

Is your business prepared for disaster? Step #1: Know your risks.



No two businesses are exactly alike, so potential threats will impact each business differently. Location, industry, culture, business structure, management style, work functions and business objectives will all affect how you protect your business... and how you recover from a business disruption. Do you know your risks?

The two biggest mistakes small businesses make are:

1. Failing to identify a potential threat
2. Underestimating the severity of a known potential threat

That's why we recommend performing a risk assessment to help you avoid these mistakes and determine which threats have the greatest potential to disrupt your business.

For your convenience, we've created a printable risk assessment form.

Risk Assessment Form

Use this form to review potential threats. Fill in one field for the probability and one field for severity. Finally, multiply the probability and severity levels and enter the total in the total value column.

Threats	Probability (0-5)	Severity (0-5)	Total
Earthquake			
Tornado/wind/hurricane			
Flood			
Severe winter weather			
Interior fire			
Wildfire			
Loss/illness of key staff			
Workplace violence			
Software/hardware failure			
Power outage			
Loss of utilities (water, gas, electricity, etc.)			
Pandemic/epidemic/flu			
Loss of premises			



Here's how you can use it to assess your business and know your risks:

- **Identify your threats.** Use the form to determine the threats most likely to affect your business. Add any threats you are exposed to that are not already listed.
Contact your local emergency management office to obtain a copy of your community's

hazard vulnerability analysis, which will list the possible natural and man-made hazards that could affect your area.

Don't forget to consider damage to infrastructure (roads, bridges, power lines, etc.) that could affect your ability to resume operations. Develop possible workarounds to expedite recovery.

- **Rank the *probability* of threats.** How likely is this to happen? Assign a rank of 0 (not likely) to 5 (very likely) in the "probability" column.
- **Rank the *severity* of threats.** Assess the amount of damage the event is capable of causing. To do this, think about the duration, magnitude and extent of the potential threat's reach (e.g., just one floor of your building, the entire structure, the whole neighborhood, entire region, etc.) After assessing these factors, assign a rank of 0 to 5 (low to high severity) in the "severity" column.
- **Multiply the *probability* and *severity* scores for each threat.** After ranking the probability and severity for each threat, multiply the two values and record the answer in the "total" column. The threats with the highest total values (17-25) are those you need to plan for as soon as possible. Assume these hazards will strike your business at some time, then determine what controls you have in place or could implement to minimize your risks.

To review your potential threats, download our printable risk assessment form now.

Frankly speaking, the best businesses are prepared for the worst, and our Disaster Preparedness Guide has you covered.