

If your printing business was to be hit with a disaster — either flood or hurricane, tornado or earthquake — would you be prepared?

Despite an unprecedented year of disasters in this country, most businesses still do not have disaster recovery plans in place, according to a new study from the University of Texas at Arlington.

The university recently conducted a nationwide study and found that only two-thirds of companies surveyed had disaster recovery plans in place. And 40 percent of those with plans had never tested them to see if they were effective.

Incredibly, the survey concluded that 43 percent of all businesses hit with a major disaster would never reopen, and 90 percent would be out of business within two years.

Dave Pekarek, owner of Aaction Printing in Riverside, CA, has his disaster plan in place, complete with safety features, evacuation plans mandated by the fire department, insurance coverage for equipment, and backup systems for computer information that is stored off-site and backed up weekly.

"A lot of printers don't act until after the fact," Pekarek says. "But I'm overly prepared because I like to prevent disasters before they happen and plan ahead. If something happens and we can't operate, then we're out a lot of money."

Pekarek says he updates his disaster plan regularly and practices it every three months. He has never had to use the plan in an emergency, but wants to prepare as much as possible.

It can't happen here

According to Beth Sprinkel, assistant director of the Insurance Research Council, business owners like Pekarek are exceptions to the rule of disaster preparedness. "We did a Small Business Attitude Monitor in which we surveyed businesses with two to 50 employees," she says. "We found that business people don't think disaster is going to happen to them."

Sprinkel says the survey results also found that more than 50 percent of businesses didn't even attempt to obtain insurance for disasters. "So it's a case of businesses not even trying to get coverage," she says.

According to Karen Gahagan, director of information services for the Insurance Institute for Property Loss Reduction, printers need to think seriously about the possibility of disaster and have their environment assessed very carefully to find unique things that need to

be covered.

"A lot of business owners think, 'Well, something might happen, so I'll get around to it.' By the time they get around to it, it's too late," she says.

California has experienced a string of disasters that have included fires, mud slides, rioting and earthquakes. Mike Marando, spokesman for the California Trade and Commerce Agency, an economic development agency responsible for attracting and retaining business in California, says California businesses continue to operate, sometimes on sheer determination.

"This state shows so much resiliency in the face of disaster," he says. "It's amazing how people who live here can continue to make a come-back."

California wasn't the only area to be hit with catastrophic disasters last year. The flooding in the Midwest took its toll on many businesses.

"We were multiple feet above the flood plain," says Ross Larson, president of Printing Industries of the Midlands in Iowa. "Businesses that didn't even know they were at risk for flooding found themselves with five feet of water in their buildings."

Larson adds, "We are protected by a levee system, but levees are made of mud, and mud washes away with water."

Larson says many printers involved in the Midwest flooding had warning and admitted they could have prepared themselves or gotten equipment out of their buildings in time. "But they just didn't have disaster plans laid out," he says. "Most of them do now. But they have incentive. We had severe flooding this spring, and not all of the levees are repaired yet."

High winds and water damage

Should the Worst Happen . . .

by CYNTHIA SCANLON

from Hurricane Andrew cut a swath through Florida last year, destroying everything in its wake. Many businesses were either crippled or devastated by the storm. But those businesses that had disaster plans written down and ready to go were able to get up and running in fairly short periods of time.

For example, 60 Kentucky Fried Chicken restaurants were damaged, 27 of them so severely they had to be completely shut down, according to Gary Gerdemann, director of public affairs for KFC. However, all of those stores were up and running within two months time.

"We have disaster plans for everything you could imagine, and quite a few that you can't," he says. "We have had various versions of them for a decade now."

Developing a plan

So what are some of the things that printers need to think about in creating a disaster recovery plan?

To begin with, conduct a complete survey of your business and determine areas and services vulnerable to loss. Check with your insurance agent to see what kind of coverage you'll need.

Then create a contingency plan for each potential problem or area of your business. In the event that you might be forced to leave, ask yourself whether it would be possible to re-establish your business temporarily somewhere else.

"You have to figure out a way to provide that service somewhere else if you can't get access to it," says Richard Luongo, assistant vice president of Chubb Services Corp., a risk management consulting firm specializing in business contingency planning. "You have to make sure you can bring up the last day's work on the first day of your recovery."

If your business records are on computer, make backup copies of all data, including software programs, and store the information off-site, preferably with a commercial data storage facility. In the event of a major water catastrophe, your computer equipment would almost cer-



tainly be destroyed.

Once you've made a contingency plan, make a video recording of everything in your shop, including all machinery, equipment and contents. The video doesn't have to be expensive, just inclusive of everything on-site that you might lose. Store those tapes off-site with your computer data.

Develop partnering relationships with fellow printers now. In the event of a disaster, you should have a plan laid out that will allow you to lease equipment from other area printers or take the third shift in their shop to run your own work.

Also, remember to include your employees in your written plan. Each employee should have specifically assigned responsibilities in a disaster, and those responsibilities should be in writing. "If someone is not available, you need to replicate their capabilities somehow," says Luongo. "There needs to be flexibility in job functions, all of this needs to be documented."

Dry run

Once your plan is written down, test it. "The plan must be tested in order for it to be viable," says Andy Marks, senior account

executive for Chubb Services Corp. "It's a living document, and it needs to be updated and run through its paces."

Luongo says a disaster plan can be tested by calling up employees at four o'clock in the morning and having them report to the office with disaster plan in hand as though they were in a real emergency. The proceedings should be videotaped.

"It's interesting to see how people react when they are truly stressed, and that's going to simulate what may happen if there's a real disaster," Luongo says. "You can then review the tape and fill in the missing pieces you didn't think about when you were relaxing in your office."

In the event of a disaster, call your equipment vendors immediately (names and numbers should be kept in a safe place off-site), and inform them that you will need their assistance.

And, if your equipment has been hit by a flood, get it sprayed down with clean water and dried off immediately. "That equipment is not meant to be underwater, and a blanket of rust can form in a matter of hours," Larson says.

"You may also need a document dryer to come in and deal with the effects of the flood," adds Joel Tietz, assistant vice president of Chubb Services Corp. "And you may have to have a company come in and dehumidify your space."

The last two years were filled with disasters ranging from Hurricane Andrew to the flooding in the Midwest, and, most recently, by the California earthquake. Even if you don't think so, your printing business and, hence, your future could be at risk. So don't be caught unprepared. Conduct a survey of your business, decide how to protect yourself and your property, get your plan written down and practice it. ●

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