



# DISASTER RECOVERY PLANNING GUIDE

# NBDC

Nebraska Business  
Development Center

AMERICA'S  
**SBDC**  
NEBRASKA

POWERED BY  
**SBA**  
U.S. Small Business  
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# Nebraska SBDC Recovery Guide for Business

Welcome to the Disaster Recovery Guide for Business.

It is designed as a working guide that will direct you through the steps as you consider how to proceed post-disaster.

It can also be used in conjunction with your local Nebraska SBDC Counselor, who is ready to help you walk through all of the steps. Should you choose not to work with a counselor, it is set up so you can do the steps by yourself.

Too often, during difficult times, business owners don't always think about preparing for recovery, preparing financial and tax records for borrowing recovery funds, or making the difficult decision not to continue.

We wish you well through this process and we're here to help!

— *The Staff of The Nebraska Small Business Development Center*

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# First Assessment – Personal

## Safety

Question	Yes	No	Action and/or Comments	By whom	By when
Adequate clothing					
Adequate food					
Adequate housing					
All employees accounted for (Use the worksheet provided to create a full employee list if you do not have one.)					
All employees safe					

## Registration – if required

You will know the level of registration required only after a disaster has taken place. The state may ask you to call a number and let them know that your business has been affected so they may continue to provide you with information.

If there is a federally declared disaster, instructions on what you need to do will be coming from the federal authorities.

Question	Yes	No	Action and/or Comments	By whom	By when
Registered with state					
Registered with federal					

## Business Insurance

Insurance Agent Name:		Phone:		Email:	
<b>Question</b>	<b>Yes</b>	<b>No</b>	<b>Action and/or Comments</b>	<b>By whom</b>	<b>By when</b>
Contacted insurance agent					
Documented damage in a list					
Took photos					

## Call your counselor and they will outline next steps:

Nebraska SBDC Contact name:	Phone:	Email:

## Appointment

We strongly suggest that you make a follow-up appointment when you call your counselor for next steps.

Date:	Time:	Location:

# Disaster Recovery Guide for Business:

1. We suggest that you get and gather all your information and paperwork in one place. You will be referring to this information daily, so it will need to be kept in an easily accessible container that can be carried with you, especially if your office or facility is inaccessible. Even if you have access to your office, the information in this guide should be kept in an easily accessible place.
2. This guide is designed to help you gather information needed, make assessments, answer questions, and make the best business decision for your company and yourself. It is designed as a series of steps. An overview flow chart of these steps is provided on page 7.
3. This guide is also designed as a worksheet with checklists and places to record actions that need to be taken.
4. Ample space is provided throughout the guide for notes. This keeps your planning thoughts and ideas in one place.
5. We will help you maneuver through the assessments and action steps in this guide by keeping in touch with you in your preferred communication method (phone, email, in-person check-ins).

