

## **Recommendations for a Wisconsin Business Disaster Response Strategy**

There *are many ways* to appropriately respond to a disaster. Each disaster is unique and presents its own complex and multidimensional variables. These variables range from the type and extent of the disaster, the size and resources available to the business organization, the level of organization, pre-disaster preparedness, to the personal psychological ability of individuals to respond to stress, uncertainty, and change. Ashby's Law of Requisite Variety<sup>1</sup> maintains that to survive a disaster, a system must have a variety of responses available to meet the multitude of disaster challenges. Thus said, it is important that at the national, state, and regional levels, there be a wide variety of options available to respond to the multitude of disaster variables.

After a review of the literature, the authors found a number of research articles describing the actions necessary to support the immediate needs of the people after a disaster (i.e., food, shelter, and safety). However, the literature reflects little in the area regarding an effective and coordinated response to supporting and assisting the business community in reestablishing their operations and how to respond to the multitude of decisions necessary in order to meet the challenges of the disaster.

On the following pages, the authors present a hypothesis regarding how a state and regional response may work to support the business community in a disaster situation. The model calls for a high level response from the Governor's office to support an Emergency Business Task Force, establishment of both short-term and long-term business goals, and a total reassessment and prioritization of the existing CEDS goals, objectives, and action plans. The overall model attempts to provide the state and regional economic development community a template for action, yet one that allows for flexibility, agility, and adaptability.

The success or failure of the model will depend a great deal on the commitment of the state officials and the leadership skills of the champions assigned to carry out the day-to-day operations. By no means is the model designed to fit every disaster situation. However, the researchers who have worked in the economic development arena for a number of years believe that it contains the fundamental strategies for an effective and coordinated response to a regional disaster.

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<sup>1</sup> "Organization at Risk: What Happens When Small Businesses and Not for Profits Encounter Natural Disasters." Daniel Alesch, James Holly, Elliot Mittler, Robert Nagy. October 2001 Published by Public Entity Risk Institute, Fairfax, Virginia.

## **Business Disaster Checklist**

Following the disaster, counselors/advisors will meet with area businesses to discuss with them with the following business disaster checklist:

**Step One. Employees**

Establish contact with employees to determine safety, healthy, and ability to work, and impact of the disaster on their personal situation.

**Step Two. Building and Facilities Inspection**

Determine condition of plant, buildings, and equipment in order to assess needed repairs, the ability to operate in the short term, and immediate actions critical to survival.

**Step Three. Infrastructure/Supply Chain**

Determine condition of critical power and fuel supply, roads, bridges, railroads, and airports necessary for business operations – delivery and shipping.

**Step Four. Financial Conditions**

Review financial situation:

- Insurance
- Bank loans
- Savings
- Payroll requirements
- Credit cards
- Cash flow analysis
- Support from local, state, and federal agencies

**Step Five. Customer Base**

Contact business customer base and inform them of conditions, possible delivery interruptions, and future timelines.

**Step Six. Decision Point**

Determine whether to continue existing business model, modify model, completely reinvent business, close business operation, or explore partnership opportunities.

**Step Seven. Action Plan**

Develop a business plan with specific action plan to move forward. (i.e., goals, objectives, timelines, financials, budgets)

## **Step One: Governor Appoints Emergency Business Task Force**

Wisconsin State Emergency Management (WEM) programs are currently in place and after a disaster, do an effective job of damage assessment by location, nature, and severity. These State Emergency Management teams determine the extent of damage to both public and private sectors and seek to reduce suffering and loss to the state's citizenry.

However, what is not in place is a disaster response strategy for the state's business community. The first step to accomplish this strategy is for the Governor to appoint an Emergency Business Task Force (EBTF). The purpose of the task force would be:

- Identify both short term and long term recovery needs of the business community
- Organize business support teams
- Identify and prioritize disaster area businesses needs
- Provide high profile support and response to the disaster area business community

The Governor's appointments to this task force would be a high profile team consisting of both state-wide business leaders and public officials. This team would identify a day-to-day operations leader, and behind the scenes would provide its expertise, knowledge, political support, and high visibility to the economic recovery efforts of the state's business community.

