



Business Resiliency in the Capital Region

*“Risk is like fire: If controlled it will help you; if uncontrolled it will rise up and destroy you.”
— Theodore Roosevelt*

Call to Action

Increasing incidents of weather-related disasters – including extreme storms, flooding, wildfire, extreme heat and drought – present an economic risk to businesses in the Capital Region. Damages from storms, flooding, and heat waves are already costing local economies billions of dollars.¹ Resiliency planning can be of major economic benefit to help the Region’s business community prepare for potential disasters and help preserve its economy post-disaster.

Small and medium businesses (SMBs) are critical to the economic vitality of the Capital Region. There are approximately 60,000 businesses operating in the four-county Sacramento Metropolitan Statistical Area (includes El Dorado, Placer, Sacramento, and Yolo Counties). Roughly 96 percent of these businesses have fewer than 50 employees, and they account for nearly 50 percent of the private sector jobs within the Metro area.²

The Business Continuity Institute identified the top 3 threats to any business as: 1) loss of power, 2) disruptions caused by storms, 3) failure of communications and information technology systems (which may have been caused by storm-related power outages).

Small businesses are especially vulnerable to disruptions, both because they lack the capital and resources of larger organizations to quickly recover economically, and because the majority of small businesses operate from a single physical location. This makes small business more vulnerable to loss compared to larger companies that have backup resources at alternate facilities or branch locations. The median cost of downtime from a small business affected by an extreme weather event is \$3,000 per day.³ Becoming fully operational can take up to 11.5 days on average.⁴

According to the Institute for Business and Home Safety, an estimated 25 percent of small to mid-sized businesses do not reopen following a major disaster.⁵ The majority of small businesses have not closely analyzed the potential economic losses from extreme weather events or other climate-related risks, according to a report by the American Sustainable Business Council. Moreover, 57 percent of small businesses have no disaster recovery plan.³

Clearly something must be done to help protect the resiliency of the economy in the Capital Region and assist its business community in preparing for potential threats to help lessen the impacts to their businesses, community, and livelihood.

Project Concept: Enhancing Economic Resiliency in the Capital Region

Valley Vision and its partners are launching a bold new collaborative leadership initiative to help reduce the risks and the economic impacts of potential weather-related disasters to the business community in the Capital Region. The project’s objectives are to: 1) elevate the awareness and understanding among area business owners and policy makers of risks to business continuity and the related social, environmental and economic impacts of lack of preparedness; 2) develop a “tool kit” of interventions to help SMBs reduce risk and enhance business resiliency; and 3) conduct a strategic outreach effort to engage leaders from the business, government and community sectors to enhance planning for economic vitality in light of climate threats. In addition to raising awareness and furnishing risk reduction strategies, this regional initiative will create a comprehensive assessment of risk at the metro-scale.

Action Plan

In order to carry out the project objectives, Valley Vision and its partners intend to: galvanize wide-ranging leadership support from cross-sector stakeholders, with a focus on the regional business community; help align resources to generate needed research, analysis, and data to support planning decisions; facilitate and support cross-sector leadership collaboration; identify action strategies and mitigation resources, develop and implement a communications and outreach plan, pursue funding opportunities; and identify resources and responsible agencies to plan and implement a regional economic resilience strategy. A high-level plan for this project concept is outlined below.

Project Phase	Actions
Design	<ul style="list-style-type: none"> • Define project team and steering committee • Identify stakeholders and informants • Develop detailed project scope, timeline and budget
Stakeholder Collaboration and Engagement	<ul style="list-style-type: none"> • Identify economic recovery stakeholders and hold kick-off meeting • Collaborate with cross-sector public, private, and community groups • Create stakeholder committees and workgroups • Collectively define strategies for action, outreach and communications
Generate Research, Data And Analysis	<ul style="list-style-type: none"> • Strategically evaluate how a disaster could affect the regional economy • Identify the region’s economic assets • Conduct business impact analysis, economic vulnerability assessment and scenario planning • Conduct literature review and research to identify continuity best practices • Collect and integrate stakeholder input into research plan

