Chapter III: Disaster Preparation Measures - Building Capacity for Recovery

Since all communities are vulnerable to some form of disaster or emergency situation; they should prepare to protect their local economies from the effects of a disaster. It is therefore critical that economic development organizations develop their own capacity to respond to and recover from a disaster. Local governments will put emergency management plans into action after a crisis that are likely to have a direct impact on business recovery, such as community re-entry, access to property, cleanup activity, etc. Therefore, the business community should be aware of these emergency management response plans in advance of a major incident.



Business continuity is the process of planning and engaging in preparedness activities that centre on enhancing business resilience to a major emergency or disaster. This includes establishing recovery strategies for critical business functions and making contingency plans. Business continuity should equip businesses with the defenses needed to survive threats, emergencies or disasters.

EDOs must make preparations ahead of time to ensure that it can continue operations, stay in touch with local businesses after any type of major incident, and establish an effective plan for disaster response and recovery. There are a few critical actions your organization should take to ensure you adequately serve your local business community. Even small actions taken in advance will put your community in a better position to respond to a disaster and shorten your community's recovery time. This may also involve creating a business continuity plan for your EDO or chamber.

Identifying Critical Business Functions

Immediately following a disaster, EDO's are likely to be operating at reduced capacity. Any number of factors could affect operations, such as displaced staff, damaged facilities, reduced operational funds, and/ or utility outages. These organizations will still need to respond to the immense post-disaster economic recovery needs in their community. In order to do this, EDO's need to understand the critical business operations to rely on internally in order to be useful in assisting the community.

Identifying critical business functions is integral in resuming operations following a disaster. The steps in the following "Identifying Critical Business Functions" text box above will walk you through identifying the most critical functions in your organization. You may consider your critical functions as those activities that are vital to your organization's survival and to the resumption of business operations. Typically, the critical business functions are those functions that:

- Are most sensitive to downtime
- (2) Fulfill legal or financial obligations to maintain cash flow
- (3) Have a key role in maintaining your business' market share and reputation, and/or
- (4) Safeguard an irreplaceable asset

Keep in mind, the process of identifying your critical business functions should work in conjunction with a risk assessment analysis you should also perform.

The Insurance Institute for Business and Home Safety (IBHS) has developed the OFB-EZ™, which is a new streamlined business continuity program for small businesses. It is a user-friendly tool designed to help them quickly re-open and resume operations following a disaster. A copy of the tool can be found in Appendix 1. Additional information on the Open for Business-EZ tool and other business continuity resources are available on the website for the Institute for Business and Home Safety at disastersafety.org; most of these are U.S. based resources.

IBHS Checklist for Identifying Critical Business Functions

Steps

- Identify the critical and time-sensitive business functions of your organization.
- Classify these critical business functions into the following categories: high (most severe), medium and low (least severe).
- How much downtime can I tolerate for each business function?
- Which business functions are necessary to fulfill my legal and financial obligations?
- Which business functions are essential to maintain my market share and reputation?
- Complete the Critical Business Functions Chart with each critical business function (Note: A PDF form for identifying critical business functions is available from https://www.disastersafety.org/wp-content/uploads/4 Business Function.pdf)

Considerations when Determining Criticality of a Function

- Reference the following considerations when determining the criticality of each business function
 - o What is my organization's core business?
 - o What would the consequences be if I lost or did not have access to my:
 - Facilities/buildings
 - Contents/inventory
 - People (employees or customers)
 - Vital records
 - Equipment
 - Utilities
 - Support Systems (e.g. computers, networks, communications, transportation)
 - Suppliers

Source: Adapted from IBHS' Open for Business Toolkit for the Small to Mid-Sized Businesses.

For a more comprehensive business continuity toolkit, download the Open for Business (OFB)® Basic Toolkit at www.disastersafety.org. It provides 50 pages of content and forms to help make sure small and midsized businesses are prepared to withstand the effects of natural and human-caused disasters.

Understand and Adjust Your Insurance Plan

Your organization should review its insurance plan annually to make sure you have appropriate coverage in terms of replacement costs for the business and business interruption insurance for different types of hazards. Here are several questions that should be a part of that review:

 Are you located in an area that is particularly vulnerable to specific hazards such as flooding, tornadoes, forest fires, earthquakes or hurricanes?

You should be aware of what your insurance will and will not cover. Too many organizations are underinsured because of a lack of knowledge about their insurance policy.

• Do you need to buy additional insurance coverage?

Most commercial property insurance does not cover flood or windstorm damage. Overland flood insurance is available for businesses excluding those operating out of the home. It is the responsibility of businesses to confirm and understand their insurance coverage.

Are you shopping around for more affordable insurance?

Beware of companies that offer a 'low-ball' bid where the quote comes in 20 to 50 percent less than prevailing rates. This type of bid translates into either stripped-down service or a rate increase when the insurance policy comes up for renewal.

• Has your organization grown in recent years?

If so, you'll need to review the liabilities for your organization in terms of expanded equipment or operations. Are you covered for sufficient amounts to either rebuild the structure of your operations or replace fixtures at current replacement prices? After a disaster, your organization will not be in a position to shop around for good prices, as supplies will be short. It is wiser to overestimate replacement costs. Talk to your insurance agent about recent business changes and if you may need to adjust your coverage limits appropriately.

OFB-EZ™ -Business Continuity Planning Toolkit

OFB-EZTM is a free toolkit designed to help even the smallest businesses focus on planning for any type of business interruption. OFB-EZ is available as a downloadable Adobe Acrobat (.pdf) toolkit and as individual module forms in both Adobe Acrobat (.pdf) and Word formats (links below) that can be filled in and printed for safekeeping.

