic development strategies. These strategies included implementing strict green building standards, building an Eco-Park, focusing on tourism and green manufacturing, and creating a business incubator built to LEED Platinum standards. These efforts have caused the economy to diversify, making Greensburg more resistant to future economic or natural shocks.

The full case study can be accessed in [Case Study Appendix 4](#).

Review Comprehensive Emergency Management Plans

The economic recovery team's first initiative should be reviewing the community's existing emergency management and mitigation plans with a focus on the plans' impact on the business community and the local economy. Most emergency management plans are primarily concerned with health and public safety issues and may overlook the economic recovery aspect. These plans discuss business reentry, access to property, and other issues that impact local businesses' ability to respond and recover.

The team should consider reviewing other plans that are also relevant to disaster recovery, such as the:

- Economic development component of a comprehensive plan;
- Economic development strategic plan;
- Community economic development strategy; and
- Capital improvement plan.

An EDO can play a critical role in engaging business leaders in disaster preparedness efforts, particularly those businesses that may have important resources for response and recovery.



Discuss Roles and Responsibilities for EDOs Post-Disaster

The role of EDOs will vary based on the economic development structure of your community. Each EDO has its own network of community and business stakeholders that should be engaged for information dissemination purposes.

Discuss Post-Disaster Economic Recovery Strategies

Find the appropriate location and begin working on a bi-monthly or quarterly basis to identify possible economic redevelopment and recovery strategies in the event of a disaster. IEDC has developed a series of recommendations for conducting such a planning effort for economic preparedness. For more details on these pre-disaster planning activities, review the chapter on Strategic Planning.

Business Continuity Training for Small Businesses

Small- and medium-sized businesses have strong roots in the local economy and are often more vulnerable to disasters than large businesses. Consider the following statistics from IBHS and SBA: one in four small businesses are expected to experience a disruptive disaster in the near future – regardless of their location in the country. Approximately 60 percent of those small businesses do not have even a basic emergency response plan. Of those businesses without a plan, 43 percent won't reopen their doors and 75 percent will fail within three years of a major incident.

It is a fact that small businesses underestimate the likelihood and impact of a major crisis on their business. Yet, when disaster strikes, a number of these businesses will lose their customer base, property, inventory, and sales records in a single day.

EDOs can't afford to lose 25 percent of their small businesses, which make up a significant portion of the local employment base. They must seek to connect their small to midsize firms to business continuity resources and educate them on the importance of business continuity planning. These businesses should draw up formal business continuity plans, which describe a clear set of actions for a business and its employees to follow in order to quickly restore its core business functions after a disaster. Ideas for training workshops and case examples are discussed below.



Elements of a Business Continuity Plan

When done properly, a business continuity plan can help a business address several of its core functions. The plan will help to:

- Determine and document which staff, materials, procedures, and equipment are absolutely necessary to keep the business operating,
- Identify and document suppliers, shippers, and resources,
- Define and document crisis management procedures and individual responsibilities in advance,
- Plan for the building, plant, or store being inaccessible,
- Plan for payroll continuity,
- Share contact information and business continuity plans with other businesses in the building or industrial complex,
- Keep copies of important records such as site maps, building plans, insurance policies, employee contact and identification information, bank account records, supplier and shipping contact lists, and computer information in multiple secure locations,
- Include co-workers from all levels in planning and as active members of the emergency management team, and
- Review your emergency plans semi-annually.

Business Continuity Planning Training

EDOs should take a key role in providing training on business continuity to local businesses and connecting them with these resources such as the IBHS's OFB-EZ™, which serves as a free guide to small and midsize firms. Since small business owners are busy and may not feel they have the time or resources to prepare a plan, economic developers can help. EDOs and chambers of commerce should consider holding workshops and/or webinars to disseminate important disaster-related information such as business continuity efforts as well as the need for obtaining business interruption insurance.

