



Putting Business Protection into Practice: TWELVE IDEAS FOR 2014

It's a new year, and a good time to focus on what you want your business to accomplish in 2014. In addition to sales targets, expense reductions, and operational improvements, now is the time to identify ways to better protect your business against property losses and profit declines caused by severe weather, maintenance problems, and lapses in business continuity planning.

The Insurance Institute for Business & Home Safety (IBHS) has developed a number of cost-effective loss reduction strategies that most business owners can implement on their own with limited outside assistance. To get you started, here are twelve ideas for this year.



1 INSPECTION AND MAINTENANCE PROLONG THE LIFE OF YOUR ASSETS AND HELP PREVENT LOSS

Inspection and maintenance of your building, building systems, and equipment can lead to long-term savings by prolonging the life of your facilities, lowering operational costs and utility bills, and providing greater protection during a storm. That is why it is important to take time from your daily operations to examine the critical components of your business, follow manufacturer's maintenance recommendations, and make timely repairs. Some of these activities can be done by the business owner or maintenance staff. These include a maintenance inventory of office equipment or an exterior walk-around inspection to look for damaged roof-edge flashing or gutters, wall cracks or

broken windows. Other activities, such as inspection of a steep-sloped roof, will require an outside contractor because of safety concerns or required technical expertise. There are some items that may take a combination of both, and once a problem is identified that is beyond the business owner's capabilities, a professional should be engaged.

The important thing is to understand that inspection and maintenance are part of the investment you make in your property and should be scheduled for specific building components throughout the year. This ensures that you do not fall behind and allow small maintenance needs to become big repair problems. Additional recommendations are available in IBHS' "Proper Maintenance and Timely Repairs" at www.disastersafety.org/commercial_maintenance/proper-maintenance-and-timely-repairs/.



EXCUSES ARE NO SUBSTITUTE FOR A BUSINESS CONTINUITY PLAN

Businesses have lots of excuses for not having a business continuity plan, including the most common, which is “we thought it would never happen to us.” There is also a misperception that planning takes too much time or costs too much money. In reality, it’s the failure to plan that results in additional costs. Studies have shown that one in four businesses forced to shut down because of a disaster never reopen. Don’t let this happen to you.

To help small businesses get started, IBHS has developed a free, streamlined business continuity planning tool called OFB-EZ™ (Open for Business-EZ), which translates professional business continuity concepts into common business language. OFB-EZ will help you understand your risks, identify your priorities, and take steps to protect the operations and processes that are most important to your bottom line. Find out more about OFB-EZ at www.DisasterSafety.org/open-for-business.



FLOODS CAN HAPPEN ALMOST ANYWHERE

Each year, businesses in the United States suffer millions of dollars in flood damage. It is a common misperception that only properties located in identified floodplains are vulnerable to flood damage. In fact, flash floods can occur almost anywhere, often with little or no warning, and with devastating consequences.

Exposure to water sources, topography, and the building’s finished floor elevation are the top risk factors for potential flooding. For new construction, if it is not possible to choose a location well outside of a flood-prone zone, there is no better solution than building to an elevation above the base flood elevation (BFE), which is also known as the 100 year flood level. IBHS recommends building structures with their finished floor elevations at least three feet above the BFE or above the 500 year flood level (if known) for the highest

level of protection. For existing structures, it may not be economically feasible to elevate the finished floor elevation above the BFE. A more economical solution may be to use flood resistant materials and finishes for walls and floors below the BFE, elevate indoor and outdoor utility equipment, and dry-flood proof your building, which will prevent flood waters from entering through openings such as doors, windows, and wall penetrations. Regardless of elevation, it is also critical to inspect your basement for potential water intrusion problems, and move all valuable equipment, documents, or inventory to upper levels. In addition, contact your insurance agent to learn more about flood insurance benefits, costs, and options in order to protect your financial investment should flood damage occur.

For a more complete discussion of flood protection, read IBHS’ “The Power of Water: How to Prepare and Protect Your Business from Floods” at www.disastersafety.org/news/the-power-of-water-how-to-prepare-and-protect-your-business-from-floods-4.