In addition, the task force would establish an information technology network. Effective communication to the businesses in the disaster area would be essential in keeping the owners, employees, public officials, and families apprised of the various programs, events, available funding opportunities, as well as who to go to for help and assistance.

## **Step Two: Establish Short-term Business Support**

Immediately after a disaster, a series of quick response actions need to be taken in order to support the areas business community. These actions can take place in a number of ways including:

- *Business Support Teams and Counselors*  
A critical first step in a disaster is to identify and organize business support teams. These support teams would meet with the businesses in the disaster area on a one-on-one basis or in group sessions. Support teams would share their expertise, explore, inform, and discuss business alternatives/options, and at times simply serve as a sounding board.

The support teams would include expertise from a variety of backgrounds (i.e., banking, manufacturing, human resources, marketing, supply chain management, information technology, etc.). An ideal source of expertise may be available from both the university campuses and technical colleges.

- *Establish Short Term Loan Pools*  
Following the disaster, short-term business loans will be extremely important to the business community. The mechanics for the disbursement of these monies needs to be in place prior to the disaster as well as the ability to bypass the “red tape” required for a traditional business loan program.
- *Emergency Business Disaster Checklist*  
After a disaster, businesses face the overwhelming task of making dozens of critical decisions in a short amount of time. A Business Disaster Checklist that provides a simple list of important business considerations would be welcomed information during this crisis period.
- *Convene Regional Economic Development Groups*  
The Governor’s Task Force should immediately convene the disaster areas local and regional economic development groups. The effectiveness of these groups will be enhanced if they begin their recovery efforts in a strategic manner. The ability to leverage resources with a common agenda will be critical in the recovery period. It is important that a regional “champion” be designated in order to bring the group together, facilitate the discussions, and identifies responsibilities, timetables, and priorities.

### **Step Three: Convene Comprehensive Economic Development Strategies Committee (CEDs)**

After a disaster, the regions Comprehensive Economic Development Strategies committee will need to reconvene to quickly update the CEDS document. This process will involve an in-depth analysis of the current economic development problems and opportunities. The study will update the strengths and weaknesses of the region and discuss the external and internal factors affecting the area. Specific regional areas to be reviewed include:

- Workforce
- Business clusters
- Supply chains
- Infrastructure, including roads, bridges, waterways, and rail lines
- Utilities
- Financing
- Local, regional, national, and international markets

#### **Step Four: Realign Business Priorities and Develop an Action Plan**

The updated CEDS will reflect the areas greatest needs after the disaster. The top priorities, projects, and activities will address the more immediate regional needs in order to put the economic base back on a productive and positive track. The goals and objectives for top priority projects will need to identify four key components:

1. *Responsibility* - Whose job is it to move the project forward?
2. *Timeframe* – The project will need specific timeframes for when each major component of the project is to be completed.
3. *Costs* – Detailed budgets will be needed to identify all costs associated with the project as well as identification of the local, regional, statewide, and federal funding sources.
4. *Metrics* – The project’s success will need to be defined up front and include specific outcomes and successes. Without metrics, success will be difficult to determine after the project is completed.

A key point during Step Four is the need for a designated champion or leader to continue to move the project forward and in a positive and proactive manner.

#### **Step Five: Prepare and Submit Proposals to Funding Agencies**

After the identification of the region’s priorities and action plans, the hard work of writing and submitting proposals to the funding agencies begins. This process must be strategic, seek to leverage all available resources, and illustrate to the funding agencies that the region has carefully coordinated its funding requests.

In order to insure high quality proposals are coordinated and submitted, skilled and knowledgeable grant writers need to be identified and engaged, as well as a region wide grant facilitator.

#### **Step Six: Implement Action Plans**

Once the disaster funding proposals are approved and dollars released, the implementation process begins. This stage requires a number of key components. For example,

- Identification of a regional contact person and organization.
- Organization of a steering committee or lead team.
- Identification of specific project champions, responsibilities, timetables, and budgets.
- Tracking and coordination of all accounting and financial requirements.
- Development and implementation of a regional communication strategy.
- Tracking of all project metrics.

