AMERICA'S SBDC
IN PARTNERSHIP WITH SBA

SMALL BUSINESS RESILIENCY GUIDE

KEEPING THE LIGHTS ON

A Note from America's SBDC

Dear Small Business Owner,

Most entrepreneurs know that a well-conceived business plan is critical to the success of a new business. It should be just as clear that a business resiliency plan will be critical to the sustainability and success of your business. Every business will face an unexpected disruption at some point. The planning you do now can mean the difference in how quickly—or whether—your business recovers.

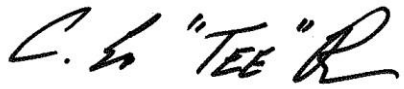
This Business Resiliency Guide, and the two complementing workbooks found on our website, are tools to help you assess risks and make contingency plans that can help your business recover from the immediate threat as well as the disruptions that could continue over weeks or months.

Since its inception in 1979 the SBDC network has grown from a few centers in 6 states to a nationwide network of nearly 1,000 centers in all 50 states, the District of Columbia, Puerto Rico, American Samoa, Guam and the Marianas. In these 40 years SBDCs have also supported small business in ways beyond business development. SBDCs are key partners in disaster recovery, working with SBA, FEMA, and State agencies to improve resiliency and speed recovery in disaster-stricken communities. Whether it is flooding, hurricanes, earthquakes or wildfires you will find SBDCs staffing the Business Recovery Centers and re- establishing communities. In addition, you'll find SBDCs helping with cybersecurity, hosting rural development conferences, and teaching opioid awareness. All the things that make SBDCs the leader in small business assistance.

If you need assistance with this or any other small business challenges, I encourage you to contact your local SBDC using our search by zip code or state tool www.AmericasSBDC.org/find-your-SBDC. Thanks to support from federal and local funding partners, SBDCs around the country can provide customized and confidential advice at no direct cost to your business.

America's SBDCs' know that your business is your livelihood and we want to do everything possible to help ensure you have the tools and information you need to succeed.

Sincerely,



Charles "Tee" Rowe

President & CEO

America's SBDC

Purpose?

This guide is designed to be used with the Business Resiliency Plan (BRP) workbook, and the Emergency Procedures workbook, both of which can be found on the America's SBDC website.

www.AmericasSBDC.org/protect-your-business

The BRP will be the culmination of work you do throughout this guide. You should print out the BRP from the above website, as well as the Emergency Procedures workbook, and have them with you as you work through this guide. They contain full sized versions of the tables introduced in this guide, with space to fill out your emergency response plans.

Small businesses across the country are all exposed to the threat of disasters and hazards like violent storms, wildfires and extreme weather events. More likely than these scenarios, your business could forfeit valuable data in a cyber-attack, be robbed, lose a major customer, or unexpectedly must operate without a key employee. Such disasters can occur with little or no warning. Being prepared can help your business limit the damage done and resume operations faster.

According to the Institute for Business and Home Safety, up to 25% of businesses don't reopen following a major disaster. FEMA has this number at nearly 40%. No one likes to think about disasters or losing key employees. However, when these events do happen, prepared businesses are better off. The goal of this guide is not to scare you with doomsday scenarios, but rather provide an opportunity for you to strengthen your business.

Both the federal and state governments recognize the necessity of disaster planning and have resources to help businesses prepare for and recover from disasters. Some planning is even required, as the Occupational Safety and Health Administration (OSHA) requires businesses to have written and oral emergency response plans. A framework for making your written plan can be found on the America's SBDC website in a document called, 'Emergency Procedures'.

The purpose of this guide is to be the starting point of the planning process, and to get you, the small business owner, thinking about how to best prepare your business for any potential disaster. This guidebook is designed to help you evaluate your business's goals and to plan how the fundamentals of your operations can be protected, maintained, and recovered when problems arise. It is difficult to prepare for every possible disaster, but the fundamentals presented in this guide can help you build a solid foundation for your business to stand on in case of a disaster.

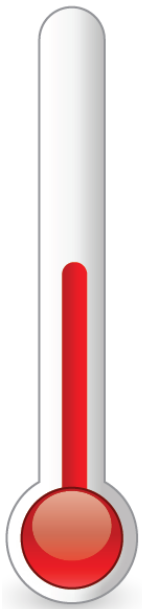
Using This Guide

The Business Resiliency Guide is arranged to follow a four-phase process, as displayed in the graphic below. In each section, blank tables are provided for you to fill in information your businesses unique information. This will be the base for your Business Resiliency Plan. Since every business faces different threats, your plan will be different from the plans of other businesses. Not every business has the same probabilities of experiencing a flood, fire, long-term power outage, or other event that would cause a disruption of a company's ability to conduct their normal course of business.

To maximize the utility of this booklet, it is important that throughout the process you honestly consider where your business currently stands in its various emergency preparation efforts and where it is vulnerable in these efforts. This guide and the America's SBDC website provide basic information, tools, emergency contacts, and other resources that will help you with the process of making a business resiliency plan that is tailored to your business.

Being prepared now will save you time and resources in the future

1. **Identify**	Identify key resources, employees, business functions, goals and threats.
2. **Plan**	Planning for the threats and impacts to the business functions as identified in Phase 1.
3. **Implement**	Take the necessary steps to implement the plan set forth in Phase 2.
4. **Recover**	Recovering strategies to return to normal business operations. As well as resources from the Small Business Administration.



Difficulty

Medium. You can do this!

If you hit a stumbling block along the way, reach out to us at a local Office. To locate your SBDC by state or zip code go to our website. www.AmericasSBDC.org

Fill in your local office information below:

Phone:
Email:
Website:
Advisor's Name:
Advisor's Contact:

Phase 1: Identify

Why do This?

A business needs to know what poses the greatest risks to their company, their critical business functions that need protection, and the resources needed to support those functions. Once this information has been identified, then an effective resiliency plan can be created.