These events can summarize the various planning resources and provide “how to” steps for businesses to create their own plan. Careful thought should be given to a convenient time, location, and format of the event as well as appropriate promotional efforts so the maximum number of small business owners will participate as discussed in the Charleston case below.

Most importantly, keep the business continuity plan itself in multiple locations. There is no use in having a plan if it is inaccessible and/or not followed.

In addition, the EDO can provide links to these free guidebooks on a section of their website for business resources.



Case Study: Charleston Metro Chamber's Business Continuity Efforts

The Charleston Metro Chamber of Commerce in South Carolina created a Business Continuity Planning Council to help encourage small businesses to make business continuity plans. The chamber reached out to its extensive network and brought in teams of local experts to speak on the various aspects of continuity planning. The council serves a wider three-part function. The chamber performs the following functions:

1. Provides resources, including online literature, hard-copy literature, and local experts who can speak on a variety of continuity planning issues.
2. Conducts workshops and presentations on pre- and post-disaster issues such as communications planning, IT preparedness, and other business continuity issues.
3. Coordinates with other emergency-related resources—on the local, state, and federal levels—like county emergency operators, the U.S. Coast Guard, and the Department of Homeland Security.

The chamber's workshops were held every few months at its facilities. Each workshop focused on a specific topic in business continuity. For example, one workshop featured technological components and discussed social media policies, data loss and backup, anti-virus and security protection, and hardware recovery and testing. To market the workshops, the chamber used its own channels—through its member relations team, email, and other member communications—while also engaging the help of the Small Business Charleston Network and advertising in the Charleston Regional Business Journal. The resources needed for this business continuity initiative were already in the community; the Charleston Metro Chamber simply brought them together.

A full case study can be found in [Case Study Appendix 5](#).

Disaster Preparation Measures for Your Business Community

Collect Critical Emergency Contact Info from Local Businesses to Distribute Crisis Communication Messages

EDOs should prepare to have several different ways of contacting local businesses in the event of a major disaster – particularly when the incident causes widespread damage to power and transportation systems. As discussed above, cell phone numbers should be collected so that text messages can be sent in a blast format to business owners and C-level executives. They will need access to critical and reliable sources of information such as when the power restoration, the location of critical supplies such as generators, gas, water, etc, and where they can access business recovery resources.

Immediate outreach to business owners within your network will demonstrate that you are concerned for their personal welfare as well as their business concerns. Through a text blast, the EDO can inform the business



community of important recovery services and initiatives that they should be involved in. For further ideas on communicating in a crisis, see the Crisis Communications chapter in this toolkit.

Establish a Business Reentry Program Following an Evacuation

After a disaster, business owners may be restricted from returning to their property depending on the nature and scale of the incident. In the process, these businesses may lose their inventory (if perishable), employees, and their customer base. In the case of Galveston, TX after Hurricane Ike, business owners were not allowed to enter the community for 12 days, which allowed salty flood waters to further destroy facilities and inventory.

In the 1995 Oklahoma City bombing, approximately 60 percent of the businesses within the police perimeter closed permanently (even those without physical damage) due in part to limited or no access to the area following the event. These business closures can severely limit access to essential services and products (grocery, gas, daycare, health services, etc.) in the impacted area. The closures also mean decreased employment opportunities for local residents and a significant decline in the tax revenue base.

To respond to this issue, emergency management personnel have developed a tiered system of community reentry following a wide-scale evacuation. The purpose of this tiered system is to allow for the safe, orderly return of community members, such as emergency responders, critical service providers, relief workers, businesses and citizens and to facilitate a timely response to the disaster.

EDOs have played a role in establishing a tiered system of business reentry to facilitate priority businesses gaining early access to their facilities. It essentially works as a credentialing program as ID cards or passes are issued for individuals and businesses. Local law enforcement is trained to recognize these cards/passes and allow access when the appropriate “tier” is activated. These passes don’t guarantee reentry, but they can be used by law enforcement officials to expedite the return of critical personnel.

