

An estimated **25%** of small businesses do not re-open following severe disruptions from a major disaster.<sup>1</sup>

The California SBDC has teamed up with the California Seismic Safety Commission to answer the question: How can California Small Business owners prepare for and recover from a major disaster?

For more information, Visit:  
[CaliforniaSBDC.org](http://CaliforniaSBDC.org)



California Seismic Safety Commission

[www.seismic.ca.gov](http://www.seismic.ca.gov)

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California Small Business Development Centers

[www.californiasbdc.org](http://www.californiasbdc.org)

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# Small Business Disaster Preparation Tips

A list of “Before” and “After” tips for California small business owners taken from those involved in recovery efforts from Katrina and Super Storm Sandy.



<sup>1</sup> Source: (3/2012) Deloitte Consulting, LLP, California Seismic Safety Commission Post-Disaster Rapid Economic Recovery Plan Project



## Before

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### Family First

You can't run a business if you're worried about your family at home. Make your personal preparations first, and encourage your employees to do the same.

### Make a Plan

Write out your plan, make it detailed, and practice it with your employees. Prepare to shelter your employees at your place of business if a disaster were to occur during business hours. Use the Red Cross' "Ready Rating" system to help- [www.readyrating.org](http://www.readyrating.org) and visit California "My Hazards" website to find out what type of disasters your area is prone to: [www.myhazards.calema.ca.gov](http://www.myhazards.calema.ca.gov)

### Know Your Resources

Take the time to understand the basics of how your community will react to a major disaster. Check out these website regarding federal resources for small businesses:

- SBA Disaster Planning:  
<http://www.sba.gov/content/disaster-planning>
- FEMA Small Business Toolkit:  
<http://www.fema.gov/small-business-toolkit>

### Know Your Insurance

The biggest challenge you could have post disaster is getting reimbursed. Make sure details are worked out beforehand and that you have a good working relationship with your insurance company.

### Backup Your Data

Make sure you have access to the types of documents you will need on hand to secure a loan should your business be interrupted or destroyed due to a disaster. Also, make sure you have access to all your employee and key customer's contact information.

### Know Your Vendors' Plans

Work with your vendors and discuss their disaster plans as well. Coordinate with them to incorporate their answers into your plan.

### Cash is King

Make it a point to keep a % of operating needs in a separate bank account, or multiple accounts, with a national bank.

## After

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### Stay Healthy

Don't get too stressed or over expose yourself to health or physical dangers trying to recover your business. If you aren't healthy, then you have little chance of reopening.

### Pause Before Reopening

Don't necessarily try to immediately reopen your exact business after a disaster. Research the new market place as if you were opening for the first time. Is your business still viable? Is your customer base still present?

### Take Care of Your Employees

Try your best to do right by your employees, but know there is help for them should they need it. They can apply for Disaster Unemployment assistance should you not be able to make payroll.

[www.edd.ca.gov/unemployment/Disaster\\_Unemployment\\_Assistance](http://www.edd.ca.gov/unemployment/Disaster_Unemployment_Assistance)

### Communicate with Customers

Make sure your customers know what's happening with your business and your plan for recovery. Transparency is the best practice. And consider using media such as Facebook, twitter, and email to communicate as well.

### SBA Recovery Loans

An SBA Disaster Response team will be on site for small business loan assistance. You could be eligible for a business loan to help reopen. SBA loans are made up to \$2 million and range from 4% to 8%. [www.sba.gov/content/disaster-assistance](http://www.sba.gov/content/disaster-assistance)

### Tax Relief

The IRS most likely will push back the date for all filings, payments, obligations, etc. And they will allow you to deduct any business losses not covered by insurance or other reimbursements in either this year's or last year's tax returns.

[www.irs.gov/uac/Tax-Relief-in-Disaster-Situations](http://www.irs.gov/uac/Tax-Relief-in-Disaster-Situations)