The OFB-EZTM covers the following:

- Know Your Risks
- Know Your Operation
- Know Your Employees
- Know Your Key Customers, Contacts, Suppliers and Vendors
- Know Your Information Technology
- Know Your Finances
- Know When to Update Your Plan
- Know When to Test Your Plan
- Table Top Exercise: Power Outage Scenario
- Know Where to Go for Help

Note: The OFB-EZTM Toolkit is available for download as a pdf at http://www.disastersafety.org/disastersafety.org/disastersafety/ofb-ez-individual-forms/.



Case Study: Disaster Preparation for EDOs in Joplin, Missouri

A catastrophic, EF-5 tornado with wind speeds of up to 300 mph tore a path roughly one mile wide through the southern part of Joplin, Missouri on May 22, 2011. It caused the tragic loss of 161 people and demolished 8,000 buildings (one-third of the city), including 530 places of employment. Two years later, approximately 449 businesses (85 percent) had reopened in the area. The Joplin Area Chamber of Commerce played a critical role in assisting businesses in the recovery process. The chamber president, Rob O'Brian, recognized the importance of having a disaster plan in place before a potential disaster. As Mr. O'Brian says, "First, you have to be functional yourself" before you look to assist others. He recommends the following critical disaster preparedness actions:

Have a disaster plan in place for your organization in the event of a catastrophe. In 2010, the Joplin chamber staff attended an event, "A Day Without Business" in Tulsa, OK, where they learned about creating a disaster plan for their organization. While there are disaster plan templates, the plan should be tailored to the needs of the organization and its own potential disaster threats.

Know how to effectively communicate with internal staff and external members. When phone lines, internet and cell phone towers go down, it's important to have a back-up method to stay in contact. In their plan, the chamber designated emergency meeting locations and used SMS text messaging to communicate with their own employees. It is important to collect cell phone numbers of local business owners in case of an emergency.

Know your data is securely backed up in real time and in an offsite location. This includes all computer data such as supplier and client contacts, contracts, monthly financials, and other documents that critically support your operations. Tape backups may fail or become corrupted. Backups that are kept in your office, car, or house may be destroyed in a large-scale event. As part of its preparation plan, the chamber backed up its data electronically, in real time, at a secure, underground server vault 80 miles away. A backup location will depend on the type of disaster your community is vulnerable to. This enables your organization to focus on important recovery initiatives, not retrieving basic business data.

Prepare and maintain resources and lists that businesses can use to deal with their immediate response needs. This includes lists of general contractors, suppliers of heavy equipment, generators, or office equipment, available building space, local banks, and other professional services that are in great need following a disaster. These lists should include contact information including a phone number and/or temporary location address for any critical service that supports the local business community.

Create and strengthen partnerships before a disaster arrives at the door of your community. The Joplin chamber relied heavily on the cooperative relationships that it had established with the city and local schools in the 1980s and 1990s. It is recommended to take time during normal periods to clearly define roles of various stakeholders in the event of a disaster. This includes designating who is responsible for business recovery activities or can serve as a spokesperson for the business community after the disaster.

A full case study can be found in <u>Case Study Appendix 1</u>.

Identify a Backup Office Location

As part of the organization's business continuity plan, an EDO should plan for at least one backup office location - preferably two backup office locations - to use in the case of an emergency. This ensures that if the first alternate location is also impacted, a second location is available. In the case of High River, Alberta, the emergency operations centre had to be relocated three times due to flooding which further compounded the crisis.

Establish a Backup Data System for Your Organization

Your business operations rely on access to data and information. An Economic Development Organization (EDO) should arrange for a remote data backup of its computer network. Your organization may want to consider the services of a data centre and disaster recovery facility where your data is backed up in real time. Some experts recommend a backup off-site location that is at least 50 km away but that depends on the type of disasters your organization may face. A hurricane can have a path larger than 50 km so it may be wise to consider another province.

Your organization should seek to backup all vital records that can include employee data, payroll, financial records, strategic plans, customer or client lists, vendor lists, building plans / blueprints, the lease, insurance records and other valuable documents that contribute to the organization's bottom line.

For example, your organization's key function may be its Business Retention and Expansion (BRE) function. If the BRE database is only stored at the office, the EDO may lose the ability to access emergency contact information. They may even lose the data permanently depending on the damage to their facility. EDOs should follow suit as more and more businesses and public agencies are creating redundant systems - backing up data in remote locations. See the text box on the Joplin Area Chamber of Commerce's efforts to establish a backup data system prior to the 2011 tornado.

Supply Checklist for Disaster Response

Ensure your business has a disaster response kit with the following items.

- All-Hazards NOAA Weather Radio (NWR)
- Working Smoke Detectors and Fire Extinguisher
- First Aid Kit
- Medications and Personal Items
- Flashlights and Light Sticks
- Battery Operated or Wind-Up AM/FM Radio
- Bottled Water
- Nonperishable Food and Utensils/Paper Supplies
- Tools and Other Supplies
- Blankets
- Camera
- Cash and ATM/Credit Card(s)
- Emergency Contact List

Source: The Institute for Business & Home Safety (IBHS)'s original Open for Business© (2007).

