# Does your company have a Disaster Plan?

According to information in the 3 Hour Disaster Planning course offered by NARPM® through OMG Distance Learning:

The property management office has a very clear responsibility: protecting people, property and profits.

Obviously, you will want to minimize, to the greatest degree possible, any lost income in the event of a business disruption. You’re also responsible for protecting people, including both our staffs and our tenants. And of course, need to protect the property you manage as well as your own office property.

A disaster plan will establish guidelines for action—before, during and after a disruptive event. Staff needs to be trained in advance regarding a number of critical decisions that will need to be made so that a minor incident doesn’t escalate, and operations can continue with as little interruption as possible.

There are a number of goals of a disaster plan. Among them are:

* Prevent injury, provide shelter, and evacuate the premises
* Continue business operations with as little downtime as possible
* Mitigate the threat of emergency situations
* Control or terminate the emergency as quickly as possible
* Prevent a minor incident from escalating to major disaster
* Familiarize employees and staff members with procedures to follow in the event of an emergency
* Protect company assets
* Establish protocols for preventing unsafe or hazardous conditions
* The property management office has a very clear responsibility: protecting people, property and profits.

# Disaster Planning for the Management Office Returning to Normal

After a Disruptive Event

Make sure you have a plan in place and are well prepared. Now you experience a disruptive event. Let’s discuss what it takes to return to normal operations.

We begin with the insurance claims process.

Recovering Financially

There are primary sources of recovery funds from both public and private entities:

* Property insurance
* Business interruption insurance
* Loss of rents
* National Flood Insurance Program
* FEMA
* Disaster assistance/Small Business Administration

The Claims Contingent

Over the past several decades the claims process has been streamlined by online apps and the internet. However, complex or high value claims now have become more complex as the use of consultants has become the norm.

Consultants with Specific Areas of Expertise

Often the adjusting group involves several individuals who are experts in very specific areas. The property adjuster will lead the group, but often bring one or more consultants to provide in-depth analysis and reporting.

Examples of consultants with specific areas of expertise:

* Insurance coverage
* Construction
* Building codes
* Forensic accounting

Claim Curve Balls

Often building materials, building uses, or property location, can create a web of complicated issues in the claims process. Understanding the specific risks presented by a particular property is key to properly insuring the asset. Severe financial hardship from gaps in coverages can lead to financial disaster.

Examples of environmental curve balls:

* Asbestos
* Lead
* Mold
* PCB’s
* Chemical waste

Examples of law and ordinance curve balls:

* Wind
* Seismic
* Mechanical
* Energy
* Accessibility
* Zoning
* And more...

# Disaster Planning for the Management Office; Six Stages of Plan Development

Getting Started

Every business plan needs to consider the potential of an interruption. It doesn’t take a regional disaster to bring your business to a halt. A simple power outage can turn catastrophic.

Planning for interruptions is an important part of responsible property management, and is often mandated by stockholders, regulators, or senior management. Understanding potential impacts is the starting point of the planning process.

With a solid understanding of potential exposures, planning for continued operations begins.

Identify the Champion

A crucial first step is to identify the champion who will work across all departments to get the plan created and implemented. A champion must be a person who has the authority to direct the work across the entire company.

Developing a plan sends a message. It reflects the company’s commitment to safety and the interests of its staff and tenants and ensures continuity of operations.

Remember, identify the champion of your plan!

Six Stages of Plan Development

Developing the plan can be broken down into six defined stages:

* Risk Identification and Assessment
* Business Impact Analysis
* Strategy Development
* Plan Creation
* Testing
* Plan Maintenance

These stages may involve different team members. Some can be handled simultaneously, but they can all be managed independently.

## To learn more on this topic, enroll in the online course Disaster Planning for the Management Office, <https://www.narpm.org/education/online-courses/>