

California Seismic Safety Commission

California Small Business Disaster Preparedness Survey



California Seismic Safety Commission
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CSSC 14-03



Small Business
Development Centers



Executive Summary

Small Business Disaster Preparedness Survey

Earthquakes, fires and the drought are all natural disasters that are a threat to the business continuity of California's small businesses. In an effort to stimulate economic growth and to bring forth an awareness of disaster preparedness amongst the State's small businesses, the California Small Business Development Centers (CASBDC) and the California Seismic Safety Commission partnered together to enhance preparedness amongst small businesses in the event of a natural and/or man-made disaster.

The state-wide Small Business Disaster Preparedness Survey was distributed on December 5, 2013. The 19 question survey provided a strong framework for the type of needs concerning small business in the case of a disaster. The pool of businesses surveyed was a well-diversified group with statewide participants from partnering organizations such as the California Hispanic Chambers, California Asian and Black Chambers of Commerce, and the SBDC service centers.

Of the 213 California small businesses that responded, 49% were identified as sole proprietors, 20% as incorporated; with 32.3% of the businesses employing 2 to 5 employees and 9.8% of the businesses employing 11 or more people. The businesses were also asked how long they have been in operation; 27% said they've been in business for over 20 years, 18% said 2-5 years, and 17% indicated they were in the start-up phase. The range of years is important because it measures the range of those that are established verses those that are just starting up. Their range of capacity and needs vary depending on years in business and the number of employees that are employed with the business. The large majority of the businesses were from the service industry, 37%, with retail following at 9% and 8% from the construction and manufacturing industries.

Small business owners are focused on keeping their business growing and thriving. Based on this survey, preparing for a disaster is not always an active priority for the small business owner. The survey gleaned on the fact that 72% of the respondents do not have a disaster recovery plan in place but 42% have thought about putting one in place. When asked what would be perceived as the greatest disaster threat to the business, 34% of the respondents stated that "man-made" disasters (cybercrime, security breaches or a disgruntled worker), were the biggest threat with fires (32%) and earthquakes (19%) following on the list. If a disaster were to occur, over 98% of the respondents said that restoring electricity and phone/internet were the most important to help them recover. Transportation and water supply followed close behind as being important to business continuity.

Lastly, business owners were asked, "Other than restoring water and power, what is the most important action the State of California can do to assist business owners immediately after a disaster?" Respondents answered with the following requests: 1) The State should have an active disaster plan in place; 2) Immediately restore communication and transportation systems; 3) Make disaster funding available immediately; 4) Suspend any impeding barriers to getting back up and running; and 5) Make available community generators and mobile charging stations.

The results of the survey highlighted the need for small businesses to be more aware of the tools available to assist them to create and implement a disaster recovery plan, as well as resources available to them in the event of a disaster. This survey was a first step to understand the on-going needs of California small businesses.



CALIFORNIA
SBDC

Small Business Development Centers

Constant Contact Survey Results

Survey Name: OC SBDC Small Business Disaster Survey 2013

Response Status: Partial & Completed

Filter: None

3/4/2014 9:30 AM PST

Which of the following best describes your business structure?

Answer	0%	100%	Number of Response(s)	Response Ratio
S-Corp			21	9.8 %
Incorporated			42	19.7 %
Sole Proprietor			104	48.8 %
LLC			29	13.6 %
Partnership			11	5.1 %
No Response(s)			6	2.8 %
Totals			213	100%

What industry is your business in?

Answer	0%	100%	Number of Response(s)	Response Ratio
Retail			16	7.5 %
Service			76	35.6 %
Restaurant			2	<1 %
Construction			14	6.5 %
Manufacturing			15	7.0 %
Finance, Insurance, Real Estate			13	6.1 %
Other			77	36.1 %
No Response(s)			0	0.0 %
Totals			213	100%

How long have you been in business?

Answer	0%	100%	Number of Response(s)	Response Ratio
Start-up phase			36	16.9 %
1 year or less			26	12.2 %
2 to 5 years			38	17.8 %
5 to 10 years			26	12.2 %
10 to 20 years			28	13.1 %
20 years or more			57	26.7 %
No Response(s)			2	<1 %
Totals			213	100%

Do you own or lease a physical business location?

Answer	0%	100%	Number of Response(s)	Response Ratio
Own			47	22.0 %
Lease			63	29.5 %
None of the above, I work at home or have a virtual office			89	41.7 %
Other			13	6.1 %
No Response(s)			1	<1 %
Totals			213	100%

Do you currently have a monthly business loan that you make payments on?

Answer	0%	100%	Number of Response(s)	Response Ratio
Yes			27	12.6 %
No			182	85.4 %
No Response(s)			4	1.8 %
Totals			213	100%

How many employees does your business employ, including yourself?

Answer	0%	100%	Number of Response(s)	Response Ratio
One (self full time)			68	31.9 %
One (self part-time)			27	12.6 %
2 to 5			69	32.3 %
6 to 10			16	7.5 %
11+			21	9.8 %
Other			11	5.1 %
No Response(s)			1	<1 %

What type of internet connection do you have at your place of business?

Answer	0%	100%	Number of Response(s)	Response Ratio
Direct internet connection via "wire cable" into my physical business location			83	38.9 %
A wireless or "hot spot" internet connection via my cell phone provider			37	17.3 %
I have both types of connection to the internet available			79	37.0 %
No, I don't have an internet connection for my business			12	5.6 %
No Response(s)			2	<1 %
Totals			213	100%

Do you back up your business data regularly?

