

Preparing for Disaster in Your Business

Long Before it Happens!

By Donna Stone

About the Author

Donna has formal qualifications (Accounting, Training, Marketing & Business Management) plus 3 decades of real work experience, helping Australian businesses – making her an expert. She grew her own multi award winning business to five locations around Australia before successfully selling it; she comes from a place of success. Donna has over 14 years of experience coaching other businesses and now coach other coaches, in her **Coach the Coach™ Program**.

Donna currently has professional memberships with:

- Australian Institute of Management (Member 20+ years)
- International Institute of Directors & Managers
- Institute of Learning Professionals
- Institute of Public Accountants
- Chamber of Commerce & Industry of Queensland
- Redland City Chamber of Commerce
- Australian Society of Authors.

Donna has won a number of Business Awards at State and National level – mostly in the arena of 'Professional Services'. She has been awarded 'Networker of the Year' four times to date and has been actively involved in a number of business networking groups, including holding the positions of 'Education Officer', 'Ambassador' and 'Group Leader'.

She is also on the Board of a number of community organisations including Crime Stoppers Queensland and the Redland Foundation.

So, please enjoy!

Donna
My passion is your potential

Donna Stone – Senior Coach

Adv Dip Acct'g, Cert IV AWT, AIMM, AIPA, ILPM



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Introduction – What is Business Disaster?

When we talk about disaster, we frequently think flood, fire, storm or some other quick event like that, which is frequently natural. Disaster in business can take the form of many things, including (but not limited to):

- Natural – flood, fire, cyclone, drought, plague
- Man-made – competition, bad press, suing, cyber hacking, terrorism
- Internal – illness, theft, fraud, staff loss
- External – changes in your industry, legislation, a global pandemic like COVID-19
- Accidents – errors, mistakes, physical accidents and sometimes just plain old bad luck.

So, big question – will it happen to you? Many think not:

“
It will never happen to me!
”

It's an unpleasant thought, but the reality is that it *could*. Many of these things are frequently out of our control. We can prepare, we can plan, we can even mitigate the possibility, but it can happen.

I should say also that sometimes these disasters can actually creep up on us. Imagine termites quietly but insidiously eating away at your building. That can be very disastrous. Mismanagement of your business and poor business choices might have a similar effect.

So if disaster hits, what can you do?

- Bury your head – it won't be that bad
- Hope and pray – and probably lose some sleep over it
- React – after the horse has bolted
- **Take preventative and proactive steps now!**

Yes, clearly the bold last item is the correct answer. In this eBook I'm going to cover off on risk assessment, mitigation and a tonne of very practical steps to take – long before disaster hits!

Donna Stone
January 2022



1 Plan & Prepare

The 6 Ps are: prior planning and preparation prevent a poor performance. This is very true. Your first step is to continue what could potentially go wrong. In the introduction I mentioned a number of things. On top of those, your computer could die, you might have a staff member who is sick and can't open the business or you miss a meeting with an important client. Sure these things are not as disastrous as a cyclone or global pandemic, but they still can represent a mini disaster in your day.

Think about the big things which can go wrong, plus the little things which can too. Then perform a risk analysis. List each of the potential hazards down. Consider the likelihood of that happening and if it did, what would be the consequence? How serious would it be if that 'disaster' hit? Then brainstorm on how you will mitigate that risk.

If it's critical that your shop is opened and you live quite a distance away, then having another team member with a key might be sensible. The following is a proposed table of potential risks and what you might do to prepare for that:

Potential Disaster	Potential Risk Mitigation Pre-Action
All emergencies	Have emergency plans, train staff, practice
Bad review on Google	Pre write spiels (and provide good service)
Bush fire	Keep premises clear; have fire breaks
Business leads stop coming in	Have a strong strategic marketing plan
Computer dies	Backups, recovery sheet with passwords
Critical customer leaves	Diversity; don't have only a small # of clients
Critical supplier unable to supply or closes	Source alternative supply chain
Critical team member leaves or is sick	Cross train all staff + documented procedures
Customer doesn't pay you	Chase early and limit high risk customers
Cyber threat	Good firewalls, smart IT practices
Flood or other natural disaster	Avoid setup in low lying areas; have a pre-plan
Industry has a downturn (yours or your clients)	Diversify
Lose business passwords	Have a password saving system
Major product you supply becomes obsolete	Diversity of products and follow trends
Making foolish business mistakes	Learn, ask for help, do education, get a coach
Paying more tax than you legally should	Good bookkeeping & right accounting structure
Run out of money	Savings, budgets, good cash-flow management
Scams	Be diligent; don't give out info to just anyone
Staff sick and shop not opened	Key with another person also
Staff stealing cash from the till	Education, processes, monitor, reconcile cash
Staff or client has a physical accident	Have first aid skills; have first aid kit
Stock spoilage (like seafood) if a power failure	Generator
Suing, complains, legal action	Disclaimers, Agreements, T&Cs
Theft	Insurance, photos and receipts of items



