

Lessons from the Field:

Small Business Recovery Strategies After a Disaster



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Twin Disasters in Iowa 2008

May 25, 2008



June 7, 2008



Entrepreneurship Outreach at UNI

- Small Business Development Center
- 4th Street Incubator, Waterloo IA
- Innovation Incubator, UNI Campus
- MyEntre.Net
 - Business Concierge
 - Dream Big Grow Here Contests
 - Connections and Community
 - Webinars





EF5 Tornado Rips Through Eastern Iowa

Nearly a Mile Wide-Then Grew

On The Ground For Almost 30 Minutes

Traveled More than 40 Miles



May 24, 2008

Personal and Business Casualties

- 7 Dead
- 75 injured
- 400 buildings
- 80 businesses
 - 22 Destroyed
 - 68 Damaged







Larry Luhring and his wife Marty stand at the site of their home on the south edge of Parkersburg. Larry was hit by flying debris and needed 13 staples in his head. Marty was lifted up by the tornado and was pulled back down by her husband. "It's true, the love of my life saved my life", she said

DESTRUCTION AFTER TORNADO



Internet Superseded the Physical



The Tent

Up in 24 Hours
Prominently Located
SBDC Staffed
12-14 Hour Days

No One Came





UNI SBDC Director Goes From Parkersburg Tornado to Flooding In Cedar Falls





Greene, June 9


Waverly, June 10





Contact with Businesses

- Email listserv
- Phone calls
- Community meetings
- Master Calendar



Classes and Workshops 2008

April 2 - ServSafe (Food Safety Certification Short Course, ISU Extension) 7 - UNI MyEntreNet Webinar*, 12:00 - 1:00PM, "Making your Business Newsworthy" 7 - UNI MyEntreNet Webinar*, 7:00 - 8:00PM, "Making Cents of Financials" 10 - UNI MyEntreNet Webinar, 12:00 - 1:00PM, "How to Properly Hire and Fire Employees" 14 - UNI MyEntreNet Webinar*, 7:00 - 8:00PM, "Recruiting/Retaining Good Employees" 15 - Microsoft Power Point 2003 Level 1 (First Session), 6:00 - 8:00PM (SWCC) 17 - UNI MyEntreNet Webinar*, 12:00 - 1:00PM, "Where's the Exit?" 17 - Microsoft Power Point 2003 Level 1 (Second Session), 6:00 - 8:00PM (SWCC)	21 - UNI MyEntreNet Webinar*, 7:00 - 8:00PM, "The eBay Way" 22 - Maintaining & Growing Your Online Business, 6:00 - 8:00PM, Supertel Inn & Conference Center 22 - Microsoft Power Point 2003 Level 2 (First Session), 6:00 - 8:00PM (SWCC) 24 - Microsoft Power Point 2003 Level 2 (Second Session), 6:00 - 8:00PM (SWCC) 24 - UNI MyEntreNet Webinar*, 12:00 - 1:00PM, "Four Great Ways to Grow Your Business" 28 - UNI MyEntreNet Webinar*, 7:00 - 8:00PM - "Preparing your Business for the Next Generation" 29 - Microsoft Access 2003 Level 1 (First Session), 6:00 - 8:30PM (SWCC)	6 - Microsoft Access 2003 Level 1 (Third Session), 6:00 - 8:30PM (SWCC) 8 - Microsoft Access 2003 Level 2 (First Session), 6:00 - 8:30PM (SWCC) 13 - Women and Philanthropy Workshop, 8:00AM - 3:30PM (ISU Extension) 13 - Networking Event, "Retail Window Display," 6:30 - 8:00PM, Supertel Inn & Conference Center 13 - Microsoft Access 2003 Level 2 (Second Session), 6:00 - 8:30PM (SWCC) 15 - Microsoft Access 2003 Level 2 (Third Session), 6:00 - 8:30PM (SWCC) 21 - ServSafe Food Safety Certification Short Course (ISU Extension)
May 1 - Microsoft Access 2003 Level 1 (Second Session), 6:00 - 8:30PM (SWCC)		June 24 - Networking Products/Services Fair: Display of Local Products/Services, 6:30 - 8:00PM, Supertel Inn

