



# EAGL Delta Track 2025:

## Disaster Recovery (Richard May, Bill Jones) & Business Operating Systems Panel (Showalter, Massey, Doll, Pirkle, Beauford) - Nov 19

(all links go directly to Audio/Video recording)

[VIEW RECORDING - 110 mins \(No highlights\)](#)

### Meeting Purpose

[To explore disaster recovery and the role of business operating systems in resilience.](#)

### Key Takeaways

- [\*\*Disaster Recovery:\*\* A hurricane \(Carolina Native Nursery\) caused a 95% crop loss, while a snowstorm \(Fathom\) caused a \\$600k uninsured infrastructure loss. Both required immediate action and external support.](#)
- [\*\*Financial Lifeline:\*\* Crop insurance was the sole reason Carolina Native Nursery could rebuild. Fathom's \\$100k hurricane rider payout—from a storm that caused no damage—provided critical cash for its snowstorm recovery.](#)
- [\*\*Systems for Implementation:\*\* Business operating systems \(EOS, Rhythm, Scaling Up\) provide the structure to operationalize strategic plans by breaking them into measurable quarterly goals \("rocks"\) and weekly tasks.](#)
- [\*\*The Power of Relationships:\*\* Both nurseries credit their survival to strong relationships with employees, customers, and the community, which provided critical support, labor, and cash flow during their crises.](#)

### Topics

#### Disaster Recovery: Case Studies

- [\*\*Carolina Native Nursery \(NC\): Hurricane Flood\*\*](#)
  - [Event:](#) A hurricane caused a trout stream to flood the nursery, washing away 95% of the crop.
  - [Impact:](#)
    - [Crop Loss:](#) 95% of inventory, including 10,000 native azalea liners (a unique product grown from seed).

- **Infrastructure:** All growing structures damaged; office and equipment on higher ground were spared.
  - **Community Disruption:** Widespread power outages (4 weeks) and water issues (6–10 weeks).
- **Recovery:**
  - **Cleanup:** Over 100 volunteers (clients, landscapers) provided labor.
  - **Funding:** Crop insurance provided the capital to rebuild.
  - **Client Loyalty:** Customers returned post-rebuild, leading to record sales.
- **Fathom (FL): Snowstorm Collapse**
  - **Event:** A freak snowstorm (4–6 inches) froze solid on 37 acres of shade structures, causing a total collapse.
  - **Impact:**
    - **Inventory:** ~\$3.5M in plants under shade; only 2–3% were lost.
    - **Infrastructure:** 35 acres of shade collapsed, breaking all irrigation risers and 3,200 poles.
    - **Cost:** ~\$600k, uninsured.
  - **Recovery:**
    - **Labor:** An external team of 12 worked 7 days/week for 3 months to rebuild.
    - **Funding:** A \$500k interest-free state loan (30% forgivable) covered most costs.
    - **Client Support:** Customers prepaid and placed early orders to provide cash flow.

## The Role of Business Operating Systems (BOS)

- **Problem:** The Eagle one-page plan is strong on strategy but lacks a system for implementation.
- **Solution:** BOS provide a framework to operationalize strategy by breaking it into measurable quarterly goals ("rocks") and weekly tasks.
- **Common Heritage:** Systems like EOS, Rhythm, and Scaling Up share a common origin from Verne Harnish's "Rockefeller Habits."
- **Rollout Process:**
  - **Initial Focus:** Leadership team adopts the system first.
  - **Cascading:** The system is then rolled out to mid-level managers and eventually the entire company.
  - **Patience:** A slow, deliberate rollout is crucial for success.
- **Tangible Results:**
  - **Alignment & Focus:** Creates a common language and clear priorities, especially for distributed teams.
  - **Profitability:** Fathom's profitability improved by ~1,000% after implementing GGB.
  - **Employee Engagement:** Fathom's engagement scores are now in the top 15–20% of its industry.
  - **Problem Solving:** A systematic approach helped Fathom reduce inventory shrink by 3.5% in one year.

- **Strategic Decisions:** EOS gave Dana's team the confidence to fire a customer representing 17% of revenue, knowing they could replace it.

## Next Steps

- **All Participants:**
  - **Build Cash Reserves:** Maintain a strong cash position or line of credit for emergencies.
  - **Cultivate Relationships:** Invest in strong relationships with employees, customers, and the community.
  - **Consider a BOS:** Evaluate systems like EOS, Rhythm, or Scaling Up to improve strategy implementation.
  - **Document Everything:** In a disaster, track all costs, labor, and damage with photos and receipts for insurance and aid claims.