When it comes to disaster, and it's something which is quite fleeting, whether it's a flood, fire or someone has fallen off a ladder and is seriously hurt, there are a few things you can do in preparation:

- Prepare an emergency plan; what can you do to avoid disaster? Eg, if you have premises with stock or equipment; are they sitting on the floor, or up a little on pallets or shelves?
- If you can't operate from those premises for a while, what is your 'Plan B' for business continuity? Where will you physically operate?
- What is your plan to move stock, cattle, animals, equipment, computers or valuables in the case of an emergency? Sometimes we have a little warning, but you need to have a plan in place and be prepared to implement that plan.
- Ensure that safety gear and equipment is in good order.
- Ensure you and your staff (and family) knows how to use safety equipment, like a fire extinguisher.
- Having an emergency plan is one thing, but practice. Do drills so that you and everyone one else knows what to do. I heard of an incident recently in a shopping centre where there was a fire (it wasn't just a drill but a real fire) and no-one knew where to go. Many were heading for one exit to find it locked and panic starting to occur, especially for older shoppers. None of the staff knew what to do!
- Have emergency kits prepared. These may include radios (with spare and current batteries), water bottles, first aid kit, power packs (fully charged), fire blankets and more. Again, go back to your review of what could go wrong and think about what you will need. If your mobile phone loses charge and there is no power, what do you do? Having a charged power pack may keep you in communication much longer.
- What is your plan to handle hazardous substances, particularly if there is a flood (where the substance could leak into the waterways) or where there is a fire and it's highly combustible? If you have a spill of a dangerous good, does your staff have suitable training and do you have suitable equipment to handle the spill?
- If you work in the food industry, then it absolutely makes sense (and is legally required) to practice good food practices, but also ensure that you and your team know how to handle food related injuries, from choking, poisoning or allergic reactions. Team should have emergency numbers on hand, as well as be suitable training in first aid, and specifically these areas. Again, it's not just about doing a course once a year but practicing regularly to keep everyone fresh on what needs to happen.



2 Review Policies, Insurances & Finances

Emergency Plans

- Ensure you have inventory lists of stock, photos of critical stock
- Policy around WH&S, incidents, accidents and even death
- Roles and responsibilities of each person as per the plan
- Train staff! Practice!
- Have contact details handy for emergency numbers, poison info, banker, insurance broker as well as digital copies of important documents in the cloud
- What is your cancellation policy for your customers if you have to close?
- Ensure your emergency plan also meets WH&S guidelines.

Insurance

- Ensure you know your policy fully; if you're in a flood-prone area, does it include flood coverage and be clear about what is covered or not – many insurance companies will distinguish between different types of flooding; ie from the sky, surges and rising, 'acts of God' exclusions etc.
- Discuss with your broker how to make a claim; what do you need? Receipts, photos?
- Have those receipts and photos, but not at your premises or on your computer which might be damaged; have it saved in the cloud (or on a hard drive with a trusted family member or friend) or both.

Money

When it comes to money (and remember that cash is not just king, it's the whole royal family, you want to:

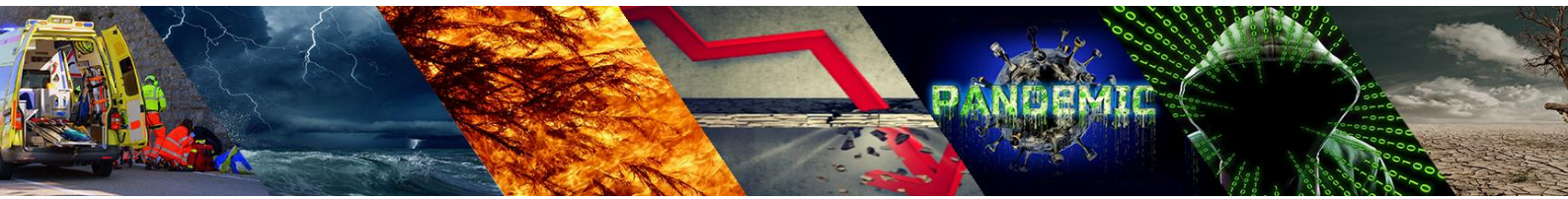
- Have the right accounting structure
- Ensure bookkeeping is current; if you don't know who has paid, how can you chase unpaid invoices and if you don't do that, what happens when the money runs out?
- Do debt collections weekly (and keep notes of promises, and pursue if those promises don't happen).
- Set staff policies around expectations (not stealing from the till for example)
- Budgets in place (aka Planning for Profit)
- Money saved "for a rainy day" and have financial buffers. 3-6 months of expenses is a good place to start. Obviously the more the better.
- Have a stock of cash setup aside for the actual day/week of the emergency; if power is down; card facilities may not work.
- Review financial statements and reports monthly at minimum.



