

Small Businesses Rebuilding After 2008 Floods

The Floods of 2008 may be out of mind for most Iowans – but for many Iowa business owners—recovering their businesses and increasing their cash flow continue to be top priorities.

More than 86 Iowa counties were declared disaster areas by Governor Chet Culver after the June flooding. Small businesses, homes and farms alike all suffered substantial water damage. However, many Iowa experts argue that it wasn't only businesses physically flooded by the waters that sustained damage.

"Virtually every business in the state is going to be impacted in some fashion," said Small Business Development Center State Director Jim Heckman. "The economic injury - we don't know yet," he said.

Enough Iowans sustained loss during the floods, he said, that all Iowa businesses are feeling the effects of consumers with less money to spend. And this loss will take some time to recover.

"Statewide- you're probably looking at three to five years and there are some areas like Cedar Rapids that are going to take five to ten and that's to get back where they were before the floods," Heckman said.

Don't Lose Hope

While this will take a while, Heckman advises small business owners not to lose hope.

"Don't panic, try not to lose your patience," he said. "This takes time and the resolutions of these problems will never happen as fast as people want them to."

Funding is available, Heckman said, through disaster loans at their local banks, SBA funding and national funding to help in the rebuilding process. The first step to getting that money is to recreate records of what was lost in the flood. The SBA can help business owners recreate cash flow statements, using such resources as IRS records and searching through back-up processes that the company may have had in place. For future use, business owners should never throw away a hard drive, he said. These can be dried out after flooding and vital data can be saved.

Heckman cautioned against scam artists trying to take advantage of those devastated by floods.

"Be very careful of scams – deal with people you know or who are known to people you know," he said.

Reopened for Business

Though it's a long road to recovery—some Iowa businesses are already repaired and reopened for business. Thom Guzman, director of the Iowa Downtown Resource Center, said he's seen much transformation across the state.

"It's amazing to see how in a few short weeks, the attitudes change and progress is made," he said. "(Iowans are) not waiting for anyone or anything."

The main street communities Guzman works with have seen significant improvements in the six areas affected by floods. Business consultants have been placed in those main street communities to help folks with rebuilding their businesses. The volunteer spirit of Iowans and the willingness to help is how this drastic change has happened so quickly, he said. People knew it could get done quickly, "if we all work hard and work together," he said.

Kelly Engelken, Executive Director of the Waverly Chamber of Commerce, knows first hand about communities coming together.

"The support from everyone has been great, truly neighbors helping neighbors," Engelken said. "The community is very resilient."

In Waverly alone, she said, 200 businesses were affected by the floods – their entire Main Street district was under water. The community support and flood assistance from local banks, SBA and FEMA has all helped many of those businesses – 50 to 60 percent she estimated – to get their businesses reopened already.

Thompson Shoes on Main Street in Waverly is one of those businesses. They lost a great amount of their inventory in the floods, had a flooded basement and about eight inches of water standing on the main floor, said owner Don Johnson. The floods kept them closed for six weeks but they're back up and running now.

Johnson said he and his wife Marty couldn't have turned their business around so quickly without the help of family, the community and church volunteers. They also had flood damage in their home, he said.

"Here in Iowa – people don't wait around – they just showed up and took action," he said.

Johnson said he's very grateful to everyone who helped them get back on their feet. He also said he's very glad that he'd switched to Farm Bureau insurance about a year ago.

"They've covered some things I know a lot of other companies were not," he said.

Many improvements have been done to the business and while they are operating their store as usual now, Johnson said they continue to struggle to get everything back to pre-flood state.

"It takes time," he said.

FB and SBDC offer flooding assistance

The Iowa Farm Bureau's *Renew Rural Iowa* program partnered with the Iowa Small Business Development Center following this spring's floods to offer "Project Recovery."

Packets of recovery information, including market research and SBDC information and ways to get in touch with both *Renew Rural Iowa* and the SBDC, were assembled for small business owners. The packets are available at SBDC offices and special sites in flooded areas or at iowasbdc@iastate.edu.

For additional help with your business, please visit www.renewruraliowa.com.

Farm Bureau Floods of 08 site resource for flood victims

The Iowa Farm Bureau launched a special flood site immediately following the spring's heavy rain and flooding.

Several useful functions are available on the site, including disaster assistance, flood task force information, federal assistance monies and more.

A special section for small business owners affected by the floods can be found in the Resource Center, under business recovery.

For current, up-to-date information visit www.iowafarmbureau.com/flood08.

Farm Bureau and CIRAS work to reach flooded manufacturing businesses

Iowa Farm Bureau's *Renew Rural Iowa* program and Iowa State's Center for Industrial Research and Service (CIRAS) have teamed up to try and provide further assistance to Iowa manufacturers affected by the floods. CIRAS recently surveyed manufacturers to get a handle on the impact floods had on their business.

Renew Rural Iowa and CIRAS are now working together to organize a seminar to be held October 1 in Ames. The event will serve as a resource for these manufacturers to attend and learn more about transitioning and developing a successful business.

For more information, visit www.ciras.iastate.edu and to register, visit www.renewruraliowa.com.