

## FOR USE ON MAINE SBDC WEB SITE

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### Tips on Surviving Disasters

Maine SBDC certified business counselor Gordon Platt has seen first hand the devastation of natural disasters and how costly they 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, where his Maine SBDC service center is located. Both floods earned federal disaster designations and occurred just as York County’s busy summer tourist season was poised to launch.

“Perhaps it’s easiest 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 increased clean up expenses can put significant strain on a business. Platt suggests business owners immediately contact their banks with a “heads up.” He also suggests they work with a Maine SBDC business counselor to prepare financials and cash flow projections that, aside from guiding the business, can also be used to apply for a line of credit.

If a federal disaster is formally declared, Platt says 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 contact their tax preparers or otherwise obtain duplicate records. Owners will also need estimates of what it will take to repair damages such as electricians, plumbers, carpet cleaners.

“It’s very hard to do but business owners and senior managers must leave the actual clean up to others and focus instead on managing the business to survive,” said Platt.

More information to help small business plan for or cope with disasters is available at [www.mainesbdc.org](http://www.mainesbdc.org)

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