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BUSINESS MONDAY



BE PREPARED

Failing to plan for a possible storm could be the final blow for businesses already hit by the recession, page 14

BE PREPARED

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

WIND RESISTANT: At Wahab Construction, president Walid Wahab, above, uses lessons he learned from Hurricane Andrew to prepare his company for the worst.

On the web

www.Preparemybusiness.org www.Sba.gov
www.Floridadisaster.org www.Ready.gov
www.Disasterassistance.gov www.Disastersafety.org

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 pen-

•TURN TO COVER, 16G



C.W. GRIFFIN/HERALD STAFF

Is your business prepared for a hurricane?

• COVER, FROM 14G

nies, 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 com-

pany 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.



AL DIAZ/MIAMI HERALD STAFF, 2005

MESSY AFTERMATH: Daniel Sanchez surveys damage from Hurricane Wilma at his North Bay Village condo with his dog, Leo. Businesses that are unprepared for a major storm will have a tough time dealing with the swift and dramatic devastation a hurricane can bring.

"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."

Helpful tips — The calm before the storm

It's not too late to gear up for the region's next major storm. Here are some tips on how to prepare your business pre-hurricane:

- Windstorm insurance must be in place prior to a storm to cover losses caused by hurricanes and tornadoes. However, some insurance companies will allow businesses to purchase coverage up until a hurricane warning has been issued.

- Photograph or videotape your building or office before and after a hurricane hits. Make sure to keep these records in a safe, dry place off premises.

- Back up critical data on servers and personal computers. If the backup site is within the area that may be affected by the storm, take backup tapes with you in the evacuation.

- Make sure you have an emergency communication plan in place.

- Have contact information for all employees, vendors and client on hand, available off site. This includes cellphone, home phone, e-mail and physical addresses.

- Turn off such noncritical devices as server monitors and workstations and other nonessential electrical equipment.

- Inspect and make emergency repairs to drains, gutters and flashing.

- Make sure employees who volunteered to stay on site have proper supplies and equipment (drinkable water, nonperishable food, medical, supplies flashlights and walkie-talkies).

- Have cash on hand for post-windstorm needs, such as buying food and supplies, or paying employees and contractors.

- Fill your vehicles and generators with gas before a storm comes. Gas can be difficult to find after a hurricane.

- Evaluate your short- and long-term energy needs. If your company needs a generator, don't forget to stock enough

fuel for it.

- Keep a copy of emergency contact information for your insurance agent off premises.

- Set up a meeting point to be used if both telephones and cellular phones fail.

- Make sure that you carry current identification. You may have to pass through identification checkpoints before gaining access to your factory or business after a hurricane.

- Wrap unplugged electronics and appliances in plastic and store them in high and dry places.

- Review your insurance policy to make sure you understand its coverage, its limitations and your company's claims procedure.

- Inform employees about the details of any business continuity plans that will affect them, including what the plan says about employee absences.

- Review applicable leave policies and procedures to address and allow for disaster-related leave requests, including how such leave will be treated (i.e., paid or unpaid)

- Formulate a team of decision makers who will have authority to make crucial decisions in the midst of a hurricane or other disaster. This team should establish a method of communicating with each other during the hurricane.

- If your business needs a disaster recovery loan, call the U.S. Small Business Administration disaster assistance center at 800-659-2955 or visit sba.gov.

WILMA'S WRATH: In 2005, Hurricane Wilma, the last hurricane that directly impacted South Florida, heavily damaged the Broward County School Board Building, right.



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