

## **Small-business Savvy: Prepare Your Small Business for Disaster**

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Disasters happen.

If you are a business owner, you can count on having a disaster in your business. It may be a major event such as a flood, thunderstorm or tornado, but more likely, it will be something smaller, such as a water leak over your computers, an electrical outage or even the street being ripped up outside your store.

A disaster is something that happens that is out of your control. Two things are known about them: They are man-made and natural, and the business goes through certain stages of response. What is not known is whether the business will recover, and if it does, how quickly that will happen.

One obvious difference in a business response to a disaster is business size. The larger the business, the greater the resources needed, internal and external, to help it recover. Also, larger businesses more often tend to have response plans in place, as well as insurance and policies to help restart.

This means small businesses are at a greater risk of taking longer to return to full operation, or not returning at all, after experiencing a disaster. Add to that the fact that 52 percent of small businesses operate from the home or property where the home is located, according to Joanne Pratt who examined the U.S. Census Bureau “Characteristics of Business Owner” data, and small businesses face an even larger hurdle because the business and the family system are impacted.

Estimates of businesses that will not recover from a major disaster range from 19 to 30 percent. While recovery chances improve substantially for minor disasters, the speed of the recovery is slower for the small business. Even a minor disaster will bring a temporary closure of anything from a few hours to a few days for even the minor disaster, while the effects of a major disaster could stretch out for months to more than a year.

Small-business owners have steps they can take that will improve the likelihood of recovering and doing so more quickly after a disaster. Preparation is a big factor.

The North Dakota State University Extension Service has developed an app for smartphones or tablets that lets small-business owners build a plan, including photos of inventory, supplies, equipment and other material to help do the planning. Plus, business owners probably will be carrying their smartphone or tablet, so they will have the plan with them if needed.

The goal is to help business owners get back on their feet as quickly as possible. The app is available at <http://tinyurl.com/DisasterPlanApp>

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Disasters happen. They never are expected. And businesses have no guarantee of recovery.

Yet businesses that plan improve their chances of getting back into business quicker and staying in business. Take some time and get your plan together.

For more help, visit our website, <https://www.ag.ndsu.edu/smallbusiness>, and sign up for the monthly newsletter.

More information is available at your local Extension office, as well as at <http://powerofbusiness.net> and <http://www.eXtension.org/entrepreneurship>.

The Small Business Administration and its related organizations, such as the Small Business Development Centers and Service Corps of Retired Executives, along with many other state agencies, also can be valuable resources.

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