

Chapter IV: Small Business Assistance

After a disaster, many small businesses identify financial assistance to repair and rebuild their livelihoods as their greatest immediate need. Depending on the nature of the disaster, businesses may actually have to shut down for a period of time. Many of these are reluctant to take on additional debt and pay interest due to a significant decline in their number of customers and the risks of operating in a post-disaster environment.

Small businesses have also identified challenges such as: working with their landlords around covering renovation costs, not receiving insurance payments for damages (many businesses don't have flood insurance), a lack of clear direction on who to contact for available recovery resources, and a lack of insurance on business interruption and property damage insurance. Other issues are the negative perception of the area that may be keeping residents, tourists and future business owners away as adjacent stores are left vacant, leaving gaps along commercial corridors.

In this chapter, we discuss the importance of quickly responding to the small business needs that are mentioned above, providing the link to capital access but also connecting small business owners with one-on-one counseling to help address their individual needs in terms of business planning, marketing and accounting. The first section focuses on how to establish a business recovery centre, which provides the structure and the location for delivering much of this needed technical and financial assistance.

Establishing a Business Recovery Centre for Business Assistance

Immediately following a major disaster, a business recovery centre (BRC) should be established to meet the pressing needs of local businesses, particularly when a large number of businesses have been affected. A BRC is a one-stop shop set up to provide local, provincial, and federal resources to businesses - often small and medium-sized firms - after a catastrophic event to help them recover. They should be designed to serve an important role in assisting impacted businesses with critical recovery information and resources, such as financial and business counseling services and information on utility restoration. With the appropriate resources and skilled staff, these centres help connect impacted businesses

with the critical resources to ensure their long-term survival.

As noted by numerous economic recovery practitioners, one of the first objectives following a disaster is to help impacted businesses return to operations as soon as they can. This is particularly important for small businesses that lack capital reserves and resources to weather lengthy business disruption. Business retention efforts should be high a high priority for all economic development organizations, chambers of commerce, business improvement districts or Business Improvement Associations, business councils, industry trade associations, Community Futures, and other organizations providing support services to the local business community. A BRC also serves as an important vehicle for local and regional economic development, recovery partnerships and coordination.

A BRC can also serve to facilitate the flow of critical communication as centre staff are typically informed with up-to-date information on disaster response and recovery information and/or have a staff member that is connected with the community's Emergency Operations Centre (EOC) to get access to this information. They also are in direct communication with the business community and are able to facilitate the exchange of information back to government officials. See Chapter VII for more information on communication and outreach strategies.

Who is Involved?

An economic development professional often takes responsibility for establishing the centre in cooperation with local, provincial, and federal partners. For rural areas, regional economic development or provincial staff is likely to have representation at the centre.

Representatives of financial institutions that work with government to provide assistance loans may staff business recovery centres. This would include financing sometimes coordinated by agencies like Community Futures. Other representation may include other type of alternative lenders and resource providers such as Futurpreneur, SCORE, specialized technical assistance counselors, chambers of commerce or workforce development entities.

Steps for Establishing a Business Recovery Centre

The steps for establishing a business recovery centre (BRC) are outlined below. Ideally, a community has already conducted some pre-disaster preparation activities and talked about the process and lead agency for establishing a BRC.

Step 1: Gather resources for financial and technical assistance.

Begin contacting community stakeholders as quickly as possible to document what resources are available. This includes any local organization that provides financial or technical assistance to small businesses: community colleges and universities, local financial institutions, workforce development agencies, resources from chambers of commerce, trade associations and economic development organizations.

Typically, this information is collected and updated on one website, whereby all the other partnering organizations link and refer to. Hard copies of a flyer or brochure with these listed resources can be distributed by hand to impacted businesses through a variety of methods such as distributing to the police or identifying other volunteers.

Step 2: Select a physical space that is centrally located. The location should be separate from the disaster recovery centre (DRC).

Communities typically establish a business recovery centre (BRC) in the most impacted area to provide close access to affected businesses. Locations could be in a conference space of a local business, a vacant retail space in a mall, a trailer, etc. It is important to arrange for two backup offices in case the main office is damaged in the disaster.

Business support services at a BRC are typically established separately from disaster recovery centres (DRC). This enables businesses to quickly get the services tailored to address their respective needs and helps avoid confusion that may be associated with individuals who are more in need of social services. As noted by economic recovery practitioners, businesses will begin to complain or stay away from these centres if the services are not set up to take into account the limited time they have and specialized information they need as business owners.