Project Phase	Actions
<p align="center">Identify Mitigation Action Strategies and Resources</p>	<ul style="list-style-type: none"> • Provide quick checklists of low-cost actions for regional businesses to take to mitigate threats based on various disaster scenarios • Identify continuity training resources and develop informational materials • Develop goals, action strategies and steps to enhance regional economic resilience
<p align="center">Communications and Outreach</p>	<ul style="list-style-type: none"> • Compile list of stakeholder contacts • Develop and distribute webinars and newsletters • Conduct prioritized outreach to build awareness and understanding among key stakeholder
<p align="center">Pursue Funding Opportunities</p>	<ul style="list-style-type: none"> • Coordinate with regional stakeholders to collectively pursue additional funding to maximize potential project scope and impact
<p align="center">Project Implementation and Transition</p>	<ul style="list-style-type: none"> • Bring together cross-sector leadership team to develop regional economic resiliency plan • Develop action plan with strategies, resources, and responsible agencies • Integrate with other relevant plans (e.g., local emergency management and hazard mitigation plans) • Define responsible agencies and resources to implement and maintain plan • Define process to monitor, evaluate, and update plan

Figure 1 - Project plan adapted from Leadership in a Time of Crisis: A Toolkit for Economic Recovery and Resiliency⁶

Partners

The Sacramento Metropolitan Air Quality Management District (SMAQMD), Valley Vision, and the Capital Region Climate Readiness Collaborative are founding partners of this initiative. Additional partners are being sought to provide funding and expertise to support this bold new initiative.

Project Staffing

Valley Vision Team:

- Bill Mueller, Chief Executive (bill.mueller@valleyvision.org)
- Meg Arnold, Project Leader (meg.arnold@valleyvision.org)
- Christine Ault, Communications Leader (Christine.ault@valleyvision.org)
- Tammy Cronin, Project Manager (tammy.cronin@valleyvision.org)

Steering Committee: Larry Greene, Executive Director, SMAQMD; Bill Mueller, Chief Executive, Valley Vision; additional committee members to be identified.

Advisory Group: Members of advisory group to be identified including those with experience and technical expertise to guide development of the project.

Additional Work Products

In addition to this project concept document, a detailed project work plan is being developed.

Join Us

Become part of this bold new leadership collaborative. Help enhance the Capital Region's economic resiliency and improve the business community's ability to prepare for and recover from disaster events. Contact [Valley Vision](http://www.valleyvision.org) (www.valleyvision.org, 916-325-1630) to learn how you can become involved.

¹ Gordon, K. (2014, June). *Risky Business: Economic risks of climate change in the United States*. Accessed 8/13/14 from <http://riskybusiness.org/>

² According to the latest "Size of Business" data (2012) provided by the State of California Employment Development Department.

³ Reynolds, L. (2013, July.) *Climate Change Preparedness and the Small Business Sector*. Small Business Majority and the American

Sustainable Business Council. Accessed 7/10/2014 from <http://org2.salsalabs.com/o/6269/images/Climate%20change%20biz%20report.pdf>

⁴ PrepareMyBusiness.Org, US Small Business Administration, and Agility Recovery. (2014, July). The top 5 Risks for Business Disasters in America (Webinar). Accessed 8/12/14 from <http://agil.me/top5risks>

⁵ The Institute for Business & Home Safety. (2005). *Open for Business: A Disaster Planning Toolkit For the Small to Mid-Sized Business Owner*. Accessed 8/13/14 from <http://www.disastersafety.org/wp-content/uploads/open-for-business-english.pdf>

⁶ International Economic Development Council. (2014) *Leadership in a Time of Crisis: A Toolkit for Economic Recovery and Resiliency*. Accessed 7/24/14 from <http://restoreyoureconomy.org/disaster-recovery-toolkit/>