

CRAIN'S

NEW YORK BUSINESS

by Amanda Fung

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Last summer, a steam-pipe explosion in midtown Manhattan kept Jeff Isler and his 16 employees out of their Lexington Avenue office for more than a month, costing his family-owned business, InfoGraphics Inc., \$250,000 in damages and lost revenue.

More than 100 other business owners were also locked out as emergency officials blocked access to two buildings near Grand Central Terminal during the cleanup, which lasted several weeks. Unable to retrieve essential documents and equipment, many were unable to restart their businesses elsewhere.

Only a handful of firms near the steam-pipe explosion were enrolled in a four-year-old program called Corporate Emergency Access System, a credentialing service that allows key employees to enter their offices during disasters. The locked-out businesses either didn't know about the program or declined to sign up for it.

Although CEAS was established in partnership with the city's Office of Emergency Management, the organization has had a hard time enrolling businesses. According to OEM, about 300 businesses have joined, just 0.2% of the city's total. So far, more than 20,000 identification cards have been issued.

"If disasters are not in the news, it is hard to get businesses to focus on the program," says Peter Picarillo, CEAS's executive director. "Outreach is hard. Our goal is to make the program more visible."

Limited marketing resources

CEAS was established by the Business Network of Emergency Resources Inc., a corporate-sponsored Manhattan nonprofit founded in 1999 that is focused on educating the public and the private sectors about business continuity during a disaster. With an annual budget of approximately \$500,000, CEAS has limited marketing resources. It sends out brochures and fact sheets to local businesses, and OEM helps promote the program.

Emergency management experts say the program has value, despite its small size. "It is the only program of its kind," says Mary Ann Marrocolo, deputy managing director for emergency management and preparedness in Philadelphia, who formerly worked in New York City's OEM. "It provides an easy way for government to authenticate businesspeople, [and] it frees up government to do our job, which is to focus on response and recovery."

Under the program, enrolled companies designate certain employees to receive CEAS identification cards.

Those employees have to complete a Web-based training course, and there is a limit as to how many cards a single business can have. For instance, 25% of employees at a company with 20 workers or less can carry cards, while only 20% of employees at a company with 21 to 100 employees can carry them.

So far, the program has been more popular with larger corporations than with smaller concerns, even though smaller businesses are more vulnerable in a crisis. More than half of the companies enrolled in CEAS are Fortune 500 companies like Citigroup, Ernst & Young, Viacom and NBC Universal, as well as real estate developers like Tishman Speyer Properties and Brookfield Properties.

"... access is an important issue in every single disaster."

Peter Picarillo, CEAS executive director

Desire to run lean

Although the id cards are relatively cheap--\$50 or \$70 per card for two years, depending on the level of access--it has been a challenge to get smaller businesses to sign on. Mr. Isler, whose firm designs and prints material for legal presentations, didn't know about CEAS at the time of the steam-pipe explosion, but even now he is hesitant to enroll.

"I want to get involved, but when you're a small business you think two to three times about everything," says Mr. Isler. "You want to remain lean. Not everything is billable."

Despite a slow adoption rate, Mr. Picarillo says businesses are becoming more aware of emergency preparedness. And CEAS, which operates in four cities outside of New York, has been expanding. It expects to offer its program in New Jersey this month.

"As the program gains credibility, we are getting inquiries from other cities, like Baltimore and Pittsburgh," he says.