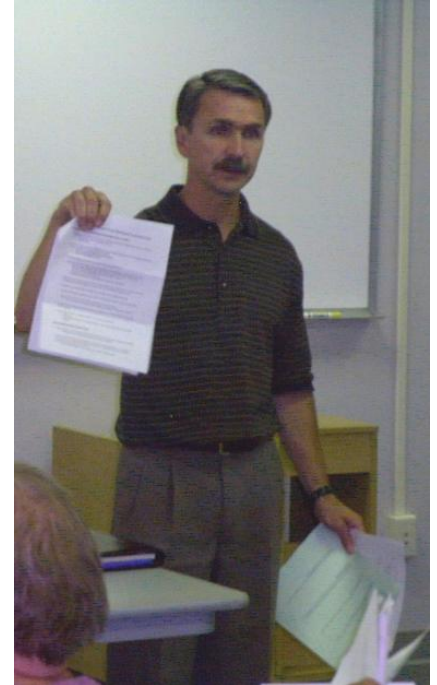
*To participate in MyEntreNet webinars, go to the MyEntreNet Website at www.myentre.net and log in. Then, simply click "Webinar" located on the compass at the left side of your home page. (If you haven't already done so, you will need to fill out a brief registration form to access MyEntreNet.)

—For information about classes offered by Southwest Community College, call the Creston campus at 641-782-7081.
—For information about classes offered by ISU Extension, call the Creston Field Office at 641-782-8426.

WWW.MYENTRE.NET

Webinars

- June
 - Daily Noon Webinars
 - Updates, Locations for Services
- July
 - Transitioned to Weekly Webinars
 - Business Owners Other Disasters



Pressing Need for Short Term Capital



Ideas Floated

Put Up A Small Business Contribution Website
(Pre-Crowdfunding, Remember)

Find a Grantor
...Quickly

Use Existing Budget Dollars
You Want To Do What?



UN-NATURAL DISASTERS

EASTERN IOWA'S EF-5 TORNADO
AND THE HISTORIC FLOODS OF 2008



BY TERRY SWAILS AND CAROLYN WETTSTONE

What We Did Well

Created Connections
Online
Intimate
Professional

Long Term TA
SBDC Disaster
MyEntre.Net



Best Practices

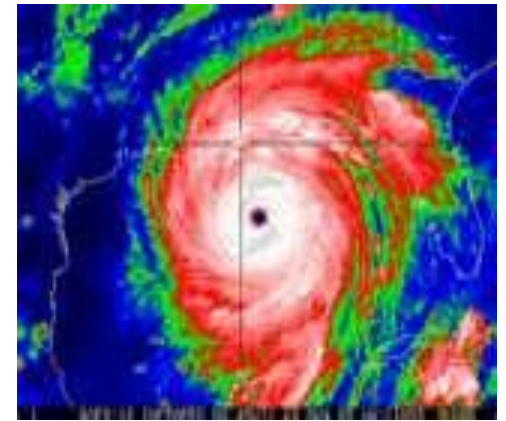
- Disaster Recovery Plans
 - Service Providers
 - Small Business
- Stages Of Recovery
- Emulate What Works
- Address Short Term Capital Needs



Our Ongoing Role

- Continue to Support and Track Affected Business Owners
 - Listserv now statewide eNewsletter (10,000 Subscribers)
- Provide 3rd Party Long Term Data on Recovery and Economic Impact of Services
 - Statewide Survey of Small Business
 - Annual
 - Track Change





Entrepreneurship Strategies for Post-Disaster Economic Recovery What is the Role for Economic Development Organizations?

IEDC Webinar

January 28, 2014

Charles F. D'Agostino, MBA

Executive Director

Louisiana Business & Technology Center

LSU Innovation Park

The Role of Entrepreneurs in Economic Development

Entrepreneurs:

1. Create
2. Innovate
3. Employ

Successful Entrepreneurs require:

1. Good ideas
2. Knowledge of their field – must be an expert in your area
3. Good networks
4. Access to capital

High risk – high reward



The Role for Economic Development Organizations in Supporting Entrepreneurship

- Support
- Encourage
- Catalysts
- Network/Matchmaker
 - Access to Capital
 - Business Counseling
 - Mentors
 - Professionals
- Facilitate Tax Incentives and cutting bureaucratic red tape



