

## Features

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## When Disaster Strikes

*Bill McCurry*



A 61-year-old Pennsylvania retailer said, “See you tomorrow” as he left for the day.

Unexpectedly, he died that night. His son, who’d recently left a multi-national firm to help his dad, was still learning the basics. They planned to discuss the operational stuff later. A second shock: payroll was due the next day. Nobody was sure how to handle payroll.

An unscientific poll of garden center owners/managers determined the phrase “disaster planning” causes eyes to roll and minds to shut down. The perception is that huge corporations do this, but smaller firms have

neither the need nor the capability to handle it. Anyone who’s been through it knows the reality of small business disasters isn’t the initial devastation, but the time it takes to get the company back up and running.

Time is the critical issue. Small business disaster plans don’t have to be huge. They can be a simple accumulation of information that’s collected over a longer period of time. The goal is to allow the team to restore operations to pre-disaster levels.

If you invest 15 minutes every quarter to take specific steps you won’t avoid disasters, but you can decrease their likelihood and severity. By taking a few minutes to do simple things now, you’ll greatly increase the recovery time for your organization.

### What Are Business Disasters?

One disaster consultant advocates role-playing with your team. Pick a different potential disaster for each team meeting, whether or not it might occur at your location. Add any disaster that may be germane only to your operation (see sidebar for potential disasters).

During disasters even the most mature individuals can be indecisive and have muddled thinking. Prioritize for everyone the necessity of reading the situation and responding appropriately. No single rule applies to every circumstance. Most of us aren’t prepared to handle situations where people are in danger and professional help is needed quickly. First responders stress it’s better to immediately call for help before things get further out of control, rather than waiting to see if you can handle the situation.

Preventing disaster is better than quickly recovering. Randy Soergel of Soergel Orchard in Wexford, Pennsylvania, went to bed with a forecast of 8 in. of snow and awoke to 28 in. Smaller hoopouses were crushed. The gutter-connected greenhouse, which housed the flat filler, along with his son Cameron's Mustang, was flattened. The shocker was their insurance was only valid if the greenhouses had been heated to at least 50 degrees. That meant no snow damage coverage.

## Randy's Lessons Learned

He said he learned the following:

- Review with your insurance carrier operational plans so you understand coverage requirements and take mitigating actions.
- When there's a chance of significant snow, heat the greenhouses. Deflate the air layer so greenhouse warmth is against the outside, assisting with snow melt.
- Every November, reinforce smaller hoop houses with 2x4 poles to ensure more snow load resilience without higher heating costs.

Disaster brings an opportunity for change, sometimes for the better. Without a flat-filling machine, the team decided to change the upcoming spring cycle, bringing in plugs later in the season.

Since they sold everything they produced at retail, they didn't need to have plants bloom to perfection by any specific date. This new cycle would dramatically reduce pest problems and chemical costs. Customers bought the product before the pests found it in the greenhouse.

Flats are now filled during a weekend "Flat Filling Party." High school students are brought in. They bring their playlists and Randy brings the pizza. A year's worth of flats are filled by hand over the two days, negating the need to replace the machinery and freeing its storage space.

In another example of preparing for a potential disaster, Soergel Orchard worked with local authorities on how to best protect visitors to their Fall Festival, which exceeds 1,000 attendees each day. The local police department gave Active Shooter training to Soergel personnel, just in case. Additionally, the police review identified areas where unauthorized vehicles could be blocked from access to crowded areas. The biggest take-away was to ensure, especially with big crowds, that all key personnel are on the air with radios. Communication is the key to crisis management and recovery.

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## Invest Your 15 Minutes Per Quarter Here

***Take a look at this list and see how you and your staff can make them happen:***

- Keep a complete and detailed list of every significant supplier or vendor, including all relevant contact information. These lists have the name of the contact person and his/her backup. They should be both in hard copy and on a sharing cloud service (Dropbox, Google docs, etc.). A tightly controlled, more confidential list should also include account numbers and passwords for banks, insurance, payroll, vendor payments, etc.
- A confidential list of key customers and influencers, including contact points, should be kept with constant updates. Focus should be on key stakeholders who are instrumental to the company's existence. Immediately after a disaster, the boss or a team member should personally call each top client and influencer to let them know what happened and how the business would carry on. Along with killing the rumor mill you'll get empathy, and most likely be given additional help in terms of recommendations and purchases.
- The contact lists should be stored in the cloud, as well as hard copy, but it must be treated confidentially and be

accessible to very few people. How many of your suppliers—and/or customers—do business with you electronically so they're inaccessible if you can't log on? Consider different structured lists so a few key employees have access to bank accounts, payroll, etc. while others only have access to vendor information portals. Confirm with your counsel what every employee must sign so they know they cannot misuse these highly valuable trade secrets.

- Depending on your physical layout, do you have maps that clearly explain where emergency exits are? Have you agreed on an emergency meeting place? Ensure everyone understands the importance of being visible and present for head counts during and after the emergency. You don't want emergency personnel risking their lives searching the wreckage for people who've gone home. Identify the meeting site and ensure every employee physically shows their supervisor that they know where it is and understand the importance of being there.
- Ask experts for their opinions and perspectives. It may sound counterintuitive to invite a fire inspector or insurance underwriter to tour your facility. Usually, these people want to help small businesses stay safe and operational. Seek out those with expertise who can observe potentially dangerous or hazardous situations and help you alleviate the challenge.
- Is it clear who will run/own the company in the event of death/disability of the company owner(s)? Many owners put off the "uncomfortable discussion" until they're incapacitated, leaving the likelihood for a permanent family feud over who's now in charge. The double tragedy often is the family is split apart, increasing the odds of a business failure. Full knowledge of the owner's desires and plans can avoid this situation.

The biggest business disaster that can be prevented is the lack of defined succession. More on that in an upcoming issue of *Green Profit*. **GP**

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### **More Resources**

Go to the [Florida SBDC website](#), where you'll find easy-to-follow disaster planning and recovery handbooks you can download for free.