

A Fire Can Cost Your Business Thousands of Dollars. How Prepared Are You?

By: Robert C. Krause

Recently the Lucas County Board of Elections, located in Toledo, OH suffered damage to voting machines as a result of a fire in a truck that was parked near their storage area. The storage area contained Lucas County's 70 touch screen voting machines. The smoke from the fire destroyed 24 of the optical scanners, each worth \$2,483.00, according to a recent *Toledo Blade* article, and the total damage has yet to be determined. If it is concluded that all of the 70 optical scanners were destroyed by the smoke damage, the loss would be in excess of \$173,000.00

This is a clear example of how your business and inventory can be affected by an unforeseen crisis. What if the fire that affected the Board of Elections would have occurred a few days before an election day? Would they have had the capability to recover, or would Election Day activities been interrupted?

Business owners, executives and managers need to take a serious look within their own organizations. They need to assess their risks from a broad spectrum of crises and ensure an effective and applicable business continuity plan is in place. The safety of your staff and customers depends on how well your employees respond to an immediate crisis. Your ability to continue business operations in the days that follow a disaster will depend on how committed, and how well organized you were in developing a business continuity plan.

Disaster doesn't have to directly affect your office or facilities for it to have a negative impact on your operations. What if the hostile fire started in another office within the same building, or maybe in the building next to yours and now your office has suffered serious smoke and water damage? How about broken water pipes running in the storage facility next to yours, could your entire inventory be lost due to flooding? How will you manage your sales during an extended period without electricity? What if your computers and data were damaged by an internet virus? How will you do business tomorrow?

Emergency response and business continuity plans will help business owners and executives recover quicker, and work to maintain the viability of their organization.

Today, business continuity planning is an imperative, and should be considered a priority of any organization.

Studies across the United States have demonstrated that over 40 percent of organizations that have suffered a major crisis never resume business operations again. Furthermore; those organizations that do manage to reopen for business are so crippled, that 25 percent of them close permanently within three years.

Organizations fail to consider and implement an emergency response or business continuity plan because they may have the mind-set that it is too time consuming, too costly or that it isn't really needed. Business owners and managers need to understand that by investing in business continuity planning, they are proactively working to shield their business and that their investment is a sound business practice.

In the book *Business Continuity Planning*, edited by Ken Doughty, nine components of the business continuity planning process are identified.

1. Obtain top management commitment
2. Establish a planning committee
3. Perform risk assessment and impact analysis
4. Prioritize recovery needs
5. Selecting a recovery plan
6. Selecting vendors and developing arrangements
7. Developing and implementing the plan
8. Testing the plan
9. Continuing to test and evaluate the plan.

The book goes on to point out;

"A business continuity plan is a series of procedures to restore normal operations following a disaster – with maximum speed and minimal impact on operations."

There should be no confusion as to the importance of developing and cultivating an emergency response and business continuity plan for your organization. It is a process that requires commitment, planning, investment, and time to complete if it is to be done properly. Further, it will require full endorsement from the senior leadership within the organization, and finally acceptance by the employees if the plan is to be successful. Remember, the goal is to protect your business and maintain your operations following a disaster.

To accelerate your planning and prevention process, here are 10 points to immediately help your organization in reducing the threat of fire within your facility and help expedite evacuation if you should experience a fire.

- 1.** Store combustible products such as paper, fuels, chemicals and building materials away from open flames such as gas water heaters and gas fired furnaces. Keep a perimeter of at least three feet around gas hot water heaters, and never store gasoline or other flammable liquids near water heaters or furnaces. The fuels vapor can travel low to the ground and find an ignition source from the water heater or furnace causing a fire.
- 2.** Ensure you have the proper number and type of fire extinguishers in your facility and that you know where they are located. Make sure they have been recently inspected. Fire extinguishers should never be blocked by inventory or furniture. And they should be clearly marked, making them easier to find in an emergency.
- 3.** Train yourself and your employees how to use the fire extinguisher. Using it when the fire is very small can prevent a bigger disaster. If you need training, seek out an expert to provide that education.
- 4.** Keep all combustibles at least 30 inches away from electrical panels.
- 5.** Do not store stock or inventory close to fire sprinkler heads. Doing so will hamper their performance and minimize the sprinkler's firefighting ability. In rooms with sprinklers, the allowable distance of stock from the ceiling according to Ohio Fire Code is 18 inches. In storage rooms without sprinklers, Ohio Fire Code requires at least 2 feet between the ceiling and stock.
- 6.** Keep all exits free of obstruction and clearly marked, regularly check to ensure that exit lighting works, make sure all the doors open easily and are not locked during business hours or when the building is occupied. Do not allow trash to accumulate in front of exit doors.
- 7.** Smoke detectors save lives. Make sure you have an adequate number and that they are working, both at work and at home. Replace batteries at least twice a year. If you have hard wired smoke alarms built into your building's security system, contact the security company to determine how best to test the smoke alarms.

8. Have evacuation plans clearly marked around your facility. Train your employees how to get out of your buildings quickly. Leave everything behind. Don't waste time hunting for keys or your lap-top before you exit, it may be too late if you do. Quick evacuation may be needed for reasons other than a fire.

9. Place all smoking materials such as cigarettes and cigars into the proper receptacles; the nearest trash can is not acceptable.

10. Ensure heat generating devices such as coffee makers, hot plates and candles are turned off or extinguished before you leave for the day.

Take these 10 points and walk around your facility or office space today. Look for hazards, correct problems today. This is a first step in protecting yourself, the staff and your business.

Employees and management are both responsible to ensure a safe work environment. Don't expect someone else to correct a potentially unsafe situation that you recognize. Take action in making your place of employment safe for the staff and customers. Conduct safety audits regularly, be proactive, and prevent a fire from starting. If an accidental fire does break out, quickly locate the nearest fire extinguisher and try to put out a small fire. If you are unsure how to use an extinguisher, or you think the fire is too large, leave the area quickly, pull the fire alarm, warn your co-workers and get outside to a safe area. Call 9-1-1 once you are outside.

Taking the time to understand how important emergency response and business continuity planning is, and then working to develop a set of plans and practicing them will improve the potential outcome in the event of a crisis. Don't wait thinking that it won't happen to you. News reports are full of stories about disasters that have occurred. I can assure you nobody I know wakes up in the morning and thinks "boy I sure hope my business is destroyed today."

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