

Checklist for re-opening your business after a disaster

Following a disaster, it is anything but 'business as usual' for you, your employees and customers. The faster you can return your business to some level of normal operations, the quicker you can restore your income, jobs and the goods and services you supply to your customers.

Businesses will be affected by a disaster in different ways. This checklist is aimed to assist businesses that have been directly affected by a disaster. It will lead you through some of the many issues you will need to consider before and after reopening your business.

Preliminary Assessment	
<i>Mark with a 'Yes' or 'No' when you have considered a question or tick where you have acted upon a question.</i>	
<i>Should you re-open your business?</i>	
• Were you happy running the business before the disaster?	<input type="checkbox"/>
• Were you making the profit you wanted?	<input type="checkbox"/>
• Do you prefer being your own boss?	<input type="checkbox"/>
• Have you considered other opportunities?	<input type="checkbox"/>
• Are you prepared for the potential extra demands that recovering your business will place on you, both personally and financially?	<input type="checkbox"/>
<i>Have you done an assessment of the damage?</i>	
• Are your premises operational?	<input type="checkbox"/>
• Can you recommence trading from your premise without significant repairs?	<input type="checkbox"/>
• Is any of your stock, supplies and equipment recoverable?	<input type="checkbox"/>
• Have any of your staff been affected by the disaster?	<input type="checkbox"/>
<i>What are your chances for future success?</i>	
• Have you analysed the potential demand for your product or services post disaster?	<input type="checkbox"/>
• Have any of your key customers and/or suppliers been affected by the disaster and if so, will this impact your business?	<input type="checkbox"/>
• Has the disaster lead to other businesses in your area closing and if so, have you determined how this may impact on your business?	<input type="checkbox"/>

Preliminary Actions	
<i>Have you contacted your insurer?</i>	
• Have you given your insurer your preliminary damage assessment?	<input type="checkbox"/>
• Has your insurer been able to tell you what your insurance payout is likely to be, when will it be made and whether it will be in the form of cash or asset replacement or a mix of both?	<input type="checkbox"/>
<i>Have you contacted your staff and other key stakeholders?</i>	
• Are you keeping staff and stakeholders, including key customers suppliers and lenders informed of what you are doing?	<input type="checkbox"/>
• Do you need to disengage staff for the time being?	<input type="checkbox"/>
• Do you need to postpone purchasing supplies for the time being?	<input type="checkbox"/>
• Can you cancel orders that you have made?	<input type="checkbox"/>
• If customers have ordered stock and it is lost or you can not supply at this time, have you informed those customers?	<input type="checkbox"/>

Financial position of the business	
<i>What is the current financial position of your business?</i>	
• Have you reconstructed the financial records of your business?	<input type="checkbox"/>
• If you can not fully reconstruct your accounts, do you have access to historical financial statements or industry benchmarks?	<input type="checkbox"/>
• Have you determined how much cash your business has currently available by creating a cash flow statement?	<input type="checkbox"/>
• Have you created a balance sheet and a profit and loss statement from the beginning of the current financial year to the time of the disaster?	<input type="checkbox"/>
• Have you used the information in the cash flow statement, profit and loss statement and balance sheet to analyse the financial health of your business at the current point in time?	<input type="checkbox"/>

Recovery Plan	
<i>Questions to consider in creating a recovery plan include:</i>	
• Have you considered and noted your recovery objectives, actions and priorities?	<input type="checkbox"/>
• Have you established a recovery team with clear responsibilities from the recovery plan?	<input type="checkbox"/>
• Can you support such team members working off-site?	<input type="checkbox"/>
• Are you aware of all the requirements to reopen the doors for business? For example: <ul style="list-style-type: none"> • Do you need to arrange for the short-term lease of essential equipment until they can be replaced? 	<input type="checkbox"/>
• Do you have adequate resources (staff, finances, etc) to bring the business up to normal operating levels or to a level you want or to the level that reflects the current market conditions?	<input type="checkbox"/>
• Have you costed your recovery plan?	<input type="checkbox"/>
• Can you afford such a plan?	<input type="checkbox"/>
• Do you have a marketing strategy to promote that you are open for business?	<input type="checkbox"/>
• Have you incorporated your lessons from running your business prior to the disaster (good and bad) in your recovery plan?	<input type="checkbox"/>
• Have you incorporated your analysis of the market conditions post the disaster in your recovery plan?	<input type="checkbox"/>
• Does the recovery plan reflect your financial goals (for example the profit, net profit margin or return on investment you want to achieve)?	<input type="checkbox"/>
<i>Have you considered the following your recovery plan:</i>	
• Addition of new product lines or removal of existing product lines?	<input type="checkbox"/>
• Addition of new services or a reduction of services?	<input type="checkbox"/>
• Reducing operating costs?	<input type="checkbox"/>
• Adoption of new technologies and processes?	<input type="checkbox"/>
• Relocation?	<input type="checkbox"/>