Business Goals

Before anything else, let's start by looking at your business's goals and objectives. What are you looking to accomplish and improve upon with your business? Your goals likely give your business its direction and motivation. This direction and motivation are what drives businesses to grow. Protecting your businesses ability to grow is just as important as keeping it operational.
Write down some of these goals below; keep them in mind as you continue through this guide.

What are your goals that drive your business forward?

BUSINESS GOALS:

	Goals
E.g.	Expand manufacturing operations by buying new machines, new software, and new computers
1.	
2.	
3.	
4.	

NOTES:

Critical Business Functions

Critical business functions are unique to each business, without them your business cannot continue to operate. Some critical business functions are ***determined by what you need to keep your business operational.*** This is the starting point. You won't accomplish your goals if you do not have a business to accomplish them with! Some examples of critical business functions are machinery for production or Point of Sale systems.

Typically, these functions are:

1) An irreplaceable asset
2) Are most sensitive to downtime
3) Fulfill legal or financial obligations
4) Play a key role in maintaining your business's market share and reputation
5) Maintain cash flow

Other critical business functions could be ***determined by what resources you need to meet your company's goals.*** Whatever your mission, you have critical business functions that make it possible. Maybe you listed above that you have a goal to increase your productivity, expand your customer base, or add additional locations.

You may also want to identify the resources that allow your critical functions to operate. These resources should have backups, so in the case of an emergency your business can continue to operate as smoothly as possible. Backup resources should be readily available and stored in a place where they would be unaffected by the same situations that could affect your primary resources. In some cases, backing up a resource can be too costly, or simply not feasible. In these situations where you have no backup resource, it is important to plan how to get that resource up and running quickly following a disruption. This will help limit downtime and the impact of a disruption your business.

In the worksheet provided on the following page (example below) take the time to identify your critical business functions and the resources they use. There is section at the bottom of the table on the next page for you to make notes on any irreplaceable resources. We will address the impact of losing a critical function or supporting resource on page 12.

Below is an example of what should go into the next page's worksheet:

Critical Business Function	Supporting Resource(s)	Function of Resource	Backup Resource(s)
Machinery for Manufacturing	Employee	Employee has specialized training to use the machine	Trained 2 extra employees in case he/she gets sick or leaves
	Electricity	Allows us to run the machine	Backup generator
	Internet Connection	Allows processing of orders, tells how much our production should be	Certain employees can work from home with internet, our backup location has internet too

CRITICAL BUSINESS FUNCTIONS & RESOURCES:

Critical Business Function	Supporting Resource(s)	Function of Resource	Backup Resource(s)

Sometimes there is no backup resource you can use. What other steps can you take to limit problems or downtime when a critical business function does not operate as it should? E.g. if a key machine stops working, you could have a backlog of side projects already prepared for employees to work on until the machine is fixed. Perhaps an earlier model is in storage that, although it may operate at a lower production rate, it can be used until the primary machine is operating again.

**additional templates for this, and other tables shown in this guide, can be found on the Business Resiliency webpage at www.AmericasSBDC.org/protect-your-business*

Hazards

Emergencies and disasters, no matter how big or small, have the potential to disrupt critical business functions. If these functions come to a halt, your business will be unable to work properly, affecting its ability to assist customers, turn a profit, and can jeopardize the success of the business. This makes planning ways to limit the negative impact on a critical function's downtime crucial.

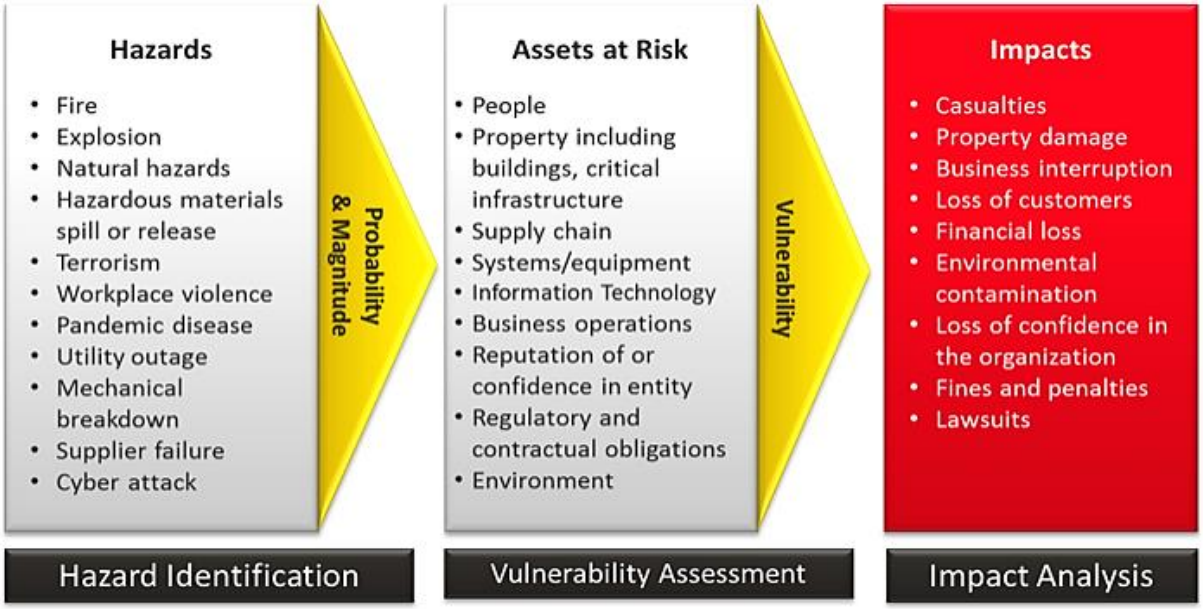
Identifying potential hazards to critical functions, along with assessing the severity and likeliness of those hazards, is the most important aspect of preparing for emergencies. Examples of potential hazards are an earthquake destroying your storefront, a wildfire damaging the supply chain, the death of a key manager, or a break-in.

