

# SMALL BUSINESS **BIG** OPPORTUNITY<sup>SM</sup>

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Irvine, California



L to R: Matt Petteruto, VP of Economic Development, Orange County Business Council; Jim Waterhouse, Spectrum Risk Management & Insurance Services; Joan Woodward, Travelers Institute; Michael Echols, U.S. Department of Homeland Security; and Leila Mozaffari, Orange County Small Business Development Center

## Orange County small businesses tackle challenges at symposium headlined by former SBA Administrator Hector Barreto

Data theft is among the cyber risks that worry small businesses the most, according to more than 60 percent of Irvine, California-based entrepreneurs who attended *Small Business – Big Opportunity*<sup>SM</sup>, a symposium hosted by the Travelers Institute.

**Michael Echols**, Director, Joint Program Management Office, Office of Cybersecurity and Communications, U.S. Department of Homeland Security, told the audience that small businesses often cannot recover from a data breach because they do not have the same robust computer security systems as larger companies and are considered “easy targets” by hackers.

“It happens all the time, every day,” he said, adding, “If this happens to you, it changes your whole world.” He advised small business owners to look at their cyber risk profile to determine their exposures and to create a culture of cybersecurity across the business.

Echols said that the U.S. government offers free tips and tools to help protect businesses from cyber threats. More information can be found at the U.S. Department of Homeland Security’s Computer Emergency Readiness Team website: [us-cert.gov](http://us-cert.gov).

**Jim Waterhouse**, President, Spectrum Risk Management & Insurance Services, said insurance companies are developing products to help businesses recover from a cyberattack, and he urged audience members to talk to their insurance professionals to determine the best product for their needs.

The symposium, held on March 20, 2015, was one of a series of *Small Business – Big Opportunity* events scheduled across the country. The events focus on cybersecurity, business continuity planning and other measures that help keep businesses safe. **Joan Woodward**, President of the Travelers Institute and Executive Vice President of Public Policy at Travelers, said the series gives business owners guidance and resources to help them not only survive, but to thrive in today’s world.

The symposium was held in partnership with Small Business California, the Orange County Small Business Development Center (SBDC), the U.S. Small Business Administration (SBA) Santa Ana District Office and the National Federation of Independent Business/California.

### The four C’s for small business success

In his keynote address, **Hector V. Barreto**, Chairman of the Latino Coalition and former Administrator of the SBA, called small business owners the “heart and soul of our economy,” adding that they need certain tools for success, including the “four C’s”:

1. Capital – Barreto described capital as the “oxygen that a small business needs to breathe,” and encouraged small business owners to contact the SBA or other agencies to find out more about how to access capital to launch and grow their business.
2. Capacity building – According to Barreto, 50 percent of U.S. businesses that start today will go out of business within four years. He blamed this number, in part, on a lack of capacity, or knowledge, among small business owners, urging audience members to help each other develop contingency plans in order to stay in business.



Michael Echols of the U.S. Department of Homeland Security shares free government resources for small business cybersecurity.



Hector V. Barreto, former Administrator, U.S. Small Business Administration

3. Contracts – Small businesses need the same thing that large businesses need to survive: more business – and Barreto encouraged event attendees to support one another in accessing more contracts.
4. Cost control – Barreto said small businesses cannot compete effectively when their operating costs increase. Unlike their larger rivals, small businesses cannot pass these higher costs on to their customers, so cost control is imperative for success.

Looking ahead, Barreto said there are tremendous growth opportunities for small businesses, including in energy and e-commerce.

### Access to capital

**Leila Mozaffari**, Director, Orange County Small Business Development Center, said that while access to capital remains a challenge for small businesses, there has been a large increase in nontraditional lending opportunities in recent years.

“The playing field is becoming more level with the introduction of various tools, but it is still stacked toward the larger businesses that have the expertise and knowledge on how to go about it [accessing capital],” she said.

Mozaffari encouraged small business owners to contact the SBA and its resource partners to learn about resources available to help them access capital.

### Business continuity planning

During the discussion on business continuity planning, 78 percent of audience members indicated that their business did not have a business continuity plan or they did not know if their business had such a plan. Waterhouse urged them to take the time to develop a plan that will keep them in business in the event their operations are interrupted by severe weather events, natural disasters or other crises.

“It gives you a real competitive advantage,” he said. “If you have a plan, you can bounce back quickly.”

Waterhouse said business continuity planning should include:

1. Business interruption insurance
2. A written plan to keep your business operating
3. A communications plan for informing stakeholders, including employees, customers and vendors

Woodward urged small business owners to ensure their entire organization knows what to do in the event their business is interrupted. “Talk to your employees; every one of them, not just senior management. Every employee should know what to do in case there’s a disaster,” said Woodward.

To learn more about the *Small Business – Big Opportunity* symposium series, visit [travelersinstitute.org/smallbusiness](http://travelersinstitute.org/smallbusiness).



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