Four Strategies for Disaster Recovery

In the aftermath of the 7.1 magnitude earthquake that hit San Francisco in 1989, 97 businesses and three public buildings were destroyed and 2,575 businesses were damaged.

In addition to the extreme loss to businesses and a mass exodus of the labor pool, when Hurricane Katrina hit the Louisiana coast in 2005 it also caused major interruption of the oil supply and exports of commodities.

While each disaster is unique, Professional Consultant Today passes along these common ways that businesses can avoid many of the pitfalls associated with them:

1. Plan for adequate financial reserves. This is not always easy, particularly for small businesses, but it is critical in dealing with disaster. Review insurance coverage annually and understand what is covered and what is not. Know the process and requirements for filing a claim and get emergency contact numbers.

2. Prioritize employee welfare. Develop people-focused plans that not only center on managers and key employees, but also on their families. Employees are more apt to remain on the job if they know their families are safe. Keep the lines of communication open with employees during a crisis.

3. Manage customer expectations. Open lines of communications as early as possible and share your plans with them. Customers can accept delays, or inconveniences if they know about them and are not taken by surprise.

4. Pay attention to what is going on in the community. Disasters don't create social problems. They take problems that were already there and make them worse. A demographic shift had been going on in Northridge, California for several years before a magnitude-6.7 earthquake rocked the area; the disaster accelerated the process.

Recognizing the impact of disaster on your business and adapting with these strategies can ensure fast resumption of business.

Source: Lucien G. Canton, CEM, is a consultant specializing in preparing managers to lead better in crisis by understanding the human factors often overlooked in crisis planning. A popular speaker and lecturer, he is the author of the best-selling Emergency Management: Concepts and Strategies for Effective Programs.