Examples of Hazards:

-Fires
-Wildfires
-Floods
-Earthquakes
-Power Outage
-Lack of Access
-Landslides and Debris Flow
-Hurricanes
-Thunderstorms and Lightning
-Tornadoes
-Volcanoes
-Tsunamis
-Extreme Heat
-Winter Storms and Extreme Cold

-Medical Emergency
-Supplier/Distributor Failure
-Cyber Attack
-Loss of Key Employee
-Robbery
-Civil Disturbance
-Dam break
-Drought
-Transportation Accident
-Infrastructure Failure
-Arson
-Bomb Threat
-Workplace Violence

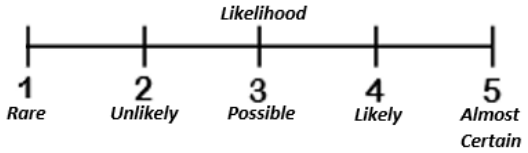
-Active Shooter
-Pandemic
-Blockage of Supply Chain (ex. mountain pass closed)
-Hazardous Materials Incidents
-Household Chemical Emergencies
-Nuclear Power Plant Emergencies
-Biological Threats
-Chemical Threats
-Nuclear Threats
-Nuclear Blasts
-Radiological Incident
-Explosion



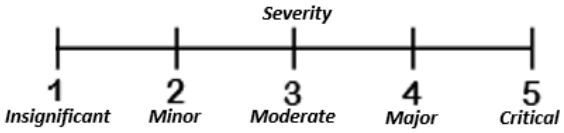
Impacts from natural disasters are ***highly dependent on location***. Researching common disasters in your businesses' region is the first step to pinpointing what emergencies are probable. Online, at the America's SBDC website, resources for various natural and non-environmental disasters can be found. As this booklet is general in nature, it cannot go in depth for each type of possible incident, but simply helps start the brainstorming process for probable emergencies. Some emergencies are harder to prepare for but acknowledging them and what effects they could have on your business can set a foundation to build on.

What are some of the hazards that your business faces?

The table on the next page is for identifying the different types of hazards your business faces. You can use the scales below to rate how likely a hazard is to occur, and how severe it would be. These numbers can then be used along with the risk matrix on the following page to determine which hazards your business is most exposed to. This can help you prioritize which threats to focus your limited resources on.



-***Rare***: Highly unlikely, but it may occur under exceptional circumstances. Less than once every 10 years.
-***Unlikely***: Not expected, but it could occur. There are no recent incidents. Has little means of occurring. Less than once every 2 years.
-***Possible***: Should occur at some time, but very infrequent. Has some reason or means of occurring. Less than twice per year.
-***Likely***: This will probably happen. There is a history of regular occurrences. It has considerable means of occurring. 2 to 5 times per year.
-***Almost Certain***: Very Likely. The event is expected to occur as there is a history of regular occurrences. Strong means of occurring. More than 5 times per year.



	Employee Safety	*Business Interruption*	*Reputation & Image*	*Business objectives*
-***Insignificant***	No or only minor personal injury; First Aid needed but no days lost	Negligible; critical functions unavailable for less than an hour	Negligible impact	Resolved in day-to-day management
-***Minor***	Minor injury; medical treatment & some days lost	Inconvenient; Critical functions unavailable for several hours	Adverse local media coverage only	Minor impact
-***Moderate***	Injury; Possible hospitalization & numerous days lost	Client dissatisfaction, Critical functions unavailable for less than 1 day	Adverse city media coverage	Significant impact

-Major	Serious Injury &/or long-term illness	Critical functions unavailable for one day or a series of prolonged outages	Adverse and extended national media coverage	Major impact
-Critical	Fatality(s) or permanent disability or ill-health	Critical functions unavailable for more than a day (at a crucial time)	Demand for government inquiry	Disastrous impact

Risk Matrix

Likelihood	1	2	3	4	5
5	Moderate	Moderate	Major	Critical	Critical
4	Minor	Moderate	Major	Major	Critical
3	Minor	Moderate	Moderate	Major	Major
2	Minor	Minor	Moderate	Moderate	Moderate
1	Minor	Minor	Minor	Minor	Moderate

Severity

-Minor: Acceptable, Unlikely to require specific application of resources, manage by routine procedures. Monitor and review.

-Moderate: Acceptable, Unlikely to cause damage and/or threaten efficiency. Manage by specific monitoring and response plans

-Major: Generally, not acceptable, likely to cause some damage or breach of controls. Management attention needed and management responsibility specified. Response plans need to be developed.

-Critical: Not acceptable, Likely to threaten the survival or continued effective functioning of the business. Immediate action required. Need a response plan.

HAZARD	How Likely? (1-5)	How Severe? (1-5)	Risk	NOTES
Wildfire	3	4	Major	Need to be ready for this one. Wildfires are possible in our area and very severe
HAZARD	**How Likely? (1-5)**	**How Severe? (1-5)**	**Risk**	**NOTES**

What are some of the risks that your suppliers and distributors face?

Depending on the location of suppliers and distribution centers, natural disasters could disrupt parts of your supply chain. Recognizing risks for supplying regions is equally important as identifying your own risks. How will your business get resources if your supply chain is compromised? What is your backup method of distribution? The first table below is for you to identify hazards for your suppliers and distributors, just like you did above for your own business. The second table below is for you to identify your backup suppliers and distributors. (Larger versions of these tables can be found in the Business Resiliency Plan)

Supplier Name	Resources Supplied	Threats They Face	How Likely? (1-5)	How Severe? (1-5)	Risk
Supplier 1, California	Widget Pieces	Earthquake	2	3	Moderate
		Tsunami	1	5	Moderate
		Wildfire	3	4	Major
Distributor Name	**Product Distributed**	**Threats They Face**	**How Likely? (1-5)**	**How Severe? (1-5)**	**Risk**

Backup Suppliers:
Company Name:
Address:

Phone: Fax: E-mail:

Contact Name: Account Number:

Materials/Service Provided:

Backup Distributors:
Company Name:
Address:

Phone: Fax: E-mail:

Contact Name: Account Number:

Materials/Service Provided:

Phase 2: Plan

Time to Plan

In Phase 1 you identified the goals of your business, critical business functions that enable those goals, and the hazards your business & supply chain is susceptible to. The next phase is to plan for when those hazards become a reality.

