

# **OUTSMART DISASTER**

**Planning for the Unexpected:  
Resources and Strategies**



**BILL ALLEN**

**Chief Executive Officer  
Los Angeles Economic Development Corporation**

**OUTSMART DISASTER**

# Today's Agenda

- About Outsmart Disaster
- An overview of resilient business strategies & resources
- Q&A



## Why Outsmart Disaster?

“Businesses play a critical role in our communities. As we turn toward recovery from COVID-19, it’s important to invest in resiliency now to ensure we can get back to business faster after a natural disaster.”

– LOURDES CASTRO-RAMIREZ,  
SECRETARY, BCSH



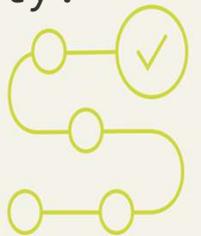
# The Resilient Business Challenge

A self-guided online tool curated by state and local economic development experts

Offers resources to help you:

- ✓ Understand the risks businesses face
- ✓ Take immediate steps toward developing a resiliency plan
- ✓ Strengthen and protect your business, your team, and your community.

<https://outsmartdisaster.com/for-businesses/resilient-business-challenge/>



# The Resilient Business Challenge

## Prepare & Anticipate

- Document your business functions
- Identify impacts of disruption

## Support Key Stakeholders

- Recognize key relationships with suppliers, vendors, partners
- Train and care for employees

## Secure & Protect

- Strengthen your facilities
- Safeguard data and vital documents

## Adapt & Recover

- Understand your insurance and finances
- Document your contingency options

## Rinse & Repeat

- Establish a process to continually re-assess risks at regular, pre-determined intervals and trigger points

# PREPARE & ANTICIPATE

- 1.Document your essential business functions.
- 2.Identify how disruptions will impact your business.

**Prepare &  
Anticipate**

**Support Key  
Stakeholders**

**Secure &  
Protect**

**Adapt &  
Recover**

**Rinse & Repeat**

**OUTSMART DISASTER**

# Document core assets and business functions

## Equipment



Use this form to document key equipment, machinery and other items you will need to fulfill your critical business functions.

Updated:

Next Review Date:

Item:

Related Business Function Name(s):

Brief Description of Item:

Manufacturer:

Model No:

Serial No:

Asset Tag Number:

Quantity:  Purchase/Lease Date:  Purchased/Leased New or Used:

Price Paid:

**Prepare & Anticipate**

**Support Key Stakeholders**

**Secure & Protect**

**Adapt & Recover**

**Rinse & Repeat**

**OUTSMART DISASTER**

## Essential business functions:

- What essential processes do you need to perform in order to provide goods/services to your customers/clients?
- Who oversees each process?
- How long could you go without performing each process?
- What would impact be of surpassing that time period? (operational but also financial, personal safety, reputational, regulatory, etc.)

### **OUTSMART DISASTER**

Essential process mapping is time consuming but well worth the effort. It will form the foundation of your resiliency plan.

**Prepare &  
Anticipate**

**Support Key  
Stakeholders**

**Secure &  
Protect**

**Adapt &  
Recover**

**Rinse & Repeat**

**OUTSMART DISASTER**

## Business Process Dependencies:

- Identify the function
- What's the recovery priority?
- Who are the responsible employees?
- Timeframe or deadline?
- What equipment, supplies, and dependencies are needed?
- Who uses the output from this function?



### Example: Local Bakery

- Function: Baking goods for sale
- Highest priority
- Head baker and apprentice
- Once per day
- Heavy duty oven, pie ingredients, kitchen, manpower...
- Packaging team, vendors, customers

**Prepare &  
Anticipate**

**Support Key  
Stakeholders**

**Secure &  
Protect**

**Adapt &  
Recover**

**Rinse & Repeat**

**OUTSMART DISASTER**

# Identify impacts of disruption

## Some disaster types:

- Earthquakes
- Floods
- Wildfires
- Power outages
- Pandemics/airborne viruses
- Zombie attacks

$$\begin{aligned} \text{Disaster event} \\ \text{"Total Threat Score"} \\ &= \\ &\text{Event probability} \\ &\times \\ &\text{Potential level of} \\ &\text{severity} \end{aligned}$$

## OUTSMART DISASTER

Co-occurring and widespread, regional events are increasing in frequency. Consider multi-stage incidents as part of your planning process.

