

## **Is your business prepared for a hurricane?**

*With such a shaky economy, a false sense of security after four calm storm seasons could be catastrophic for unprepared South Florida businesses.*

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An economic recession, crashing home values and soaring gas prices have swept through South Florida like a whirlwind over the past half-decade, but, thankfully, Mother Nature's hurricane-wielding arm has been held back.

Since Hurricane Wilma swept across South Florida in 2005 packing Category 3 strength winds, the region has experienced consecutive relatively noneventful hurricane seasons.

But some say five years of calm skies after the back-to-back storms of 2004 and 2005 could be a curse disguised as a blessing if people -- and businesses in particular -- don't wise up and prepare for the next big one.

Many business owners have allowed the dust to collect on old disaster response plans -- a dangerous gamble if a major storm hits this year, said Curtis Sommerhoff, director of Miami-Dade County's Office of Emergency Management.

"We've been fortunate, but we get concerned about the complacency of people not enacting their plans," Sommerhoff says. "We always tell people, it only takes one." This hurricane season, which began on June 1 and runs through Nov. 30, is forecast to be more active than most, with as many as seven major hurricanes predicted by the National Oceanic and Atmospheric Administration.

At Wahab Construction, which designs hurricane-resistant buildings, storm planning has become a routine promoted internally by company president Walid Wahab. The Miami-based firm has installed hurricane proof doors and windows on its own building and drafted a customized disaster continuity plan for the 2010 season.

"I was here for Hurricane Andrew," he said of the 1992 catastrophe. "I remember the chaos after the storm when, bluntly speaking, no one knew what they were doing. Certainly, we're trying to avoid that."

A recent study by Travelers Select indicates that Miami-based Wahab may be the exception rather than the norm. Only about 44 percent of small businesses have a continuity plan, the survey found.

Complacency isn't the only thing keeping businesses from properly preparing for the big one this year. There's also the recession. With many small businesses strapped for cash and simply trying to stay afloat, planning for winds, floods and power outages has been neglected in many cases, said Nancy Rackear of the U.S. Small Business Administration.

Expensive generators, comprehensive insurance policies and data protection services may seem like luxuries to cash-strapped companies, but Rackear said they should keep in mind the costs often borne by the unprepared after a disaster.

“There will be business owners who will think to themselves they can't afford to prepare for a hurricane because business is off,” said Rackear, a spokesperson for the SBA's South Florida branch. “What I say to them is that, ‘You can't afford not to. If you do not [prepare], you could lose everything in a matter of hours.’” For the second year in a row, the Miami-Dade Office of Emergency Management's has put out a hurricane preparedness guide with a section on how to prepare on a budget.

While many of the tips are aimed at homeowners, they can also be applied to small companies and home-based businesses, Sommerhoff said.

Buying essentials like water and nonperishables in bulk, and taking advantage of buy-one-get-one-free deals for hurricane-related items are some of the tips listed.

It's probably not a good idea to pinch pennies, however, when choosing an insurance policy. Businesses should meet with their insurance agent to go over their plan prior to any activity in the Atlantic, and make sure it's hurricane-proof. It's important to make sure the firm is covered for losses resulting from wind, flooding and business interruption. Since windstorm and flood insurance are not always included in standard policies, it may be necessary to request this coverage specifically.

Steven Leonard, president of Sturon Nursery in South Miami-Dade, has insured all his crops and taken pictures of his plants to present to an insurance agent should a storm dump heavy rains on the Redland.

Disaster preparedness is a central part of his business, he said, as his plants are susceptible to both cold snaps during the winter and storms during hurricane season.

“We're constantly monitoring all the [weather-tracking] websites and storms and trying to anticipate what might be coming,” he said. “Anything that's within 800 miles, we're looking at daily.”

Protecting critical data should also be a key component of every business's continuity plan, Office Depot spokeswoman Melissa Perlman said.

“We focus on two areas -- people and data,” she said. “There are simple and affordable steps to protect your most important resources -- your people and your data.”

Office Depot's Boca Raton headquarters stores its data in an off-site location, which is reinforced to withstand a Category 5 hurricane.

Smaller businesses may be able to store all of their data on external storage devices such as flash drives or portable hard drives, but professional data services may be necessary for complete peace of mind.

Businesses can store company files in off-site centers with hurricane-proof facilities like Terremark's NAP of the Americas building in downtown Miami or the Miami Data Vault. These facilities offer data protection, generator-powered servers and immediate access to files after a storm. These services can be pricey for small businesses, but they tend to be the most secure option.

For businesses that decide to store critical files on flash drives or external hard drives, owners should be sure to keep them in a separate place from the office, and take steps to

protect them from water damage. Sending a backup version of critical files to family members or trusted friends in other states may be worthwhile, Rackear said.

``It takes three to 10 years to build a successful business, and businesses that can't access their critical data within 48 to 72 hours of a disaster, may not ever recover," she said.

## PERSONNEL PROBLEMS

Keeping business going after a major storm also requires preplanning in the area of personnel management, where labor laws can be confusing, said Mike Casey, a partner at the Miami law firm Epstein Becker & Green.

Having a plan for dealing with leave time, unannounced employee absences and occupational safety is an important predisaster step to take. Casey, who put together a hurricane preparedness manual for employers, said having a solid communication plan and keeping primary and secondary contact information for all employees is crucial.

He also warns employers against requiring workers to come in to work if conditions are hazardous.

A good rule of thumb according to Sommerhoff: Do what the government does.

``We're also talking to them about following the county government's lead," he said.

``When we start sending nonessential staff home to look after their homes and families, we look for the business community to follow suit."

At Wahab Construction, the plan is to close shop and send everyone home at least two days before a major storm hits, Wahab said. In the week before a storm bears down, the company will have all dumpsters and portable restrooms removed from work sites, and all critical materials wrapped up in plastic.

It may be an overly cautious strategy, but Wahab said his company philosophy is to err on the side of caution.

``As frustrating as it is to pack up and waste all of this energy wrapping things up and then the hurricane doesn't come -- it's totally worth it," he said. ``It's a conservative strategy, but it works."

## EARLY WARNING SYSTEM

This year, business owners will have more lead-time to kick start response plans before a storm strikes. The federal government announced that hurricane warnings will be issued 12 hours earlier than normal this year. That means business owners will know about an approaching windstorm at least 36 hours in advance.

Should Mother Nature not spare your business this hurricane season, it's also important to consider the best options for picking up the pieces and restarting.

Once a region is declared a disaster area, business owners can apply for a loan from the U.S. Small Business Administration. The federal agency offers low-interest loans of up to \$2 million for businesses following a disaster. Loan money can be used to repair damaged structures or offset losses caused by a hurricane.

Businesses should keep sales records from previous years handy if they end up applying for a loan to offset business losses, Rackear said.

Small steps like this could save business owners from losing everything in an instant and having to close shop if a storm bears down on South Florida this season, Rackear said.

``In South Florida, this is really a way of life," she said. ``It's the price that you pay for living here."