

Planning for Growth • Operations

THE TIME TO THINK ABOUT YOUR BUSINESS RECOVERY PLAN IS NOW

The best time to plan for a disaster is before one happens.



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OCTOBER 17, 2018 If you don't think a business recovery plan is necessary, meet Bobby and Janice Jucker, owners of **Three Brothers Bakery** ☞, a family business with three locations in Houston, Texas. The company was founded by (naturally) three brothers and Holocaust survivors in 1949, and for decades, all was quiet on the disaster front. But in 2001, Tropical Storm Allison flooded their main location—where they do most of their baking—with three feet of water. That had been bad, but Allison was nothing compared to Ike. In 2008, Hurricane Ike destroyed the bakery's roof, which meant that rain got in. And, boy, did it get in. The bakery was closed for nine months, although thanks to business interruption insurance, the Juckers were able to keep their 27 employees on the payroll.

Excerpt

In the aftermath of every natural or man-made disaster, money is very important.

You probably want to think about two things in particular.

1. Insurance.

Duly noted, already, but it can't be stressed enough. "So many businesses are under-insured. That's probably the most common reason businesses don't recover," says Howard White, executive vice president at **Maxons Restorations** ☞, a property damage restoration company headquartered in New York City. "Especially if you're in an at-risk area, you need business interruption coverage. Even if you're not in an at-risk area. Really, everything's at risk now."

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2. Cash or a credit line.

You need something, either money in the bank or a **credit line** because even if you have excellent insurance or you can **get a loan**, none of this may come right away.

"The faster you can get money, so you can run your business, the better," White says. "That's usually where everything falls apart."

White recalls that after the September 11 attacks, there were naturally a lot of clients his firm had to help, and their business, which had good credit, needed to extend its credit line to have the funds to do their restoration work. Their bank, however, apparently (understandably) rattled by the attacks, refused. White immediately went looking (and found) a new bank.

"You need a healthy line of credit to insure the survival of your business," White says. "If you own a hardware store, but you can't buy more shovels and flashlights to sell to your customers, what good are you?"