This tiered reentry system will facilitate timely reentry of critical businesses to assist in the community’s recovery effort. Without a reentry plan, the local economic recovery engine will be severely hampered at a time when the community needs this engine to be available. Preparing a tiered reentry system also assists community stakeholders in administering recovery efforts in a more timely and organized manner.

Identify Location for a Business Recovery Center

Within the first or second week following a disaster, a community should establish a business recovery center (BRC) to meet pressing needs in the business community. A BRC serves as a one-stop shop to provide local, state, and federal resources to businesses after a catastrophic event. The BRC can play a crucial role in getting local companies the assistance needed to re-open and/or stay open as well as carry out a number of communications and outreach strategies. Because a BRC’s services are tailored to address business needs, it is recommended that they are established separately from a FEMA Disaster Recovery Center to avoid confusion with individuals who need social services.



The EDO or chamber should develop a plan for establishing business recovery to outline the proposed location, services, and economic recovery partners that will serve the center. These centers have been located in a local business' conference space, a vacant retail space in a mall or downtown location, vacant space in a business or industrial park, or a FEMA trailer. They often need to be centrally located for those businesses most impacted by the event. Typical partners to have representatives at the center include those from the local SBA office, SBDC, and other business assistance providers. The plan for a business recovery center should be shared with all other economic recovery stakeholders/partners.

A Three-Tiered Reentry System Following an Evacuation

Many communities have established a three-tiered system to give reentry priority to specific community stakeholders. This tiered system considers the needs of specific businesses and industries to be prioritized for reentry in order to serve the community, the local economy and the needs of citizenry.

Tier 1: The first tier is commonly reserved exclusively for reentry of agencies/groups involved in emergency response. This tier includes search and rescue personnel, emergency healthcare staff, utilities and infrastructure repair personnel, damage assessment teams, and pre-designated government staff. In some communities, credentialed businesses and industries whose facilities pose a public safety concern, environmental threat, or other substantial danger are also allowed access.

Tier 2: The second tier is limited reentry for other important groups that can include: relief workers, healthcare agencies and suppliers, insurance agents, business operators such as important food and building material retailers, fuel distributors and stations, debris management, financial institutions, and select businesses with unique circumstances (fragile inventory, hazardous waste, large workforce, global distribution, etc.)

Tier 3: The third tier allows open access for all remaining residents and business operators (not allowed under tier 2) that can prove they live, own, rent, or lease in the restricted area. This tier also includes licensed contractors, other repair service providers, and family and friends who re-enter with an eligible resident.



Case Study: Jefferson Parish's Reentry Program

Jefferson Parish is the community immediately to the west of New Orleans, which serves as a major economic engine for the entire region. The parish suffered substantial damage to its commercial and industrial areas after Hurricanes Katrina made landfall in August 2005. In the week following Katrina, evacuees were prevented from returning to their homes due to a lack of basic services like water, sewer, and electricity, and traffic was restricted to emergency and utility vehicles.

When the parish did re-open its doors, highways were filled with standstill traffic as a mix of residents, contractors, and business owners all tried to return to the area. The parish government developed a "on-the-fly" reentry plan that consisted of a contractor issuing paper credentials that allowed business representatives to re-enter the community to re-establish business service. Later on, the business community would demand a codified reentry plan – which would involve the cooperation of parish government and the local economic development organization, JEDCO.

The end result was the creation of the JumpStart Jefferson Reentry Application Process — a tiered reentry system composed of the following three levels:

Tier 1: Primary infrastructure and major utility companies, pre-designated government staff and contractors, and the suppliers of emergency relief goods and equipment

Tier 2: Humanitarian relief agencies and small disaster response teams of large businesses essential to the economy of Jefferson Parish and those with unique circumstances such as fragile inventory or hazardous materials

Tier 3: Return of business owners and designated employees whose businesses are vital to the return of citizens and the parish's economy

Jefferson Parish has an online system for registering local businesses and allowing them to apply for reentry status prior to any type of evacuation. After registering, businesses are assigned to a tier that's correlated to how important the business is to preparing the community for citizens and receive an authorization placard for their vehicle to re-enter the parish after a major evacuation. The program automatically recognizes and sends certain applications, like hospitals and other critical infrastructure, to the parish administrator to be reviewed for inclusion in tier one.

