

The magazine for retail facility operations management and construction.

RETAIL FACILITY BUSINESS™

disaster planning

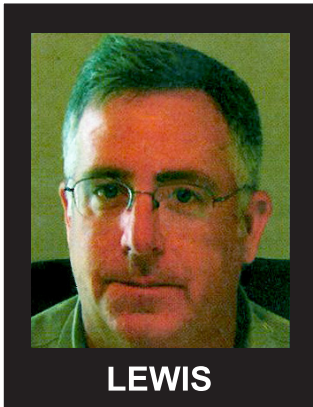
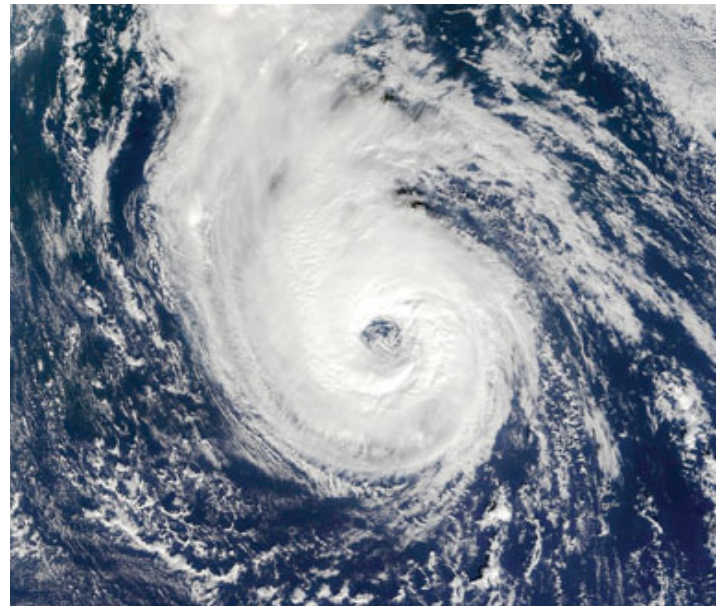
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Get Ready *for the*

BIG ONE

Must-know disaster preparation and recovery tips for retailers.

BY MARK LEWIS



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It's spring, the warm sea currents are arriving and hurricane season is not far behind. Is your retail building prepared for the worst?

With the news filled with accounts of natural disasters around the world, the timing seems right to reflect on the importance of hurricane preparation here at home. In recent years, we've seen too vividly what can happen to businesses that didn't believe the "storm of the century" could hit them.

Property owners can't wait until a tempest is brewing off shore to fill the

voids in insurance coverage, cobble together a loose-knit plan to keep the elements at bay or scramble like mad to line up a repair contractor. Your future livelihood could depend on your readiness.

So let's take a minute to walk through some preventive steps that will assure your shop or distributorship will be around to face the next big storm season.

Hurricane Preparation Tips (Pre-Loss):

1. Know your insurance policy: It's not safe to assume that your insurance policy will cover all manner of natural disasters. Flood insurance, in particular, is the most overlooked coverage of the past decade. You only need look to the lessons of Hurricane Katrina. While merchants in the New Orleans area typically had adequate hurricane coverage, most didn't have flood insurance or had only minimal coverage. The hurricanes didn't cause the brunt of the damage there directly; the swollen waterways and broken levees did.

Many retail businesses found themselves wishing they had another type of policy: business-interruption insurance. Most coverage won't account for the sales lost on the days when restoration is taking place. Though it can't entirely make up for the inconvenience and potential loss of customers, business-interruption insurance can provide significant benefits to retailers.

2. Have a comprehensive plan: Be ready to move merchandise and electrical equipment off the floor and onto display shelves or pallets that are at least several inches off the floor. In most flooding scenarios, a store isn't going to fill like an aquarium—the relatively low levels of water will usually drain out under doorways. Apoint a key person as disaster coordinator. Stage a drill so everyone knows his or her roles. Know where the shut-offs are for water, electrical and gas.