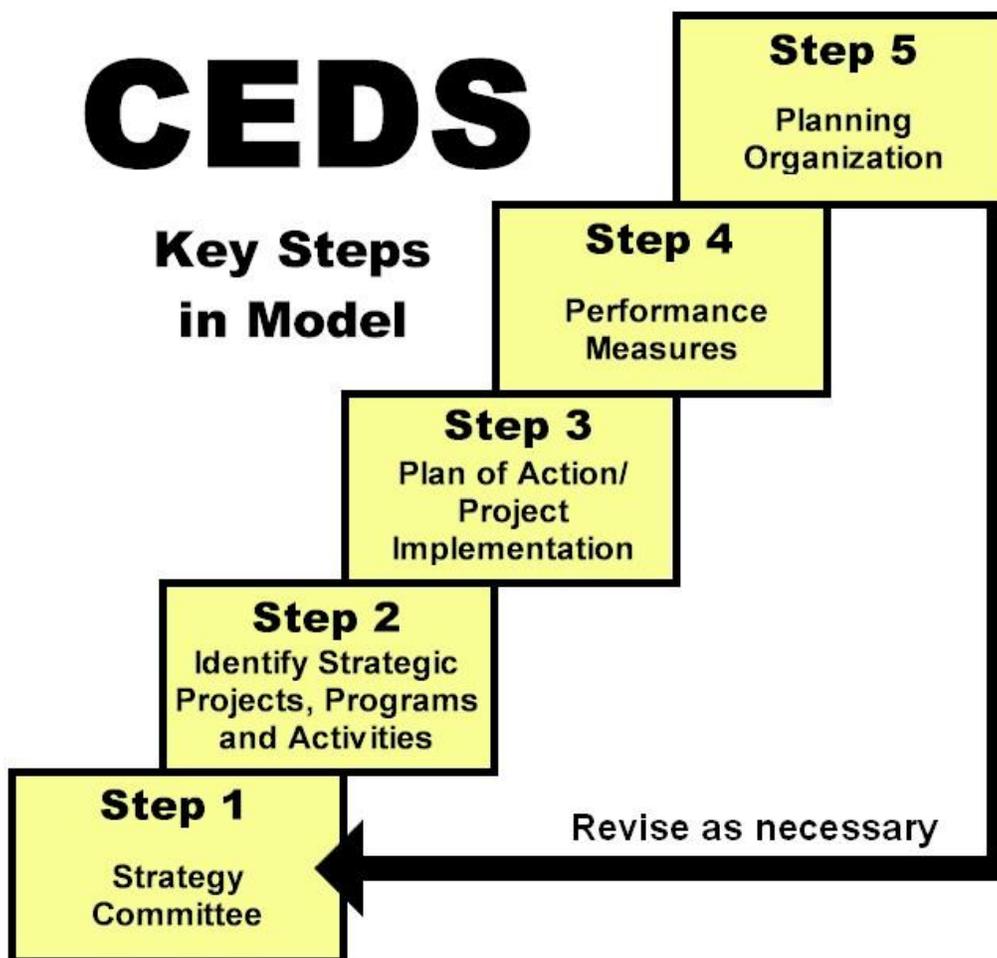
## Step Seven: Measure Gaps and Progress and Report Metrics

Funding agencies will require detailed accounts of how the monies were spent and what were the overall project outcomes. This will require a facilitated process to gather the appropriate data and respond to the funding agencies in a timely manner.

