

ABSTRACT

CONTINGENCY PLANNING: IDENTIFYING REASONS SMALL BUSINESS DECISION-MAKERS FAIL TO PLAN

Disasters affect businesses in varying degrees. Research supports the theory that businesses are more likely to survive a disaster if there is a “Contingency Plan” (CP) in place. A CP will lessen the impact of disaster upon organizations and assist in organized resumption of daily functions. A CP can help an organization recover faster from the effects of a disastrous event. In some cases, creating a CP will assist in avoiding potential disaster. Despite the benefits of a CP, the majority of small businesses do not have one in place.

This study will examine frequently cited reasons for not creating a CP, and decision-makers’ estimates of the likelihood their business will experience a disaster. Additionally, it will compare decision-makers’ confidence levels relative to the comprehensiveness of their CP and the proportion of small businesses with a CP in place today relative to the proportion reported in an earlier study.

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