

Collective action on resilience

BY GARETH BYATT, ILAN KELMAN AND ANA PRADOS

While good business resilience helps organisations achieve their objectives, linking their resilience efforts to broader societal and environmental disaster efforts can reap rich returns

n the Autumn 2023 edition of Enterprise Risk, in our article Avoiding disasters we asked the question – can we asked the question a business work towards objectives for its owners and stakeholders while also having a societal and environmental purpose to, among other things, support efforts to avoid disasters?

This article returns to this question and provides some suggested ways to address it, based on new perspectives from our research and interviews with people into how to achieve business success while supporting disaster resilience, as part of our research into how to avoid disasters.

To clarify what we mean by a disaster, we are talking about circumstances in which people and perhaps their livelihoods, and/ or infrastructure, are harmed by hazards such as wildfires, storms

including cyclones, typhoons and hurricanes, floods, droughts, earthquakes and public health situations such as a pandemic. We are not discussing disasters caused by war in this piece.

From this perspective, there is no such thing as a natural disaster it if they put themselves in perilous places. When disasters occur, businesses of all sizes are impacted in various ways.

Disaster reduction

Let's start with some context to the question we posed just now



M Disasters do not come from nature; they come from the choices people make to live and build in harm's way

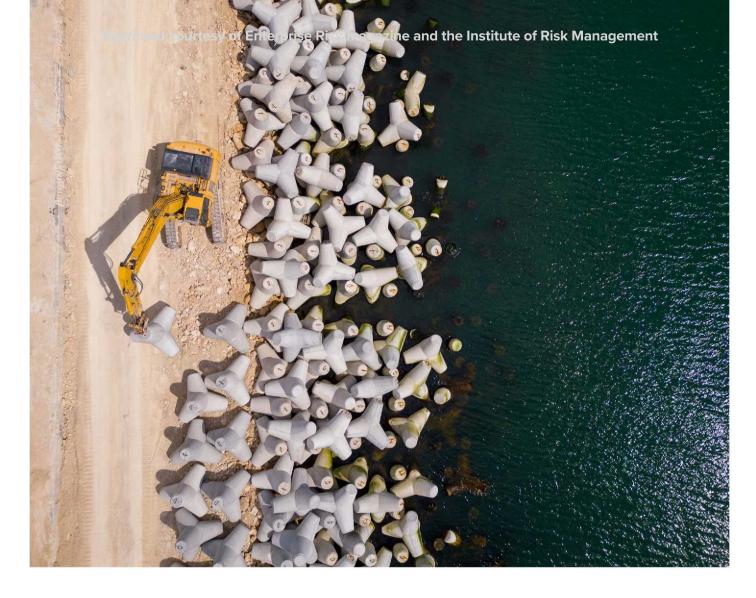
(visit the <u>#NoNaturalDisasters</u> website for more information). Disasters do not come from nature; they come from the choices people make to live and build in harm's way, to force people into dangerous locations, or to do nothing about

about business support towards disaster resilience. The United Nations Office for Disaster Risk Reduction (UNDRR) oversees the UNDRR Sendai Framework for Disaster Risk Reduction 2015-2030.

The Sendai Framework focuses on seven targets and four

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priorities for action to prevent new and reduce existing disaster risks. These include understanding disaster risk, strengthening disaster risk governance to manage disaster risk, investing in disaster reduction for resilience, enhancing disaster preparedness for effective response, and to build back better in recovery, rehabilitation and reconstruction. It aims to achieve a substantial reduction of disaster risk and losses in lives, livelihoods and health and in the economic, physical, social, cultural and environmental assets of persons, businesses, communities and

countries over the next 15 years.

The UNDRR completed a midpoint review of the Framework in mid-2023. Among their findings, they found that the private sector, by and large, views the achievement of the targets of this framework as largely the responsibility of the public sector. "It's not our business" seems to be the view of many businesses.

In October 2024, UNDRR published a <u>Global assessment report (GAR) special report 2024</u>. The key points in this report include how risk reduction and long-term planning should connect the public and private

sectors together. For example, while it found institutional shortcomings that contributed to the impact of droughts in <u>Central America in 2023</u>, agricultural businesses could help reduce the effects of future events by, for instance, using droughtresistant seeds and small-scale production methods that use less water. In addition, insurers could develop products to support affected businesses.

In this article, we provide suggestions for how businesses can help achieve the Sendai Framework's targets by stitching disaster resilience into their

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business resilience actions that help them achieve their objectives.

Systems thinking

As we pointed out in Avoiding disasters in this magazine last autumn, the COVID-19 pandemic showed us that nowhere, and no business, is immune from catastrophe. The pandemic also showed us the power and positive impact that businesses and the private finance sector can have to help society cope with a disaster - from the pharmaceutical development of vaccines to the provision of protective gear, services and products that were vital for people in those challenging times.

to the zone because the city has worked with all concerned to mitigate the worst impacts of flooding and provide incentives to use the area in innovative ways.

We believe that businesses should now be asking themselves. can business resilience for any organisation support their strategy while at the same time supporting the achievement of the Sendai Framework's targets? In order to help businesses of any size and industry work through that issue, they need to ask four key questions.

Resilience planning

First, how resilient is your business strategy and investment plan?

cost-benefit analysis can help determine what protective measures are worth paying for.