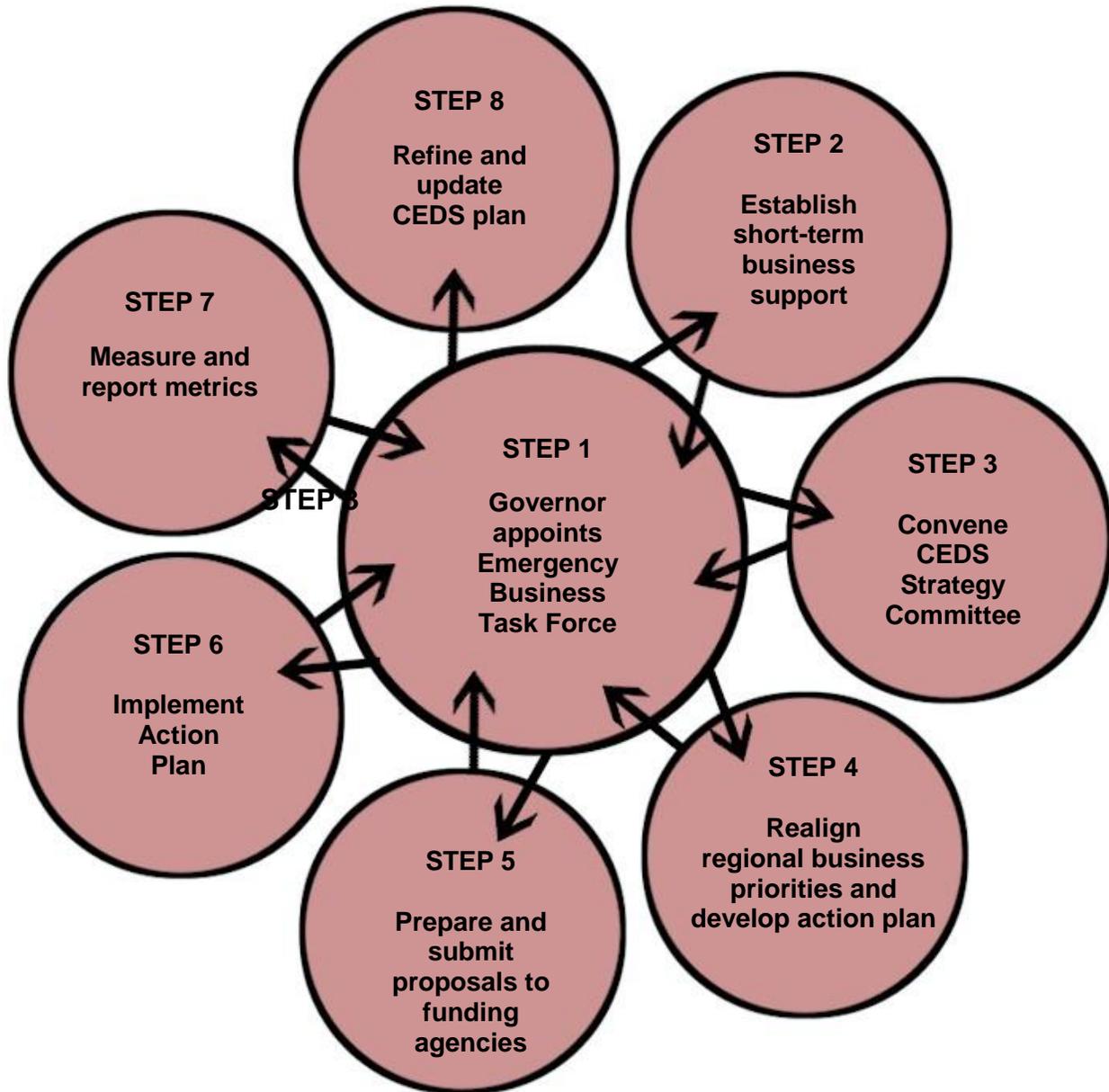
The tracking of results/metrics should not be left to the very end of the project. Rather it should be viewed as a key component of the entire process. The final report/results needs to be sent to a variety of agencies including the funding agency, the Governor's Emergency Task Force and local/regional economic development groups. It also affords opportunities to work with local/state media and state legislators/officials to celebrate the project successes.

## Step Eight: Refine and Update CEDS Plan

Upon completion of the disaster response, it is important for the CEDS process be revisited. With broad participation from both the public and private sectors, the CEDS will provide an updated analysis of the region's economic development challenges and opportunities. The final step will be to establish the regions new goals, objectives and action items.



# Wisconsin Business Disaster Response Strategy



**Steps 1-3**  
**SHORT TERM RESPONSE**

**Steps 4-7**  
**LONG-TERM RESPONSE**

**Step 8**  
**ONGOING RESPONSE**