Note: A PDF form to list critical supplies is available at https://www.disastersafety.org/wp-content/uploads/8_Supplies.pdf

Collecting Critical Emergency Contact Information

Local Businesses

When a major disaster strikes, communication channels are commonly disrupted when a community needs them most. EDOs should prepare to have several different ways of contacting local businesses. Disasters can disrupt power sources, which means Internet and e-mail are inaccessible. Cell phones can also be down for a period of time, but their text functions may still work in an emergency situation. Therefore, EDOs should make sure to collect the cell phone numbers of key executives in the business community ahead of time.

An online registration system is a useful tool for collecting this information. Programs like ExecutivePulse⁹ have been specifically created to help EDOs collect this type of data. EDOs purchase a software license and then input basic company information and alternative contacts prior to a disaster.

⁹ www.executivepulse.com

The data is easily accessible as it is backed up off site. If the area is hit by a disaster, this information allows economic developers to contact local businesses, identify the impacts of the disaster, and determine the business community's most immediate needs.

Employees

It is critical for you to prepare for the unexpected in communicating with your employees following a major disaster. Modern telecommunications channels may be disrupted by power outages, damage to infrastructure, or system overload. This is particularly important if the disaster happens outside of normal operation hours. Procure key contact details for your employees, including personal cell phone and e-mail addresses. They will need to be informed of the status of the business operations and where they should report to work depending on the magnitude of the disaster and its impact on the built environment.

In communicating with employees, it is important to consider options in the event of the telephone system not working or a major power outage. For large organizations, you should consider setting up a special number for employees to call-in to or can you arrange for programmable forwarding of your main business line. An out-of-province number may be a wiser option to enable employees to get through if the disaster's magnitude is large. Other options to consider are sending an e-mail to both work and personal e-mail addresses as well as posting information on your organization's website.

Communication needs to be two-way so the employee can also share concerns in returning to work. Your employees may be experiencing significant loss in terms of damage to their homes, closure of daycare and schools, transportation challenges, and potential injury or loss of life of family members and friends. Senior management needs to take extra care in communicating with employees, as they are often your key assets to protect and serve.

An important question is whether your disaster plan takes into account the needs of your employees, including their safety and well-being, in the event of a major disaster. If a disaster happens during normal hours of operation, do you have emergency contact information for your employees so you can notify their families if the disaster makes it difficult for them to leave the work premises?

Finally, employee contact information needs to be regularly updated. Meet with your employees once a year not only to review emergency plans but to also update emergency contact details.

Engaging the Business Community in Disaster Preparedness

Economic development organizations (EDOs) have the unique ability to coordinate involvement and leverage resources from the business community after a disaster. They are likely to take a leadership role in facilitating job recovery and stabilizing the community's economic base.

To facilitate this role, there are a series of preparedness activities that EDOs should be conducting, such as:

- Engaging and educating the business community in disaster preparation
- Planning for economic preparedness in the face of disasters
- Building organizational capacity for economic recovery
- Establishing a tiered system of business re-entry
- Making preparations for business financing after a disaster
- Preparing media messages and communication channels
- Developing redevelopment and re-use strategies
- Considering opportunities for sectoral strategies within workforce development preparations

Employee Needs Following a Major Disaster

Consider the following issues that may arise for your employees in their ability to resume working:

- Need for alternative modes of transportation
- Provision of emergency housing
- Short-term financial aid for immediate needs
- Childcare facilities
- Payroll continuity is key!

Corporate Partnerships

Engaging the business community in a community's disaster planning, response and economic recovery efforts can be very beneficial. Many corporations have developed significant internal technical expertise and knowledge of how to prepare for, manage, and recover from disasters; however, this knowledge is rarely shared with civic leadership or integrated into their disaster planning activities.

Historically, communities and governments have not partnered very well with the private sector. In order to be successful, it is important that all parties understand the unique resources and assets, what their real needs are, and how they can best work together to achieve mutually beneficial results.

In the U.S., many states and local jurisdictions are actively entering into public-private partnerships to improve their capabilities in emergency management. The National Partnership-Business Operations Center Alliance (www.njbf-beoc.com) was formed to help strengthen the capacity of the public sector, private sector and Department of Defense to prevent, prepare for, respond to, and recover from disasters. This is done through effective education, scientific research, and organizational partnerships to include but not be limited to private sector, public sector, and federal agency partnerships.

Partnerships between public and private sector organizations can help increase a community's preparedness in other ways. Some examples of public-private partnerships that have been successful include:

- Safeguard Iowa Partnership -(https://safeguardiowa.wildapricot.org)
- Chicago FIRST- (https://www.chicagofirst.org)
- Citizen Corps (USA)- (www.citizencorps.gov)
- Ready Campaign- (http://www.ready.gov)
- All Hazards Consortium- (http://www.ahcusa.org)

Some of the most obvious benefits of increased publicprivate sector collaboration include:

- Improved decision-making
- Increased access to resources and technical capabilities
- Expanded reach and access for disaster preparedness and relief communications

- Improved coordination
- Increased effectiveness of emergency management efforts
- Stronger relationships built on mutual understanding
- More resilient communities
- Increased capacity to prevent, protect against, respond to and recover from major incidents

Emergency management is a discipline many corporations integrate into their daily operations. For many, developing an emergency plan is a cyclical process that is common to many risk management disciplines like Business Continuity and Security Risk Management. In order to avoid or reduce significant losses to a business, emergency managers are trained to identify and anticipate risks in advance, and then to try to reduce their probability of it actually occurring.

They identify procedures to determine whether an emergency situation has occurred and at what point an emergency management plan should be activated. For example, Shell Canada Limited engages in 'situational awareness planning,' which helps them create action plans when certain thresholds are crossed. If an emergency occurs, these managers have a plan in place to mitigate risks and ensure business continuity of critical operations.