Step 3: Identify resources to increase staff capacity for business recovery centre operations.

Immediately following a disaster, economic development organizations and chambers of commerce are likely to operate at reduced capacity. This may be caused by a number of factors such as displaced staff, damaged facilities, utility outages, and/or reduced operational funds if the organization relies on membership dues. The BRC will need staff capacity in order to respond to businesses' immense recovery needs.

EDOs should invite local, regional, and federal partners to place staff in the BRC and delegate in advance who will fulfill each recovery function based on their capabilities, networks and resources.

Following Hurricane Katrina, a number of EDOs and chambers used the U.S. Department of Labor's National Emergency Grants (NEGs) through the Workforce Investment Board (WIB) to fund staffing for the centre for a three- to six-month period of time. While traditionally used for cleanup activities, these grants also help provide financial assistance for additional staff to work on economic recovery efforts. It is recommended that you contact your provincial and federal departments responsible for labour, or your elected representatives to find out if there are plans to provide your community or your organization with specific funding to hire additional workers for recovery work.

Step 4: Set up a hotline for business recovery.

Establish a hotline for businesses so that individuals can call with their business concerns. This is discussed in further detail in Chapter VII.

Step 5: Start marketing the BRC to local businesses through both traditional and grassroots methods.

The lead organization should develop a marketing and promotion campaign to advertise the business recovery centre's location and services. Consider traditional methods, such as a reference on your organization's website homepage; local media channels such as radio, print newspaper and TV advertisements, as well as a well-located billboard where you can also advertise the hotline number.

Consider promoting through more alternative methods, such as: distributing flyers directly to impacted businesses and local chambers, business organizations, city hall and for other local government officers to further dispense.

Step 6: Prepare the paperwork.

Provide business recovery materials and loan/grant applications in relevant languages to assist major demographic groups in your community. In a Florida community, for example, the BRC also provided documents in Spanish and French.

Step 7: Train staff to be sensitive to mental health needs.

Consider holding a brief training session or offering mental health services to the counselors providing services at the BRC. The psychological impacts of disaster can be great - especially if there is a large social and humanitarian component. Initially following a disaster, there is surge of adrenalin associated with surviving the event, but this feeling eventually diminishes. It is important that business counselors learn to pay attention to the needs of others, identify the warning signs and connect those individuals with adequate mental health care workers who can assist.

Step 8: Plan for the long-term.

Depending on the nature and magnitude of the disaster, communities should have the BRC up and running within a week of the event. In some cases, communities have quickly established them just a few days after the event. Jefferson Parish, the community adjacent to New Orleans, established their "One Recovery Centre" within two weeks after Hurricane Katrina with help from community partners. Approximately 5,000 businesses were served over the year in terms of counsel on how to apply for SBA Disaster Loans or connecting with other sources of financing and technical assistance.

Be prepared to keep the BRC open anywhere from a few months to as long as a year for extremely large-scale disasters such as Hurricanes Katrina and Sandy or the flood in High River. Consider applying for federal grants to fund temporary workers at the BRC as discussed above to ensure staffing capability.

BRCs have stayed open for as long as a year. A more virtual centre where case managers are sent out to meet business owners at their own establishment can replace a BRC. See the next section for more information on case management.

Case Study: Understanding & Addressing Business Needs in Joplin, MO

Following an EF-5 tornado destroying almost one-third of the city in 2011, the regional chamber immediately sprung in the action to connect with local businesses in a direct and personal way. Within a week of the tornado, chamber staff walked the streets to reach business owners, to console, as well as let them know the chamber would provide recovery support in their time of need. By circling the destroyed area day in and day out, staff made contact with all 530 employers within three weeks. While many business owners were too shell-shocked to share their plans to stay and rebuild, they appreciated the personal outreach and most stayed in close contact with the chamber. Knowing that they were not alone, that someone cared, and that someone was in charge with a recovery plan made employers more willing to rebuild.

This direct outreach was followed up by the establishment of a one-stop shop for business recovery needs: The chamber immediately set up a business recovery centre at its offices, where the Small Business Technology Development Centre office and a business incubator already were located. They invited representatives from relevant groups such as the SBA and IRS, which have disaster assistance programs for businesses, to set up there as well. The centre was able to offer technical business advice including how to prepare an SBA loan application and provide the appropriate supporting financial records as well as redirecting them away from financial products they didn't need.

