

“Small Business – Big Opportunity” Finding Solutions to Small Business Challenges

CENTRAL CONNECTICUT EMERGENCY PREPAREDNESS AND DISASTER RECOVERY WORKSHOP • APRIL 25, 2014



L to R: Travelers Institute President Joan Woodward, Bouvier Insurance President Rob Bouvier, Travelers Risk Control Senior Vice President Marty Henry and The Ruark Companies Founder & Owner Tim Ruark

Opening Remarks

John O’Toole, Community Relations and Economic Development Lead, Northeast Utilities, CL&P/Yankee Gas Services

Joan Woodward, President, Travelers Institute; Executive Vice President, Public Policy, The Travelers Companies, Inc.

Marc Schmittlein, Executive Vice President, Small Commercial & Agribusiness, The Travelers Companies, Inc.

Panel Discussion

Moderator – Joan Woodward, President, Travelers Institute; Executive Vice President, Public Policy, The Travelers Companies, Inc.

Robert Bouvier, President, Bouvier Insurance

Marty Henry, Senior Vice President, Risk Control, The Travelers Companies, Inc.

Tim Ruark, Founder & Owner, Ruark Insurance Advisors, Inc. and Ruark Consulting LLC; Owner, Simsmore Tennis

On April 25, 2014, emergency responders from Connecticut’s state and local agencies joined with leaders in the private sector and academia for a full-day emergency preparedness and disaster recovery workshop aimed at helping prepare the state’s small businesses for natural and man-made disasters. The workshop, hosted by the Central Connecticut Regional Planning Agency (CCRPA) and Central Connecticut State University’s (CCSU) Institute for Technology and Business Development, was held in conjunction with more than a dozen organizations including the Travelers Institute, Connecticut Light & Power and the City of New Britain, among others.

More than 100 small business owners from the region visited CCSU’s Institute for Technology and Business Development at its downtown New Britain, Connecticut campus, where the event was held. Connecticut Governor Dannel P. Malloy and Catherine Smith, Commissioner of the Connecticut Department of Economic and Community Development, participated in the workshop, speaking to business owners about the state’s response to recent weather events and the importance of planning for disaster recovery. Attendees listened to panel discussions on short- versus long-term recovery and participated in an emergency preparedness planning exercise. They also toured emergency response vehicles from the



Travelers Executive Vice President for Small Commercial Marc Schmittlein discusses the importance of small businesses to local communities.

State of Connecticut and Northeast Utilities as well as a Travelers catastrophe van, which serves as a mobile claim unit for customers.

The Travelers Institute, the public policy division of Travelers, kicked off the conference with the first panel discussion, part of its “Small Business – Big Opportunity” symposia series. The series convenes small business owners across the country with policymakers and industry experts to examine solutions to everyday small business challenges. The discussion, moderated by Joan Woodward, President of the Travelers Institute and Executive Vice President, Public Policy at Travelers, examined how to create, implement and maintain a business continuity plan, a foundation for helping companies assess and reduce business vulnerability and increase resilience against natural, man-made or technological events.

Travelers Executive Vice President for Small Commercial Marc Schmittlein, who leads Travelers’ customer engagement with the small business community, helped kick off the discussion on business continuity planning. He shared how small businesses are the backbone of the country and are often at the heart of their communities. He recalled how a fire had destroyed one Midwestern town’s local diner, burning it to the ground. The diner had been the focal point of the town and a place where the mayor and business leaders often conducted business, Schmittlein explained, and thus had a big impact on the community. The owners of that diner had a business continuity plan in place and were able to, with the help of Travelers’ Claim department, reopen quickly in a second location that had been part of their continuity plan.

Turning to the panel discussion, Marty Henry, Travelers Senior Vice President for Risk Control, joined Woodward on stage. Also participating in the discussion was a leading local insurance agent Rob Bouvier, President of Bouvier Insurance, and an experienced, local small business owner, Tim Ruark, who leads Ruark Insurance Advisors, Inc., Ruark Consulting LLC, and Simsmore Tennis.

To set the tone about how the unexpected can happen, Henry shared the story of a business owner who ran an amusement park with an iconic roller coaster on the Jersey Shore. Henry said the man, whom he met just a week before Superstorm Sandy, had identified his risks and refined his emergency response strategy to manage damage to his business. When the storm was over, however, the roller coaster lay in pieces in the ocean – it was the last thing that the business had imagined could happen, Henry explained.

“If you own a small business, you have your own ‘roller coaster,’” Henry said, encouraging business owners in the room to carefully consider all their risks. “Think about the weak links and what you can do to protect your roller coaster.”

Henry then introduced Travelers’ new strategy guide for business continuity planning, called “ABC GoSM.” The plan, created by Travelers Risk Control team, utilizes four steps: Assessment of Risk, Business Impact Analysis, Controls and implementation, also known as “Go.” Risk Control, which helps Travelers’ customers reduce risk, mitigate exposure and prevent loss, has more than 700 experienced loss prevention and forensic professionals offering tools like “ABC Go.”

