THE LINK BETWEEN ENTERPRISE RISK MANAGEMENT AND DISASTER MANAGEMENT

International Recovery Forum 2014
~ The Role of Private Sector in Disaster Recovery ~
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BUSINESS RISK MANAGEMENT
SIGNIFICANT THREATS FROM INTERNAL BUSINESS OPERATIONS

- Toxic or harmful release, biological, chemical, physical agents
- Fire, explosion
- Building, electrical, water damage

ENTERPRISES AND ORGANISATIONS

EMployees

CONTRACTORS

VISITORS

STUDENTS

SOCIETY AND ECONOMIES
BUSINESS RISK MANAGEMENT APPROACH FOR RESILIENCE AND RECOVERY

PLAN

Identify hazards
Consider the people exposed
Identify the risks (effects)
Implement prevention measures

ACT

Monitor the workplace
Monitor the people
Review adequacy of prevention and recovery measures

CHECK

DO
BUSINESS RISK MANAGEMENT
THREATS FROM OUTSIDE THE ORGANISATION

- Power cuts, water supply failure, transport disruption
- Natural disasters e.g. flood, landslides, hurricanes, earthquakes
- Pandemics
- Raw material supplies disrupted
- War, bomb threats, violence, conflicts, strikes
- Service, school closures

SOCIETY AND ECONOMIES
ENTERPRISES AND ORGANISATIONS
EMPLOYEES, CONTRACTORS, VISITORS, STUDENTS
MANAGING THREATS TO BUSINESS

Business needs to act to
- protect its employees and others
- protect essential business functions
- minimise net financial impacts
- assist communities in recovery, providing the expertise in their sector

Many businesses, NGOs and charities provide what nations used to - in developing resilience and assisting recovery
SYSTEMS THAT CONTRIBUTE TO MANAGING AND RECOVERING FROM INCIDENTS

THE STATE & PRIVATE SECTOR
- Social protection
  - Assistance and relief
  - Health, old age, unemployment insurance
- Public good
  - Infrastructure
  - Law and order
  - National defence
- Public policy
  - Regulatory framework
  - Macroeconomic management

CIVIL SOCIETY & PRIVATE SECTOR
- Households
  - Family support
- Communities
  - Collective action
- Enterprises
  - Jobs
  - Incomes
- Financial systems
  - Insurance
  - Credit

INTERNATIONAL COMMUNITY
- Resources, expertise, global rules, coordination

PEOPLE’S RISK MANAGEMENT
MINIMISING IMPACTS
MAXIMISING RECOVERY

Regional or national emergency plans
Business continuity plans
Health, safety and security, rescue interventions

SOCIETY AND ECONOMIES
ENTERPRISES AND ORGANISATIONS
INDIVIDUALS

Enterprises provide information reinforcing national action
GENERIC BUSINESS CONTINUITY PLANS

- normal and integral part of organisation's management processes.
- identify key products and services and the threats to these
- identify critical activities and resources supporting key areas
- identify the impact of a failure of these.
- identify circumstances in which they are initiated
- identify key roles for business continuity at critical level
- engage senior staff in development and planning
- plans to be written and tested in simulated conditions
- be flexible and capable of adaptation should the emergency response require it.
- be aligned with local, regional and national emergency plans
- The enterprise is a key learning environment for transfer of information and practice on resilience and recovery to workers, their families and communities
EMERGENCY PREPAREDNESS AND NATIONAL RESILIENCE

- International coordination at UN level
- National plans aimed at state civil protection professionals and trained private sector coordinators

Generic plans for emergencies when extensive disruption to normal services, developed from

- anticipation,
- assessment,
- prevention,
- preparation,
- response
- adaptation
- recovery
## RESPONSE AND RECOVERY PLANS FOR NATIONAL RESILIENCE

### Identify roles and responsibilities of

- National agencies, disciplined services
- Medical and health sector
- Private sector water, electricity, fuel, chemicals, security, health and safety

### Ensure they all have

- Information on how to respond to emergencies
- Information on how to recover from emergencies
- Effective communications
- Understood the hierarchy of command and control
- Resources to play their part in meeting the needs of those affected
- Arrangements to coordinate working with the media
- Coordinating arrangements between regional and national administrations and authorities
- Emergency powers that may be necessary
- Practiced the plans
PRIVATE SECTOR INVOLVEMENT IN MANAGING MAJOR INCIDENTS

In UK COBRA civil contingencies committee may be invoked

Fire, rescue, police and ambulance services control immediate incident

Oil and chemical companies have expertise and equipment, water and electricity companies contain pollution, remove other dangers, others support the emergency workers
INTERNATIONAL ORGANISATIONS WITH GLOBAL CONTRACTS PROVIDE RESOURCES
GLOBAL DIFFERENCES, KNOWLEDGE AND EXPERIENCE TRANSFERABILITY

- High risk industries where OSH and security risks are known in developed world are transferring to developing world
- Information, systems and resources to deal with failures may not have transferred or been acted on
- Economic sectors are different. High % of economically active in agriculture in developing world
- Safety, health and security at work and at home is often more blurred in developing world
- There is more informal working, less organised business engagement
- Infrastructure may be fragile to start with and easily affected by incidents
- Resources for resilience, incident management and recovery may not be available
- Different cultural barriers to effective interventions
- There should be after-the-event analysis and learning so that the business engagement can be maximised and the global response improved
Thank you
Any questions?

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