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## Preparing A Business Contingency Plan

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You may not think you have time to think about a contingency plan for your business. While taking the time to prepare one can be daunting, it can also be the key to keeping the doors of your business open after an unexpected disaster.

Imagine your business is demolished by a natural disaster and you lose all your records. What could happen if you do not have a plan to keep your business up and running after a natural disaster could potentially mean that you have to shut down permanently due to damage and lack of proper planning.

Did you know that you can prevent all of this from happening by preparing a **business** contingency plan? Here's how to get started.

### Disasters That Can Strike Your Business

You want to be ready for any natural disaster that can affect your business at any time.

Certain states located in the Midwest of the United States are located in Tornado Alley. It's very well known that this is where prime tornado activity takes place in the United States of America.

While Texas has had the most tornadoes, Florida also receives the brunt of tropical storms and hurricanes that cross the state during hurricane season. The storms surface more so in this area of Florida even though it is not a part of Tornado Alley.

### Set Up Your Contingency Plan

Setting up a proper, thorough, well-thought-out contingency plan will help your business bounce back from a natural disaster.

Take care to have a backup work plan for you and your employees.

### Have a Back-Up Work Plan

If you operate a grocery store or restaurant, this tip would not apply to your business as you cannot provide food services remotely from home.

However, if you are a customer-service-based business, set up a plan for your employees to work remotely if a natural disaster damages your business.

As long as the disaster has not hurt their homes as well and they still have access to the Internet, you and your team can keep the ball rolling on your business operations. This way, your business does not have to

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shut down as you repair from the natural disaster which means you will not lose sales and your employees will not lose wages.

## Look Over Your Business Insurance Policy

Two types of business insurance policies will allow you to have your business covered in the event of a natural disaster.

The Business Owner Policy gives you property and liability insurance to have you covered if your property is damaged or if your business becomes liable for damages while on the job.

A commercial multi-peril policy combines many different possible incident coverages like liability, commercial auto, and other types into one overall coverage umbrella.

Be sure that no matter what type of business insurance policy you have that it covers property damage from natural disasters. If not, reevaluate your insurance coverage.

## Backup All Customer, Employee, and Business Data

If your computer with all the customer, employee, and business data is damaged, you have no way to get that all back.

Consider a cloud-based service that backs up all your files including:

- Customer profiles
- Employee profiles
- Information about your suppliers
- Your accounting records
- Copies of past invoices
- All your document templates are used for conducting business
- Important documents related to your products and/or services

## Pick Up the Pieces

If you are in the process of selling your business, you should always be prepared by having a contingency plan in case of a natural disaster. No seller wants to be in a position where they might have to halt a sale of a business due to repairs needed after an unexpected natural disaster.

Whether your insurance policy helps you to pay the costs or you have emergency capital for this very reason, come up with a plan to repair your business after a natural disaster. Contingency plans are an essential part of any business and are imperative to have in place when the time comes to pass on the operation to the next generation or prepare the business for sale. [A. Neumann & Associates are M&A specialists](#) on the East Coast and help owners prepare businesses for an eventual transition. Reach out to them to help you prepare your business for the future.

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