Answer	0%	100%	Number of Response(s)	Response Ratio
Yes, to a server located at my place of business			77	36.1 %
Yes, to a server not at my place of business, i.e. "the cloud"			73	34.2 %
Yes, I make paper copies of everything and store them at a location other than my place of business			13	6.1 %
No, I haven't backed up any of my business information			32	15.0 %
Other			16	7.5 %
No Response(s)			2	<1 %
Totals			213	100%

Do you have a disaster recovery plan in place for your business?

Answer	0%	100%	Number of Response(s)	Response Ratio
Yes			59	27.6 %
No, but I have thought about it			89	41.7 %
No, never thought about it			64	30.0 %
No Response(s)			1	<1 %
Totals			213	100%

What do you perceive as the greatest disaster threat to your business?

Answer	0%	100%	Number of Response(s)	Response Ratio
Fire			70	32.8 %
Earthquake			41	19.2 %
Flood			6	2.8 %
Extreme Storms			9	4.2 %
"Man-made" disasters, i.e. burglary, riots, disgruntled employees, etc			73	34.2 %
Other			13	6.1 %
No Response(s)			1	<1 %
Totals			213	100%

Do you currently have disaster supplies, i.e. emergency water, food, etc, (enough for you and your employees) at your place of business should a disaster occur during business hours?

Answer	0%	100%	Number of Response(s)	Response Ratio
Yes			90	42.2 %
No, but I've thought about it			66	30.9 %
No, never thought about it			53	24.8 %
No Response(s)			4	1.8 %
Totals			213	100%

How long would it take you to reopen your business after disruption from a disaster?

Answer	0%	100%	Number of Response(s)	Response Ratio
Instantly, not a problem			45	21.1 %
One week			47	22.0 %
Two weeks			13	6.1 %
Beyond a month			13	6.1 %
Not sure			94	44.1 %
I would not be able to reopen			1	<1 %
No Response(s)			0	0.0 %
Totals			213	100%

How long can you operate your business without potable drinking water before it affects the function of your business and your company's bottom line?

Answer	0%	100%	Number of Response(s)	Response Ratio
I can't operate at all without running, drinking water			28	13.1 %
1 day			28	13.1 %
2 -3 days			33	15.4 %
Up to 5 days			20	9.3 %
A week or more			22	10.3 %
Does not have an affect on my business			79	37.0 %
No Response(s)			3	1.4 %
Totals			213	100%

How long can you operate without electricity before it affects the function of your business and your company's bottom line?

Answer	0%	100%	Number of Response(s)	Response Ratio
I can't operate at all without electricity			121	56.8 %
1 day			29	13.6 %
2 - 3 days			20	9.3 %
Up to 5 days			10	4.6 %
A week or more			16	7.5 %
Does not have an affect on my business			17	7.9 %
No Response(s)			0	0.0 %
Totals			213	100%

Other than rapidly restoring water and power, what is the most important action(s) the State can take to assist your business immediately after a disaster?

154 Response(s)

Do you have a backup generator at your place of business?

Answer	0%	100%	Number of Response(s)	Response Ratio
Yes			38	17.8 %
No			173	81.2 %
No Response(s)			2	<1 %
Totals			213	100%

If a disaster occurred, would you be able to operate your business from another location?

Answer	0%	100%	Number of Response(s)	Response Ratio
Yes			171	80.2 %
No			39	18.3 %
No Response(s)			3	1.4 %
Totals			213	100%

If Yes, for how long?

Answer	0%	100%	Number of Response(s)	Response Ratio
1 day			8	3.7 %
2 - 3 days			11	5.1 %
Up to 5 days			7	3.2 %
A week or more			97	45.5 %
Does not have an affect on my business			57	26.7 %
No Response(s)			33	15.4 %
Totals			213	100%

Do you currently carry natural disaster insurance for your business? Choose all that apply:

Answer	0%	100%	Number of Response(s)	Response Ratio
Yes, flood insurance			29	13.8 %
Yes, fire insurance			78	37.1 %
Yes, earthquake insurance			26	12.3 %
No, I don't currently have natural disaster business insurance			121	57.6 %
Other			11	5.2 %
Totals			210	100%

Please rate the items listed below in terms of their importance for your business operations. Select one rating for each:
 1 = Least Important, 2 = Not That Important, 3 = Neutral, 4 = Important, 5 = Most Important

Answer	1	2	3	4	5	Number of Response(s)	Rating Score*
Electricity						212	4.6
Water						208	3.7
Natural Gas						205	2.6
Phone/Internet						205	4.5
Sewer and Waste Water Treatment						207	3.4
Postal						207	2.9
Transportation, i.e. roads, rail, air						209	3.7
Physical Location						208	3.3

*The Rating Score is the weighted average calculated by dividing the sum of all weighted ratings by the number of total responses.

How would you keep in touch with customers after a disaster disrupted your business? Please select all that apply:

Answer	0%	100%	Number of Response(s)	Response Ratio
Email			177	83.4 %
Phone/Text			174	82.0 %
Website			118	55.6 %
Facebook			105	49.5 %
Other			36	16.9 %
Totals			212	100%

Thank you for your valuable responses to our survey! To enter our Southwest Airlines prize drawing, please leave your contact information below for a chance to win one FREE domestic round-trip ticket anywhere Southwest flies! (Thank you to Southwest Airlines for donating our Grand Prize. One Grand Prize winner will be drawn at random and contacted to collect their prize in Feb. 2014.)

Answers	Number of Response(s)
First Name	169
Last Name	168
Company Name	161
Work Phone	166
Email Address	166
City	167

