Resilience Resource - Small Business Planning

Disaster Risks

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According to a 2025 report from the U.S. Small Business Administration (SBA), small businesses represent 99% of businesses in Vermont, employing 62% of the workforce.[1] They are Vermont's economic foundation. Keeping that foundation strong requires small businesses, from construction to retail and agriculture to healthcare, to prepare to face risks that could cause major disruption, or closure. This guide provides a **overview of risks** any small business should consider and **tools to help build resilience in the face of disasters**.

Could Your Business Survive a Disaster?
Recovery takes time and money. Businesses suffering their first disaster are often surprised and underprepared, unaware that recovery generally takes between 6 and 24 months. Nationwide, 94% of small businesses believe they could recover after a disaster, but in reality **only 26% have a disaster plan in place**, and many never recover.[2] For example, **40% of businesses do not reopen after a natural disaster**.[3]

Disasters a Business Could Prepare For:

- **Natural Hazards**
  - Flood, fire, and storm events
- **Technological Risks**
  - IT failure, cyberattack, data breach, social media
- **Operational Risks**
  - Equipment failure, supply chain, power outages
- **Legal or Compliance Risks**
  - Regulatory changes, injuries, liability, contracts
- **Human or Workforce Risks**
  - Key person risk, health or illness, labor disruption, AI usage and policies
- **Random Acts of Violence**

Avoidance is Not Preparedness

Most small businesses and business owners need additional support or resources in order to shore up, to have a level of preparedness in the face of a potential disaster. Organizations like the Vermont Small Business Development Center can help.

References

1. U.S. Small Business Administration, Office of Advocacy. (2025). Small Business Profile: Vermont. https://advocacy.sba.gov/wp-content/uploads/2025/06/Vermont_2025-State-Profile.pdf.
2. U.S. Chamber of Commerce Foundation, "Small Business Resilience Study," Sept. 3, 2024. https://chamber-foundation.files.svdcdn.com/production/documents/25-13103_USCCF_Resilience-Survey-Findings.pdf.
3. The Federal Alliance for Safe Homes, Hurricane Toolkit, 2014, https://www.ready.gov/sites/default/files/2020-04/ready_business_hurricane-toolkit.pdf.

VtSBDC Business Agility Guide

The Vermont Small Business Development Center (VtSBDC) provides free professional expertise and friendly guidance to businesses across the state. Advisors offer webinars, private sessions, and online resources like the Business Agility Guide to help small business and entrepreneurs at any stage.

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Business Continuity Planning

Each business has a level of planning when it begins: its customers, services, products, location, schedule, etc., and these are refined over the ordinary course of business. When a disaster occurs, the ordinary is disrupted. **A business continuity plan is essential to mitigate risk and minimize damage by establishing how the organization would operate after a disaster.** To develop a business continuity plan, first assess the current operations to identify existing strengths and weaknesses. Tools like the VtSBDC Business Agility Guide, (p. 20) can assist in this evaluation.

A sole proprietor or owner of a one-person LLC may think this type of checklist irrelevant - they do everything, and they are the business. In reality, documenting the specifics of how even a single-owner business will respond to a disaster can make all the difference in whether they recover or close after a disaster strikes.

It is impossible to plan for every possible scenario, but a **general disaster plan** can provide a resilient foundation for a small business. Survival chances increase when a small business creates a protected resource with information on where key accounts or processes are kept, defines who can assist if leadership is unavailable, and establishes a timeline for resuming business activities. The Disaster Preparedness Checklist in the VtSBDC Business Agility Guide (p. 51) is a great place to start.

Disaster Planning

Important considerations from the Disaster Preparedness Checklist include:

- Who can continue business if the owner is incapacitated?
- What is the evacuation plan if the place of work becomes unsafe?
- What is the protocol for notifying employees?
- How will computer files or digital records be accessed? Where are backups kept?
- Who is responsible for documenting the first signs of a disaster?

Documentation *before* a disaster is key for a number of areas, such as:

- Photos and documented state of interior and exterior of workplace
- Listed assets of the business (furniture, tools, machinery, computers, etc.)
- Insurance claim process and policies
- Financial records and recent tax documents
- Vendor and partner contact information
- Local, state, federal, and regulatory agencies contact information
- Inventory

Procedure Preparedness

A number of recovery resources require documentation or specific procedure be followed in order to claim aid. Building these into a business continuity plan can speed up claims or applications, and help the business get back up and running sooner.

- Instructions on filing an insurance claim
- Plan for continuing the delivery of goods or services
- Communication plan to customers or vendors when disaster strikes
- Off-site or backup site operations if a facility is severely impacted
- Instructions for data breach communications and obligations
  - VT Requirements: **9 V.S.A. § 2435**
- Finance recovery resources, like SBA loans, FEMA applications and Vermont Emergency Management (VEM)

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Questions or Next Steps?

For assistance with small business planning, you can schedule time with an advisor at **vtsbdc.org/request/**