

Earthquake

February 2010

The horrific losses an earthquake can cause are top of mind – so let’s dust off some ideas we’ve discussed before. Every day businesses are forced into crisis mode by natural disasters like earthquakes, hurricanes, and wildfires. In California, we regularly hear about the 60+% chance of a devastating earthquake in the next 30 years. No one in Haiti can remember an earthquake – the last big one was 200 years ago.

Clients tell me there’s nothing they can do to prevent these events, so all thoughts get pushed to the back burner. Denial sweeps in, and they get swamped handling the customer or employee emergency of the day.

As we’ve seen, major losses like these mean you will probably be on your own for several days or even weeks. Even if major human suffering is averted, this time period is long enough for most businesses to suffer *real* pain—and many will not survive. Insurance settlements that come months later are usually not helpful.

So contingency planning—to mitigate your business down time—is all you’ve got. Technically, contingency plans kick in *after* a loss has occurred. But of course, they need to be prepared—and tested—beforehand. The good news is that usually one plan—with a few variables—can handle most types of catastrophes.

Where to start? Here are three key steps ~

First, from a business point of view, identify what can happen and the consequences to staff and their families, your buildings and equipment, vendors and customers.

Think about cross training, working from off-site, being able to access customer and supplier contact lists, etc. This should be a team effort: collaboration will be needed when the disaster hits so it’s best to start now and set up a crisis team. You might include major customers or suppliers, and of course, encourage employees to prepare their own emergency supplies.

The **second step** is to write up simple Business Continuity Plans—describing how to restore the different pieces of your operations quickly. Assign tasks to your team for the steps they’ll take during and after a crisis, and a list of what you’ll need to get ready – information, supplies, etc. – in advance.

The **final step** is testing and supporting your plans. Recently, a client project created a plan that included these steps—all recurring on a regular basis:

- Testing data backups on different computer equipment;
- Updating customer, supplier, and employee contact lists;
- Team celebrations to encourage plan updates and new ideas;
- Review of insurance protections: what coverage you have for these situations; what else is available; what documentation will you need to prove a loss?

Call or email if you need a clarifying discussion about how to get this done. Check out additional resources at www.72hours.org or find a Disaster Planning Toolkit [here](#). If you have other resources to share please let me know and I’ll pass them along.