

Running a restaurant is a very time consuming affair. With so many demands coming at you all day long, there is little time for planning and preparing for something that might never happen. But the many disasters of 2011 should be a wakeup call for restaurants that have done no disaster planning at all. This blog will give you a checklist of some of the things that you may want to consider and plan for to make sure that your restaurant is one of the few that can emerge from a disaster and continue to operate successfully in the post disaster time frame.

Last year a number of catastrophes hit US businesses. These disasters resulted in more than \$32 billion in insurance claims and the majority of that money went to insured businesses. And this doesn't include the smaller one of a kind disasters that struck businesses, like fires and data breach. Nor does this include the amount of losses that were not insured. Disasters do more than cause property damage – they can disrupt your restaurant's operations and can cause a lot of bleeding to translate down to your bottom line as well as causing damage to your restaurant's reputation.

A recent survey commissioned by The Hanover Insurance Group reported that 63% of businesses surveyed said it was not very likely or not at all likely that their business would experience a disaster such as a flood, hurricane, tornado or any other incident that could cause a loss or interruption to their operations. So it does not come as any surprise that only 41% of the surveyed businesses had a written disaster plan in place. In fact, I'm surprised that the number of advance planners is that high at all.

If you can take an hour or two to dedicate to creating a written disaster plan for your restaurant, then here are a few things you want to spend time thinking about. First of all you should try and anticipate all of the types of events or threats that your business could face, including fire, tornadoes, hurricanes, ice storms, floods, data breach and vandalism. Next carefully assess all of your restaurant's assets, including the building, the contents inside, your inventory, your data, and other intangibles like your reputation, both online and off. Review the protections that you already have in place against potential threats. By this I mean not just your insurance policies but also your procedures such as how to evacuate employees and patrons in the event of a fire. This also means carefully checking your sprinkler systems, ansul system, your fire extinguishers and emergency lighting. Last of all, try to imagine your restaurant after the disaster strikes. What are the areas of potential impact on your restaurant's operations from suppliers to replace inventory to lost employees as well as any financial or legal impacts of the disaster.

Here is a list of ten key items that merit your attention so that your restaurant has a better chance of rising from the ashes of a disaster to return to profitability once again. These items should be carefully considered and a disaster recovery plan put in writing and kept in a safe place, off premises, ready for you if you ever need it.

1. Get an overview of all of your restaurant assets and potential threats to your business.
2. Develop a list of all key employees and their job functions and then create a list of backups for each job function in case one or more employees is not available after the disaster.
3. Develop a list of any employees who can function in some capacity that is helpful and who are able to perform their role from a remote location.
4. Store critical paperwork in a safe place. This could be legal documents, banking information and employee information.
5. Build a list of key external contacts from vendors and suppliers to attorneys and other consultants.
6. Plan for the replacement of any equipment from kitchen equipment to computers and point of sale equipment and understand just how long it will take to find and replace what is needed and get it up and running.
7. Back up digital data. You are probably already doing this but you need a plan to create a regular back up of data to a remote location, be it in the cloud or by moving a backup copy off premises on a regularly scheduled basis.
8. Have a plan ready for moving and setting up in an alternate site if your restaurant is destroyed beyond the hope of a rebuild. Zoning rules can change after some types of disasters and you might not be allowed to reopen your restaurant in the same location so you should have a plan in mind for where you can reopen most quickly and with the best long term results.
9. Create a step by step communication plan, first for employees, then later for your customers. Detail how the crisis team will be notified and how you will communicate information to your employees.
10. Sketch out a step by step recovery plan. This should be a clear outline of what to do first, second and third and in what order as well as an estimation of the costs of each step of the recovery.

It is important for restaurants to be prepared and ready before a disaster strikes. Insurance is a very important component of this process but insurance alone can guarantee that your restaurant can recover from a disaster. You should find the time to build and create a disaster plan and then, review it at least once a year to update it as needed. If you would like to discuss a disaster plan process for your restaurant, or if you would like help with your restaurant insurance program, I hope you will call us, toll free, at 877-687-7557, or visit us online at www.TheRestaurantInsuranceStore.com

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