Communities can learn from corporations in the areas of emergency preparedness, risk identification and mitigation, as well as recovery. A corporation like Shell Canada Limited has technical expertise and resources that could be very valuable for communities both before, during and after a disaster. The challenge is how to best match this asset with a community's need.

The issue of resilience is also quickly emerging as an increasingly critical priority for the private sector. Resilience is about anticipating, managing, and responding to sudden change with agility, speed, and resourcefulness. Resilience is important for everyone: employees, suppliers, businesses and communities.

In a crisis situation, responders from different organizations may find their priorities and goals in conflict with each other. By engaging corporations, government leaders and economic developers in preparedness drills and exercises on a regular basis, those involved in response and recovery efforts begin to develop a shared understanding of

basic principles and processes, should the need for activation occur. It can also help create and nurture organizational relationships; promote a mentoring environment allowing inexperienced participants to build competency and expertise; and meet portions of contingency plan readiness requirements.

The private sector can bring significant resources and expertise to the economic recovery process of disaster-impacted communities. In fact, significant benefits can result if communities are able to enhance the level of public-private sector collaboration in their economic recovery efforts. For example, the private sector can:

- Provide technical support services or in-kind donations of goods or services for the preparedness and emergency response phases of disaster management
- Improve disaster consciousness of the general population and local business community through participation in awareness initiatives
- Contribute time, products, and money
- Make a commitment to stay in the community, to rebuild, retain employees, even expand and reinvest. This helps build community confidence which is critical to recovery
- Identify issues for post-disaster business re-entry and help develop a tiered system for business re-entry
- Identify contracting and procurement opportunities for economic recovery services for local businesses
- Help find solutions for workforce housing
- Organize capital availability for businesses
- Review plans and preparedness tactics- many large corporations have emergency response planners on staff
- Provide security personnel
- Help identify other financial resources
- Identify local resources for technical assistance to businesses

Corporations identify functions, not people, in their response and recovery plans. Given potential staff turnover between disasters, this practice helps ensure the right functional role is at the table, not necessarily a specific person. This practice is something government should also consider given recent cutbacks and restructuring within departments. Unfortunately, many times corporate knowledge and experience gained in previous disasters leaves when a person retires or

changes jobs.

Another interesting model is the formation of mutual aid groups. For example, Sundre, Alberta is home to the Sundre Petroleum Owners Group (SPOG), which is a mutual aid group, consisting of representatives from industry, government and non-profits. In Alberta, there are currently 16 mutual aid emergency response groups in operation. Some have been in place for over 20 years, and some are in the beginning stages. Their purpose ultimately relates to mitigating risks in their area. Membership usually consists of those who have a role in emergency response management; however, membership varies, and usually falls under one of the following types:

- Municipal only
- Industry only
- Municipal/industry combined

Since 2009, mutual aid groups in Alberta have voluntarily brought together to discuss best practices, common challenges and solutions as a collective. Mutual Aid Alberta (www.mutualaidalberta) is trying to build a provincial network to support emergency management; it is something Alberta government, industry, community groups and organizations should support.

Another way for communities to engage businesses would be to establish a Business Emergency Response/ Recovery Team (BERT) that would identify the roles and responsibilities for the economic development organization; other business, trade and professional organizations; individual business owners and operators; and non-profit organizations that support economic resiliency. Local teams would support the local emergency management mission and direct local business assistance and economic recovery initiatives. They also address a number of community objectives including: eliminating duplicate efforts with limited resources; acting as a force multiplier by securing and deploying resources from local businesses; matching local and regional private sector resources to specific capabilities; deploying assistance to local businesses and addressing business and workforce retention challenges.

If a corporation provides financial services, like a bank, it has a key role in providing timely, flexible financing solutions for small businesses. It can also play an important role in educating its clients on the topic of financial literacy as it relates to insurance payouts. For

example, in the Gulf Coast, some business owners took the insurance money and did not invest it wisely.

Involving the business community in the disaster preparation process at an early stage will help ensure their specific needs are addressed in emergency plans, and increase their resilience to the disaster's impact. Yet business owners and executives don't naturally see their role in a community's disaster preparedness effort. While local government has the legal responsibility to address disaster risks and develop emergency management plans, a business owner or an executive's busy schedule will dictate their minimal involvement.

Other Ways to Obtain Corporate Engagement

The following are practical suggestions to effectively engage local business representatives in activities that not only will protect their business assets but also expedite the recovery of the local economy in the event of a major catastrophe.

Build an Economic Response/Recovery Team

An EDO can play a critical role in engaging business leaders in disaster preparedness efforts, particularly those businesses that may have important resources for response and recovery. Economic recovery teams should be formed ahead of a disaster to specifically address the post-disaster economic recovery issues that a community may face. The team would review the community's emergency response plan to evaluate how the business community and local economy might be impacted by decisions laid out in the plan.

This economic recovery team would also play a role in working with emergency management personnel to influence a tiered system of re-entry for critical businesses that need early access back in the community following a disaster.

After the 2001 Nisqually earthquake in Seattle, Washington local officials closed a particular block because of one building's potential to collapse. Therefore, owners and employees of undamaged businesses in the area were barred from entering their shops and facilities. The restrictions were eventually modified to allow business access while maintaining public safety, but the time it took to make these changes left many businesses with significant damage to their bottom line.