For more information on Joplin's recovery, see [Case Study Appendix 1](#).

Establishing a Business Recovery Centre in Hancock County, MS

Hancock County is the southernmost county in Mississippi with a population of approximately 43,000 with the county seat of Bay St. Louis. Hurricane Katrina ravaged this county, causing the deaths of 200 people, devastating 75 miles of beachfront, destroying thousands of homes and businesses, and cutting off the community in terms of transport and communications with damaged bridges and downed power lines. Approximately 1,800 businesses were impacted by the storm, with over 50 percent severely damaged or destroyed. Long-term business owners found themselves having to start from scratch in a post-disaster environment plagued with rising insurance and construction costs.

Despite reduced capacity, the Hancock County Chamber of Commerce quickly acted and emerged as a key provider of business assistance. With help from the Mississippi Development Authority (MDA), the Chamber established the first Business Assistance Centre on the Mississippi Coast, bringing all of the resources for small businesses together under one roof. According to the Chamber president, Tish Williams, the Chamber “served as the ‘window to the world’ for [their] businesses and residents--- providing access to the internet, and phone and fax services”.

Their organization looked to provide all of the business support services in one central location - housing the Small Business Development Centre (SBDC) business counselors that came from across the U.S. to help local businesses reconstruct their financial papers to apply for SBA disaster loans. Volunteers from IEDC also staffed the office to provide technical advice to affected businesses.

As a result of their proven leadership in assisting small businesses, the Hancock County Chamber of Commerce was recognized nationally as a model for disaster recovery. They received the National Phoenix Award for Outstanding Service by a Public Official from the U.S. Small Business Administration (SBA) - with the award being presented by then acting U.S. President George Bush. And out of the ashes, the phoenix rises. Hancock County has proven itself resilient in terms of redeveloping two downtowns, establishing a main street program, rebuilding businesses, homes, bridges and beachfront, attracting 200 resident artists to the area, and developing increased capacity at the Chamber’s new 501(c) 3 foundation to provide ongoing financial and business counseling services.

For a copy of a business recovery centre plan for the community of Hancock County, MS, which was the first county in Mississippi to establish a business recovery centre following Hurricane Katrina in 2005, visit: <http://restoreyoureconomy.org/wp-content/uploads/2013/02/Model-for-Business-Recovery-Centre.pdf>

Case Management Approach to Business Assistance

Case management is another service approach that can be established within the first few weeks of a disaster. Whereas a BRC carries out disaster recovery functions through a centralized physical location, or several locations, the case management approach involves dispersing recovery staff to individual businesses. Similar to BRE site visits, case management allows a business to receive assistance on its own timetable and its own turf. Each case may last up to several years, and case managers follow through with each client until the recovery plan is completed.

Case managers are trained to assess damages, gather documentation, identify helpful federal, provincial, and

local resources, and develop a disaster recovery plan with the business. The key services they should be equipped to provide are:

- **Grant eligibility.** Case managers assist with online applications, prepare documents, answer questions, and provide status reports on grants.
- **Resource matching.** Case managers determine specific needs, match/introduce businesses to mentors, and follow up on mentor services.
- **Direct business counseling.** Case managers develop marketing strategy and execution, analyze the customer base, provide business continuity planning, advice on financial reporting/interpretation, and assist with relocation if needed.

- **Advocacy.** Case managers research, develop, and design grant programs, assist with government loan applications, advocate with the federal tax department and parliamentary offices for grant eligibility, assist with city codes and license applications, and represent businesses to government.
- **Other business decisions.** Case managers assist with technology/IT and other issues like building leases, staffing/management, loans, etc.

Case managers must also be prepared to respond to the immense psychological impacts of a disaster. In fact, case managers often talk about how their visit and continued assistance creates an impact simply by making businesses “feel like someone cares.”

Financing for Small Businesses

Immediately following a disaster, businesses face the need for working capital to meet payroll, replace damaged inventory and equipment and fund other operational costs. Yet, small businesses are the ones with the most limited amount of resources. They are often in the position to need financing in the most expedited manner, and yet they struggle with capital access because of a lack of financial documentation, collateral, credit issues, and being perceived as not bankable. In the immediate weeks and months following a major crisis, these small businesses are in desperate need of working capital to get back up and running. Bridge loans provide quick financing to enable firms to start working on rebuilding efforts.