USING THE RIGHT PRODUCTS AND INSTALLING THEM CORRECTLY WILL ACHIEVE OPTIMAL BUSINESS PROTECTION RESULTS

Business owners who want to stay in business and quickly recover from natural disasters should lease, buy, or build stronger, safer structures. Correctly installed high-wind and other hazard-oriented construction design, while slightly more expensive, can produce buildings that are much more likely to better withstand extreme weather. As an example, “stronger” wind-resistant construction installation practices include:

- wind-rated roof cover and perimeter edge flashing;
- adequate steel reinforcement in the masonry walls;
- anchorage of roof-top equipment; and
- wind-rated large commercial doors.

See what a difference the right products and installation methods can make at www.disastersafety.org/high_winds/commercial-high-wind-test-resources.



A commercial high wind demonstration at the IBHS Research Center shows the importance of using the right products and installation methods.



EXPECT THE UNEXPECTED – KNOW HOW TO PREPARE AND RESPOND

In addition to business continuity planning, every business should have an emergency preparedness and response plan that addresses employee safety and property protection issues specific to your worksite and location. Most storms and other natural hazards allow for advance notice to enable you to focus on preparations inside and outside of your building. Even if that is not the case, an emergency plan will help make your business more resilient.

Your plan should include longer-term steps to take in the off-season, as well as planned activities at specified intervals (e.g., 5 days, 72 hours, 24 hours before) when a storm is threatening. Additionally, you should detail in advance how designated staff will return to your facility after a storm to assess conditions, document damage, and determine when it is safe to welcome back remaining employees and customers. Remember, life safety is the top priority for all emergency preparation and response planning. For more details on emergency preparedness and response, please see IBHS’ “How to Navigate Stormy Weather: Emergency Preparedness and Response Planning” at: www.disastersafety.org/commercial_maintenance/navigate-stormy-weather-emergency-preparedness-response-planning/.



Every business should have an emergency preparedness and response plan that includes how to tell customers of closures.



IT'S IMPORTANT TO INVOLVE EMPLOYEES IN PLANNING AND LOSS PREVENTION ACTIVITIES

Just as your employees play a critical role in your business’s operational success, they also need to be an integral part of your maintenance, business continuity planning, and emergency preparedness activities. Employees should understand your expectations of them following a disaster that may damage both their workplace and home. Also recognize that “practice makes perfect,” and involve all employees in regular exercises to test and improve your disaster planning. Additionally, help

your employees and their families become more resilient by providing them with practical information about how they can strengthen their homes and communities against weather risks. Websites such as www.Ready.gov and IBHS’ www.DisasterSafety.org are good places to start. By being prepared, employees can be the linchpin in your organization’s recovery in the event of loss.



GENERATORS CAN BE A LIFELINE, BUT ALSO POSE LIFE SAFETY RISKS

Power outages resulting from natural or man-made disasters, or site specific events, can disrupt your business for days or even weeks, and potentially result in heavy spoilage losses. A generator can enable you to continue operating some or all of your electronic equipment and lights, preserve perishables, and make conditions more comfortable for your employees – all of which minimizes business interruption.

However, in order to assure safe, effective operation, generators must be properly selected, correctly installed (including above base flood elevation levels - see #3), well maintained and safely used – especially with respect to proper ventilation. The time to purchase, install and maintain a generator is well before a major storm or disaster strikes. When using a gasoline- or diesel-powered generator, make sure you have adequate, fresh fuel for approximately 96 hours, since it may take that long for first responders to mobilize, clear roads, and because fuel may be in short supply following a disaster. More recommendations about how to use a generator safely are available in “Commercial Generators: An Integral Part of any Business Preparedness Plan” at www.disastersafety.org/commercial_maintenance/commercial-generators-an-integral-part-of-any-business-preparedness-plan/.



PROTECT YOUR BUSINESS FROM THE TOP DOWN – GET THE ROOF RIGHT, AND KEEP IT STRONG

The roof is a commercial building’s first line of defense from natural hazards such as wind, rain, fire, hail, ice, snow, and extreme heat. It is also the most vulnerable part of your building. Commercial roofs often are more complex than their residential counterparts and generally require a specialized roofing contractor for installation, maintenance, and repair. If it’s been a while since you’ve had your roof inspected, your first priority should be to identify and fix any major problems. Visual clues of problems include prolonged standing water or ponding on the roof, bubbles, tears in the roof cover, or gaps in the flashing or roof cover perimeter.