Case Study: Polk County Office of Economic Development

In 2004, a series of three hurricanes swept through Florida over the course of three months and hit Polk County with significant force. Despite extensive damage throughout the area, the Polk County Office of Economic Development (OED) responded quickly to mobilize an economic recovery team immediately after the first hurricane. OED reached out to the 13 chambers of commerce within the county's 17 municipalities and included them on the recovery team.

The team also consisted of OED's economic development, tourism and SBDC staff. OED's unique relationship with the local chambers allowed each municipality to conduct business surveys in their respective jurisdiction and report back to OED on ground-level impacts and damages. This team assisted OED in capacity issues and helped to collect and disseminate valuable economic information to local, state, and federal officials. As recovery efforts moved forward, OED engaged local bank representatives to join the recovery team as they started to distribute business recovery loans.

After Hurricane Charley, the recovery team transformed into an official Emergency Support Function (ESF 18) as part of Florida's state-level ESF 18 system. The ESF model, originally developed by the Federal Emergency Management Agency (FEMA), enables government agencies to better coordinate their disaster response and recovery efforts in multiple areas. The ESF 18 group specifically deals with recovery efforts related to business and industry. The creation of the ESF 18 team at the local level allows Polk County's economic recovery team to have greater access to federal and state emergency funding like planning and mitigation grants. Polk County OED has used these funds to work on a Post-Disaster Redevelopment Plan, which engages the private and public sectors in a discussion of how they can redevelop and make their community more resilient in the wake of a major disaster.

Case Study: Cedar Rapids Chamber of Commerce and Priority One

After the 2008 flood in Cedar Rapids, lowa, the Chamber of Commerce and Priority One (a regional economic development organization) established the "Adopt-a-Business" program. This program allowed unaffected businesses to donate resources to the 602 businesses affected by the flooding. These resources included "temporary facilities, business coaching, and financial assistance; clean up labour, [and] construction materials." This program allowed businesses to become operational more quickly without incurring more loans, and contributed to the strong sense of community that emerged following the flood.

The full case study can be accessed in <u>Case Study Appendix 3</u>.

Identify Community Stakeholders for Recovery Team

A mix of strategic representatives from both the private and public sectors should be invited to participate in the economic recovery team. Otherwise, decision-making on economic recovery topics is left to non-business, and potentially inexperienced individuals. Even a well-intentioned public official may not understand the scope of the economic impact of the seemingly simple decision to close a few streets. That one decision can slow recovery, force businesses to relocate or close, and drive residents and customers away - thereby affecting the available workforce and economy.

Team members should involve the following groups of stakeholders:

- Economic development stakeholders (representative from EDO, chamber of commerce, small business development corporation, business or trade association, business district etc.);
- Public and elected officials (emergency management and public safety personnel, council members, etc.); and
- Significant representation from the business community.

Private and public sector involvement on this team will ensure that communication flows between these two groups to reveal any potential conflicts and/ or duplication of effort in the recovery process. The public sector is better informed of decisions that could

delay the recovery effort, and understands the private sector's priorities for re-investment and redevelopment. Trust is established as these stakeholders cooperate in the pre-planning phase so these relationships can be relied on when the disaster strikes, and there is need for an expedited decision making process.

The team should select the appropriate leader with a position of authority to provide proper support to the team. It should be someone that understands the needs of the private sector and can facilitate participation from all representatives. His or her role will be to: establish agendas; facilitate discussion and information exchange within the team; delegate tasks and follow-up; and evaluate group objectives and outcomes.

Review Comprehensive Emergency Management Plans

The economic recovery team's first task should be to review the community's existing emergency management and mitigation plan with a focus on the plan's impact on the business community and the local economy. Most emergency management plans are primarily concerned with health and public safety issues and may overlook the economic recovery aspect. The plan should discuss business re-entry, access to property, and other issues that impact local businesses' ability to respond and recover.

The team should consider reviewing other plans that are also relevant to disaster recovery, such as the:

- Municipal or regional plans;
- Economic development component of a comprehensive plan;
- Economic development strategic plan;
- Community economic development strategy; and
- Capital improvement plan.

An EDO can have a critical role in engaging business leaders in disaster preparedness efforts, particularly those businesses that may have important resources for response and recovery.

<u>Discuss Roles and Responsibilities for EDOs Post-</u> <u>Disaster</u>

The role of EDOs will vary based on the economic development structure of your community. Each EDO has its own network of community and business stakeholders that should be engaged for information dissemination purposes.

<u>Discuss Post-Disaster Economic Recovery Strategies</u>

Find the appropriate location and begin working on a bi-monthly or quarterly basis to identify possible economic redevelopment and recovery strategies in the event of a disaster. One valuable source is IEDC's Restore Your Economy web portal (http://restoreyoureconomy.org). There you will find a series of recommendations and resources for conducting planning efforts for economic preparedness. For more details on these pre-disaster planning activities, review the chapter on Strategic Planning.

Case Study: Slave Lake, Alberta

In 2011, fire forced the evacuation of 7000 residents from Slave Lake, Alberta. The fire destroyed nearly one-third of community and many surrounding homes and is considered one of the most costly disasters in Canadian history.

Key government buildings were lost in the fire and many of the community's emergency personal lost their homes. As a result there were stages during the fire where communication between key responders was lost.

A valuable lesson from the fire links directly to the need for emergency personnel and municipal government officials to coordinate disaster response lists 'prior' to an emergency and to house the list in more than one location. Prior to the disaster, you should develop a contact list of first responders, emergency personnel and utility companies including cell phone numbers and personal email addresses.