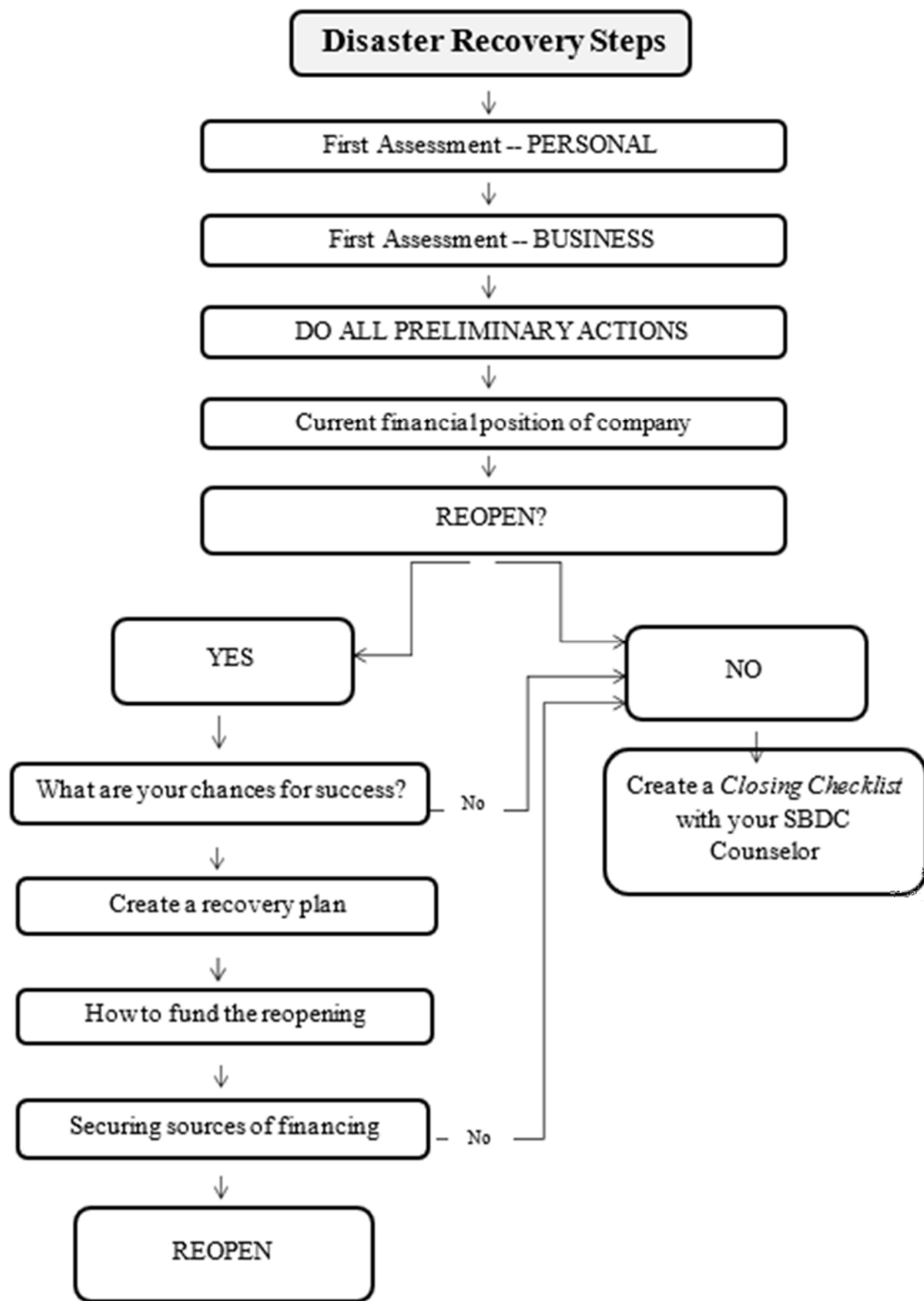
Take the time to answer the questions carefully and give yourself plenty of time and space to make your decisions.

After a disaster the most typical reaction is to get back to normal as quickly as you can. Studies and data show us that the “old” normal is gone and a “new” normal needs to be put into place. Give yourself time to get acclimated.

Businesses have told us that they felt the pressure of all the well-meaning people around them who want the same thing. This is your business and your life, however, and you need to make the best possible decision for yourself and for your family—and that takes time.

As hard as it will feel to complete this workbook, businesses that have worked through these steps with the Nebraska SBDC tell us that it was well worth the effort and that their overall recovery was more successful.

We are here to help you.



# First Assessment Post-Disaster – Business

The most immediate task after addressing personal and safety issues is to do a quick evaluation of the situation at the business.

If you have a disaster recovery plan, access it and begin to implement. If not, use the questions below to inform your next steps.