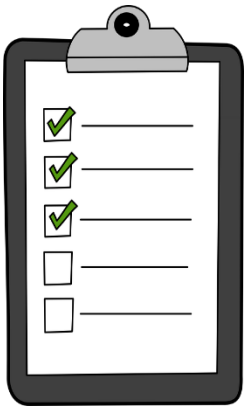
In order to create a business resiliency plan, a business impact analysis must be done. This analysis can determine the potential impacts of a disruption on your critical functions. Then we will walk you through emergency procedures, an emergency communications plan, and a business continuity plan. This is a crucial section, as thoughtful and careful planning can determine how well your business responds in a disaster.

Business Impact Analysis

The business impact analysis (BIA) is based on the risks you identified in Phase 1. It predicts consequences of the disruption of a business function, which provides a starting place for making recovery strategies. Part of the BIA is identifying impacts that result from disruptions. Impacts could be financially harming, hinder operations, hurt brand image, or sever your customer base.

Examples of impacts could be:

- Lost sales, income or employees
- Regulatory fines
- Increased expenses
- Customer dissatisfaction
- Loss of data
- Downtime
- Damages to buildings, machinery, or inventory



Time plays a major role in how a disruption can impact the business. A short disruption could have no noticeable difference in business operations, but a longer disruption, or one that requires a longer-term recovery could have sizable impacts. This is incorporated into the business impact analysis as the recovery time objective. It is the point in time when a critical business function or process must be recovered before unacceptable consequences begin to occur.

An example of a hazard is power outages, which are not an uncommon occurrence. Power outages occur during winter storms, windstorms, and even on a sunny day when you least expect it. What is the impact of such an incident? Depending on the type of business, a problem with electricity or other utilities could stop production, stall customer service, and/or halt a business function that requires the internet, etc. In this example, we determined there is an estimated financial impact of up to $7,000 if the power were to go out for one day. What would a power outage do to your business for a day? For a week? An example of what this impact would look like, when included in your plan, is on the next page.

If an unexpected hazard occurs, do you feel confident that your business will be able to respond if a critical function is affected? Using the table on the following page, you can list the hazards that you identified earlier on page 9. Possibilities could be a cyber-attack, the loss of a main supplier or customer,

or a major equipment malfunction, etc. (refer to the hazards you listed in phase one) Next, determine which critical business functions would be impacted, the recovery time objective, and the effect on both your operations and finances.

Hint: The Financial Impacts include both the money you need to pay to solve the problem, the money you would have made had the problems never occurred, and the money you pay for your employees to be idle. For example, a fire could cause damage to your store front beyond what your insurance covers. Beyond just the cost it would take to fix your storefront there are other costs. The revenue you could have generated had your store not been damaged is a cost.

It is important to remember disasters could have multiple effects. For example, an earthquake could affect sewage systems, knock out power city-wide, or affect the supply chain by damaging roadways. A winter storm could close mountain passes, making inbound or outbound shipping difficult.

BUSINESS IMPACT ANALYSIS:

Disaster	Business Functions Impacted	Resources Impacted	Recovery Time Objective	Operational Impacts	Financial Impacts
Power Outage	Production	Machinery	1 day	Production halted	$1,000(1 day) - $5,000(1 week)
	Communication	Computer Systems and Phones	1 day	Cannot take orders or contact customers	$500(1 day) - $2000(1 week)

NOTES:

Emergency Response Plans

Your emergency response plan is a set of objectives your business can use to combat the hazards you listed on the previous page in your business impact analysis. It is strategic plan of what your organization will do. Emergency response plans will be composition of procedures that are unique to your business. Two of these procedures could be a communications plan and a business continuity plan. Explanations of these two procedures as well as employee emergency procedures can be found on the following pages.

You will likely want an emergency response plan for the hazards you are most exposed to, as you identified on page 9. An example for wildfires is given below. This is just an example; your emergency response plans should be tailored to your business. A blank template for making emergency response plans can be found at the end of the Business Resiliency Plan. The America's SBDC website has resources that can help you form your plans.

Wildfire Emergency Response Plan

XYZ Company

Last Updated: July 7, 20XX **Next update:** January 7, 20XX

Person responsible for this plan: John Doe

Preparation:	**Person Responsible:**
1) Take pictures of rooms, areas, and equipment that could sustain damage. This will be for insurance purposes. Have these pictures stored digitally and as a hard copy so that we don't lose them in a fire. Update these pictures as needed. Completed by _John Doe_____ on _July 7, 20XX_	John Doe
2) Make our business's surrounding area defensible against fires. It should follow the guidelines posted at http://www.readyforwildfire.org/Defensible-Space/ Completed by _Samantha Doe_ on _July 7, 20XX_	Samantha Doe
3) Determine which direction wildfire is most likely to come from. Make sure we are especially prepared for defense in that direction. Completed by _Samantha Doe_ on _July 7, 20XX_	Samantha Doe

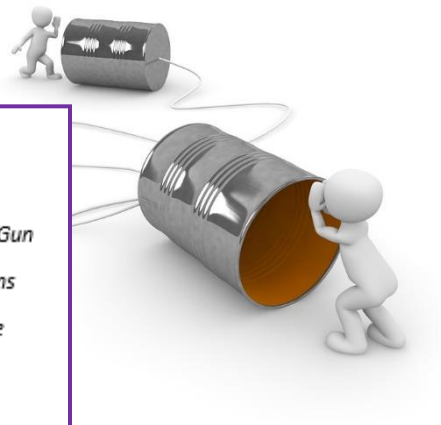
Action

1. Initiate our Communications Plan to let employees and others know about on coming wildfire and possible disturbances to business activity.
2. Initiate our emergency procedure for fires if we are in work hours.
3. Initiate our business continuity plan after the wildfire has safely passed.
4. Determine steps to recover to regular operations based on impacts of the wildfire.