Business Continuity Training for Small Businesses

Small-and medium-sized businesses have strong roots in the local economy and are often more vulnerable to disasters than large businesses. It is estimated that one in four small businesses are expected to experience a disruptive disaster in the near future -regardless of their location. Approximately 60 percent of those small businesses do not have even a basic emergency response plan. Of those businesses without a plan, 86 percent fail within three of a major emergency if no preparedness plan is in place¹⁰.

It is a fact that small businesses underestimate the likelihood and impact of a major crisis on their business. Yet, when disaster strikes, a number of these businesses will lose their customer base, property, inventory, and sales records in a single day. Communities can't afford to lose small businesses, especially when they make up a significant portion of the local employment base. They must seek to connect their small to midsize firms to business continuity resources and educate them on the importance of business continuity planning. These businesses should draw up formal business continuity plans, which describe a clear set of actions for a business and its employees to follow in order to quickly restore its core business functions after a disaster. Ideas for training workshops and case examples are discussed below.

Business Continuity Planning Training

EDOs should take a key role in providing training on business continuity to local businesses and connecting them with these resources such as the IBHS's OFB-EZ™, which serves as a free guide to small and midsize firms. Since small business owners are busy and may not feel they have the time or resources to prepare a plan, economic developers can help. In addition, the EDO can provide links to these free guidebooks on a section of their website for business resources.

EDOs should consider holding workshops and/or webinars to disseminate important disaster-related information such as business continuity efforts as well as the need for obtaining business interruption insurance. These events can summarize the various planning resources and provide "how to" steps for businesses to create their own plan. Careful thought should be given to a convenient time, location and format of the event as well as appropriate promotional efforts so the maximum number of small business owners will participate as discussed in the Charleston case mentioned in next section.

Most importantly, keep the business continuity plan itself in multiple locations. There is no use in having a plan if it is inaccessible or not followed.

http://www.smallbusinessbc.ca/general-business/yourbusiness-ready-emergency

Case Study: Charleston Metro Chamber's Business Continuity Efforts

The Charleston Metro Chamber of Commerce in South Carolina created a Business Continuity Planning Council to help encourage small businesses to make business continuity plans. The chamber reached out to its network and brought in teams of local experts to speak on the various aspects of continuity planning. The chamber performs the following functions:

- 1. Provides resources including online literature, hard-copy literature, and local experts who can speak on a variety of continuity planning issues.
- 2. Conducts workshops and presentations on pre- and post-disaster issues such as communications planning, IT preparedness and other business continuity issues.
- Coordinates with other emergency-related resources—on the local, state, and federal levels—like county emergency operators, the U.S. Coast Guard, and the Department of Homeland Security.

Chamber workshops were held every few months at its facilities. Each workshop focused on a specific topic in business continuity. For example, one workshop featured technological components and discussed social media policies, data loss and backup, anti-virus and security protection, and hardware recovery and testing. To market the workshops, the chamber used its own channels through its member relations team, e-mail, and other member communications-while also engaging the help of the Small Business Charleston Network and advertising in the Charleston Regional Business Journal. The resources needed for this business continuity initiative were already in the community; the Charleston Metro Chamber simply brought them together.

A full case study can be found in <u>Case Study Appendix 5</u>.

<u>Disaster Preparation Measures for Your</u> <u>Business Community</u>

Collect Critical Emergency Contact Info from Local Businesses to Distribute Crisis Communication Messages

EDOs should prepare to have several different ways of contacting local businesses in the event of a major disaster - particularly when the incident causes widespread damage to power and transportation systems. As discussed above, cell phone numbers should be collected so that text messages can be sent in a blast format to business owners and C-level executives. They will need access to critical and reliable sources of information such as when the power restoration, the location of critical supplies such as generators, gas and water, as well as where they can access business recovery resources.

Immediate outreach to business owners in your network will demonstrate you are concerned for their personal welfare as well as their business concerns. Through a text blast, the EDO can inform the business community of important recovery services and initiatives they should be involved in. For further ideas on communicating in a crisis, see the Crisis Communications chapter in this toolkit.

Establish a Business Re-entry Program Following an Evacuation

After a disaster, business owners may be restricted from returning to their property depending on the nature and scale of the incident. In the process, these businesses could lose their perishable inventory, employees and existing customer base. In the case of Galveston, Texas after Hurricane Ike, business owners were not allowed to enter the community for 12 days, which allowed floodwaters to further destroy facilities and inventory. This same situation occurred in High River, Alberta causing business owners a significant amount of stress.

In the 1995 Oklahoma City bombing, approximately 60 percent of the businesses within the police perimeter closed permanently (even those without physical damage) due in part to limited or no access to the area following the event. These business closures can severely limit access to essential products and services like local grocery, gas, daycare and health services in the impacted area. These closures also mean decreased employment opportunities for local residents and a significant decline in the tax revenue base.

To respond to this issue, emergency management personnel have developed a tiered system of community re-entry following a wide-scale evacuation. The purpose of this tiered system is to allow for the safe, orderly return of community members, such as emergency responders, critical service providers, relief workers, businesses and citizens and to facilitate a timely response to the disaster.

EDOs have played a role in establishing a tiered system of business re-entry to facilitate priority businesses gaining early access to their facilities. It essentially works as a credentialing program where ID cards or passes are issued to individuals and businesses. Local law enforcement is trained to recognize these cards/ passes and allow access when the appropriate "tier" is activated. These passes don't guarantee re-entry, but law enforcement officials can use them to expedite the return of critical personnel.

