Enterprise Disaster Risk Management and Cooperation with the Government

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Enterprise Risks

① Strategic risks
- Competition between companies (Price decline)
- Change in market environment (Customer preference)
- Technical changes/obsolescence of the existing technologies
- Merger&Acquisition

② Operational risks
- Disruption in supply
- Faulty quality in products
- System crash
- Security issues

③ Environmental risks
- Natural disasters, such as earthquakes and floods, etc.
- Geopolitical risks, such as terrorism and conflicts, etc.
- Macro changes in economic climate

④ Regulation risks
- New government regulations, such as environmental measures, etc.
- Change in tax rate
- Change in accounting policy
- Accounting fraud
- Exchange, interest, stock price
- Credit risks

⑤ Financial risks
Acknowledgment:
It is urgently necessary to further enhance the initiatives for preventing/reducing disasters by companies and government as a result of the verification regarding response to the Great East Japan Earthquake.
(Ex) Acceleration in safety confirmation, securing of sufficient stockpiles, and business continuity including business partners, etc.

Proposal points:
Based on the lessons learned from the Great East Japan Earthquake, propose specific measures toward the enhancement of crisis response capability of each entity including companies and the Government

① Initiatives by companies/business communities
   • Initiatives during ordinary time such as multiplexed safety confirmation measures and securing of stockpiles
   • Response toward reconstruction, such as business continuity, after disaster occurrence

② Response required to be implemented by the Government
   • Initiatives during ordinary time such as reviewing of designated public institution stipulated in the Basic Act on Disaster Control Measures
   • Response toward reconstruction, such as temporary relaxation of regulations regarding emergency transportation of materials, after disaster occurrence
Acknowledgment:
It is urgently necessary to enhance measures since the business continuity risk has been increasing including concerns about Tokyo Inland Earthquake and Great Nankai Trough Earthquake, large-size natural disasters including overseas disasters.

Proposal points:
Propose by indicating the initiatives required to be implemented by companies and the Government respectively with the focus on enhancing business continuity level of companies

1. Initiatives to be implemented by companies/business communities
   ① Promote BCP led by executives
   ② Improve BCP effectiveness
      → System enhancement including personnel gathering outside of working hours, BCP based on result events, utilization of cutting-edge ICT technology
   ③ Establish business continuity system across the borders of organizations
      → Cooperation within a company/group, cooperation within industry, cooperation with supply chain, and cooperation with community

2. Requests for the Government
   ① Establish a healthy economic society
      → Reviewing of designated public institution stipulated in the Basic Act on Disaster Control Measures, etc.
   ② Support the initiatives implemented by companies/business communities
      → Subsidies for initiatives for preventing/reducing disasters, etc.
Summary

Corporate disaster prevention

Public-private cooperation

Enhancement of disaster prevention capabilities in the overall society