Emergency Procedures

Emergency procedures are needed so employees know what they should do if an emergency were to take place during work hours. Emergency procedures could be for fires, high winds, earthquakes, chemical spills, an active shooter or terrorist act. Below is a checklist that you can use to see what plans you already have created. This is not an exhaustive list, but rather meant to get the ball rolling. If you already have emergency procedures, this would be a good opportunity to look through them and make sure they are up to date. An emergency procedure is typically designed to be a step by step guide that every employee can easily follow when they are faced with an emergency. The America's SBDC website has resources that can help you make your procedures, as well as a booklet of example procedures.

> Emergency Procedures should be posted somewhere in the office, where employees can easily find them.



- ☐ *Fire*
- ☐ *Earthquake*
- ☐ *Power Outage*
- ☐ *Bomb/Explosion*
- ☐ *Medical Emergencies*
- ☐ *Person with Weapon or Gun*
- ☐ *Workplace Violence*
- ☐ *Thunder/Lightning Storms*
- ☐ *Chemical Spill/Fire*
- ☐ *Flooding/Water Damage*
- ☐ *Threats, Bomb Threats, and Suspicious Objects*
- ☐ *Biohazards*
- ☐ *Other??*

Emergency Communication Plan

In the event of any emergency a communication plan is critical for coordinating between employees, distributors, customers and other important business personnel. An emergency communication plan should communicate to all your business's contacts to answer their specific questions, preserve the image of the business, and coordinate any business operations during and post-incident.

The plan should effectively reach all contacts and tailor each message to the specific need of that audience. A customer may want to know something different than the government or emergency personnel. Be prepared to answer how the incident or emergency will affect each contact. For the communications plan to stay useful, up-to-date contact information is needed. An effective communications plan should be ***able to communicate through several different channels***.

In the event of an emergency; cellular and internet service may be down. Because of this, you may wish to consider distributing a hard copy of your communication plan to your staff, thus ensuring your plan can still be carried out. Like emergency procedures, this hard copy should be readily accessible to all employees. There should be employees who are specifically responsible for this plan, so that in the event of an emergency it is not forgotten.

> Tip: Social media accounts are a good way of reaching a large amount of people if the internet is still available.

The communications plan should not only communicate to your employees, but to your broader community which includes business partners, suppliers, and distributors, so that they feel confident in your ability to handle the situation. What is your emergency communication plan? How will you contact your customers, suppliers, distributors, etc.? Who oversees implementing this plan?

Name	Role	Phone & Address

Methods of communication (Cell phone, social media, person-to-person)		
Method	**Person Responsible**	**Notes**
Cell Phone	Samantha Doe	We will try to contact all the above people at their cell phone number If they don't respond we will leave a message.

Business Continuity Plan

Once you have conducted the business impact analysis, you have the necessary information to start working on a business continuity plan. The business continuity plan is meant to smooth out the negative impacts of disruptions on business functions following a disaster, as you identified in the business impact analysis. In perfect execution, following a business continuity plan should allow you to respond in a manner that will minimize impact. The business continuity plan can provide a bridge between short term operations following a disaster and long-term recovery, as discussed on page 21.

The business continuity plan starts with a section similar to the business impact analysis. You will fill in your critical functions, the staff in charge, resources needed, and backup resources. Remember from earlier that backup resources should be readily available and stored in a place where they would be

unaffected by the same situations that could affect your primary resources. In the example given backup raw materials are stored offsite in a storage facility. These resources should still be safe if there was a fire that burned the primary raw materials.

Backup resources could also be your already established secondary or tertiary source of materials should your primary source's ability to ship product be compromised. Keep in mind that your primary sources' other customers will also be scrambling to find alternate suppliers. By having an established business relationship with already identified alternate suppliers may give you an edge over your competitors.

The second part of the continuity plan will be identifying a backup location to run your business if your primary offices are compromised. Just like your backup resources you will likely want this location to be somewhere that typically would not be impacted. If an earthquake hit your town and your backup location was close to your primary location, both could be compromised.

The next part of the continuity plan will be copying down your communication plan and backup suppliers/distributors. You should have already done these charts in previous sections of this guide. The last step of the continuity plan will be filling in the 'how to use' box. This will lay out your businesses step by step process for following the business continuity plan.

Below, and on the following page is an example Business Continuity Plan. A blank version with space for you to fill out can be found on the America's SBDC website in the workbook titled Business Resiliency Plan.

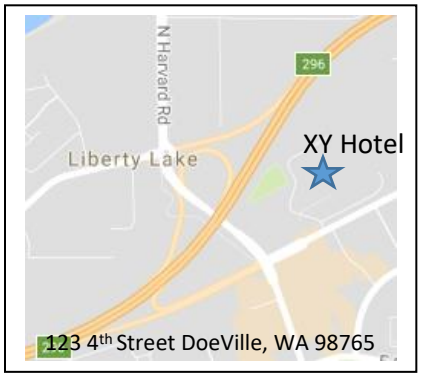
Business Continuity Plan

These are the critical business functions we need to run our business:

Critical Function	Recovery Time Objective	Staff In Charge	Resources Needed	Backup Resources
Production of Widgets	1 day	Jerry Doe 123-456-7890 Jerrydoe@xmail	Widget Machine	Have our old machine in our storage facility
			Raw Materials	Have enough materials for one week of production stored in storage facility
Communication	1 hour	Samantha Doe 098-765-4321 Samanthadoe@xmail	Landline Phones	We can use cell phones
			Email	If internet is down, we can call people

Business Continuity Plan (continued)

This is our backup location we will use if our primary offices are compromised:



**your map with locations marked*

Backup Location: XY Hotel

Address: 123 4th Street DoeVille, WA 98765

Phone number: 143-143-1433

Person Responsible for Contacting: Billy

If an emergency takes place, we will contact the following people:

A copy of your emergency communications plan you made earlier will go here

If our primary supplier of distributor is compromised will contact our backups.