This tiered re-entry system will facilitate timely reentry of critical businesses to assist in the community's recovery effort. Without an approved re-entry plan, the local economic recovery engine will be severely hampered at a time when the community needs this engine to be available.

Identify Location for a Business Recovery Centre

Within the first or second week following a disaster, a community should establish a business recovery centre (BRC) to meet pressing needs in the business community. A BRC serves as a one-stop shop to provide local, provincial, and federal resources to businesses after a catastrophic event. The BRC can play a crucial role in getting local companies the assistance needed to re-open and/or stay open as well as carry out a number of communications and outreach strategies. Services not tailored to businesses or the owner's needs should be separated from a BRC.

The EDO should develop a plan for establishing business recovery to outline the proposed location, services, and economic recovery partners that will serve the centre. These centres can be located in a local business' conference space, a vacant retail space in a mall or downtown location, vacant space in a business or industrial park or a trailer. They should be centrally located for those businesses most impacted by the event. Typical partners represented at the centre are usually business assistance providers. The plan for a business recovery centre should be shared with all other economic recovery stakeholders/partners.

A Three-Tiered Re-entry System Following an Evacuation

Many communities have established a three-tiered system to give re-entry priority to specific community stakeholders. This tiered system considers the needs of specific businesses and industries to be prioritized for re-entry in order to serve the community, the local economy and the needs of citizenry.

Tier 1: The first tier is commonly reserved exclusively for re-entry of agencies/groups involved in emergency response. This tier includes search and rescue personnel, emergency healthcare staff, utilities and infrastructure repair personnel, damage assessment teams and pre-designated government staff. In some communities, credentialed businesses and industries whose facilities pose a public safety concern, environmental threat, or other substantial danger are also allowed access.

Tier 2: The second tier is limited re-entry for other important groups that can include: relief workers, healthcare agencies and suppliers, insurance agents, business operators such as important food and building material retailers, fuel distributors and stations, debris management, financial institutions, and select businesses with unique circumstances (fragile inventory, hazardous waste, large workforce, global distribution etc.)

Tier 3: The third tier allows open access for all remaining residents and business operators (not allowed under tier 2) that can prove they live, own, rent, or lease in the restricted area. This tier also includes licensed contractors, other repair service providers, and family and friends who re-enter with an eligible resident.

Case Study: Town of High River Re-Entry Plan

In 2013, The Town of High River implemented a phased re-entry plan due to the fact there was consideration variation in the state of homes. Re-entry proceeded gradually because neighbourhoods were integrated with common access routes, utilities and other systems. Safety teams patrolled the area and maximum safety precautions by residents were encouraged because of the condition of some of the homes. Two weeks after the flood, nearly 95% of the businesses were in various stages of recovery. In order to facilitate an orderly re-entry process, The Town and Alberta Government developed a three phase re-entry:

Phase 1 - Town Made Safe

This phase was focused on achieving key re-entry criteria, setting up the Re-entry Station and Welcome Centre. As directed by the Emergency Operations Centre, this phase allowed for re-entry of designated locations within the town. Government officials communicated with residents at reception centres, comfortable were built, interim accommodation was secured and controlled bus tours were arranged that originated from reception centres to the town. When the Emergency Operations Centre felt confident this phase was complete they declared the move to Phase 2.

Phase 2 - Staged Re-entry

As directed by the Emergency Operations Centre, times and locations for occupation of the town were released to the public. Residents were advised of the area ready for re-entry, the date and time of reentry, and the location of the Re-Entry Station. Staging during this phase allowed those with businesses and/or residences that were habitable to re-enter and remain. Those with businesses and residences that were not immediately habitable or uninhabitable were advised to check in with the Re-Entry Station and return to their interim accommodation. When ready, the Emergency Operations Centre declared commencement of Phase 3.

Phase 3 - Termination of State of Emergency

Once all practicable re-entry was complete, the Emergency Operations Centre will shut down and an official handover took place with the Town of High River. The phase ended when the Associate Minister recommended termination of the State of Emergency to the Lieutenant Governor in Council. The Assistant Deputy Minister's Recovery Task Force was set up to assist with long term recovery and restoration efforts.

The full report can be accessed at http://alberta.ca/albertacode/images/High-River-Reentry-Plan.pd

Establish a Business Recovery Fund

Before a disaster, EDOs should bring local banks to the table to discuss how they can make business loans available to disaster-impacted businesses for recovery purposes.

A province or territory may also choose to establish business recovery programs to assist businesses following a disaster. For example, the Government of Alberta established a Small Business Rebuilding Program after the 2013 floods, targeted specifically to businesses with 21 to 50 full time employees (FTE). It was designed to complement their Disaster Recovery Program (DRP) that assisted businesses with up to 20 employees, and the Hand-up Plan which provided low-interest loans and interest rebates to small businesses.

Disaster Planning for Economic Recovery

Communities are often unprepared for the chaos that is likely to emerge after a disaster strikes, and have difficulty planning for long-term economic recovery when there are pressing humanitarian, cleanup and rebuilding needs to address. A community engaging in difficult conversations regarding redevelopment choices before a major disaster strikes can prevent dissatisfaction in an already challenging situation afterwards. EDOs should engage community and business stakeholders in a process to discuss sensitive topics such as land use, property reuse and redevelopment priorities, particularly in environmentally sensitive areas.

Sources of capital for redevelopment projects should be identified by EDOs well before a disaster occurs. Government funding can take time to administer, which is why private and non-profit dollars should be leveraged when possible.