The Role of an EDO in Business Disaster Recovery

- Sympathetic Ear
- Resource Provider –
provide factual answers
when rumors are flying
- Catalyst
- Researcher
- Organizer
- Quarterback

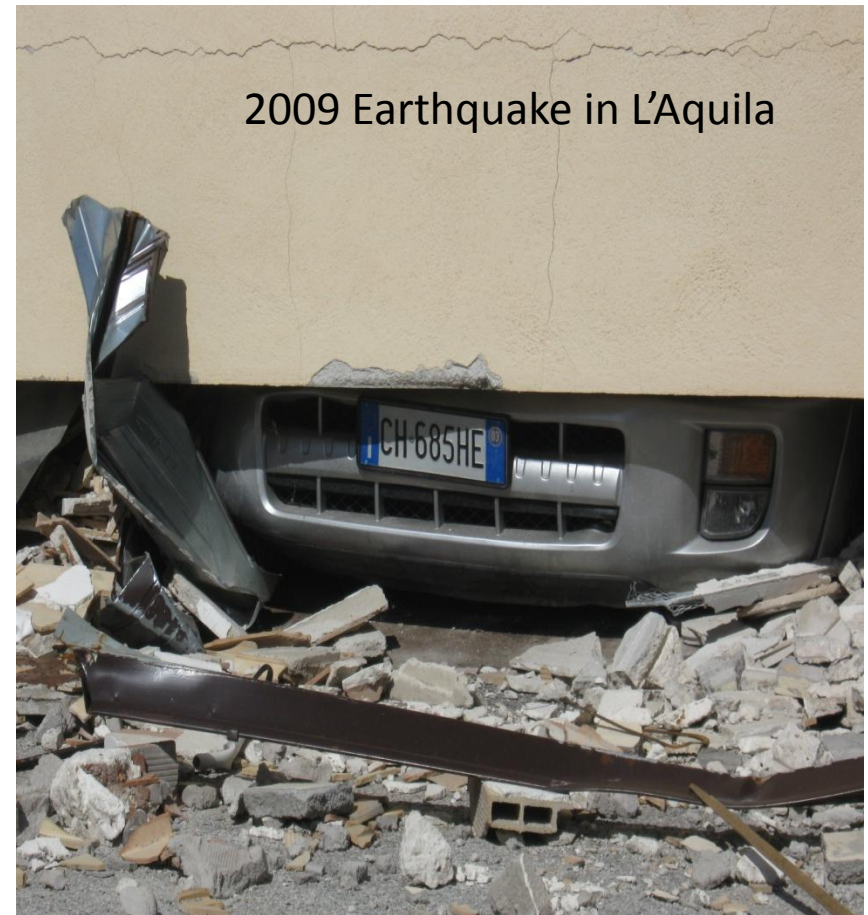


What are the critical factors in pulling resources together for the small businesses in the impacted area?

- Don't be shy about using the sympathy card
- Pull in volunteers from organizations such as IEDC, NBIA, AURP etc
- Utilize congressional staff to pull in SBA, EDA and other federal agencies
- Contact local business assistance agencies such as:
 - SBDC
 - SCORE
 - Incubators
 - Universities
 - Chambers of Commerce
 - State Agencies
 - SBA

Timing for Recovery Programs

- **Triage**
 - Focus on surviving the shock
- **Recovery**
 - Keep it basic and focus on progressing to normalcy
- **Rebuilding**
 - Push to get economy to pre-disaster strength
- **Growth**
 - Seek to convert unintended consequences for investment



What Services are Needed?



