



Re-Opening Your Business: A Post-Disaster Checklist



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✓ Checklist for re-opening your business after a disaster

After a disaster, your natural instinct may be to reopen your business as soon as humanly possible. However, it's important to recognize that business after a disaster such as a flood or fire is anything but natural. Key suppliers, employees and customers are all affected. It's crucial to step back, take a deep breath, and reflect on all options available to you before throwing open the doors again.

The options available to you depend greatly on the financial health of your business. And having a good assessment of your business's status is the way to best analyze your position — and your choices moving forward. This way, you can determine whether:

- You can afford to reopen your business and have it be the same as it was before the disaster
- You can or should expand, downsize or even close your business.

The following areas of consideration and accompanying questions will help you make the best possible decisions for your business after a disaster. We hope it can help guide you during a difficult time.



✓ FIRST PRIORITIES

Looking inward	
	Were you happy running the business before the disaster?
	Were you making the profit you wanted?
	Did you prefer being your own boss?
	Have you considered other opportunities?
	Are you prepared for the potential extra demands that recovering your business will place on you, both personally and financially?

Assessing the damage	
	Is your facility operational?
	Can you reopen without significant repairs?
	Are your inventory, supplies and equipment recoverable?
	Have any of your staff been affected by the disaster?
	What are your chances for future success?

 **FIRST PRIORITIES**

Re-evaluate	
	Have you analyzed the potential demand for your product or services post-disaster?
	Have any of your key customers and/or suppliers been affected by the disaster, and if so, how will this impact your business?
	Has the disaster led to other businesses in your area closing — and if so — have you determined how this may impact your business?

Necessary tasks	
	Have you contacted your insurance company?
	Have you given your insurance company your preliminary damage assessment?
	Has your insurance company been able to tell you what your insurance payout is likely to be, when it will be made, and whether it will be in the form of cash or asset replacement, or a mix of both?
	Have you contacted your staff and key stakeholders (including local and government agencies) for support?
	Are you keeping staff and stakeholders, including key customers, suppliers and lenders/investors informed of what you are doing?
	Do you need to lay off staff for the time being?
	Do you need to postpone purchasing supplies or inventory?
	Can you cancel orders that you have already made?
	If customer orders have been lost, delayed or damaged, have you informed those customers?
	Do you qualify for financial assistance from the government and if so, have you applied for it?
	Have you restored your computer data backups and other necessary information?

 **FIRST PRIORITIES**

Analyzing financial status	
	What is the current financial position of your business?
	Have you reconstructed the financial records of your business?
	If you cannot fully reconstruct your accounts, do you have access to historical financial statements or industry benchmarks?
	Have you determined how much cash your business currently has available by creating a cash flow statement?
	Have you created a balance sheet and a profit-and-loss statement from the beginning of the current fiscal year to the time of the disaster?
	Have you used information in the cash flow statement, profit-and-loss statement and balance sheet to determine the current financial health of your business?

Creating a recovery plan	
	Have you developed your recovery objective?
	Have you established a recovery team with clear responsibilities from the recovery plan?
	Can you support such team members in working off site?
	Are you aware of all the requirements to reopen your business? For example: <ul style="list-style-type: none"> • Do you need to arrange for the short-term lease of equipment until yours can be repaired/replaced? • Do you have adequate resources (staff, finances, etc.) to bring your business up to normal operating levels or to a level that reflects the current market conditions? • Do you know what it will cost to execute your recovery plan?
	Can you afford such a plan?
	Do you have a marketing strategy in place to promote the fact that you are open for business?
	Have you incorporated lessons from running your business prior to the disaster into your recovery plan?
	Have you incorporated your analysis of market conditions post-disaster into your recovery plan?
	Does your recovery plan reflect the financial goals you want to achieve (net profit margin, ROI, etc.)?