An initial live polling of the audience revealed that 55 percent of small businesses in the room had a business continuity plan in place, while 38 percent did not and 7 percent were unsure. Ruark, a local small business owner himself, believed those results were an accurate representation of his peers in the area, suggesting that those without a plan may be from smaller firms, where planning may take a back seat to day-to-day fixes and immediate needs.

Those pressing needs, however, can quickly be redirected during a severe weather event. Bouvier talked about the troubles Bouvier Insurance encountered during a surprise October snowstorm in 2011. With five offices in the Greater Hartford area, four suffered extended power loss or damage. Given the nature of his business, his company still had to open and serve clients experiencing their own losses. His agency’s business continuity plan enabled Bouvier to continue running.

“We asked ourselves what would happen if we came into work one day and our building wasn’t there,” Bouvier said. “We wanted to be able to still serve our clients even if we were temporarily lacking an office.”



The Travelers catastrophe van, which serves as a mobile claim unit in areas affected by disasters, joins a fleet of emergency response vehicles offering tours to workshop attendees.

Henry discussed step one of “ABC Go,” Assessment of Risk, and reviewed the three major categories of hazards to consider: natural, man-made and technology-caused. Natural hazards include weather-related events such as floods, tornados, lightning, landslides and pandemics, he said, while man-made threats include theft, fire, terrorism, transportation or industrial accidents and financial vulnerabilities. Finally, technology-caused threats include things like cyber risks, cloud security, software corruption, Internet disruptions or phishing. Business owners should assess all vulnerabilities that could close their businesses and open the door for competitors, explained Henry, who found that 55 percent of attendees were most concerned with cyber risks and 33 percent were most concerned with weather-related risks.

The second step in “ABC-Go,” Business Impact Analysis, encourages business owners to understand what would happen if they were out of business for an extended period of time. Henry discussed how his team asks business owners to think first about their critical business functions, like banking, safety, refrigeration and communications, the basic services that need to be restored to keep the business in operation. Essential functions come next and include things like billing, receiving and inventory management. Finally, complimentary functions, which are the least immediate needs to be restored, include things like collections, advertising, recruiting and office supplies.

Woodward asked the audience how long their customers would wait for them to restore their operations, and found that nearly 65 percent of attendees thought customers would wait no longer than 24 hours before going to a competitor. Ruark encountered this during the 2011 snowstorm, when his businesses ran on generators for 10 days and without Internet access.



Jenefeness Houston, a Business Advisor with Connecticut’s Small Business Development Center, asks about business continuity planning resources for small businesses.

“It was a big roller coaster for us,” he said. “We had clients based on the West Coast and abroad and they expected us to be back to business. We have to compete with the large players.”

The panel then turned to the third step of “ABC Go,” Controls, which focuses on preventing, mitigating and transferring risk. Bouvier provided an example for the audience, explaining how a fresh food market anticipated needing to protect its perishable products in the event of a power loss. Before a major storm hit in 2011, the market had secured a contract for refrigeration trucks to store its perishables until power was restored, saving most of its products.

Due to severe storms in recent years, many businesses in the audience had taken similar steps. Sixty-six percent of business owners in attendance said they had taken costly or low-cost action to increase resiliency to threatening weather. However, only 37 percent of business owners were very confident that their employees knew what to do in the event of an emergency, and 71 percent were not confident or only somewhat confident that their business was protected against risks that might result in significant losses or cause them to go out of business.

After completing the three steps of “ABC Go,” the panel turned to the final step, which focuses on implementation or creating, adjusting and continually refining the plan. Involving employees and communicating about how the business continuity plan is put into action is critical to its execution, Henry said. The panel was in full agreement that business continuity plans should be re-evaluated every six to 12 months.



L to R: Travelers Risk Control Senior Vice President Marty Henry, The Ruark Companies Founder & Owner Tim Ruark, Travelers Regional Vice President Karen Eckert, Travelers Institute President Joan Woodward, Bouvier Insurance President Rob Bouvier and Travelers Small Commercial Executive Vice President Marc Schmittlein

The Travelers Institute

Travelers established the Travelers Institute as a means of participating in the public policy dialogue on matters of interest to the property casualty insurance sector, as well as the financial services industry more broadly. The Travelers Institute draws upon the industry expertise of Travelers' senior management and the technical expertise of its risk professionals and other experts to provide information, analysis and recommendations to public policymakers and regulators.

The Central Connecticut Regional Planning Agency

The Central Connecticut Regional Planning Agency is the regional and metropolitan planning organization for the cities of Bristol and New Britain, and the towns of Berlin, Burlington, Plainville, Plymouth and Southington. The Agency's mission is to plan and promote regional policies and programs to enhance the vitality, accessibility and quality of life in these communities.

Central Connecticut State University's Institute of Technology and Business Development

Central Connecticut State University's Institute of Technology and Business Development supports Connecticut businesses and business-related organizations with training, technology assistance, conferencing services, procurement services and business incubation.