



by Tim Fox

# Preparing for the Worst

As we look back at some of the challenges encountered in 2005, we should ask ourselves, "How well are we prepared for what we may face in the future?" Circumstances such as Hurricane Katrina and the flooding that followed, ice storms and the power outages they cause, earthquakes and the devastation that follows can pose many challenges. But with proper planning, we can use these experiences to put our houses in order. Staff meetings can be a great place to start when looking at contingency planning and execution. Remember, the people sitting at that table are most likely the same people who will be working to get things going again.

Here are some areas to think about when preparing for natural and man-made disasters.

**Contacts:** If your facility was devastated in a natural disaster, whether it be hurricane, flood or fire, how would you get in touch with your employees, customers, vendors? Do you have evacuation and contingency plans in place to account for your personnel? Some thoughts here are not only home and cell phone numbers of employees, but also numbers of their family members and/or close friends in case of an emergency.

Contact information for your customers may reach far past the people you deal with on a day-to-day basis. Depending on the situation, you may end up dealing with people in human resources, security, purchasing or real estate, all of whom may be new contacts for you and your employees.

**Information technology:** Is your data being backed up? Are the back-up files kept on site or stored remotely? Can your system be accessed from additional sites? Here is where your information technology people can be invaluable as far as links to other facilities, off-site servers and use of data collection/data storage resources. For example, pertinent documents can be scanned to allow multiple site access through encrypted software to preserve data integrity.

**Infrastructure:** If you had to relocate, do you have the resources to find additional space, secure it and get it up and running in a short period of time? Other scenarios would include staffing a facility for short-term

use, or for a work stoppage that requires employees to cross picket lines or relocate to different geographical areas. There are a variety of staffing solutions to fit just about any requirement. Please keep in mind that the more technical the requirement, or the more widespread the disruption, the more costly the alternative resource.

**Insurance:** This is truly a time when your agent can be your best friend or just another head in the crowd. Are public adjusters required to ensure you are receiving all indemnification you are entitled to under the insurance contract? Does your agent have access to reputable contractors from other regions to help in reconstruction if required? Can they assist in relocation? Keys here are flexibility with your options and getting the most coverage for your insurance dollar spent. Business interruption insurance, flood insurance, earthquake insurance, blanket coverage for warehouseman's legal liability and property/casualty insurance are all things to consider.

**Terrorism:** After 9/11, how does terrorism, or the threat of terrorism, affect you? Are you located near a port, military installation, refinery or government facility that a terrorist group would look at as a potential target? Options to consider here are background checks on all employees and vendors, tapping government agencies with reference to the Homeland Security Act, or on a local level, state and local law enforcement as a resource to reduce your risk of an attack. Insurance carriers are now offering terrorism insurance. Although considered somewhat pricey, it could help reduce exposure to unforeseen acts.

**Real estate:** Do you know what your real estate is worth, and what the current market trends are in your area? Do you have someone you deal with on a local, regional or national level? What does their portfolio look like, and whom do they represent? As a rule of thumb, you should always be in the market for real estate and warehouse space, even if you don't have an immediate need, just to keep up with trends and pricing levels.

**Legal:** Do you have access to someone who deals in these types of matters? Are they well versed in your business situation and do they have an idea of what your needs could be? Do they understand what role they have



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in your situation? No matter how large or small, every company needs legal representation for a variety of functions. Larger firms that deal in a broad array of specialized legal areas could be important here due to their resources and depth.

Preparing for scenarios such as the ones discussed is neither pleasant nor easy; however, a good plan may help greatly reduce risk and make managing a disaster more tolerable. By discussing some of these points, we bring awareness to these possibly overlooked issues and that is the first step toward effectively preparing for the future.

NOTE: Many of the resources necessary for creating a sound disaster response plan can be accessed through IWLA Associate Members and the Association's Purchasing Services Partners Program. For a full listing, go to [iwla.com](http://iwla.com) and click "What We Offer" and "Suppliers to 3PLs."

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