Long-term financing helps businesses rebuild property, purchase equipment and inventory, and reorient their business around new markets (if needed). As long-term recovery sets in, a small or midsized firm may have to adjust to a changed local or regional market, and thus may need to reorient its product or service, train its workforce with new skills, find new customers and seek out new vendors. A local EDO, chamber of commerce or bank can manage these programs to ensure that the program has the capacity to continue in the long term and continues to meet local business recovery needs as they evolve.

It is not uncommon for small business owners to deplete their retirement and personal savings, borrow from family and friends, take out second mortgages on their homes, and max out their credit card borrowing limits in order to stay afloat.

Case Study: Tailoring Assistance to Meet Local Business Needs in Cedar Rapids, Iowa

After the 2008 floods in the Midwest, business stakeholders in Cedar Rapids, Iowa put together a case management program to help businesses recover. The program was an initiative of the Small Business Recovery Group, which was formed by the Cedar Rapids Chamber of Commerce and the local small business community. The program launched about 18 months after the flood. Although the local SBDC and SCORE volunteers were already visiting businesses at that time, they needed far more funding and staff for the task at hand.

To support the new program, the Small Business Recovery Group secured \$750,000 over two years in CDBG grants and private donations. The group hired outside contractors to work as case managers, and there were eight case managers at the peak of the program. These case managers were seasoned business owners and managers who came from media, accounting, finance, and human resources backgrounds, and most had over 20 years of experience in their respective fields. Other than brief consultation with SCORE and SBDC, the case managers received no training other than their personal business experience.

The case managers quickly developed a “Needs Assessment” form to document damages and priority needs of each business. The form also served as a starting point for deeper conversation with a business on its recovery needs. The case managers then called or e-mailed all 1,200 businesses in the Cedar Rapids area and managed to schedule in-person appointments with about 85 percent of companies. Each client could access a host of case management services.

After working with hundreds of companies, it became apparent that grant assistance and funding advocacy were most needed. The State of Iowa advocated and received a total of \$85 million in grants from Congressional appropriations. The business recovery fund for Cedar Rapids totaled approximately \$6 million, with contributions from local and state sources.

The case management team helped develop programs of businesses closed, while the national post-disaster average is 55 percent closure. Today, five case managers are still working on 50-75 active cases.

For more details on the recovery efforts of Cedar Rapids, IA, please see [Case Study Appendix 3](#).

In the case of the 2008 floods in Cedar Rapids, Iowa businesses took on an excess of \$120 million of additional debt load, while at the same time experiencing revenue decreases of more than 40 percent. Furthermore, in the current recessionary climate and extended credit crunch, small businesses faced with a major disaster today would likely heavily rely on government assistance in accessing capital and

other resources they need to get back on their feet and start the rebuilding process.

The following section will discuss various sources of short and long-term financing mechanisms for business recovery, highlight case examples, and discuss efforts to adapt to meet the specific needs of impacted businesses following a disaster.

The Importance of Mental Health in Post Disaster Recovery

Alberta Floods

As a result of the 2013 floods in Alberta, the Alberta Government announced \$50 million in funding for post-flood mental health recovery, to be divided as follows:

1. Enhancement of Community Services: \$18 million - Direct support for those displaced from the flood, including roving multi-disciplinary support teams made up of outreach workers, counsellors, therapists, community facilitators and recreation therapists to help those living in new temporary neighbourhoods. Treatment would continue to be made available to all who need it, including group, family and child counselling.
2. Targeted support and programs: \$12 million - Programs and support to help those dealing with the stressful aftermath of the flood, including specific programs and resources for children, youth, immigrants and seniors. More than 85,000 resources have been delivered and distributed to date, including a flood recovery coloring book for children and playing cards that describe stages of recovery, information on where to get counseling assistance and how to manage stress.
3. Training and Education: \$5.5 million - Training for disaster responders across government and other sectors to increase Alberta's capacity to effectively respond to and manage the effects of a future disaster. Ongoing training is being offered for disaster responders and people personally involved in the flood, including suicide prevention training, loss workshops and mental health first aid.
4. Capacity Building for on and Off Reserve Aboriginal Populations: \$5 million - New resources to provide emotional support for Aboriginal, First Nations, Metis and Inuit in a culturally relevant manner.
5. Monitoring, Surveillance and Evaluation: \$4 million - Monitoring of the mid-long term emotional health impact of the flood, assisting in planning and setting priorities for supports and services, and evaluating the effectiveness of interventions.
6. The Office of the Chief Mental Health Officer: \$3.5 million - Working with health delivery partners and stakeholders, the office will continue to lead and implement a social emotional disaster recovery plan, establish core "Disaster Mental Health Response teams" and prepare responders in government, Alberta Health Services, and community stakeholders to provide mental health supports quickly and efficiently in the face of any disaster.
7. Public Communications: \$2 million - To ensure Albertans and stakeholders have the information they need to access resources and assistance¹¹.