Question	Yes	No	Action and/or Comments	By whom	By when
Facility operational?					
Reopen without significant repairs?					
Inventory damaged or recoverable or need to be replaced?					
Supplies damaged or recoverable or need to be replaced?					
Equipment damaged or recoverable or needs to be replaced?					
Does the building need to be secured against theft/vandalism?					
Does the business have a web site that is still active? a. Should it be shut down? b. Should a message be placed on it telling clients what has happened and to stay tuned?					
Losing money daily? How much?					
How much do you need to live on?					
Access to monies to pay personal bills? Note: If this is a federally declared disaster, as the owner you are also eligible for DUA (Disaster Unemployment Assistance). Ask your Nebraska SBDC counselor for instructions.					



## Preliminary Actions

This is the next series of to-do's that you need to consider and take care of. Each step of this process will build on the last.

Question	Yes	No	Action and/or Comments	By whom	By when
Preliminary damage assessment to insurance company.					
Insurance company has given you payment amount and date you can expect to receive it.					
List and contact your key stakeholders (include key customers, suppliers & lenders/investors).					
Have contacted local, state and federal government agencies.					
Created an accounts payable list by date due – what bills do you owe and when are they due? <i>Use Aged AP sheet</i> if you don't have one from QuickBooks or other accounting source.					
Contact vendors about payment schedules. (Ask for best deal.)					
Make decisions about staff in immediate future. Layoff? Refer to unemployment? DUA? Keep some?					
Postpone purchasing supplies/inventory?					
Cancel orders that you have made?					

Question	Yes	No	Action and/or Comments	By whom	By when
Customer orders? Can you fulfill them? Have they been lost?					
Are there standard orders that you fulfill that you need to talk to specific clients about?					
Access to your computers? Working? Is data intact?					
If computer is not working, do you have back-up that you can download onto another machine?					
Check in on your website again and make sure that orders have been stopped if necessary. a. If you can still fulfill orders, make sure clients know the situation and that there may still be some delays.					
If you have computer access, consider posting on Facebook and other social media. a. If there are ways that your customers can help, this is a way to keep in touch with them.					

## Current Business Financial Position

This process is extremely important in helping you decide your next steps. If you need assistance with this section, it is vital that you get it. Your accountant is the most logical place to start. Your bankers will also be willing to help, as will your Nebraska SBDC counselor.

Question	Yes	No	Action and/or Comments	By whom	By when
Have all the business financial records?					
Have your last 3 years of tax returns?					
No available financial information?					
What is your insurance agent telling you about your policy and what will be covered and what won't be covered? Make a list.					
Determine available cash..					
Do you have a current balance sheet dated right before the disaster?					
If no balance sheet, contact your accountant.					
Use the financial information to create an accurate picture of the current health of the business. Do this with your Nebraska SBDC counselor, your accountant, or any financial mentor.					

## Reopening Considerations

A disaster can be horrible for your business and your financial situation. Other businesses that have gone through this process tell us that taking the time to pause and assess current state of mind, financial, and physical situations is well worth the effort. They felt that this process allowed for more informed decisions about the future.

Pause now and ask yourself (and your family) the following list of important questions:

Question	Yes	No	Comments/Qualifiers/Additional Info
Happy running the business before the disaster?			
Condition of the business pre-disaster?			
Making the profit you wanted?			
Exit plan before the disaster? a. Age? b. Health? c. Anyone to leave the business to?			
Prefer being your own boss?			
Good at/like managing staff?			
Considered other opportunities?			
Rather reopen a different business?			
Make changes to the existing business if you decide to reopen?			
Prepared for the potential extra demands that recovering your business will place on you, both personally and financially?			
Willing to take on more debt?			
Walk away if you could?			
If I didn't reopen, what would I do?			
Should I reopen?			

