



Maine SBDC~E-Bulletin
Essential News for Entrepreneurs

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→ Disaster Planning Essentials for Small Business

Some small businesses in Fort Kent, Island Falls, and Van Buren, Maine, are a casualty of last week's spring flooding. Just how quickly they bounce back and whether they survive at all may have something to do with how *prepared* they were.

Disaster preparedness seldom rises to the top of anyone's "to do" list even though, the U.S. Small Business Administration estimates, 25% of businesses that experience a disaster never recover.

With the spring flooding fresh in mind, this E-Bulletin edition focuses on disaster preparedness. Some excellent resources and templates exist to help small businesses plan ahead. **If you are unprepared for a disaster, be it flooding, terrorism, extreme temperatures, earthquake or whatever, you are risking your company's future.**



[Check out this link to Maine SBDC's website to find a wide array of resources, workshops, and recommendations.](#)

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→ Tips on Surviving Disasters

Maine SBDC certified business counselor Gordon Platt has seen first hand the how costly disasters can be for small businesses. For the past two springs, Platt has witnessed the "Mother's Day" (2006) and then "Patriot's Day" (2007) floods in York County. In the picture above, Platt and SBA's Alden Turner are shown visiting with a flood damaged business in York County last spring.



"It's easy to underestimate just how quickly it can get difficult when the cash flow is interrupted," said Platt of his experience working with small businesses affected by disaster. "It's almost as important to get your calculator out and run some numbers as it is to get the mops and shovels out," he said of the days immediately following a disaster, "You need to anticipate how you have been hit and how that hit will continue to manifest itself in the days and weeks ahead."

Loss of business, coupled with unexpected clean up costs, can threaten a business. Platt suggests business owners immediately contact their banks with a "heads up" and work with Maine SBDC to prepare financials and cash flow projections that may be used to apply for a line of credit.

If a federal disaster is formally declared, businesses can then apply for federal assistance, including low interest SBA loans. To do so, the business must show "economic injury" by providing historical financial information and cash flow projections. If those records are lost in the disaster, businesses must obtain duplicate records. Owners will also need repair estimates. "It's very hard to do but business owners must leave the actual clean up to others and focus on managing the business to survive," said Platt.

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