3. Line up a restoration contractor: There simply aren't enough quality disaster-restoration firms around to mitigate most large scale disasters. Align yourself with a restoration contractor months in advance of hurricane season to assure your retail building will be a priority. Thoroughly interview contractors and ask them to tour your facility. Inquire about response times, emergency communication channels and their code-compliance and environmental-compliance policies. Also, make sure the contractor you choose knows your

power requirements and the building materials you've used. A little known fact: You get to choose the contractor you'll hire. The insurer can't dictate one.

4. Prep your building: You can purchase hurricane shutters or hurricane screens for permanent or temporary installation. Plywood is also effective, but don't wait until the last minute to find it. Make sure your boards are well marked and measured in advance. Use barrel bolts to secure them. If you have time, have a professional assist with board-up. However, taping over windows is a waste of time. It doesn't work! If you plan to use sandbags in the event your facility is near water that could rise, use woven polypropylene, or "poly rolls." Tip: Sandbags are easier to handle if they're half full and weigh no more than 35-40 pounds.

5. Take inventory: As shutdown looms, take as thorough an inventory as possible. To be sure you'll have the inventory list available post-disaster, make several copies of it to place in different locations. Scan the list and email it to yourself, and make sure you keep a digital camera ready to document any damage. Plus, keep a comprehensive employee contact list with cell phone numbers and email addresses. Plan on power being out for at least a couple days and set up an employee communication hub if possible.

There are a few hurricane preparation issues that are specific to retail buildings. Merchants in hurricane-prone areas typically refrain from boarding up buildings until the last minute because they don't want to look as if they're closed. But if merchants wait too long, the boarding-up process gets much more difficult—those plywood sheets can be hard to handle and may go sailing like kites in high winds. Many fast food chains, which are often primarily composed of glass, simply spray paint "We're Open!" on boards in conspicuous places and lose little, if any, pre-storm business.

In a multi-tenant retail facility, the retailer is typically responsible for the interior of their space and the landlord is responsible for the exterior, with the notable exception of some large anchor tenants that own their own buildings. When the roof is off or damaged, that's typically the responsibility of the landlord, which can complicate matters with regards to interior belongings. Be sure to review retail lease language to gain a comprehensive understanding of landlord responsibilities in the event of a disaster.

5 Tips for Efficient Disaster Recovery (Post-Loss):

1. Contact your insurer immediately: This can be your agent, broker or insurance company. The sooner the insurer knows your situation, the faster the adjuster can get on-site during what can be an extremely hectic time compounded by road closures and limited access to some sites.

2. Contact your restoration contractor: This is your second call out. The sooner remediation begins, the better your chances of preventing additional damage. Insurers who arrive after temporary repairs are completed will understand and the damages will still be covered as long as they are properly documented. These repairs also keep vagrants, thieves and animals out.

3. Survey and document damages: Get out the digital camera. It's crucial that you photograph all initial damage—water levels, downed power lines, roof holes, missing shingles and other structural damage—because the adjuster may not get there in time to see all of it. This will also help expedite the claims process. Make the roof your first priority, but be careful getting on it: safety first! Your restoration contractors will first want to cover the damaged roof before they can extract any water from inside the property.

4. Make way for remediation: Clear employee vehicles out of the way to facilitate workers and equipment. Help the contractor determine what merchandise and other items are salvageable so they can be set aside and protected. Realize that saturated drywall, carpet and other water-soaked debris will be removed immediately. The typical drying time of a commercial building is 5 to 7 days before final repairs can begin.

5. Check inventory: Evaluate your remaining inventory against the inventory list you compiled pre-disaster. You'll need an accurate count for your claim.

Storms are serious business. As part of your basic risk-management profile, be sure to take the time to prepare your buildings for weather contingencies. It's just a matter of time before another active hurricane season arrives. **RFB**

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