The third question can help bridge the gap between the business' own world and its environment: can the business resilience actions of my business support the achievement of the Sendai Framework?

While it is right to focus on "vour world" when you decide your resilience and business continuity needs, no business or industry operates in isolation. But taking the next step can add further value. For example, a key consideration is how, when you put your resilience / business continuity plan together, can the organisation provide support to the wider environment in which it operates in ways that can add meaningful value to the business? Systems thinking and good risk management can help you work through this question and drill into the details to understand how to meaningfully keep going or recover quickly when major difficulties emerge (see Linking business objectives with the Sendai Framework).

All ideas to link your business resilience to disaster resilience should be discussed with key people in your business to gain a rounded view on what is realistic and feasible to achieve. It should be linked to your governance, how your business sees its role within its eco-system and how such efforts can contribute towards meaningful targets for your investors and owners.

Finally, when businesses have worked through those issues, they can define what their business resilience and continuity plan should look like. Many people know the standard contents of a Business Resilience / Business Continuity Plan (BCP), in line with ISO 22301:2019 (Security and resilience - Business continuity management systems - Requirements). But what new dimensions can the business' consideration of the Sendai Framework add? For example,

Linking your business resilience to coordinated action to support disaster resilience and avoid disasters makes good business sense

One of the learnings from the pandemic is the power of systems thinking to understand key connections in our ecosystem and our operating environment, and the power of organising good interoperability with others to be ready to deal with adverse situations. In fact, our research shows that when a disaster is avoided, there is usually some form of business involvement, direct or indirect, that has played a part.

For example, <u>Hafencity in</u> Germany is located in a floodprone area of Hamburg. Instead of relying on flood barriers to keep the water out, the city authorities have worked with businesses and the community to develop innovative solutions for using the low-lying areas for a wide variety of uses. Ground floor ceilings, for example, must be 5 metres high so that retailers, museums, cinemas, schools and businesses can find uses for them – at a reduced price. Businesses have been attracted

Working out what good business resilience looks like starts with how it supports the objectives your business is aiming to achieve, and what can threaten them. Whatever market you operate in and the extent of your geographic footprint, your resilience measures need to support your strategy and provide confidence in your investment plan.

Second, what resilience measures should you invest in? Operational resilience measures keep your business going when some sort of disruption occurs, and/or get you back up and running as soon as practically possible when something happens that brings activities to a halt.

Typical thinking in this space looks at what is critical to what you as a business do that is specific to your circumstance. That includes considering the key people and equipment you use, your assets, your energy and water needs, and critical parts of your supply chain. A

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LINKING BUSINESS OBJECTIVES WITH THE SENDAI FRAMEWORK

- i What specific points in the Sendai Framework can we meaningfully contribute towards (not just wishful thinking or generic words)?
- ii Can you then define tangible links between your business resilience and the Sendai Framework?
- iii What meaningful benefits (to the business, the local community or both) can you define by doing this?
- iv Have you discussed with and perhaps learned from other businesses about how they are supporting the Sendai Framework, and what they are gaining by doing so?
- v Have you contacted or are you already part of the ARISE business network, the global network established by UNDRR to help businesses realise value by supporting disaster resilience, and/or other similar networks?
- vi What actions would be worth implementing that go beyond and do more than the Sendai Framework (perhaps they may be linked to the Sustainable Development Goals)?

Gollective action from businesses helps everyone

businesses could discuss their resilience plan with local and national authorities and agree on areas of shared interest for collaboration. That may mean building up expertise, facilities and resources to support community resilience in a way that is mutually beneficial. In addition, testing the resilience plan against the Sendai Framework may expose weaknesses or highlight areas where you can better support its objectives. Finally, reaching out to other networks, such as Arise, for feedback could bring further benefits.

Business sense

We appreciate there may be elements of a business continuity or resilience plan that may not be appropriate to share with others

for various reasons. However, we suggest that the key points in your plan and how your business resilience supports disaster resilience can be shared for others to learn from and perhaps provide valuable feedback on.

Whether you are a local business operating in one area or a national or multinational business operating in multiple areas, linking your business resilience to coordinated action to support disaster resilience and avoid disasters makes good business sense. Demonstrating a purposeful role in and commitment to society and the environment adds business value. The key to making it happen is to have the right mindset and to think about it as part of upfront planning.

As we referred to earlier, the

actions of businesses during the COVID-19 pandemic show us what's possible when we put our minds to it. The finance and insurance sector can assist with innovative proactive solutions for people and communities to be resilient against hazards. Engineering, design and construction firms (designers, suppliers and builders) can create solutions for buildings and infrastructure to be sustainable and resilient against hazards, including the use of nature-based and nature-positive solutions that integrate well with the local ecological environment. Technology, telecoms, satellite specialists and drone/UAV businesses can provide services to assist with monitoring threats and providing an effective early response. Grocery and food retailers can help communities with the provision of critical services. Collective action from businesses helps everyone. People can continue to earn livelihoods or recover them quickly; supply chains can keep operating; disasters can be avoided.

Helping society avoid disasters is good business. With the right thinking (aided by systems thinking), tangible linkages can be drawn between implementing resilience measures to protect business objectives and contributing towards broader societal and environmental purposes. Through a collective will and the right mindset, we can work together to avoid disasters, and businesses can work towards their objectives while supporting broader society.

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