¹¹ <http://www.health.alberta.ca/newsroom/news-bkgd-2013-10-25-recovery-funding.html>

Florida's Bridge Loan Program

The most well-known bridge loan program in the U.S. was established in 1992 in the aftermath of Hurricane Andrew. The Florida Small Business Emergency Bridge Loan Program is activated by the Governor of Florida only in their emergency declaration. Providing an expedient cash flow to disaster-impacted businesses, loans are made interest-free, and range from \$1,000 to \$25,000. Eligible applicants are small businesses with less than 100 employees in counties impacted by the disaster. Loans must be repaid within 12 months.

The program has been activated 13 times since. To date, the program has made over \$27 million in total loans to 950 small businesses. Repayment either comes in the form of profits from a revived businesses, payment of insurance claims or long-term loans provided through public or private sources. The fund is supported by General Revenue funds from the state.

Programs for Short-term / Gap Financing Needs

Traditional loans are considered risky for small businesses in the immediate aftermath of a disaster. In the short term, small businesses need access to gap or bridge financing with low interest and flexible terms. This gap financing provides businesses with working capital until they can secure funds from other sources, such as insurance claims and other long-term financing sources. These funds are typically made in smaller amounts than long-term financing – often ranging from \$5,000 to \$25,000 for a small business. There is much that EDOs and chambers of commerce can do to help local small and mid-sized businesses secure appropriate short-term financing as discussed below.

Establishing a Bridge Loan Program

Local, provincial, or federally funded emergency “bridge loans” should be distributed to impacted businesses within the first few weeks after a disaster. A bridge loan is designed to provide no-fee financing with flexible terms so that businesses can have quick access to working capital.

The bridge loan serves as a short-term cash-infusion,

which allows businesses to defray short-term expenses and survive until they can be paid back after receiving longer-term financing. Small businesses often use this “gap financing” to assist in their initial recovery efforts including cleanup, rebuilding of damaged property, covering payroll, or replacing destroyed inventory.

After they are able to rebuild their property and reopen, a second wave of urgent need is the cash flow to cover rent or mortgage, payroll, inventory and other medium-term expenses. Financial assistance to address more long-term needs often includes sources that require more paperwork and authorization. Sources could include insurance claims, local banks, federal or provincial loan programs, renewed profits or other sources of income.

In the U.S., while states like Florida and Louisiana created state emergency bridge loan programs and New York provided a combination of business grants and short-term loans post-September 11th, the majority of states have not set up this structure nor do they have the mechanism for rapidly distributing these funds to businesses.

In Canada, not much has been implemented in this regard. Much more could be done. EDOs can encourage the creation of these types of programs in the event of a disaster and have an impact in their community, region and province.

Establishing a Business Grant Program

A business grant program targets particularly devastated businesses that are not interested in applying for a conventional loan because of debt concerns. A grant or forgivable loan can help speed recovery when a business is uncertain about rebuilding and incurring more debt.

In the U.S., funding for this program typically comes from local, state, or federal sources. The following are a couple of examples of business grant programs established in the US following a disaster:

- The State of Iowa created the Jumpstart Iowa Small Business Assistance (SBA) Program to provide short-term financing to small businesses before an anticipated \$85 million grant was scheduled to be disbursed. The Jumpstart program was financed through \$20 million from the State of Iowa, and it provides forgivable loans up to \$55,000 per business. The loans are forgiven if a business

reopens its doors within 12 months of receiving the loan. The requirement that businesses have already obtained a disaster loan from the SBA, or another federal- or state-chartered financial institution, ensures that grants only go to viable businesses.

