What risks does your business face? Here are 5 you should know.



What risks does your business face? Whether you're a small startup or a large corporation, every business has them. But the most successful businesses know how to prepare for these risks and respond to them quickly and effectively. Want to be one of them? See some of the business risks you could face and what you can do.

Risk #1: Weather and natural disasters.

Floods, hurricanes, tornados, and wildfires can be bad news for business. They can cause significant damage to your property, disrupt your operations, and lead to substantial financial losses. Implement these proactive measures now.

- **Get the right coverage.** A local, independent agent can get to know your business and its unique risks. As a true partner, they'll set up comprehensive insurance that helps cover natural disasters specific to your location.
- **Develop an emergency plan.** It should include evacuation routes, emergency contacts, communication strategies, a recovery plan, and more. Get your free Disaster Preparedness Guide.
- **Protect your structure.** Invest in structural reinforcements, such as storm shutters or updated windows, and ensure your building meets local safety codes. Trim back tree branches and secure outdoor objects before weather arrives.
- **Back up critical data.** Regularly back up critical data and store copies offsite or in the cloud to prevent data loss.

Risk #2: Employee health and safety.

- **Provide personal protective equipment (PPE).** Every team member should have the right safety gear for the job and be trained to wear it properly. In extreme heat and extreme cold stretches, provide additional PPE to protect workers.
- **Maintain a safe workspace.** Encourage team members to take an active part in safety by reporting hazards, de-cluttering high-traffic zones, cleaning up water or other substances, and looking out for one another.
- **Be mindful of the weather.** Watch the weather and call it quits for the day if conditions are unsafe for your team. A day's delay is better than an avoidable accident or injury.

Risk #3: Reputation/legal action.

When it comes to business, reputation matters. Word of mouth is important, so upholding an ethical, honest brand is always a best practice.

- **Stay proactive and informed.** Keep a pulse on laws and regulations in your industry and conduct regular audits to ensure you're compliant with them.
- **Get a workers compensation policy.** Should a team member be injured or killed on the job, workers compensation can help protect you financially and legally.
- **Maintain your website and social channels.** Build brand and customer trust by accurately representing your company online. Respond to any negative comments professionally and in a timely manner.

Risk #4: Cybersecurity.

Cyber threats, including data breaches, ransomware, and phishing attacks, can compromise sensitive information, disrupt business operations, and harm your reputation.

- **Perform regular updates.** Keep all software and systems up to date to protect against vulnerabilities. Employees should update their laptops and work phones when updates are available.
- **Train employees thoroughly.** Train employees to recognize phishing attempts and follow best practices for password security. Conduct annual refreshers on cybersecurity.
- **Install firewall and antivirus systems.** Use security software that includes antivirus, anti-malware, and firewall protection. Regularly update and maintain these systems to protect against the latest threats.

Risk #5: The future.

Even with the best plans, the future isn't certain. Economic turmoil and unexpected life events like the death of a key team member could disrupt your business if you're not prepared.

- **Elect a successor/get business life insurance.** Should you or another business owner pass

away, a succession plan could help ensure a smooth transition of leadership and keep your business poised for future success.

- **Talk to your agent about future plans.** Are you adding another location or moving into a new state? Do you want to expand and offer a new service? Keeping your agent abreast of these hopeful plans can help you better plan for them and make them a reality.
- **Protect yourself financially.** Establish an emergency fund to build protection against market shifts or slow revenue. Work with a trusted financial planner to lay the groundwork for your future goals. Dream big, but be smart with your money.

What unique risks does your business face? No matter what they are, there are ways to prepare for them. First, implement our expert tips above. Then, talk to a local, independent agent. They'll work with you to set up comprehensive protection to succeed.

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