Additional recovery plan considerations

- Adding new product lines or removing existing product lines
- Adding new services or reducing services
- Reducing operating costs
- Adopting new technologies and processes
- Relocating your business

 **FIRST PRIORITIES**

Funding the reopening of your business	
	Can you afford to reopen your business?
	Have you completed cash flow and profit-and-loss forecasts?
	Have you used these forecasts to run “what if” scenarios, to measure how your cash flow will be impacted by unexpected events?
	Do you intend to fund the reopening of your business from existing business sources, your own resources, other investors, banks, lenders or a mix?
	Do the forecasts and your financial statements show whether the business can afford to use internal or external sources of financing to fund the reopening? If not, can you adjust your recovery plan so that it is affordable?
	If you cannot afford your recovery plan, have you considered exiting the business?
	Have existing debt financing arrangements been reviewed to ensure the new needs of the business are adequately represented in the current finance facility and structure?

Sources of finance	
	Even if you can fund the reopening of the business from existing sources, have you analyzed whether it is better to use external sources?
	If you are seeking debt financing, have you spoken to your bank about your recovery plan and your funding needs?
	What existing lines of credit does the business have access to, and can these lines of credit be accessed to fund the reopening of the business?
	If you do seek debt financing, what collateral do you have available to offer?
	If you are seeking debt financing, have you determined the reason you are seeking the money (i.e. to replace inventory or buy equipment), the length of the loan term and how much money you will need?
	Have you considered financing the reopening of your business from your own resources or from other investors?

 **FIRST PRIORITIES**

Your business location	
	Given the potential change in market conditions, is your business in the right location?
	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?
	Have other businesses reopened or plan to reopen in your area?
	Is the size of your office or facility too large or small given the future potential of the business?

Business equipment	
	Do you have the necessary facility and equipment that your business needs to reopen?
	If not, will you receive such equipment from your insurance company, or will you have to purchase this equipment?
	If you have to purchase the equipment, have you analyzed whether it is better to purchase or lease it?
	Is the purchase of equipment (including maintenance costs and insurance) justified, given the possible change in market conditions?
	Is the necessary expertise readily available to install the equipment?

Inventory	
	If inventory or supplies are to be replaced, have you reviewed historical information to see what is slow-moving?
	For inventory identified as slow-moving, have you considered removing it from your product lineup?
	Have you made an assessment of whether or not the changed market conditions will impact the buying patterns of your customers?

Marketing	
	How do you intend to advertise that your business has re-opened?
	Is there any promotion of your local area by government or others?

 **WITH RECOVERY UNDERWAY**

Business licenses

If you lost copies of your business license, permits or other official documents necessary to operate your business, have you approached the appropriate agency to get them replaced?

Record keeping

Have you considered what accounting system you are going to use to continue to keep your financial records up to date?

Are there any improvements you can make to your record keeping system, such as off-site backups?

Meeting statutory obligations

Has your ability to file and pay such returns/forms/obligations been delayed?

Do your reconstructed financial records give you the necessary information and evidence to be able to complete such returns?

Pricing

Have you completed a break-even analysis to determine whether the prices you charge are making you the profit you want to achieve?

Have you compared your pricing to your competitors'?

Lessons learned

Have you documented the lessons learned from your business recovery?

Have you considered putting a business continuity plan in place in case you go through another disaster?

Have you reviewed your insurance coverage to see whether it is adequate and whether there are any gaps in your coverage?

Giving thanks

Have you thanked everyone involved in assisting you?



Checklist for re-opening your business after a disaster

CTSBDC Locations



Libraries in these towns host Virtual CTSBDC locations

CTSBDC Office Locations

- Branford
- Bridgeport
- Bristol
- Brookfield
- Danbury
- Fairfield
- Farmington
- Groton
- Hartford (2)
- Manchester
- Meriden
- Middletown (2)
- Milford
- New Haven
- New London
- North Haven
- Norwalk
- Norwich
- Simsbury
- Stamford (2)
- Storrs (Lead Office)
- Torrington
- Waterbury
- Waterford
- Westbrook
- Windham

- Branford
- Clinton
- Durham
- Farmington
- Glastonbury
- Groton (2)
- Guilford
- Hartford
- Manchester
- Meriden
- Middlebury
- Milford
- New Haven
- New London
- New Milford
- Newington
- Newtown
- Norwich
- Simsbury
- Southbury
- Stafford Springs
- Stratford
- Suffield
- Tolland
- Wallingford
- Windsor Locks