***The final, toughest question: Should I go back into business?***

## Chance for Success

Sometimes there are factors that impact your decision that are out of your control. This is especially true a natural disaster has affected your area. Now is the time to analyze the potential demand for your product or services post-disaster by answering the following questions:

Question	Yes	No	Comments/Qualifiers/Additional Info
Is your business vital to the community (e.g., grocery store, gas station, drug store)?			
Is your business the type that everyone needs to recover their homes and businesses (e.g., home improvement store)?			
Key customers and/or suppliers been affected by the disaster?			
Have they found other sources so that you will have to “get them back”?			
Disaster led to other businesses in your area closing, and if so, have you determined how this may impact your business?			
Economic climate of the area: a. Pre-disaster? b. Post-disaster?			
Were you keeping up with the industry?			
Can your business change easily to react to outside forces?			
Can you reopen quickly?			
Will you be the first business to reopen in your area?			
Can you wait to reopen and still be viable when you do?			

# Recovery Plan

If you decide to reopen, there are still some additional questions that need to be answered before you proceed. You now need to make a recovery plan. This will be done in the following steps:

Question	Yes	No	Action and/or Comments	By whom	By when
Developed your recovery objectives?					
Established a recovery team with clear responsibilities from the recovery plan?					
Can team members work off site?					
What are all the requirements to reopen your business?					
Adequate resources (staff, finances, etc.) to bring the business up to normal operating levels?					
Cost to execute your recovery plan?					
Incorporated lessons from running your business prior to the disaster into your recovery plan?					
Incorporated your analysis of the market conditions post-disaster into your recovery plan?					
Financial goals you want to achieve (net profit margin, ROI, etc.)?					
Addition of new product lines or removal of existing product lines?					
Addition of new services or a reduction of services?					
Can you reduce operating costs?					
Can you adopt new technologies & processes?					
Should relocation be an option?					

## Reopening Funding Plan

At this point, it is crucial that you consider and answer the following questions about funding the reopening of your business: (Financing options will be covered in the next section)

Question	Yes	No	Action and/or Comments	By whom	By when
Afford to reopen your business?					
Completed cash flow and profit and loss forecasts?					
Used these forecasts to run “what if” scenarios to measure how your cash flows will be impacted by unexpected events?					
How do you intend to fund the reopening of your business: from existing business sources, your own resources, other investors, banks, lenders, or a mix? (See next section.)					
Forecasts and your financial statements show whether the business can afford to use internal or external sources of financing to fund the reopening?					
If no to above, can you adjust your recovery plan so that it is affordable?					
Cannot afford your recovery plan; stop to consider exiting the business again at this point.					
Review all existing debt-financing arrangements to ensure that the finance facility and structure fits the new needs of the business.					
Make sure you have all updated info on the amount of your insurance coverage.					

## Financing Sources

If you need money to reopen and cover operating expenses for a time, answer the following:

Question	Yes	No	Action	By whom	By when
Even if you can fund the reopening of the business from existing sources, have you analyzed whether it is better to use external sources of finance? a. SBA Disaster Loan b. State Loan options					
Are there monies available from local charities/business organizations/non-profit organizations? a. Make a list of potential sources. b. Gather application forms if required. c. Once you are certain you are going to reopen, fill out and submit applications.					
Have you spoken to your bank about your recovery plan and your funding needs?					
Can existing lines of credit be accessed (and increased if necessary) to fund the reopening of the business?					
What collateral do you have available to offer?					



<p>If you are seeking debt financing, determine:</p> <ul style="list-style-type: none"> <li>a. What you will be using the money for?</li> <li>b. What length of the loan term?</li> <li>c. Total of what you need</li> </ul>					
<p>Can you financing the reopening of your business from your own resources?</p>					
<p>Can you access money from other sources?</p> <ul style="list-style-type: none"> <li>a. Family</li> <li>b. Friends</li> <li>c. Other investors</li> </ul>					

## Reopening Steps

This section helps you to determine steps in the reopening process such as staffing, location, etc. Make a to-do list using the action column. Assign tasks to others, if necessary. Be sure to include due dates for tasks.