The community should hold discussions around improving building codes and using improved building materials to build more resilient communities. Community and business leaders should consider both disaster resiliency as well as energy efficiency in these conversations. Improved building codes are likely to increase the cost of construction, which can meet with

some resistance from the business community. Still, the community should work through the costs and benefits of building.

Chapter IX discusses planning processes and initiatives that economic development organizations should engage in before a disaster strikes. The chapter also includes case examples of post-disaster redevelopment planning efforts in Florida counties. These plans have helped local communities identify policies, operational strategies, and roles and responsibilities to guide decisions that affect long-term recovery and redevelopment of their community following a disaster.

Case Study: Jefferson Parish's Re-entry Program

Jefferson Parish is the community immediately to the west of New Orleans, which serves as a major economic engine for the entire region. The parish suffered substantial damage to its commercial and industrial areas after Hurricanes Katrina made landfall in August 2005. In the week following Katrina, evacuees were prevented from returning to their homes due to a lack of basic services like water, sewer and electricity. Traffic was restricted to emergency and utility vehicles only.

When the parish did re-open its doors, highways were filled with standstill traffic as a mix of residents, contractors and business owners all tried to return to the area. The parish government developed an "on-the-fly" re-entry plan that consisted of a contractor issuing paper credentials that allowed business representatives to re-enter the community to re-establish business service. Later on, the business community would demand a codified re-entry plan - which would involve the cooperation of parish government and the local economic development organization, JEDCO.

The end result was the creation of the JumpStart Jefferson Re-entry Application Process – a tiered reentry system that was composed of the following three levels:

- **Tier 1**: Primary infrastructure and major utility companies, pre-designated government staff and contractors, suppliers of emergency relief goods and equipment;
- **Tier 2**: Humanitarian relief agencies, small disaster response teams of large businesses essential to the economy of Jefferson Parish, those with unique circumstances such as fragile inventory or hazardous materials;
- **Tier 3**: Return of business owners and designated employees whose businesses are vital to the return of citizens and the parish's economy.

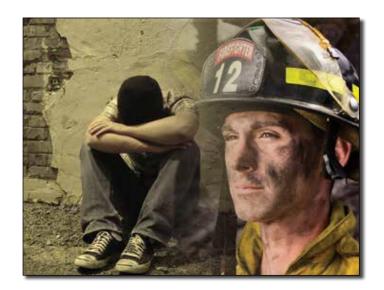
Jefferson Parish had an online system for registering local businesses and allowing them to apply for re-entry status prior to any type of evacuation. After registering, businesses are assigned to a tier that's correlated to how important the business is to preparing the community for citizens and receive an authorization placard for their vehicle to re-enter the parish after a major evacuation. The program automatically recognizes and sends certain applications, like hospitals and other critical infrastructure to the parish administrator to be reviewed for inclusion in tier one.

Over time, this re-entry program has become a regional system whereby a common database is shared amongst regional parishes in the Greater New Orleans area so re-entry credentials can be honored in nearby parishes.

Communications Before a Disaster: Getting Organized for a Major Incident

The lead economic recovery organization has two important roles in communicating with businesses in a post-disaster situation. The first is listening to businesses in order to understand their needs. The second is to quickly disseminate relevant information to businesses regarding available resources and service providers that can help with cleanup, financing and rebuilding efforts. In a post-disaster response environment, communication with businesses should be frequent, consistent and provide useful information to help businesses and other economic recovery stakeholders rebuild.

In Chapter VII, there are suggestions on creating an emergency communications plan such as communication messages; how to determine roles and responsibilities of various economic development stakeholders in different communication activities; and the provision of other crisis communication resources for the economic development community.



Resources

Disaster Recovery Institute Canada (www.dri.ca) provides education, based on continuity management professional practices, to individuals and organizations in Canada. They also provide a certification system based on professional practices attesting to the knowledge and experience of continuity management professionals, and promote the credibility and professionalism of its members.

New York University's International Centre for Enterprise Preparedness White Paper (http://www.nyu.edu/intercep/Insurance%20 Incentives%20for%20Corporate%20Preparedness%2017%20Oct%2006.pdf) is on business preparedness and insurance incentives.

Open for Business (https://www.disastersafety.org/open-for-business/) is a business continuity planning guide published by the Insurance Institute for Business and Home Safety.

Prepare My Business (<u>www.preparemybusiness.org</u>) is a website that provides small business resources for disaster and business continuity planning.

Preparing Your Small Business for a Disaster (www.bomasf.org/pdf/news/smallbizdisaster.pdf) is a resource that lists effective emergency planning activities and provides a list of resources.

Ready Business (http://www.ready.gov/business-continuity-planning-suite) was created to educate individuals, small businesses, and interested parties on business preparedness.

Sungard Knowledge Centre (<u>www.sungardas.com/knowledgecentre</u>) has free resources on continuity planning, cloud computing, and data management.

The Association of Contingency Planners (<u>www.acp-international.com</u>) is dedicated to protecting lives, safeguarding businesses and fostering community resiliency. It has become a unifying force in defining and leading the continuously evolving fields of business continuity, disaster recovery and emergency response.

The Business Continuity Institute (www.thebci.org) is the world's leading institute for business continuity. Established in 1994, the BCI has established itself as the leading membership and certifying organization for Business Continuity (BC) professionals worldwide. It has a Canadian chapter with active members across Canada and various regional forums.

The State of Florida's Business Disaster Planning Website (www.floridadisaster.org/business) will better prepare a business for future disasters by assisting them in creating a Business Disaster Plan.