Prepare &  
Anticipate

Support Key  
Stakeholders

Secure &  
Protect

Adapt &  
Recover

Rinse & Repeat

OUTSMART DISASTER

# SUPPORT KEY STAKEHOLDERS

1. Analyze your supply chain
2. Compile your contact lists
3. Prepare and protect your employees during a disaster



Prepare &  
Anticipate

Support Key  
Stakeholders

Secure &  
Protect

Adapt &  
Recover

Rinse & Repeat

OUTSMART DISASTER

# Analyze your supply chain

What goes into delivering the product or business service?



Prepare & Anticipate

Support Key Stakeholders

Secure & Protect

Adapt & Recover

Rinse & Repeat

OUTSMART DISASTER



- Geographic region:  
Who is affected by the disaster?
- Inputs to products/services:  
Opportunities to diversify?
- Customer base:  
How might they respond?
- Suppliers:  
Are *they* prepared for disaster?

Prepare &  
Anticipate

Support Key  
Stakeholders

Secure &  
Protect

Adapt &  
Recover

Rinse & Repeat

OUTSMART DISASTER

# Managing stakeholder contact list

## Key Contacts:

- IT support
- Insurance agency
- Employee call tree
- Vendors and contractors
- Local emergency response



## OUTSMART DISASTER

As rudimentary as it may sound, maintaining non-digital contact lists are a good business practices in our modern age.

Prepare &  
Anticipate

Support Key  
Stakeholders

Secure &  
Protect

Adapt &  
Recover

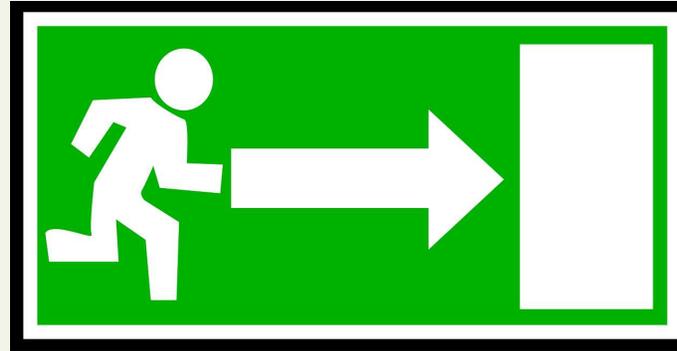
Rinse & Repeat

OUTSMART DISASTER

# Prepare and protect your employees

## Emergency response plans:

- Evacuation
- Shelter-in-place
- Lockdown
- Medical emergency
- Fire



### OUTSMART DISASTER

Simply having a plan isn't enough – make sure your employees know their roles and new hires receive proper training on execution.

Prepare &  
Anticipate

Support Key  
Stakeholders

Secure &  
Protect

Adapt &  
Recover

Rinse & Repeat

OUTSMART DISASTER

# SECURE & PROTECT

1. Strengthen your facilities.
2. Safeguard data and vital documents.



Prepare &  
Anticipate

Support Key  
Stakeholders

Secure &  
Protect

Adapt &  
Recover

Rinse & Repeat

OUTSMART DISASTER

# Strengthen your facilities

## Secure your workplace:

- Accessible floorplans
- Backup power
- Smoke alarms
- Fire extinguishers
- Heavy items
- Safe hallways and stairwells
- Location of utilities – electric, water, gas

### OUTSMART DISASTER

Talk to your local public emergency service providers for further guidance specific to your business' needs.