Question	Yes	No	Action and/or Comments	By whom	By when
<b>Employees:</b>					
Staffing needs? Take a look at the jobs that existed before and make sure your needs are the same. What should change? a. Make a list of jobs that need to be filled.					
Re-hire key employees? a. Match with jobs list above.					
Need to hire new employees? a. Write job descriptions. b. Begin hiring process.					
<b>Location:</b>					
a. Reopen existing location? b. Move temporarily? c. Move permanently?					
Any changes in the status of the location due to the disaster from the local or federal government that should be considered? a. For example, if it was a flood are you now in a newly designated flood plain?					
What is the status of other business and their plans? a. Will you be the first to reopen? (Is the whole area is going to be perceived as closed. Is it time to reopen?)					
Are your needs being met by the current location? a. Is it big enough? b. Too big? c. Layout correct? d. If there were renovations on your wish list, is now the time to do them?					

Question	Yes	No	Action and/or Comments	By whom	By when
Major Equipment:					
Make an assessment.					
Equipment in working order?					
Given the new conditions (or any changes you are considering) should you replace equipment?					
Insurance covering equipment replacement needs?					
Consider which is best for equipment: a. Purchase (and how to finance)? b. Lease?					
Expertise readily available to install the equipment?					
Wait time for equipment replacement? a. How will this affect reopening?					
Any new equipment needs?					
Inventory:					
What needs to be replaced?					
Insurance coverage?					
Before reordering, check past sales data: a. What was selling? b. What was not?					
Will the post-disaster market change your customer's needs? a. New items to order.					
Marketing:					
Before creating reopening plan, assess marketing efforts before the disaster for their effectiveness. a. Type b. Message c. Cost d. Working: yes/no Apply this assessment to new media plan.					
Reopening ad plan: a. Traditional media b. Social media c. Online media					
Price/Budget for media plan. a. Add cost to above list.					

Question	Yes	No	Action and/or Comments	By whom	By when
Reopening event? a. Work with local chamber of commerce. b. Appropriate press releases.					
What changes need to be made to the website to reflect the reopening plan?					
Are there any promotions being done in your local area by government or others that you can take advantage of?					
Pricing:					
Have you undertaken a break-even analysis to determine whether the prices you charge are making the profit you want to achieve? Do this product by product with your SBDC counselor or accountant.					
Compared your pricing to your competitors?					
Business Licenses:					
Are all licenses up to date?					
Do you have copies?					
Replace all copies that were destroyed.					
Same applies to all permits.					
Accounting & record keeping:					
Has all of your accounting been restored?					
Was it efficient and effective pre-disaster?					
Meet with CPA and bookkeeper to discuss any changes that should be made before reopening.					
Are you backing up off site? a. If not, set up.					
Make sure that you are recording all expenses (including any out-of-pocket) for any disaster repair and reopening expenses.					

<b>Question</b>	<b>Yes</b>	<b>No</b>	<b>Action and/or Comments</b>	<b>By whom</b>	<b>By when</b>
<b>Legal Obligations:</b>					
Has your ability to file and pay such returns/forms/obligations been delayed?					
Have your reconstructed financial records given you the necessary information and evidence to be able to complete such returns?					
<b>Insurances:</b>					
Review your insurance coverage to see whether it is adequate and whether there are any gaps in your coverage.					
Do a new assessment with your agent.					
Do you need any special (e.g., flood) insurance now? a. Cost?					
<b>Thank-you:</b>					
Keep track of everyone who has helped you.					
When there is time, send thank you notes.					

## Conclusion

You made it! Congratulations.

Whether you have moved on to a new chapter in your career, or you've decided to reopen your business, we wish you well.

If you have decided to reopen your existing business or you are going to open a new business in the future, remember that the Nebraska SBDC offers one-on-one, confidential, no-cost business advising. It's easy to schedule an appointment on our website, [NebraskaSBDC.org](http://NebraskaSBDC.org), by clicking the "Request for Counseling" button. Our mission is to have a continuous relationship with you throughout all your business endeavors. We are here to help!

Best wishes and good luck.

-Nebraska SBDC