

## Ready for Anything

Make sure you're fully prepared for when disaster strikes.

By Chris Penttila | [Entrepreneur Magazine - July 2008](#)

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When Trinise Prosper, 37, returned to New Orleans two years after Hurricane Katrina, she and two of her sisters, Antoinette, 44, and Brenda, 32, decided to start a full-service bakery. But getting their new business, Sweet Savors Bakery, off the ground wasn't easy. The sisters applied for a federal small-business grant and never heard back. New Orleans lacked phone and credit card service at the time, and supplies were more expensive. "We did everything out of pocket," says Trinise. "It was very hard to get [the business] up and running. We pulled together and got it done."

Sweet Savors Bakery opened in New Orleans' Gentilly District in March 2007 and now employs 10 people. Still, the wreckage Hurricane Katrina left behind profoundly impacted the sisters, who had all worked for another sister's bakery business that was destroyed in the storm. That experience taught them to always prepare for the worst, and today, Sweet Savors Bakery has a disaster insurance policy that covers the company's products and equipment, as well as the building it leases. The company also has a written disaster plan that addresses floods, fires and other events. "If you don't have [a plan]," Trinise says, "you're setting yourself up to fail."

In fact, having a disaster plan can actually help your business grow during good times, says Donna Childs, author of *Prepare for the Worst, Plan for the Best: Disaster Preparedness and Recovery for Small Businesses*. She sees three distinct benefits to having a disaster preparedness plan in place. First, a plan can reduce your insurance premiums and free up money for investment in growth initiatives. Second, a plan underscores the resiliency of your supply chain--something that can make your company more competitive for government and corporate contracts. Third, a plan enhances your operational efficiency. "Disaster planning necessarily requires that you understand how your business works," Childs says. "Instead of doing things in an ad hoc, informal way, you start putting systems in place that will improve your efficiency."

Sweet Savors Bakery pays \$100 a month for disaster insurance on top its general insurance policy, coverage that's come in handy when suppliers inquire about the company's disaster preparedness. Combined with a written disaster plan, there's greater strategy and more peace of mind going forward. "We don't know if [a major hurricane is] going to happen again," Trinise says. But "if it happened, we'd come back and reopen." A well-written disaster plan methodically outlines how you would handle both major and minor disasters that could affect your company. An earthquake is one thing, but what will you do if a key piece of equipment breaks or the business next door has a hazmat spill? "It's not just what happens to you, it's what happens around you," says Steve Elliot, founder and CEO of business continuity and disaster recovery consulting firm Elliot Consulting Services. A good place to start is [ready.gov](http://ready.gov), a Department of Homeland Security site that offers a wealth of business disaster planning tips.

The Federal Emergency Management Agency estimates that 40 percent of small businesses wouldn't reopen after a disaster. Would yours? Trinise says Hurricane Katrina taught her a lot about running a business, from self-reliance to creating a "disaster account" that the company can access quickly in a catastrophe, no matter how big or small. "If a disaster happens, you have these funds, [and] you don't have to wait on insurance," she says. "Always be up on your game. Be ahead of yourself." For more on how to ensure that your business is prepared for a disaster, go to [entrepreneur.com/shortcuts](http://entrepreneur.com/shortcuts) to read an excerpt from *Prepare for the Worst, Plan for the Best: Disaster Preparedness and Recovery for Small Businesses* by Donna Childs.

*Chris Penttila is a freelance journalist in the Chapel Hill, North Carolina, area.*