

Avoiding disasters

BY GARETH BYATT AND ILAN KELMAN

Businesses spend a lot of time and money on disaster recovery processes, but they could do more to avoid catastrophe in the first place

Can 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? We believe so. By disaster, we are talking about circumstances in which people, infrastructure and/or livelihoods are harmed by processes such as wildland fires, storms including cyclones and hurricanes, major floods, droughts, earthquakes and public health situations such as a pandemic. Disasters caused by war require a different discussion.

Note that harm to us is required for it to be a disaster. So-called natural disasters do not exist; they are just disasters. Disasters do not come from

nature; they come from the choices we make to live and build in harm's way, or to force people into harmful situations or do nothing about it if they put themselves in perilous places.

Despite the efforts of many people, disasters continue to occur around the world. [The United Nations completed a review in mid-2023](#), which emphasised an increase in the number of people affected by disasters since 2015, that disasters are expensive to respond to and that funding for disaster risk reduction has stalled.

Disasters affect everyone

As we saw with COVID-19, nowhere is immune from catastrophe. Disasters have damaging impacts on businesses and the economy, as well as on

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society and the environment, in communities, cities, towns, and rural and remote areas including small islands. Supply chains break down, property gets damaged and company share prices can plummet as investors take flight. Recovery from disaster can be a long and costly process that can prevent businesses from focusing on retaining and expanding

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their customers and clients, and other business objectives.

Is your business taking action to help the places where you have a presence avoid disasters? If a disaster does occur in an area where you operate, does your business play a role in protecting communities and the environment as well as focusing on your own people and operations? Whether you are a local business operating in one area or a multinational, being part of co-ordinated action to avoid disasters and tackle disaster threats can help you deliver your objectives by maintaining a good state of organisational resilience

the world of storms, fires, floods, earthquakes, ongoing drought and other situations and events, yet we are not destined to see human lives lost, livelihoods destroyed and harm to nature that may take a long time to recover from, if at all. No disaster should be a shock or “black swan” to us because we should know the hazards and threats we face – we have had enough practice and experience of them by now.

Some hazards cannot be predicted to happen at specific timings or locations, but we can predict and act on the vulnerabilities and exposures we face. We can also define and

private sector can add value in analysing risks and threats and taking action to avoid disasters.

Principles for avoiding a disaster

Common threads we see enabling strong and flexible bonds to exist between groups of people working to avoid a disaster include having a mindset to avoid disasters, rather than accepting them as inevitable. Good governance and accountability are important. Understanding a wide range of perspectives and cohesive and transparent action by groups involved is also critical – as is the allocation of scarce resources

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and demonstrating a purposeful role in and commitment to society and the environment.

Being part of efforts to avoid disasters can bolster your organisational resilience and crisis management practices, such as protecting against supply chain disruption, a cyber-attack or an environment/safety incident (purposeful and co-operative business resilience of this type is something Gareth has written about in a previous edition of Enterprise risk). It's not a question of choosing between achieving business (and maybe shareholder) objectives and supporting a broader purpose – both can be achieved.

Disasters can be avoided

In our research work into disasters avoided, we use a definition of a disaster that is brief and simple: *a major situation requiring outside support for coping*. Something happens, we cannot deal with it and we need help.

The key question is, what can we do to avoid a disaster? Every day there are examples around

measure quantifiable outcomes to show the socio-economic benefits of avoiding disasters for all groups of society (including the public, businesses and governments), which is important to show the benefits of investing time and scarce resources into proactive action. Good things happen when committed people and organisations collaborate in a symphony of action to prevent a disaster from happening (and are also ready to respond to disasters that occur).

Through a series of case studies, which are funded by NASA, we are documenting examples from around the world of how disasters are being avoided (our findings and material are being made freely available). