

Small Business Mentoring Service Inc (SBMS)
Suite 1/12 Maroondah Hwy
Ringwood VICTORIA 3134
Phone: 1300 816 817
www.sbms.org.au



ABSTRACT

Small Enterprise Research

Practitioner Paper

Disaster response for small businesses: we must learn from the past

[David Gregory](#)

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The frequency and severity of recent natural disasters has raised questions in relation to disaster-related preparedness of the small business sector. Small businesses are an important contributor to local communities and economies. When it comes to recovering from a natural disaster, it is important to support local small businesses to reopen for business as soon as possible. If they are unable to rebound to provide products and services on which we rely as a community, recovery efforts will be curtailed and delayed. This paper provides a practitioner view on the lessons that can be learnt specifically from the Australian experience. The lessons outlined here resonate with small businesses in any disaster recovery context. The insight provided will inform the development of recovery policies and activities in the immediate, short- and long-term at an individual as well as a business level.

KEYWORDS: [Disaster management](#), [Australia](#), [practitioner](#), [SMEs](#), [thought piece](#)

The Australian context

Australia has always faced natural disasters. Our communities flourish amongst the challenging bushland areas and eke out a living from farms in areas commonly hit by droughts, floods and bushfires. Each year we see businesses lose everything, homes are destroyed and communities fighting to survive, but we do not seem to be able to learn from them.

We develop response plans that seek to support the impacted communities – without seeing that the very plans we create may, in fact, create additional stress. The mistakes made in the past may be recorded but then are stored away in repositories to never be debated, discussed or acted upon. As a result, we are doomed to repeat them.

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Why do we not learn and recognize that Australia has always been challenged by natural disasters and as such we should have a comprehensive response plan for when they happen. The learnings from each disaster must be recorded along with the mistakes and the ways we ultimately resolve them. Only then can we build on the plan and ensure that Australians are served by our knowledge, our leaders, our bureaucrats and our systems.

While the actual types of disasters are many and varied, they have key common elements. There are physical and emotional loss and destruction, there are human impact, economic impact, environmental impact and impact on the local and surrounding communities. Responses to the disaster have to take all of these elements into consideration and to do so we should take both short-term view and also a long-term view – knowing that some of the damage may take longer to be seen and understood.

One of the greatest impacts is that there is a need that is immediate – but all too often, the response is not. We, as a society, must remedy this. We have lived through so many disasters; surely, we can establish an immediately rolled out support package. People allow those impacted to feel secure, with a roof over their heads, clothes on their backs and food in their stomachs. Surely such a response can be developed outside of the time of a disaster to meet the need as and when they happen. And surely, we can do so without the need for those impacted to provide copious amounts of ‘evidence’ in order to access what should be a standard provision.

Australians want the responses to be fast, fair and generous. We have a well-earned international reputation for generosity in times of need. We expect our largesse to be passed on quickly and without bureaucratic intervention. It is the bureaucrats that often believe that they need rules and regulations for future justification and accountability. This tends to operate in ways that create tension and unnecessary stress. The impacted just want help.

This isn't to say that there is no need for verification or to ensure checks are in place to catch those that would misuse the system. I would, however, posit that they are in such a minority as to be almost irrelevant and we should not create systems that burden the vast majority of honest people. Instead, we should come down harder on the dishonest but start from a position of generosity and respect to those hardest hit.

The SME perspective

Experience with Black Saturday, Victorian Floods, other fires, and all other disaster support programmes that have impacted Australian businesses, shows that those impacted will fall into a few categories. Most will take time before they can focus on business recovery. In the first instance, this recovery is often about simply knowing that there is or will be access to grants and support. The first priority is that they need to eat and sleep in a place where they feel safe, before they can consider what they are going to do to move forward. Where the loss is total, they will need to consider if they rebuild at all and if it is safe to do so or if they should consider relocation. For those with partial loss, the thought process must include the ability to salvage elements and the safety in so doing. For those that did not lose homes or businesses the impacts can still be

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extreme. Loss of income, loss of trade and customers are the lesser of their problems. They face survivor's guilt, they face the constant issue of seeing their community around them struggle and while they may have a roof over their head, access, food and funding to survive are still an issue.

For all that are impacted, in both the direct impact area and the surrounding areas, a pre-established plan that offers immediate Tax and GST exemptions or deferrals should be implemented. Interagency relationships with the agencies that have a track record in this space should be rolled out. In the main, these agencies have real experience and an ability to deliver quickly. They should be the frontline soldiers and their feedback must be considered.

The immediate need for clothing, food and supplies is always addressed through the immediate generosity of the Australian people. However, there is a need for the generosity to be directed, channelled and managed. Within a few weeks of a disaster, halls will be filling up with things that people may never use or even want. It is, therefore, valuable to have a campaign to highlight that money is needed over goods. This should align with a revisit when a safe campaign to reinvigorate and steer the money back into the hands of the businesses in the areas.

From an overarching perspective, there is a need to make absolutely sure that the good-meaning people with their donations of assistance and goods don't destroy the local economies within the areas. During Black Saturday well-meaning people came to the area offering free massages, haircuts and food to the firemen. As a result, the local masseuse, hairdressers and cafes were missed out. A footwear company delivered a truckload of work boots and as a result, the local shoe shop did not sell a pair for years. All were well-intentioned but also unintentionally had a negative impact on local small businesses.