3 Managing Events During the Disaster

- As the event is arising, pull out your emergency plan and refresh yourself; encourage team to do the same. We cannot always prevent things, but good planning can reduce loss and help us to recover quicker.
- If you have been given forward warning; action any items you can do, such as clearing gutters (which really should occur regularly as ongoing maintenance)
- Moving animals and livestock out of harm's way
- Moving valuable equipment
- Securing hazardous substances
- Securing doors or windows
- Monitor the situation via forecasts, news, social media, Government updates etc.
- If the disaster is natural, follow guidelines and listen to and follow evacuation directions.
- Remember, always stay safe and don't put yourself or others at risk and remember this, money and property can always be replaced; lives cannot.





4 Accessing the 'Damage'

When time comes to assess the damage, particularly in the case of a natural disaster, some tips:

- Wait until authorities say it's safe to return
- Steel yourself; it could be quite overwhelming
- Keep children, animals and guests away from the area until all is safe
- Enter carefully and ensure you're wearing suitable PPE (especially boots, safety glasses etc)
- Make notes and take photos – in fact, check with your insurance company first about what you cannot or can do. Whilst you may be keen to clean up, an insurance assessor may not see the full damage and assess accordingly
- Take someone with you as a witness
- Access professional help; it might be an insurance broker to ensure you make your claim in the right way. It might be a forensic accountant (due to theft or fraud).
- Where suitable, complete suitable reports with the relevant bodies, such in the case of a hazards spill
- Complete WH&S Incident report in the instance of an accident
- Should the matter be reported to the Police? In the case of an armed robbery, most certainly! There are a number of sub-sections of the Federal Police which handle specialist areas, such as business theft, cyber-crime etc.
- From your notes, make a list of things you need to do.





5 Communication & the People Side of Things

Communication in business is always important. It might be communication with suppliers; you know you've got a big job coming up, so alerting them you will need more supplies than usual.

After an incident or disaster, customers may assume you are closed (or not know you are closed) so it's important to put up signs at your premises, update your social profiles, update Google My Business and definitely put a notice up prominently on your website. When COVID-19 hit, many people assumed businesses were closed. I made a point of saying that I'm open during COVID, but during lockdowns or in the early stages where we were not venturing out, my message was that I was open, but available only via Zoom, Skype or phone.

Remember your staff and team; be sure to communicate with them before the event (ie outlining emergency plans and training) and then communicate with them during the event and then of course afterwards. You don't want people (especially your team) making wild assumptions, so keep them suitably informed.

Have media guidelines to protect your reputation. If there is an incident, liaise with a publicist or specialist and certainly if you are being interviewed, then avoid "no comment" but instead you may say something like "I can't confirm that right now" or "I don't have those details at present, but what I can say is that".

Finally, during and after the event, be sure to touch base with your team. If the situation was quite dramatic (let's say a fire, or perhaps an armed robbery) then they will likely be in distress to some degree. You may need to offer counselling or at the very least, take the time to sit down and talk with them. They may be feeling nervous about their job security, so it's critical you allay any fears and demonstrate you have a plan to recovery.

6 Actioning Your Recovery

Depending on what the disaster is and what your plan for recovery is, then now is the time to implement that plan.

When COVID-19 hit Australia, almost none of us in businesses expected this to occur. However, with information from the Government, support, grants and training, many of us were able to put a plan in place, recover financially and resume our 'normal' business life. Yes 'normal' might now mean having a QR code check-in station at the front of our premises, plus hand sanitizer. It might have meant getting all staff face masks and installing plastic shields. It might have meant changing from face-to-face meetings and using Zoom more.



7 Learn, Grow & Review

From every experience we have, we should always learn and grow from that experience. A bad experience won't be great, but we should learn what to not do in the future, or how to reduce the ramifications of a situation, even if it is out of our control.