Your backup supplier and distributor information you filled out earlier will go here.

How to Use:

1) We will first identify if our primary location is usable. *Person Responsible: Billy*

2) Continuity team will meet at primary location if usable, at the backup location if unusable. *People involved: Samantha, Craig, Joe, and Billy*

3) We will contact each person in charge of critical business functions. They will identify if the critical function is still working and initiate a backup if needed. *Person Responsible: Joe*

5) Initiate our emergency communications plan. *Person Responsible: Samantha and Craig*

6) If it is determined that our primary supplier or distributor is compromised we will contact our backup.

7) Decide what the next step for our business is based on the disaster and impacts.

Preventative Measures

Being proactive is the best thing your business can do to prepare for disasters. Preventative measures can sometimes stop, or mitigate, the harmful effects of a disaster on your business, making it so you never have to use your business continuity plan, or recovery plans. Preventative measures should be in place for the hazards you are most exposed to, as you identified on page 9. For example, if your business is in a common wildfire area, such as much of central and eastern Washington, you should make your area defensible against wildfires far before one ever occurs. You should be proactive in preparing your building, business operations, and employees, in order to minimize damage. By doing this, you will minimize recovery time and save money. The hazards to the health and safety of your employees should be addressed foremost.

One hazard to be considered is long term lack of access to your business. This could be caused by infrastructure failure nearby, road construction, or any sort of natural disaster in your area. If consumers can't get to your place of business for some reason, do you have another means of getting your product/service to them? If you do not, are they likely go to a competitor who can provide for their needs with less inconvenience? Could you list your products online or offer delivery? Considering multiple means of delivering goods/services to customers is a great preparation step for many hazards.

What are some proactive preventative measures your business could take to mitigate risk?

Hazard	Preventative Measures
Wildfires	-Make our business area defensible against wildfires according to FEMA standards. -Help neighbors become defensible so that fire does not spread into our area -Keep up to date on wildfires in our area, in order to have time to possible remove important equipment from endangered areas

Phase 3: Implement

And…. Action

The next step is implementing your recovery and preventative plans from Phase 2. Implementing procedures and safety measures that will help prevent or prepare for future disasters is critical to minimizing the effect on any business operations and ensuring the safety of your customers and employees. Simply having a plan is extremely beneficial, but even the best plans are useless unless implemented and practiced.

Risk Management

Every business faces risk, whether internal or external. According to the Small Business Administration, risk management is important in order to create stability for your business. Minimized risk will lead to better cash flow and stability which leads to good credit and longevity. Looking back at the hazards that you identified on page 9, which risks are the most severe and likely to happen? By prioritizing these risks, and planning how to respond to them, you can minimize and control the impacts that your business will face. Communicating risks to managers, training and practicing plans with employees, staying aware of changes in the community, and having insurance that is specific to each risk, are all good practices for risk management. Insurance, as discussed on page 21, is a way to mitigate your exposure to risk. Good insurance isn't free, but by having strong risk management you can lower your insurance premiums making risk management a money saver instead of a money drain.

Training

Emergency procedures in the event of disasters, such as a fire or earthquake, should be clearly outlined and practiced with all new and existing employees. This training could be included in new employee orientation in order to bring it even further into the company culture. FEMA states that all employees should be trained in 1) protective actions for life safety (evacuation, shelter, lockdown, etc.), and 2) safety, security, and loss prevention programs. It is likely that some employees will have special responsibilities in emergency situations. For example, a floor leader could be responsible for getting their area evacuated, or someone designated to be trained in first aid could have to provide CPR in a medical emergency. Employees with these special responsibilities need to be especially aware of what they should be doing.

Testing and Exercises

Training employees on plans and procedures goes hand in hand with testing. Tests should include all employees. The purpose of testing is to ensure that the business resilience plan and continuity plan is effective and gives individual employee's confidence and understanding of the plan. Testing will also show any weaknesses that need to be addressed, and any improvements that could be made.

The business impact analysis you performed earlier is a good place to start with testing. You and your employees should test the disasters most likely to hit your business by simulating one or more identified critical functions being compromised. You will want to fine tune your process until you can get functions up and running within your defined recovery time objective. It would be good to be able to get these functions up and going faster than your recovery time objective during these simulations. This will help provide buffer time during an emergency in case everything doesn't go according to plan. A successful test should show that your business could continue functioning even if a critical business function had downtime. Any gaps in your plans found during testing should be addressed and revised.

The Business Resiliency Plan should be reassessed and updated periodically. Your business changes over time and so should your plan.

Allocation of Resources

Earlier you identified the resources needed to support your business functions. It is critical to have these necessary resources to continue business operations after a disaster. Examples include raw materials, energy, or vital records. The resources that are most important to your business and the resources that are most exposed to hazards should be prioritized. These resources should be backed up first to ensure your business is prepared. It is likely that all resources can't be replaced right away after a disaster. By prioritizing important resources, you can help to make sure the most important resources will be available. The backup resources you have should be stored in a place where they would not be affected by the same situations as your primary resources. For example, vital records backups could be stored on a cloud server in case your hardware malfunctions.

Phase 4: Recover

Now What?

You developed your plans, and everyone understood and practiced their roles. When the worst happens, and a natural disaster affects your location, you have a plan to put in place. You know the status of your employees' safety, and you have a head start in getting your business up and running. So here we are post disaster, what do you do? Your response and recovery will vary depending on the degree of the disaster or disruption.