Disaster hubs must be set up as soon as it is safe to do so. It is from these hubs that coordination of the agencies, as well as support and access to the localized resources can be made available. It must, however, be remembered that the disaster happened to people. The hub and its personnel are not the reason for the hub's existence, the impacted people are. As such, the hub serves as a base only as the agencies who use it must be able to go to those that have a need – rather than insisting that they come to them. For those that have faced loss, they may simply be incapable of doing so. In other cases, some may feel it is humiliating to go cap in hand. In others, it means that they relive their terror again and again by having to sit down with each agency to provide justification for their request for support. Some may also fear meeting with neighbours who have lost more, or fear that they will have to talk to people when they have lost everything. The need for the impacted is greater than the need of the Government to control and oversee. In truth, the Government rarely knows or understands the individual and community focus required in dealing with a disaster situation. Their view is top-down and they quite legitimately and naturally seek to develop the processes for recovery. But they also need to move from a 'command and control' model to one which shows respect for those that have a history of support and a wealth of experience. This may see 'normal' rules of position and title put to one side in recognition that they are not the best placed to make decisions as they lack the local context. The notion of local context is important. For instance, those that didn't have a direct impact will need to be in their business to get every possible dollar they can from what small customer base is in the area. As such they will not be

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able to either physically or mentally get to a disaster hub and will need the hub or its offerings to come to them.

A considerable focus must be on the understanding of the mental incapacitation and the aimless 'busy-ness' of those impacted who will be working on a million things, but few of them are valid or aligned to their actual needs.

Disaster support is not, and will not be, a fast fix. Support for those impacted will continue for years and even when the support ends, the impact to those that have suffered through, will not.

Once direct business support begins, our experience tells us that this is what will happen. The business people will, in the first instance, talk 90% about what happened and 10% on what they need to do to resurrect their business. Six months later the 90% becomes 75% ... 6 months later maybe 50% ... and it is only after that work can really start to get into the deeper business support actually required and needed for recovery. Having an ear to listen right through this period is critical.

Some business people will be in panic mode seeking to push for business and eke out every dollar from a small base. Others will become the champions for the area, rallying the businesses and the community. They will burn out and they will be hit with what happened later than others. When they do relax enough to realize what they went through, they will struggle and need ongoing support.

Experience also tells us that men will bluff. They will say 'I don't need help' and they will charge on. The reality is they will need more than women. They will not speak to the support bodies such as Beyond Blue. They will instead seek out a business advisor. In doing so they feel comforted that 'I am just speaking to a business advisor because I want to build the business back up.' The reality is that they will talk to the advisor because that is safe and don't acknowledge that they are struggling mentally. The advisors have to be briefed, trained and supported. They have to be 'the ear that listens and the shoulder on which to lean'. They need to discreetly triage and gradually steer through to the right agency for the support needed. They must also work collegiately with other agencies and be able to connect with support groups like Beyond Blue, Salvation Army, Red Cross, RFCS, and Councils. Critically there is no room for ego. The agencies must be there for those impacted, not for their own publicity or branding. It is amazing what can be achieved when one doesn't care who gets the credit.

Of note is a critical element and an unexpected one. No one will want to be first. In some areas, they won't want to reopen a business when others haven't. If a shop in the suburbs burnt down, after the insurance pays up, they would simply rebuild and off they go. That isn't the case where the street has burnt to the ground or a community has substantial business impact. A huge percentage of small businesses in regional areas are reliant on the business or shops next door or in their communities, to be their primary customers and without them also opening, their client base is decimated. As a primary goal, the intent should not be to seek to rebuild businesses alone. The aim must be to rebuild communities. It takes a village!

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As such, support to the chamber, or if there isn't one, support to create one, will be crucial. In doing so they can work on owning the strategies. They need to take what the advisors advise and come up with it all on their own. They need to say 'let's attract the visitors, the voyeurs, the virtue signallers and the genuinely supportive', because regardless of their reason for coming they come with money in their pockets. They need to come up with this, not the government or agencies are telling them they must. They need to establish marketing strategies including cross-promotion and collaborative approaches.

From a community perspective, they need to tell their stories. Because it is cathartic and makes them feel that they are valid and important, as they are. To do this, encouragement for journalists or writers to write a book about what happened is worth exploring. They as a community need that.

As a strategy, the State and Local Government need to own the introduction and early management. And then give it away. Behind the scenes manage, support and strategize but create an environment where the locals say 'we did it ourselves'.

Additionally, the community needs to identify and to run a highlighter over heroes. Make the community rejoice in what went right and not labour over what went wrong. To rebuild and to revalue themselves as a community comes from recognizing that they came back as a community and the communities' champions helped them to do so.

Lastly, there isn't a single person that goes through a disaster that isn't a different person as a result. Whether a local, someone who was or wasn't directly impacted or even those from the agencies that come in to deliver support. They will be impacted. In some ways more passionate or inspired, in a whole lot of ways a little broken and aware of how easy it is to get it wrong. Some will be afraid of it happening again, while others will want to stick their chins out firmly and shout at the disaster Gods that they will not be beaten. We owe it to all of them to get it right and to put in place processes that recognize that Australia has disasters. We have to prepare for them. We have to keep our historical memory and not lose what we have learned. We have to have a primary focus aimed at wanting to do anything to reduce that pain for those impacted and the understanding that we need to put the best chess pieces into place and support them to do what their experience has taught them.