In time, this reentry program became a regional system whereby a common database would be shared among regional parishes in the Greater New Orleans area so that reentry credentials would be honored in nearby parishes.

Review Jefferson Parish's Reentry Plan in Resource Appendix 6.



Establish a Business Recovery Fund

Establish a Bank Consortium for Business Recovery

Before a disaster, EDOs can bring local banks to the table to discuss how they can make business loans available to disaster-impacted businesses for recovery purposes. Although federal grants and disaster recovery loans are important resources, these resources take time to be distributed. For more details on creating a bank consortium and other efforts to establish a business recovery fund after a disaster, visit the Small Business Assistance chapter in this toolkit.

Establish a 501(c)3 Foundation that Enables a Business Recovery Fund

Why should an economic development organization (EDO) consider creating a 501(c)3 foundation for economic development and recovery purposes? The IRS 501(c)3 designation allows your organization to receive the following benefits:

- federal and state income tax exemption
- postal rate discounts
- special tax-exempt financing
- increased fundraising efforts by passing on charitable contributions to your investors / donors.

Those seeking to establish a 501(c)3 foundation for economic development purposes apply for one of two purposes: 1) a charitable reason or 2) for educational activities. If applying for a charitable reason, it is important to focus the foundation on activities that work on promoting the socio-economic welfare of a disadvantaged class, such as low-income individuals, or to work on efforts to combat community deterioration.

This foundation structure allows EDOs to engage more actively in economic recovery activity following a disaster. In the case of Joplin, MO, the chamber was able to receive charitable contributions and channel those funds through their foundation into a revolving loan fund (RLF) for small business recovery purposes. See the text box for details on the use of their foundation to establish a business recovery fund.

It is recommended to work on getting an economic development foundation in place before your community is impacted by a major event. Trying to establish a foundation after a disaster slows your organization's ability to quickly respond with needed recovery programs. Keep in mind that these foundations are useful for other economic development purposes during normal periods of operations.

To learn more about setting up a 501(c)3 foundation for economic recovery purposes, please listen to the March webinar recording of the 2014 Disaster Preparedness and Economic Recovery webinar series found on RestoreYourEconomy.org.



Creating 501(c)3 Foundations in Joplin for Loans to Impacted Businesses

The Joplin Area Chamber of Commerce (JACC) Foundation is a 501(c)3 organization focused on economic development and economic recovery activities that was established in 1992. The Joplin Business Recovery Fund was established shortly after the May 22, 2011 tornado under the JACC Foundation. This fund was able to receive \$800,000 in private donations and to re-distribute those funds in order to help small businesses with financing for long-term recovery. Because the Joplin Chamber had already established their 501(c)3 foundation, they were able to set up receiving donations through this foundation just a week following the deadly tornado.

With the help of a state senator, the chamber also established *Create Joplin Tomorrow*, a new 501(c)3 foundation for business loans that would help to retain jobs within the state. This allows for loans in the amount of \$10,000 per each job created or saved. *For more information on Joplin, see the [Case Study Appendix 1](#).*

Disaster Planning for Economic Recovery

Communities are often unprepared for the chaos that is likely to emerge after a disaster, and have difficulty planning for long-term economic recovery when there are pressing humanitarian, cleanup and rebuilding needs to address.

This toolkit includes a chapter on strategic planning that discusses planning processes and initiatives that economic development organizations and chambers of commerce should engage in before a disaster strikes. The chapter includes case examples of post-disaster redevelopment planning in Florida counties. These plans have helped local communities to identify policies, operational strategies, and roles and responsibilities to guide decisions that affect long-term recovery and redevelopment of their community following a disaster.