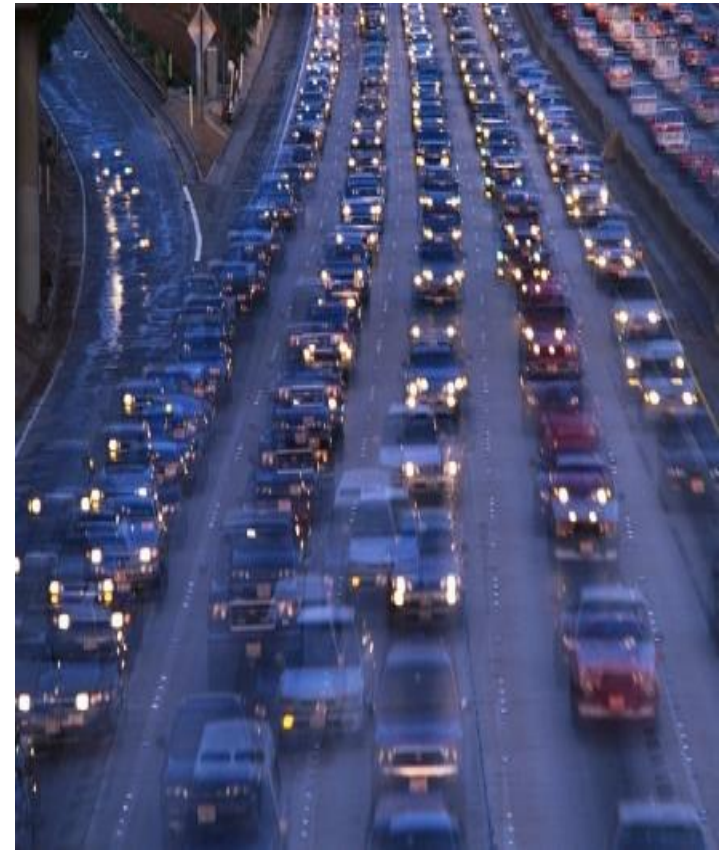
- EDO partners with universities & government to provide:
 - Business Counseling
 - Business Planning
 - Loan Applications
 - Disaster Relief
 - Training Workshops

Offer counseling and business assistance to the **businesses** impacted by Hurricanes Katrina, Rita, Gustav and Ike.

- One on One Counseling
 - Go Zone – Gulf Opportunity Act
 - Business Recovery
 - Market Assessment
 - Business Plan Adjustments
 - Financial Modeling
 - Loan and Equity Assistance
 - Disaster Loan preparation and qualifications

Scaling up services and resources for long-term business recovery and support

- Work with Governor, Mayor, Legislators and Congressional Delegation
- Be a “factual” clearinghouse for information
- Be responsive
- Promote readiness and preparedness planning



Evacuation Planning

Opportunities Created by Disasters

Seize the opportunities created by disasters

- Entrepreneurship opportunities
 - Demolition, waste removal, construction, mold abatement, etc
- New business formation
 - Prime contractors
 - Subcontractors
- New Businesses to replace those that will not reopen for one reason or another



REBUILDING = OPPORTUNITY

CONSTRUCTION

BUILDING SUPPLIES

**TELECOMMUNICATIONS/
INFORMATION TECHNOLOGY**

ENERGY

TRANSPORTATION

Catering to Disaster Workers

Retail and Services

Federal Money follow Disasters

Case Studies: Hurricanes

- Katrina 2005
- Rita 2005
- Gustav 2009
- Ike 2009
 - LBTC established a disaster business recovery center in 2005 that remains open today
 - Focus – Recovery
 - Focus - Preparedness