- Hurricane Sandy caused an estimated \$19 billion in damages throughout New York City in 2012, which included thousands of small businesses. In response to the devastation, former NYC mayor Michael Bloomberg created a relief fund by seeding \$5.5 million. Since then, almost 21,000 people have donated to the fund to raise \$60 million. To date, 724 small businesses have received grants from a \$6 million fund. The two Small Business Grant Programs were administered through the New York Business Development Corporation and the New York Business Assistance Corporation. Eligible small businesses include those that have been displaced for at least three weeks. Individual grants for up to \$10,000 have been used to restore small business operations to replace damaged inventory, supplies or equipment.

Outreach and Working with Local Financial Institutions

EDOs should reach out to a variety of lending sources such as local banks, credit unions and Community Futures other alternative financial institutions to identify available lending products, financial terms, and the reasons behind funding gaps. This information can prove useful in educating local businesses on the various sources of local funding available to them as well as determining if there is need for additional alternative sources of funding.

It is recommended that EDO leadership hold discussions with decision makers at local banks about potential solutions to the lending challenges that small businesses are facing. Local banks are unlikely to want to take on high-risk loans with small businesses that do not appear bankable on paper – particularly in a post-disaster environment where local markets may not be functioning properly.

Private banks ought to consider creative options for lending that enable taking an equity position in the business in exchange for the business receiving a low-interest or forgivable loan. This equity stake in a small to midsize business would provide an appropriate incentive for the small business owner to repay the loan, so the funds would continue to circulate in the local economy.

Alternative Financing

Private and other small business assistance providers can have a critical role in nimbly and quickly deploying funds, but they have limited resources with which to do so. With the appropriate capital, loan loss and operating support, these financial partners can assist small businesses through the lingering effects of a catastrophic event, particularly at a time when the market is unwilling to invest with so many unknowns.

Creating a Bank Consortium

Before a disaster strikes, EDOs can bring local banks to the table to discuss the possibility of creating a bank consortium to provide a pool of funds for business recovery in the event of a future disaster. It is in the best interest of the banking community to help the local economy to recover so they can maintain a healthy source of banking customers. They don't want to see customers default on their current loans or demand for financial products dry up. The best time to discuss financial products, terms, and limits for lending to disaster-impacted businesses is during "blue sky" periods. Bankers can look to evaluate how to develop affordable, flexible terms to businesses while not breaking the bank.

Post-disaster lending is critical in helping the local economy get back on its feet and private financing plays a key role in that process. While federal or provincial loans and grants are invaluable sources of financing when a local community or region has exhausted local sources, they are insufficient in meeting local needs. Government lending programs can take a long time for funds to be appropriated and come with a number of strings attached in terms of requirements. Furthermore, communities may have to wait months for these funds to come through and thereby waste valuable recovery time. Private financial institutions are able to meet local business needs in a more expedient manner.

Delivering Technical Advice and Counseling to Impacted Businesses

One-on-One Business Counseling

Businesses often need wise counsel following a major incident on critical decisions they should take to reconstruct or salvage their business operations. In the wake of a disaster, new market realities emerge and a host of both opportunities and challenges present

themselves to the impacted markets. In this unsettling environment, small business owners need counsel on navigating through the waters so they avoid pitfalls and pursue opportunities that will ensure the survival of their business.

When faced with a crisis, they need sound business advisers that can help them work through their problems and connect to the best resources given the condition of their firm. They need advice on acquiring further debt, particularly if their financial records are not in order. They already have large debt loads, have credit issues, or they appear as not bankable due to other factors. Small businesses need business assistance in the form of business planning, market intelligence, finance and taxes and how to further market and promote their product.

Yet local, provincial and federal funding for business support services is quite limited. This is acutely felt by small businesses that lack the resources to hire the professional services they need. Both public officials and business leaders need to realize the importance of providing small businesses with needed technical assistance in conjunction with financial services to support the recovery of individual businesses and the overall local economy.

Types of Business Counseling Services

In terms of the type of technical advice that is needed, many counselors /advisers find that small businesses will request assistance with tax and accounting preparation. Others need guidance in preparing their financial records so they will qualify for some type of loan or grant assistance.