Once you have considered what happened, update your documented Disaster Plan with thoughts and ideas for improvement. Even as you're going (make notes so you won't forget and can do this later). Perhaps you discovered batteries were flat, or you didn't have something critical on hand you needed or perhaps team communication failed. Update your plan so if in the unfortunate occurrence of that happening again, at least that's one thing which will run smoother.

Remember, as good as hindsight is, try to plan for every eventuality that you can. Remember that not everything is flood or fire, sometimes it's theft in a business, or bad financial management that leads to your disaster situation. It might be that our industry has changed dramatically or that you've become seriously ill and you're unable to manage your business properly. As I frequently say to my business coaching clients:

*Plan for the worse
Hope for the best
Take what comes in between*

Useful links:

Visit <https://www.business.qld.gov.au/running-business/protecting-business/disaster-resilience/disaster-hub> for more information and other resources, including:

- Emergency alerts and contacts
- Small business resilience case studies
- How to do video animations.



In Closing

Knowing what not to do is the first step to succeeding in business. The next step is to know what to do correctly and how. In my business book series and my coaching, I guide business owners, entrepreneurs and individuals on how to create their own success.

Donna



Learn more at www.donna-stone.com.au/books



Whether it's books, coaching or marketing, check out some testimonials from readers and clients:



Donna has done more in a few weeks than several other coaches have done in several months; WOW I was amazed at how personalized and to the point Donna's methods were. I would encourage anybody who is looking to move on in business to contact Donna, you will not be disappointed. **David Ibell – Grass Action – Brisbane, QLD**



I highly recommend Donna for her awesome services, direction and support. Donna continually gives and genuinely cares about you and the success and integrity of your business. She always has solutions to assist moving forward and taking action. When needed (and every time), Donna also was able to recommend other necessary business contacts to assist and support the growth and expansion of my business. Oceans of gratitude for this lady. **Jules O'Neill – Wellness Coach**



Donna is a professional business coach who has helped me go from studying a bachelor of business to opening my first business. Her weekly guidance has helped me in ways that only someone with decades of business experience can offer. Without Donna I would have skipped over numerous big and small things that could make or break a business/start-up. I will continue to use her services into the future as her insight is fresh and ordered in such a way that suits every stage of a business's life-cycle. Her network of industry experts is worth its weight in gold to help you hit the ground running. 10/10. **Zach Dexter – ISM / NDIS – Bundaberg, Rockhampton, Brisbane**



I had a brilliant Power Hour with Donna, putting a proposal template together. Donna's practical no-nonsense approach, together with her years of business experience, are an absolute asset. Highly recommended! **Karen Phillips – Blossom & Grow - Website & SEO. Australia** Since: My conversion rate has improved dramatically since implementing Donna's changes.



I came away from our planning session feeling like I may actually have gained some traction with some clear steps to take the business forward; hopefully this means that the wheels will stop spinning! Thank you for listening and for helping me to begin to see my way forward. Thank you also for the resources provided – very much appreciated. **Neville Starick – Consultant / Counsellor / Teacher – Brisbane, QLD**



Donna Stone is the Business Coach you want if you want to push yourself and your business to the next level. Her experience will help you build your leads, improve your processes, team engagement and get a real understanding of how action improves the bottom line. You owe it to yourself. I can highly recommend her and her books for practical "do able things" to improve your business. **Lynne Sturgess - Precision Loans / President - Redland City Chamber of Commerce**



I highly recommend Donna Stone, business coach. Donna provides comprehensive tailored solutions for business growth and success. As a Chartered Accountant, I have crossed paths with many business coaches over the years, but Donna is the only coach that I recommend. **Janelle Bartlett – Managing Partner – Chan & Naylor Redlands, Brisbane & Mt Gravatt**



I enjoyed Donna's friendly support, company, advice and direction. It was of genuine value to me. Donna gave me very good nudges and her recommendations have been accurate. I was impressed by Donna's recommendations for services which support local businesses. Notable is Donna's constant professionalism and enthusiasm. It's a great supporting package. **Peter Crane – SER Solutions – Melbourne, Brisbane & Perth**



As a Business Coach Donna is very good and helping you find direction, set goals and my favourite - make you accountable! Donna has helped us implement procedures that have streamlined our business and has taken a lot of the pain and worry out of running a business. I highly recommend her to anyone wanting to get on top of things and take their business to the next level. **Sarah Brereton – Co-owner Floworks Plumbing, Drainage & Gas Fitting – Queensland**

Learn more at www.donna-stone.com.au. Make a change today!

