



# SHOPTALK

By Margie Johnson



## NO DISASTER PLAN? FAILING TO PLAN IS A PLAN TO FAIL

Shop Talk is a continuing series of consumer-oriented retail articles by Margie Johnson, president of Shop Talk, a retail consulting firm that specializes in showing organizations how to become leaders in their marketplaces and industries through customer-centered training. Over the past 15 years, Margie has worked in many Main Street towns throughout the nation. She is passionate about helping small business owners succeed.

My very first Main Street assignment in 1992 was to assist business owners in the flood-ravaged communities of West Des Moines, Dubuque, and Amana, Iowa. Thus began a new understanding and compassion for the trauma associated with these types of emergencies/disasters.

While writing this article, I have just completed my second working visit with numerous small businesses located on the Mississippi Gulf Coast. This region has faced two epic disasters in recent years—the wrath and devastation of Hurricane Katrina and the widespread impact of the BP oil spill. The business owners in this region are facing grim realities regarding their business future. Essentially everyone in this area has been stunned by these back-to-back disasters! One common theme that resonated throughout my work was that any “disaster preparedness” plans were tested beyond the scope of what the owners could have envisioned.

We have all too often seen images of disasters replayed on television and the Internet. These chilling emergencies take their toll on small and large businesses in terms of lives and dollars.

### Emergencies versus Disasters

From a small business owner’s perspective, it is hard to distinguish between an *emergency* and a *disaster*. Often, we categorize an *emergency* as any unplanned event that can shut down a business; disrupt operations; cause physical or environment damage; cause loss of life or significant injuries to employees, customers, or the public; or threaten the financial standing or public image of the business. The term *disaster*, on the other hand, is more often thought of as a large-scale event, usually a “natural disaster.”

Disasters have been categorized in essentially three forms:

- **Natural or cataclysmic events:** earthquakes, fires, floods, blizzards, tornadoes, hurricanes, etc.

- **Human behavior:** acts of arson, robberies, bomb threats, transportation strikes, etc.
- **Technological issues:** computer crashes or hacking, power outages, viruses, identity and confidential information theft, etc.

### Emergency/Disaster Preparedness is Essential!

It is estimated that only about 30 percent of small businesses have any type of emergency/disaster preparedness plan in place. Too often, small business owners are prone to the “it won’t happen to me” mentality. According to the Institute for Business and Home Safety, an estimated 25 percent of businesses do not re-open after a major disaster.





According to the Institute for Business and Home Safety, nearly a quarter of businesses affected by a major disaster do not reopen.

I advocate that **it pays to be prepared.** There are many simple, easy-to-implement, and practical ways for small business owners to approach “their plan.” Here are some free and/or easy-to-access resources that are available on the Internet. This information can be a great way for a business owner to prepare a “blueprint” to follow if the “unexpected” occurs. I highly recommend the following:

**1. Ready Business Mentoring Guide – Working with Small Businesses to Prepare for Emergencies** (available for download at [www.ready.gov](http://www.ready.gov)). This document is very user-friendly and has a wealth of information that can easily be adapted to small businesses. The guide offers practical, how-to advice, which can be divided into three categories: (1) free, (2) less than \$500, and (3) more than \$500.

**Examples of free information include:**

- Meet with your insurance provider to review current coverage.
- Create procedures to quickly evacuate and shelter-in-place. Practice the plans.
- Create an emergency contact list that includes employee emergency contact information. Share this with the team and keep it updated.
- Create a list of critical business contractors and others whom you will use in an emergency. Keep copies of these lists off site.
- Talk to utility service providers about potential alternatives and identify back-up options.

**Examples of less than \$500 include:**

- Buy a fire extinguisher and smoke alarm. Teach staff how to use them.
- Decide which emergency supplies the company can feasibly provide, if any, and talk to co-workers about the supplies individuals should consider keeping in a personal and portable supply kit.

- Set up a telephone call tree, password-protected page on the company website, e-mail alert, or call-in voice recording to communicate with employees during an emergency.
- Use and keep up-to-date computer anti-virus software and firewalls.
- Back up your records and critical data. **Keep a copy off site.**

**Examples of more than \$500 include:**

- Consider additional insurance such as business interruption, flood, or earthquake coverage.
- Purchase, install, and pre-wire a generator to the building’s essential electrical circuits. Provide for other utility alternatives and back-up options.
- Make sure your building meets standards and codes. Consider hiring a professional engineer to evaluate the wind, fire, or seismic resistance of your building.
- Consider using a security professional to evaluate and/or create your disaster preparedness and business continuity plan.
- Provide your employees with first aid and CPR training.