Marketing is an extremely popular topic for all types of businesses. Some discuss the need to trouble-shoot on restructuring loans, or where to find bridge financing; while others ask for help in resolving relocation issues. Still, business planning and accounting remain critical areas of assistance for most communities.

Delivering Business Recovery Workshops

An EDO can hold workshops to address both common and unique recovery issues to local businesses. Workshop speakers should include representatives from local, provincial and federal agencies and organizations related to small business, taxation, economic development, labour, housing, local permitting and other local professional service advisers such as tax preparers, insurance agents and lawyers. These

representatives should be invited to make presentations and answer questions from impacted businesses. It is also important to engage other economic recovery partners (other EDOs, business districts, chambers of commerce and municipalities) to create a more extensive network of resources and marketing channels.

These workshops can be implemented on a relatively small budget and can serve local businesses on a local or regional basis. Local government facilities can serve as meeting space, and EDOs and their partners can advertise through existing communication channels.

In the Bay Area of Greater Houston, Texas the regional economic development organization, Bay Area Houston Economic Partnership (BAHEP), conducted a business recovery workshop shortly after Hurricane Ike in 2008. They partnered with eight of the local governments in their jurisdiction to market to local businesses throughout the region. Police were used to walk door-to-door to businesses with flyers advertising the workshops.

The workshops were well received and well attended by impacted businesses seeking recovery assistance. Representatives from provincial and federal agencies, local government officials, and private sector firms attended to provide information on recovery resources and programs. In talking with a public official shortly after the event, the most popular official in the room was the Internal Revenue Service (IRS) representative that shared that businesses could claim tax losses as far back as three years. Businesses in a federally declared disaster can get a faster and larger refund by claiming losses related to the disaster on the tax return for the previous year by filing an amended return.

To assist local businesses following the 2008 hurricane, the Galveston Chamber of Commerce hosted a recovery expo for local businesses only a month following their event. Representatives from FEMA, SBA, small business development centres (SBDCs), chambers of commerce, insurance companies, attorneys, and companies like Best Buy came to discuss how to help affected businesses. In an environment of uncertainty and risk, over 400 local business owners were provided with information on how to navigate through different sources of assistance. This information helped them to evaluate their options and make decisions on whether or not to rebuild on Galveston. The expo served another important function of bringing the business community together to discuss how to get the community on its feet again.

Mobile Assistance Resources

The following are two examples of mobile units developed to provide small business and entrepreneurship support to local businesses in more rural areas of their region. Both are located in a Gulf Coast state and therefore have been used to assist in disaster recovery.

Louisiana Business and Technology Centre

The Louisiana Business and Technology Centre's (LBTC) mobile classroom at Louisiana State University (LSU) is a converted semi-trailer that seats up to 24 entrepreneurs and business owners. The mobile unit hosts workshops in leadership development, entrepreneurship training, marketing in the 21st century, basics of federal contracting, basics of lean manufacturing and how to grow businesses using e-commerce. They seek to provide services to Louisiana's businesses and entrepreneurs in more rural populations by traveling to rural parishes to present various programs. Currently, they have visited more than 30 communities annual and have assisted more than 1,500 entrepreneurs and business owners that by providing training and technology expertise. They hold workshops and seminars in conjunction with the local chamber, SBDC, incubator, or EDO.



Necessity is often the mother of invention. LBTC created one of their most successful endeavors shortly after Hurricane Katrina. They are able to reach out to small businesses and entrepreneurs in rural and far reaching places in Louisiana as a result of this creativity. This mobile classroom has received numerous awards.

Florida Small Business Development Centre Network

The Florida Small Business Development Center Network (FSBDCN) developed a Mobile Business Assistance Center Program and announced it prior to hurricane season in 2006. The program was developed to focus on two underserved markets: (1) post-hurricane small businesses and (2) rural clients who need help and don't or can't visit centre locations in urban or campus areas. The Mobile Assisted Center's (MACs) are two 38-foot RVs outfitted as self-contained centres with laptops, printers, satellite communications, business libraries, supplies and more.

Following a major event, staff will be deployed to the field for immediate business recovery assistance in the form of consulting on the forms and paperwork, marketing, business planning, leadership development etc. Tents and tables are set up outside so that SBDC Certified Business Analysts (CBAs) can provide consulting and assistance needed for clients. The Florida SBDCs have been partnering with economic development organizations and chambers throughout the state to highlight the new MAC Program and plan rural strategies.