Communications before a Disaster: Getting Organized for a Major Incident

Communication is always compromised in a post-disaster situation. Local channels of communication are disrupted due to a breakdown of both physical and social infrastructure (telecommunications and power outages, displaced residents and employers, transportation blockades, etc.). There is confusion regarding where local businesses can access accurate information to assist in their business recovery operations and to get access to additional business recovery resources.

The lead economic recovery organization, or multiple economic recovery organizations, play(s) two important roles in communicating with businesses in a post-disaster situation. The first is listening to businesses to understand their needs. The second is quickly disseminating relevant information to businesses regarding available resources and service providers who can help with cleanup, financing, and rebuilding efforts. In a post-



disaster response environment, communication to businesses should be frequent, consistent, and provide useful information to help businesses and other economic recovery stakeholders to rebuild.

In the Crisis Communications chapter of this toolkit, there are suggestions on creating an emergency communications plan including communication messages, how to determine roles and responsibility of various economic development stakeholders in different communication activities, and the provision of other crisis communication resources for the economic development community.

Case Study: Creating a 501(c)3 Foundation for Economic & Community Development Purposes in Hancock County, MS

Following Hurricane Katrina, the Hancock Chamber established the Hancock Community Development Foundation as a 501(c)3 public charity in May 2006 to act as a funding conduit for recovery projects with a broad community focus. The specific purposes of incorporation are to sponsor and support:

- Recovery and rebuilding projects
- Educational and community programs that stimulate job creation
- Foster small business growth and support workforce development
- Scholarships for the purpose of youth in Hancock County attaining a college education, and Hancock Chamber programs that further the purpose of the foundation and economic development and business growth in Hancock County
- Grant research, development and administration
- Coordinate charitable fundraising to support qualified educational and community programs, and community non-governmental organizations

While the Hancock Chamber was established in 1925, business leaders never saw the need for a 501(c)3 nonprofit until the nation's worst natural disaster struck. If they had not acted swiftly to set up this institutional, financial, technical and legal resource, the community would have been unable to implement critical recovery programs to rebuild Hancock County. Due to Katrina, the application to the IRS for 501(c)3 status was expedited through the help of Mississippi Congressional Offices and in three weeks' time, the status was granted.

Some of the initiatives undertaken by the Foundation include:

- Development of the Hancock Housing Resource Center to restore housing lost to Katrina.
- Establishment of the Bay-Waveland Main Street Association for downtown revitalization.
- Incubation of 20 nonprofit causes from the arts to education to historic preservation.
- The Job Generation Fund (JGF) for small businesses.

For more information on Hancock County, visit their website at <http://www.hancockchamber.org/development-foundation/>



Additional Helpful Resources and Examples

Below is a list of resources and links where you can access more details and information on the topic:

Ready Business (<http://www.ready.gov/business-continuity-planning-suite>) was created to educate individuals, small businesses, and interested parties on business preparedness.

Prepare My Business (www.preparemybusiness.org) is an SBA website that provides small business resources for disaster and business continuity planning.

FEMA PS-Prep (<http://www.fema.gov/privatesector/preparedness>) is being launched by the U.S. Department of Homeland Security as a voluntary private-sector preparedness accreditation and certification program.

The Association of Contingency Planners (www.acp-international.com) is the national association for business continuity professionals.

Preparing Your Small Business for a Disaster (www.bomasf.org/pdf/news/smallbizdisaster.pdf) is a resource that lists effective emergency planning activities and provides a list of resources.

Sungard Knowledge Center (www.sungardas.com/knowledgecenter) has free resources on continuity planning, cloud computing, and data management.

New York University's International Center for Enterprise Preparedness White Paper (<http://www.nyu.edu/intercep/Insurance%20Incentives%20for%20Corporate%20Preparedness%2017%20Oct%2006.pdf>) is on business preparedness and insurance incentives.

The State of Florida's Business Disaster Planning Website (www.floridadisaster.org/business) will better prepare a business for future disasters by assisting them in creating a Business Disaster Plan.