**2. Every Business Should Have a Plan** (available for download from the Ready Business website at [www.ready.gov](http://www.ready.gov)). This brochure has three sections:

- Section 1: “Plan to Stay in Business” covers a wide range of activities, from continuity planning to gathering emergency supplies, planning to stay or go, and making a shelter-in-place plan.
- Section 2: Talk to your employees about:
- How to practice and plan with co-workers;
  - How to write a crisis communication plan;
  - How to support employee health after a disaster.

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**Section 3: Protect your investment:**

- Review all insurance coverage.
- Prepare for utility disruption.
- Learn how to secure facilities, buildings, and plants.
- Improve cyber security: subscribe to [www.us-cert.gov](http://www.us-cert.gov) to receive free, timely alerts on new threats and ways to protect your area of cyberspace.

**3. Emergency Management Guide for Business and Industry** (available for download from the FEMA website, [www.fema.gov](http://www.fema.gov)). This guide offers a step-by-step approach to emergency planning, response, and recovery for companies of all sizes. It has many “camera-ready” downloads of documents that can help small business owners in all areas of planning for an emergency. This checklist-style document raises many questions that often are not “top-of-mind” for small business owners. I urge you to read this article with a highlighter in hand. This one document can serve as the framework for a business’s disaster plan.





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Left: Aftermath of Hurricane Katrina, Gulfport, Miss.  
Right: Flooding of Brattleboro, Vt., during Hurricane Irene.

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- Elaine Kroening, Executive Director, Positively Pewaukee, Pewaukee, Wisconsin.

### Lessons Learned

For lessons learned, I reached out to clients and colleagues who have worked in Main Street disasters for “words of wisdom.” Their rich insight is captured in these comments:

“In 2008 when our downtown flooded, it was a make or break time for our organization. We could sit back and let others take the lead, or we could become the leaders. We became the leaders. We were the ‘go-to place’ for organizing volunteers, assisting FEMA, and helping our merchants with whatever they needed to survive. After the flood, we learned how important it is to be prepared for any disaster. We now have a phone chain that starts at our police department and goes from merchant to merchant with important information. We also learned that your ‘A’ game is not enough during a disaster, you need to step it

up to the highest level you can. Think very creatively and use every resource you can to help those who need it.”  
Elaine Kroening, Executive Director, Positively Pewaukee, Pewaukee, Wisconsin.

Tripp Muldrow, President of Arnett Muldrow & Associates in Greenville, South Carolina, gave me his insight about preparation:

“It is up to the community to control the message about the disaster. We have found that in Mississippi with Katrina and the BP disaster and in Vermont with Irene that the national media sets a tone that often leaves people thinking that the place is ‘closed for business.’ Brattleboro, Vermont, launched an aggressive campaign using their brand identity that says they are open. They have a “we are open” youtube video, (<http://www.youtube.com/watch?v=YlDk2jSiPx4>), banners downtown, an exhibit at the Welcome Center, and more planned. I think for most folks going through a disaster, information is key and the Main Street Organization Committee should explore pre-emptive ways to distribute information in the event of a disaster. I have been awestruck in Vermont at the signs in the windows thanking volunteers for their help and announcing ‘we will return’ . . . this triumphant message is critical in a disaster situation.”

Having just returned from Mississippi, I was stunned by the enormous progress, yet very aware of all the work that still needs to be done. Stacy Pair, CMSM, District Director, Main Street Mississippi, shared her thoughts:

“The synopsis of all of this devastation is that, while Katrina was the worst natural and cultural disaster in our nation’s history, there do seem to be positive things happening in the aftermath. The citizens of South Mississippi grimace every time a new tropical storm develops or a hurricane appears on the radar. But, they continue to stalwartly move forward. And, because of the nature of the Main Street committee structure and broad community involvement, the Mississippi Gulf Coast Main Street programs are at the forefront of that forward movement in very positive ways.”

This type of resolve and actionable practices can serve as inspiration to everyone. In summary, I strongly urge all business owners and Main Street organizations to take time to plan their strategy for facing disasters/emergencies.

**Little steps can make a huge difference in the face of disaster!** Please use the resources discussed in this article. They will serve as an amazing springboard/template for your own disaster plan.

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