Case Studies: Oil Spills

BP Deepwater Horizon Oil Spill



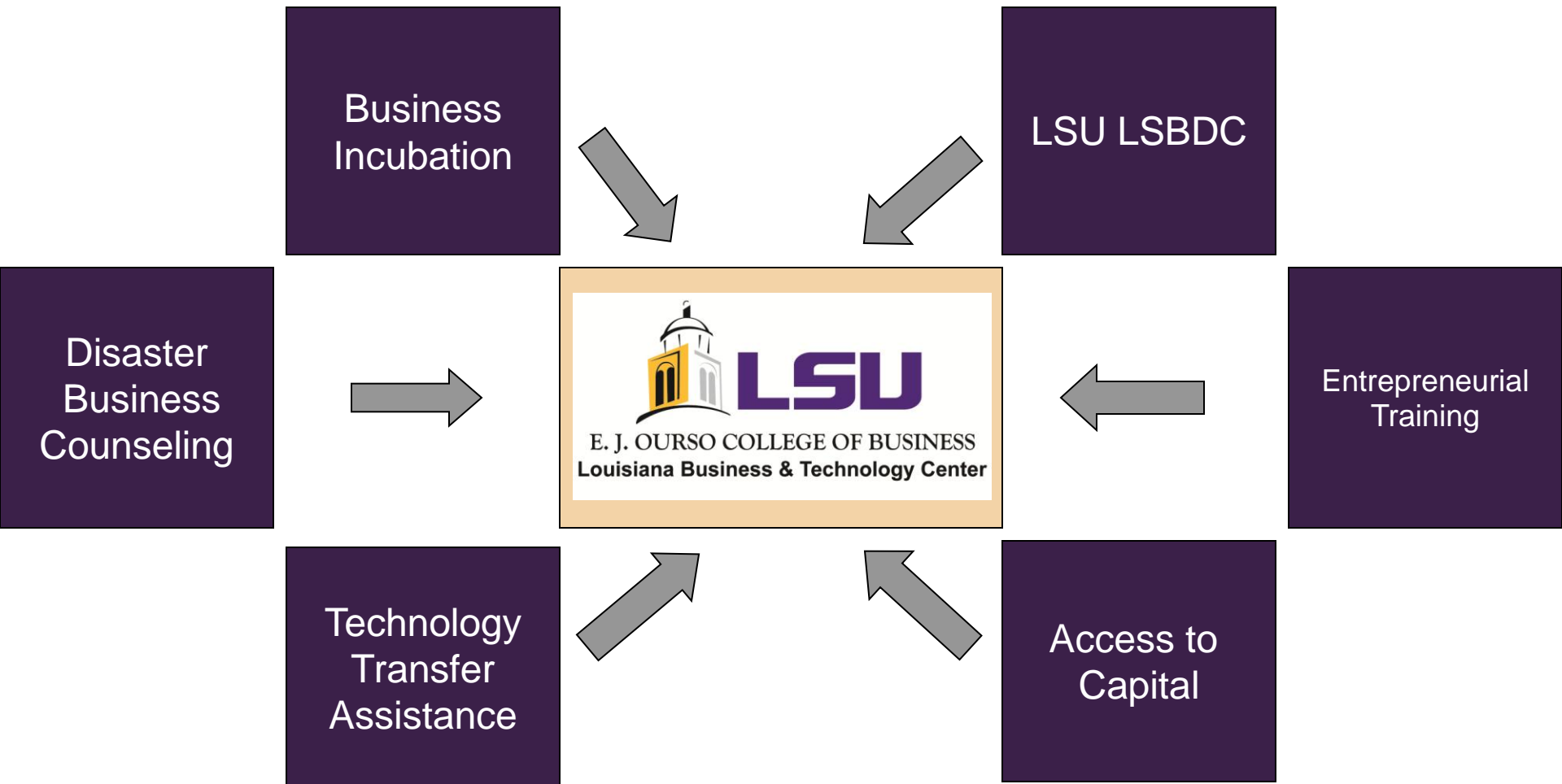
- Different type of disaster and impact
 - Loss of tourism
 - Loss of fisheries
 - Coastal and environmental problems
- Different Solutions
 - Cleanup
 - Alternate markets
 - Reinventing the business

Case Studies: Earthquakes - International

- Different Issues:
 - Italy a very poor country
 - No private insurance
 - Governmental control in recovery and scheduling repairs
 - 2009 Earthquake damage still not fully repaired in 2013



The LBTC Model



Mobile Classroom - Incubator on Wheels

Bring Services to the Entrepreneur

- Education in 20+ Rural Parishes annually
- Sponsors: Louisiana Municipal Association, Louisiana Economic Development & Louisiana Public Facilities Authority
- Training and counseling in rural and hurricane / disaster impacted areas for Small & Emerging Businesses
- **Mobile Classroom** featured on **CNBC** and **BBC** as well as local TV

