

Be Prepared: 3 Tips for Disaster Recovery

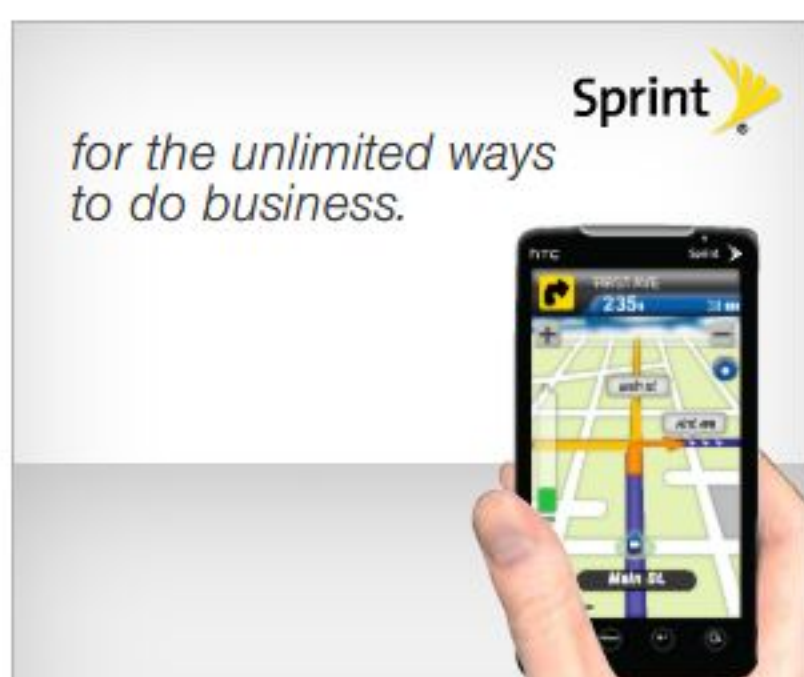
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When I think about business stability, the first thing that comes to mind is dealing with an unforeseen disaster that takes your business offline for some amount of time.

Disaster recovery for small businesses' shipping infrastructure is probably not something owners think about a lot, but they must always be mindful of the powerful forces of Mother Nature.

Over the past two decades, the manufacturing and retail worlds have been applying "just-in-time" principles to help cut inventory levels while still satisfying customer demand. As volatility has entered the picture (economic and natural disasters), small business owners need to look at their businesses with an eye towards "just in case."



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At Shipwire we think about disaster recovery very often, especially after the first time we experienced USPS API failures during the holiday season.

But what is your Plan B?

At some point your business will be disrupted by either a man-made or natural disaster; it's not a matter of "if," but "when." Small businesses with customers or suppliers overseas have a lot cogs in their procedures, with many opportunities for things to go awry.

Here are three tips to prep your business:

1. Know your suppliers and major distributors. Check the disaster recovery planning of your major suppliers and their materials vendors—it only takes a few minutes to type up a list of questions and send it over. Small business owners should be concerned with how suppliers get raw materials, process it into your product and get it out the door. Consider the source(s) of the raw materials that go into your product, the labor and production equipment, the port of egress, etc...

2. Line up a second source. Backup plans are like the little map of fire exits in your hotel room, if something happens, you'll be happy you know the location of that map for a quick exit. Small businesses should have a backup supplier for any critical components. If one manufacturer is making your product, the next time you bid your product, take the opportunity to learn if there is a second location that could take on manufacturing if necessary.

3. Know Your Communication Strategy. Most disasters are outside of your control and unforeseeable. The key to your business surviving is your ability to quickly block and tackle in response. A disaster might prevent a business from shipping product for awhile, but lack of delivery might not be the biggest problem if communication slacks. Business owners need to have a plan on how they'll communicate with customers, buyers and distributors. By telling customers what's happening, apologizing for any inconvenience, and laying out a plan to work through the disaster will help prevent a natural disaster from becoming a brand disaster.

Damon Schechter is the Founder and CEO of Shipwire Product Fulfillment. Damon also blogs about business growth at <http://www.shipwire.com/blog>

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