Prepare &  
Anticipate

Support Key  
Stakeholders

Secure &  
Protect

Adapt &  
Recover

Rinse & Repeat

OUTSMART DISASTER

## Structural considerations:

- Follow guidance for structural elements
- Consult contract or landlord
- Know terms regarding updates and retrofitting
- Conduct due diligence before leasing space
- Identify temporary alternate locations

### **OUTSMART DISASTER**

Backup locations can minimize business interruptions following a disaster.



Prepare &  
Anticipate

Support Key  
Stakeholders

Secure &  
Protect

Adapt &  
Recover

Rinse & Repeat

**OUTSMART DISASTER**

# Safeguard your data and vital documents



**Step 1:**  
Take Inventory

Rank your vital data.

Tier 1:  
Need immediately

Tier 2:  
Need within 24 hrs.

Tier 3:  
Need within a few days

**Step 2:**  
Back Up

If you use more than one form of data backup, have a strict data backup policy in place to avoid having different versions in different places.

**Step 3:**  
Recover

**Did you know?**  
One of the most common sources of data loss is human error.

**Step 4:**  
Test Your Plan

Test your data retrieval from different locations and see how much time it takes to retrieve what you need.



# ADAPT & RECOVER

1. Understand your insurance options.
2. Know your finances.



Prepare &  
Anticipate

Support Key  
Stakeholders

Secure &  
Protect

Adapt &  
Recover

Rinse & Repeat

OUTSMART DISASTER

# Review your insurance coverage

- Match your coverage to your risks and needs
- Ask direct, specific questions
- Clarify unclear language
- Use checklists
- Re-assess annually



## OUTSMART DISASTER

Having the right insurance matters! A life preserver may help if you're drowning... but not so much during an earthquake.

Prepare &  
Anticipate

Support Key  
Stakeholders

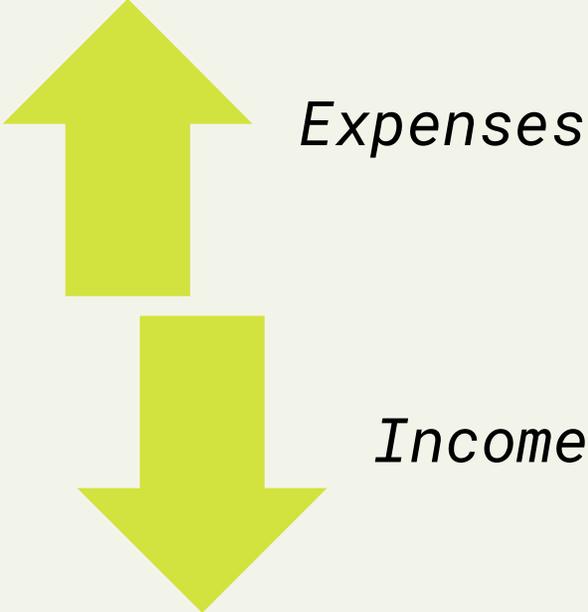
Secure &  
Protect

Adapt &  
Recover

Rinse & Repeat

OUTSMART DISASTER

# Financial considerations for recovery



## OUTSMART DISASTER

Based on the latest research, the median U.S. business has a cash reserve of about 27 days.



## OUTSMART DISASTER

# RINSE & REPEAT

1. Keep your resiliency plan updated.
2. Regularly re-assess your risks.
3. Test your plan for weaknesses.

## OUTSMART DISASTER

**Testing is critical!**

It enables you to discover weaknesses or oversights in your plan and address them without consequence.

