Experts advise businesses to develop disaster plans

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With a busy hurricane season looming, businesses should not wait any longer to develop or review their disaster plans, insurance and financial industry experts say.

Advance planning can be the difference between recovery and failure after a hurricane or other natural disaster, said Ted Mason, managing director of LaPorte Sehrt Romig Hand, certified public accountants in New Orleans.

Hurricanes Katrina and Rita taught Louisiana companies some hard lessons, and companies should include the procedures that worked last year, Mason said. For example, the Internet allowed firms to conduct business and communicate with workers and clients.

Some companies also found out their business files, records and data needed better protection, he added.

Mason and the Institute for Business and Home Safety recommend a disaster plan include:

- An alternative physical site for the business in case the current building is damaged or destroyed. Options to consider include temporarily combining offices, if a business has more than one location or arranging for “safe space” in another state or on higher ground.
- A disaster team of key executives and managers with specific assigned responsibilities during a disaster. Teams may consist of a key executive, division heads, human resources representatives, technology officers and communications specialists.
- Selecting key disaster team members who will remain behind or close to the disaster area. These employees will be responsible for the initial recovery efforts.
- Determining what parts of the business need to be operational as soon as possible following a disaster and planning how to resume those operations.
- Procedures for the transfer of enough operating and payroll funds to continue operating in a temporary site for at least three months. Contingency plans for making salary payments to employees, and plans to continue paying salaries and benefits.
- Evaluation of current insurance policies and coverage: property, flood and business interruption.
- Policies for identifying and safeguarding or moving critical equipment, inventory or supplies before the storm strikes.
- A plan for getting information out to employees, customers, suppliers and the public during and after the disaster.
• Computer system back-up and transport of external drives/tapes/CDs to a secure place.

For more information on preparing for a disaster, go to www.ibhs.org or call toll-free at (866) 657-4247; www.iii.org; or www.laporte.com