Recovery Strategies

Your recovery process will likely be different for each disaster you could face. The disaster may have affected a key supplier, or one of your largest customers. Disruptions may affect different business functions and different resources. By having a general recovery strategy you can work to get back to normal operations as quickly as possible. A key part of recovery will be following your business continuity plan. While following the business continuity plan your business might use backup resources to sustain operations, or you may be operating at an alternate facility. The goal of recovery should be to get off backup resources and to return to your regular office functionality. The strategies you make for your recovery should be in line with the recovery time objectives you made for each critical function. These recovery time objectives could be greatly affected if your primary offices are compromised for a long period of time. Having a strong backup location with the resources needed to continue operations

is essential to recovery. Ready.gov gives a detailed description of recovery strategies. The last page of this guide has the link to this resource, as well as other helpful resources.

Following a disaster, it is a good idea to review the process your business followed. Maybe there was some preventative measures you could have taken, or better steps you could have added to your emergency response plans. You can now make those changes in order to strengthen your business and reduce your exposure to the next disaster.

Insurance

Insurance is a key part of this recovery process. If you have the right coverage, it can cover the expenses you would incur from any damages experienced in the disruption. This can help you re-establish access to resources and resume regular operations. During the creation of this Business Resiliency Plan is a good time to review your insurance and check what it covers. Your insurance will ideally cover the disasters or disturbances most common in your area. This can also serve as an opportunity to re-evaluate the size of your policy. Your business has likely grown since you bought your initial coverage, or perhaps you've downsized. A good practice to start would be taking photos of everything in your office, so that in the event of an emergency you have proof of what was damaged. These photos should be securely stored away from your offices and periodically updated. The America's SBDC website has resources pertaining to insurance after a disaster. If recovery funds beyond your insurance coverage are needed you may qualify for a Small Business Administration (SBA) loan specifically designed for post-disaster recovery.

SBA Disaster Assistance

If there has been extensive damage done and assistance beyond what your insurance covers is needed, the SBA has two types of disaster assistance loans, among other resources to help businesses recover. The two types of disaster loans are the Physical Disaster Loan, and the Economic Injury Disaster Loan. The Physical Disaster Loan has both a home and a business aspect to it but does not cover anything that is already insured or underinsured. The Physical Disaster Loan is used to repair or replace real property, machinery, equipment, fixtures, and inventory or leasehold improvements. The Economic Injury Disaster Loan (EIDL) offers businesses in a declared disaster zone the working capital necessary to cover operating expenses until normal business operations resume. EIDL assistance is only offered to small businesses who could not otherwise get any credit.

Following a disaster, if you wish to apply for a Disaster Recovery Loan, you must first register with FEMA. There are a series of processes that must take place between FEMA, your State, and the SBA before the primary Disaster Recovery Loan agency is determined. In some disasters it may be FEMA, in others it may be the SBA. If your insurance, and funding from the Federal Emergency Management Agency (FEMA), doesn't fully cover the disaster assistance you need, you can use SBA disaster loans for several purposes.

More information on SBA Disaster Recovery Loans, and the application process, can be found at the SBA website:

https://www.sba.gov/funding-programs/disaster-assistance

The next page has a table with different SBA disaster assistance programs and their descriptions.

Disaster Assistance	Description
Disaster and Economic Injury Loans	
Home and Property Disaster Loans	Renters and homeowners alike may borrow up to $40,000 to repair or replace clothing, furniture, cars, appliances, etc. damaged or destroyed in the disaster. Homeowners may apply for up to $200,000 to repair or replace their primary residence to its pre-disaster condition.
Disaster Assistance Loans	SBA provides low interest disaster loans to homeowners, renters, businesses of all sizes and private, nonprofit organizations to repair or replace real estate, personal property, machinery and equipment, inventory and business assets that have been damaged or destroyed in a declared disaster.
Economic Injury Loans	If your small business or private, nonprofit organization has suffered economic injury, regardless of physical damage, and is located in a declared disaster area, you may be eligible for financial assistance from the U.S. Small Business Administration.
Military Reservist Economic Injury Disaster Loans	Provides funds to eligible small businesses to meet their ordinary and necessary operating expenses that they were unable to meet due to an essential employee being “called0up” to active duty in their role as a military reservist
Farm Emergency Loans	Offers emergency loans to help producers recover from production and physical losses due to drought, flooding, other natural disasters, or quarantine.
Employment Assistance	
Disaster Unemployment Assistance	Supplies information on financial assistance for self-employed individuals who have lost their jobs due to federally declared disasters
Midwest Flood Recovery Assistance	Covers National Emergency Grants for temporarily employing displaced workers.
Tax Relief Assistance	
Federal Tax Relief for Individuals and Businesses	Lists tips and resources to help individuals and businesses located in federally declared disaster areas.
Disaster Losses Kit for Businesses	Provides tax information for claiming unreimbursed casualty losses on property that was destroyed by a natural disaster.

Conclusion

The goal of this Business Resiliency Guide was to get the ball rolling for your business's disaster and emergency preparedness. It is important to be aware of potential hazards to your business and be prepared before they even happen. Many of the disasters covered in this guide can happen with no warning, such as an earthquake, but you can reduce the negative impacts of disasters on your business through preparedness. We hope that this planning process will not simply be a one-time exercise, rather it should be a continually improving process. Plans should be regularly reviewed and updated to keep them useful to your business as it changes. Training and practicing with your employees are essential to giving emergency plans their utility. If employees are not aware of emergency procedures or are not trained to follow the procedures, the plans you've made are useless.

We hope you've found this guide helpful, and that you use it in the way that best helps your business. Please contact your local SBDC office if you have any questions about this guide.

Find your local office and contact information at: https://AmericasSBDC.org/find-your-sbdc/

We wish you the best, as you move forward with your business resiliency planning.

"It wasn't raining when Noah built the ark." -Howard Ruff

Helpful Resources

**some of the below links may change with time, make sure to check and update the links at least annually.*

The America's SBDC website has resources that can help your business with Disaster planning and recovery. These resources can be found at www.AmericasSBDC.org/protect-your-business These resources are helpful for hazard identification, risk assessment, and preparation for hazards. The last pages of this guide are devoted to resources you may find helpful in your efforts of creating a business resiliency plan with a notes section to update changed URL's or add new resources.

