

Fire Damage results in a 75% increase in productivity



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When a commercial client has a major loss, expert claims administration and support can be vital for the financial wellbeing of the corporation. One of Parker, Smith & Feek's food processing clients experienced a devastating \$15 million fire to their Mid-West processing plant, which completely shut down operations at that location for eighteen months. Parker, Smith & Feek Claims provided expert assistance throughout the process, which helped the processor navigate its way through both immediate and long-term challenges.

Since this was a large processing firm, one immediate problem was the substantial amount of in-coming raw materials in transit and scheduled for delivery to the Colorado facility. Parker, Smith & Feek Claims worked with the client to rapidly determine alternative processing centers in the U.S. and facilitate diversion of the deliveries. Parker, Smith & Feek Claims also arranged for a tracking system that captured the additional transportation, labor, and processing costs incurred as a result of the rerouting, which aided in claims adjustment for additional expenses associated with the fire loss.

The client also had to determine a long-range strategy, based on a sound business plan, for the facility. The client considered several options: permanent closure and diversion of operations to other facilities, purchase of a nearby competitor, rebuilding the plant as originally constructed, or rebuilding with an upgrade that included state of the art processing equipment. Parker, Smith & Feek Claims worked with the insurance company to determine the potential claims recovery available for each option, which made it possible for the client to make an informed decision that included projected costs for each scenario. The client decided to rebuild and upgrade their processing system after determining that the additional, out-of-pocket costs would only be \$150,000.

Our client benefited from Parker, Smith & Feek's attentive service and expertise throughout the processing of the claim. The client was not only able to avoid a logistical nightmare immediately after the fire, but also took the opportunity to invest in the company's future through the facility upgrade. In fact, once the processing plant was up and running again, the client realized a 75% increase in productivity and 50% reduction in processing costs.