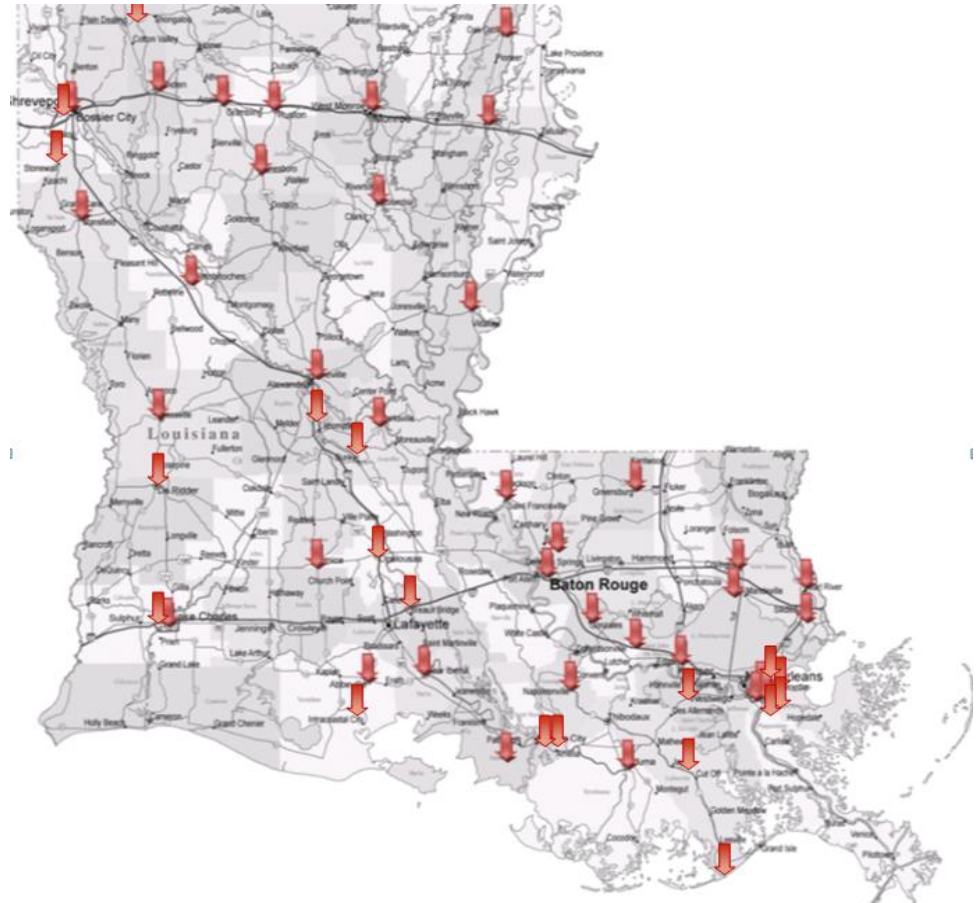


LOUISIANA
MUNICIPAL
ASSOCIATION



Mobile Classroom Locations Visited since 2006

- 173 locations
- 3398 Attendees
- 120 Business Start-ups
- 344 Jobs Retained
- 578 Jobs Created
- Program brings LSU to the rural, underserved parts of the state.
- Request a visit to your community



Mobile Classroom

Driving Louisiana's Economy



Houma



Vidalia



Morgan City



Rayne

Lessons Learned

- Most organizations were not prepared for long-term outages.
- Anticipate disruptions in communications services, possibly of extended periods of time.
- Critical staff may not be able to reach their assigned recovery locations.
- Employees are key to success and most will take care of families before business.
- People are essential to recovery operations.
- Replacement supplies may be difficult to obtain during the protracted recovery period.
- Financial institutions may be incapacitated causing a shortage of cash and credit. Be prepared to operate in a “cash only” environment.
- The involvement of financial institutions is critical to recovery.
- The location of off-site back-up sites is critical to recovery.
- Disaster drills should include all functional areas and employees.

Lesson 2 – Preparedness (earthquakes have no “season”)

- Have an alternate worksite identified and available
- Have a pre-disaster agreement with a building owner outside of the area that can be a command post or temporary business facility and employee housing.
- Make sure all business licenses, insurance and legal documents are secured and apply to alternate site.
- Have a supply chain plan including shipping issues.
- Have a continuity business plan including contacting customers, suppliers and employees.
- Utilities may be out long term, ensure on-site capability for safe shut down and essential data retrieval
- Back up all vital records.

Preparedness and Resiliency Plans

- LSU Stephenson Disaster Management Institute



- What are the risks? How will a disaster impact my business? My employees? My customers? My suppliers? My family?
- What is the evacuation plan for getting out of harms way?
- How do I secure my facility?
- How do I move equipment, inventory, and other assets to safety?
- Where will I move assets in event of evacuation?
- Am I adequately insured?
Business interruption insurance?



Questions?

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