Step 1: Risk Assessment

THE GOAL: Understand how an emergency or disaster could affect your business and identify your potential risks.

For businesses, a disaster is any event that endangers its ability to continue operating and follow its business plan. Statistics show that one in four businesses won’t reopen after a disaster. New research shows that many more businesses will reopen, only to fail within a few years of a disaster, often after the business owner has exhausted their life savings trying to stay afloat. Understanding your risks is the first step to making your business disaster resilient.

Choose one or all of the following things to do this month to prepare your business for a potential emergency:

- Identify general hazards that can occur in your community, and specific hazards from which your business may be at risk.
- Understand major variables that can affect your ability to reopen after a disaster.
- Take steps to protect your assets from those hazards.

No business or community will ever be disaster-proof. Disaster resilience is the ability of a business to withstand the impact of disaster and continue as a strong, healthy organization—even if it isn’t exactly the same organization that it was before the disaster.
Identify general hazards that can occur in your community, and specific hazards from which your business may be at risk.

Identify your potential hazards by completing a business impact analysis (BIA) for your organization. A BIA identifies the ways your business may be vulnerable in disaster.

IDENTIFY WHICH OF THESE POTENTIAL HAZARDS COULD AFFECT YOUR FACILITIES:

- Structure Fire/Explosion
- Wildfire
- Flood
- Wind
- Blizzard
- Ice and Sleet
- Tornado
- Hurricane
- Earthquake
- Subsidence
- Extreme Heat
- Extreme Cold
- Hail
- Terrorism
- Civil Disturbance
- Transportation Accident
- Infrastructure Failure
- Disease Outbreak
- Radiological Incident
- Dam Break
- Hazardous Materials Release (on or off site)
- Other:

DETERMINE WHICH OF THESE IMPACTS COULD AFFECT YOUR BUSINESS FROM THE HAZARDS ABOVE:

Not every hazard has the same impacts. Localized hazards, like floods or structure fires, are unlikely to disrupt the supply chain or overwhelm healthcare systems, but they can have a devastating impact if your business is directly affected. Other hazards, like earthquakes and civil disturbances, may have a severe impact even if your business isn’t directly impacted.

Put together a team of staff members from each area of your business to talk through how hazards might impact your business

- Property damage or loss
- Injuries and loss of life
- Disruption of law and order
- Loss of public services and utilities
- Overwhelmed public safety resources
- Overwhelmed sanitation and health care systems

- Disruption of supply chain
- Loss of communications, business records and transportation
- Employees unable or unwilling to come to work
- Loss of business income

- Change in community demographics
- Changes in demand for product/services

- Changes in business’ economic base due to changes in the community

THE MISSION OF DO 1 THING IS TO MOVE INDIVIDUALS, FAMILIES, BUSINESSES AND COMMUNITIES TO PREPARE FOR ALL HAZARDS AND BECOME DISASTER RESILIENT
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Understand major variables that can affect your ability to reopen after a disaster.

There are five major variables that affect your business’ chances of resuming operations after a disaster:

- **Effects On Customers**: Businesses whose customers are severely impacted by disaster are less likely to survive. This is particularly true when the product or service the business provides is not a necessity or can be postponed. Customers who are displaced by the disaster may not move back to the same location. Having multiple locations or a geographically diverse customer base increases your business’ chance of survival.

- **Available Substitutes**: If substitutes for your product or services are readily available, you may have trouble winning customers back when your business reopens. The longer you are closed, the harder it will be. Specialized products or services increase your business’ chance of survival.

- **Industry Innovation**: A business that was competitive before the disaster has a better chance of recovering afterward. Finding ways to be competitive now increases your business’ chance of survival after a disaster.

- **Loss Of Vital Resources**: Specialized machinery or equipment may be hard to replace if damaged in a disaster. Suppliers and transportation companies may also be affected. The more you rely on a single supplier, the harder it will be for your business to recover. Employees may be impacted by the disaster. They may be reluctant, or unable, to return to work if their homes are damaged or their families are affected. Employees displaced by the disaster may not move back. Other vital resources include inventory, production time, and facilities. Identifying alternatives to key resources ahead of time increases your business’ chance of survival.

- **Owner Response To New Environment**: This is the most important factor in whether or not a business will recover after a disaster. A business owner who recognizes the changes in the post-disaster market and can adjust to them is more likely to survive a disaster. Creating contingency plans increases your business’ chance of survival.

Disasters change things. Communities and businesses are never exactly the same after a major disaster. Recovery may not mean a return to business as usual. The goal is to have an organization that is financially viable in the post-disaster environment.
Take steps to protect your assets from those hazards.

Steps you take to protect your business before the disaster are called mitigation. Mitigation can be structural (changes to a building) or non-structural (changes to the way you do business). Studies show that for every dollar spent on mitigation, an average of four dollars is saved in a disaster through damage that is prevented.

Here are a few things you can do to lessen the impact of disaster on your business:

- **Facility Protection:** If your business is in a floodplain, or in an area prone to earthquakes or hurricanes, retrofit your facility to withstand those hazards as much as possible.

- **Redundant Systems:** Evaluate how your records are stored, particularly if you are in a hazard-prone area. Store copies of important records offsite or add extra protection to your current storage systems. Also consider adding a backup generator for important systems and processes in case of a long-term power outage.

- **Shelter Areas:** Designate shelter areas for tornados or hazardous materials release. If you are in a tornado prone area, consider adding a safe room for employees. Consider accessibility for customers or employees with disabilities. Consider areas of refuge in a structure fire, such as stairwells with fireproof doors, where people who are unable to evacuate can wait to be rescued.

- **Have Appropriate Insurance:** Make sure that your insurance covers the hazards you have identified. You may need to add to your existing policies.


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