FEMA has local Disaster Recovery Centers that can help with local needs, especially if your area has already declared for individual assistance. You can find contacts for these centers at the below link: https://www.disasterassistance.gov/

FEMA also has checklists and toolkits that could be helpful in assessing if your business is ready for emergency.
https://www.fema.gov/preparedness-checklists-toolkits

The US Small Business Administration (SBA) has many resources on emergency preparedness. They have checklists for specific disasters, information on financial assistance, disaster cleanup, and more.
https://www.sba.gov/business-guide/manage-your-business/prepare-emergencies#section-header-0

In the case of Pandemic, Chemical Emergency, or a similar situation the Center for Disease Control (CDC) could become an important resource for your business, especially for the health of your employees. Though not specific to business, their emergency preparedness resources could prove helpful.
https://www.cdc.gov/

The Washington State Government has an extensive Emergency Resource Guide, co-developed by the Washington Military Department and the Washington State Department of Health. Their guide covers personal preparedness, prevention, terrorism, biological agents, emergencies in the community, in the home, and nature/weather. Prevention, preparation, and action steps are listed for each disaster.

http://www.doh.wa.gov/Portals/1/Documents/Pubs/821-001_ResourceGuide.pdf

The Washington State Government website has a section devoted to preparedness for business. This section covers some of the important concepts utilized in this guide. These are hazard identification, risk assessment, conducting a business impact analysis, creating a business continuity plan, reviewing insurance, recovery, and much more. The links provided on the Washington State Government website can help serve to assist you in filling out the tables in the Business Resilience Plan and expand your knowledge of business resilience.

https://mil.wa.gov/emergency-management-division/preparedness/businesses

Ready.gov is a great resource for businesses seeking to become more resilient, especially for business continuity and recovery. A concept they cover well is the creation of manual workarounds. Manual workarounds are recovery strategies for when IT resources are down. This webpage also includes in depth resources for business continuity planning beyond what is covered in this guide.

https://www.ready.gov/business/implementation/continuity

Fill in your own links below for State, City, and County resources pertinent to your business. Examples could be State Dept of Emergency management, Dept of Health, Commerce, Agriculture, County Health, County Emergency Operations, City or Regional Health Authority etc.

Resource	Link

Grow with Google

Connect with Customers and Manage Your Business Remotely

As our communities navigate this time of uncertainty, we know this is a uniquely challenging time for small business owners. To help, we've gathered some useful resources and Google tools to help you update critical business information online to keep customers informed, host virtual meetings and events, and access documents from anywhere.

Google My Business
shows your business hours and contact info on Google Search and Maps. Update hours and mark 'temporarily closed' if applicable, so your customers are informed.
google.com/business

Hangouts
lets you have virtual video calls from anywhere. You can schedule client consultations, host online classes, and brainstorm ideas with your team.
hangouts.google.com

Google Drive
allows you to access your business documents on any device. You can share files with team members or individuals and collaborate in real time to stay productive remotely.
drive.google.com

For additional resources check out

google.com/grow
grow.google/remotework
g.co/smallbusiness
smallbusiness.withgoogle.com/news
g.co/covid19/adcredits
g.co/growmystore
g.co/virtualeventsguide
g.co/primer/fromhome

Grow with Google

6 ways to update your business profile on google.com/business

1 **Edit business description:** You can use the business description area to update your customers with any major changes in your business operations. Here's an example of what you can write:

"Due to the precautions being taken for COVID-19, we have temporarily closed our business. Please visit our online store to order products and see our delivery options. Thank you for your understanding."

2 **Mark business temporarily closed:** You can mark your business 'temporarily closed' if needed, to keep your customers up to date. Navigate to the Info section in the menu.

3 **Update hours:** If your general business hours have changed, update your hours by making any adjustment to the days and times you're in operation. Simply go to google.com/business, select your business profile, and navigate to Info.

4 **Publish posts:** Posts allow you to provide live updates directly on your Business Profile. You can communicate news, share info, encourage gift card purchases, promote your online store, and more. Simply go to the menu and click on Posts. Here's an example of a post you can publish:

"Consider ordering a gift certificate to support our small business."

5 **Turn on messaging:** Messaging allows you to connect with your customers in real-time. Responding to customers can help you answer their questions and share any critical business updates. Click on Messaging in the menu.

6 **Add managers to help:** You can add additional managers to help you monitor your business profile. To do so, simply click on Users in the menu.

Checklist for Managing Your Business Remotely:

- [ ] Update Google My Business info
- [ ] Modify or pause ads
- [ ] Update website info
- [ ] Use Hangouts for virtual meetings
- [ ] Update Gmail vacation responder with FAQs
- [ ] Store and update files in Drive

Notes

TO LOCATE THE SBDC NEAR YOU:

www.AmericasSBDC.org

America's SBDC represents America's nationwide network of Small Business Development Centers (SBDCs)—the most comprehensive small business assistance network in the United States and its territories.

SBDCs are hosted by leading universities, colleges, state economic development agencies and private partners, and funded in part by the United States Congress through a partnership with the U.S. Small Business Administration.

There are nearly 1,000 local centers available to provide no-cost business consulting and low-cost training to new and existing businesses. Small business owners and aspiring entrepreneurs can go to their local SBDCs for FREE face-to-face business consulting and at-cost training on a variety of topics. Learn more about how SBDCs are helping local businesses start, grow and thrive.

AMERICA'S SBDC® IN PARTNERSHIP WITH SBA

AMERICA'S SBDC® WASHINGTON

WASHINGTON STATE UNIVERSITY

Curated by the Washington Small Business Development Center, hosted statewide by Washington State University.

The contents of this workbook were compiled from multiple sources including, but not limited to, Department of Homeland Security, Occupational Safety and Health Administration, U.S. Environmental Protection Agency, National Institute of Standards and Technology, U.S. Small Business Administration, and DisasterAssistance.gov.