Prepare &  
Anticipate

Support Key  
Stakeholders

Secure &  
Protect

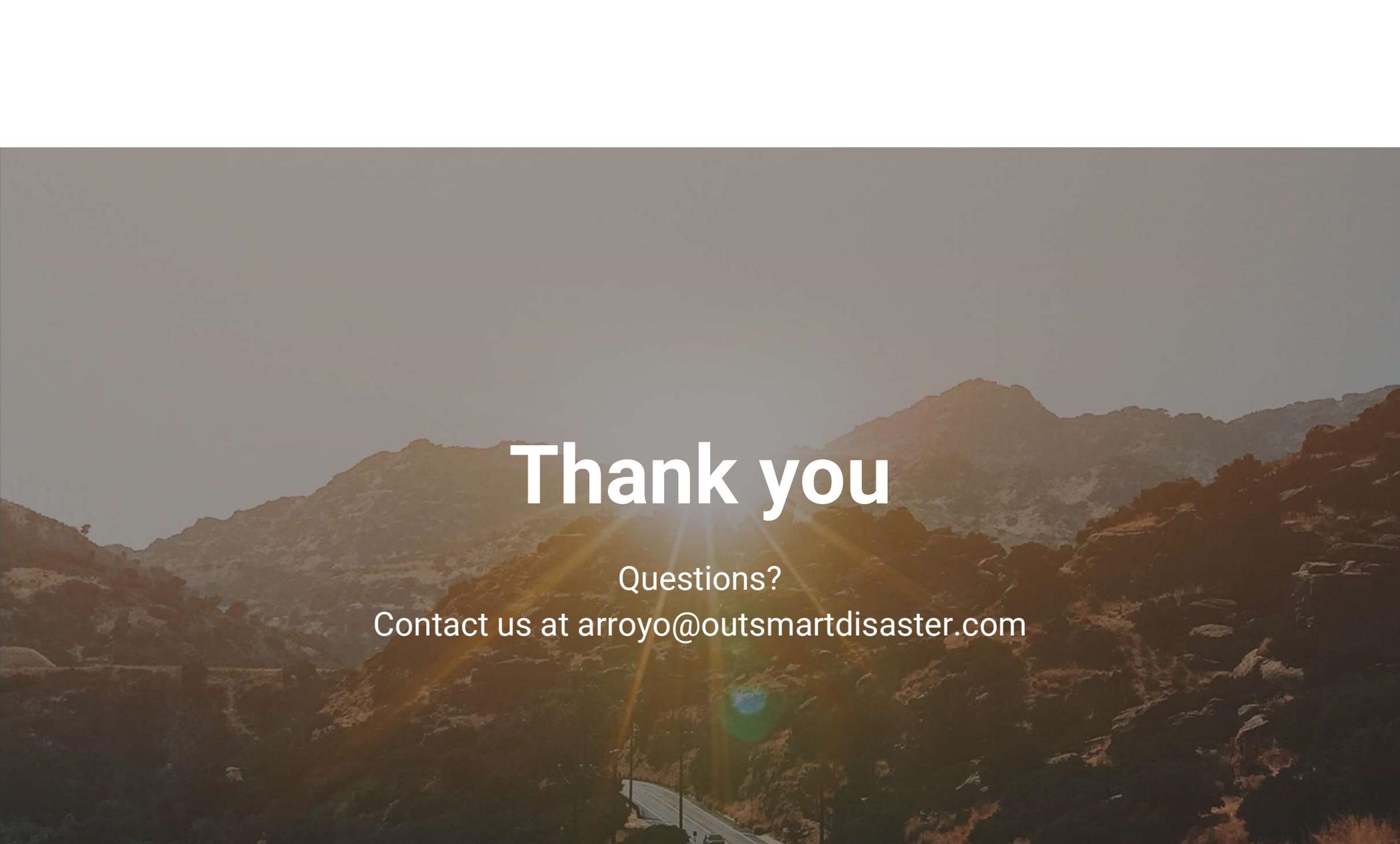
Adapt &  
Recover

Rinse & Repeat

OUTSMART DISASTER

# State resources for preparedness and recovery

- Governor's Office of Emergency Services (Cal OES)
- Governor's Office of Business and Economic Development (GO-Biz)
- Franchise Tax Board (FTB)
- Department of Tax and Fee Administration (CDTFA)
- Employment Development Dept (EDD)
- Department of Insurance



# Thank you

Questions?

Contact us at [arroyo@outsmartdisaster.com](mailto:arroyo@outsmartdisaster.com)

**OUTSMART DISASTER**