Funding the reopening of your business	
<i>Can you afford to reopen your business?</i>	
• Have you completed cash flow and profit and loss forecasts?	<input type="checkbox"/>
• Have you used these forecasts to run 'what if' scenarios to measure how your cash flows will be impacted by unexpected events?	<input type="checkbox"/>
• Do you intend to fund the reopening of your business from existing sources from the business, your own resources, other investors and banks and other lenders or a mix?	<input type="checkbox"/>
• Do the forecasts and your financial statements show whether the business can afford to use internal or external sources of finance to fund the reopening?	<input type="checkbox"/>
• If not, can you adjust your recovery plan so that it is affordable?	<input type="checkbox"/>
• If you can not afford your recovery plan, have you considered exiting your business?	<input type="checkbox"/>
• Where the business has existing debt financing arrangements, have these been reviewed to ensure that the finance facility and structure fits the new needs of the business?	<input type="checkbox"/>
<i>Sources of finance</i>	
• Even if you can fund the reopening of the business from existing sources, have you analysed whether it is better to use external sources of finance?	<input type="checkbox"/>
• If you are seeking debt finance, have you spoken to your bank about your recovery plan and your funding needs?	<input type="checkbox"/>
• What existing lines of credit does the business have access too and can these lines of credit be accessed to fund the reopening of business?	<input type="checkbox"/>
• If you do seek debt finance, what security does the business now have available?	<input type="checkbox"/>
• If you are seeking debt finance, have you determine for what reason you are seeking the money for (e.g. to fund stock purchases or the buy equipment), over what term you are borrowing for and how much?	<input type="checkbox"/>
• Have you considered financing the reopening of your business from your own resources or from other investors?	<input type="checkbox"/>

Physical requirements	
<i>Location</i>	
• Given the potential changed market conditions, is your business premises situated in the right location?	<input type="checkbox"/>
• Are there any plans by local government or others that may impact the viability of the location of your business, such as changes that may restrict access?	<input type="checkbox"/>
• Have other businesses reopened or are going to reopen in your area?	<input type="checkbox"/>
• Is the size of your premises to large or small given the future potential of your business?	<input type="checkbox"/>
<i>Major Equipment</i>	
• Do you still have the plant and equipment your business needs to restart?	<input type="checkbox"/>
• If not, will you receive such equipment from your insurer or will you have to purchase this equipment?	<input type="checkbox"/>
• If you have to purchase the equipment, have you analysed whether it is better to pay for, lease or hire purchase the equipment?	<input type="checkbox"/>
• Is the purchase of the equipment (including maintenance costs and insurance) justified given the possible changed market conditions?	<input type="checkbox"/>
• Is the necessary expertise readily available to install the equipment?	<input type="checkbox"/>

Physical requirements (continued)	
<i>Inventory</i>	
• If stock or supplies are to be replaced, have you reviewed historical information to see which stock is slow-moving?	<input type="checkbox"/>
• For stock identified as slow moving, have you considered removing from your range?	<input type="checkbox"/>
• Have you made an assessment of whether the changed market conditions will impact upon the buying patterns of your customers?	<input type="checkbox"/>

Marketing	
• Do you intend to advertise that your business has re-opened?	<input type="checkbox"/>
• Is there any promotion of your local area by government and others?	<input type="checkbox"/>

Pricing	
• Have you undertaken a break/even analysis to determine whether the prices you charge are making the profit you want to achieve?	<input type="checkbox"/>
• Have you compared your pricing to your competitors?	<input type="checkbox"/>

Staffing	
• Are your existing staff still willing and able to work for you?	<input type="checkbox"/>
• Can the staff assist with the re-opening of the business?	<input type="checkbox"/>
• Has the potential changed market conditions (possible falling demand) impacted on your ability to retain your existing staff and on the hours they previously worked?	<input type="checkbox"/>

Lessons learned	
• Have you documented lessons learnt from your business recovery?	<input type="checkbox"/>
• Have you considered putting in place a business continuity plan to help you in case you go through another disaster?	<input type="checkbox"/>
• Have your reviewed your insurance policies to see whether they are adequate and whether there are any gaps in your insurance coverage?	<input type="checkbox"/>

Other	
<i>Business licenses, etc</i>	
• If you lost copies of your business registration certificates, licenses and other official documents necessary to operate your business, have you approached the relevant agency to get them replaced?	<input type="checkbox"/>
<i>Record keeping</i>	
• Have you considered what accounting system are you going to use or continue to use to keep the financial records up to date?	<input type="checkbox"/>
• Are there any improvements you can make to your record keeping system, such as keeping backups of your financial system offsite?	<input type="checkbox"/>
<i>Meeting statutory obligations</i>	
• What statutory obligations you have to meet, such as lodging a tax return?	<input type="checkbox"/>
• Has the requirements to lodge and pay such returns/forms/obligations been delayed?	<input type="checkbox"/>
• Has your reconstructed financial records given you the necessary information and evidence to be able to complete such returns?	<input type="checkbox"/>
<i>Thanking everyone</i>	
• Have you thanked everyone involved in assisting you?	<input type="checkbox"/>