If you spot any of these problems, consult a professional roofing contractor to determine the health of the roof. They also can assist in making necessary repairs, estimating the remaining life of the roof, and developing a maintenance plan. Remember that a little maintenance can result in a lot

of savings, especially when compared to the cost of damage from a small, undetected leak or a catastrophic roof failure. More details are available in “Commercial Roofing: Repair, Recover or Replace” at www.disastersafety.org/commercial_maintenance/commercial-roofing-maintenance-and-repair/.



SAFEGUARDING WIRING AND ELECTRICAL SYSTEMS CAN PREVENT INTERNAL FIRES

Electrical fires consistently rank among the top causes of commercial building fires and also regularly result in a higher percentage of property damage, injury, and loss of life than fires caused by many other sources. Many of these fires are caused not by direct contact with electricity, but by situations that are common to many workplace environments. Examples include overloaded circuits or outlets; hidden arcing, smoldering, or burning inside worn outlets; or shorts in wiring. Other common problems are outdated electrical systems, DIY electrical installations or wiring that is not up to safety code standards.

Remember that your electrical system should be treated like any other sophisticated and potentially dangerous machine. Use the right materials and hire a professional electrician to perform new installations, repairs or maintenance. Also, make sure that electric system safety is part of staff training and periodic safety inspections. In addition, businesses with specialized electrical equipment, or with employees who work on or around electrically-energized systems and equipment, must establish and adhere to a written electrical safety program that includes strictly-enforced lockout and tagout procedures.



DATA PROTECTION IS A VITAL PART OF DISASTER PLANNING

Information and information technology are the lifeblood of most businesses. However, both data and equipment are at risk if you do not take steps to protect them from weather damage and other causes of loss. One important way to reduce the likelihood of loss is to develop and maintain a data back-up system. In order to determine the most cost-effective way to meet your needs, you will need to know what (and how much) data you need to back up; how often to do it; where the backed-up data is stored (it should be far enough away from your facility that it is not subject to the same severe weather risks); and how to monitor your system. It is also critical to test your ability to restore backed-up data and to document the restoration process. Additional recommendations are available in “Data Protection: A Vital Part of Business Protection” at www.disastersafety.org/commercial_maintenance/data-protection-a-vital-part-of-business-protection/.



SEVERE WEATHER CAN BE BOTH SEASONAL AND UNSEASONAL

Every region of the country is especially vulnerable to natural disasters at certain times of the year – for example, snow and ice in the winter months, floods and tornadoes in the spring, tropical storms during the hurricane season (June 1 – November 30), and wildfire during dry periods. That said, severe weather can occur out of season, such as October blizzards that lead to more severe tree damage and widespread power outages, or in unlikely places, such as hurricane-force winds in the Midwest.

While it is often difficult to predict the weather, preparing for a variety of scenarios greatly increases the likelihood that your business will emerge with little or no damage to your facilities or operations. Many common maintenance practices (e.g., clearing gutters, fixing broken windows, moving expensive inventory and equipment from harm’s way) can help protect your property against weather that occurs at any time of the year. Your business continuity plan should be flexible enough to be successfully activated regardless of the cause of the business disruption. IBHS has a variety of weather-related protection recommendations for commercial and residential properties at www.DisasterSafety.org.



PRACTICE MAKES PERFECT FOR PLANS AND PREPARATIONS

Business protection is not a “one and done” exercise; it is an evolving exercise that should be regularly reviewed and updated because your business is constantly changing. Make sure that the right people are assigned to maintenance, repair, and business continuity functions (and that these functions are reassigned if incumbents change or leave their job). Set up a schedule for internal and external inspections, as well as review and testing of business continuity plans. The time to find and correct problems is well in advance of a storm or other impending emergency, when required people and materials are still available and affordable.

What seems like a great amount of work to inspect, maintain, update, test, and improve your preparations now, may be what saves your business following a disaster. And, in the meantime, your business will be stronger and your employees better prepared for the unexpected. For more information on business continuity planning and testing, see IBHS’ “Business Continuity Planning in Action: A Guide to Keep your Business Ready for an Emergency” at: www.disastersafety.org/commercial_maintenance/business-continuity-planning-action-2/.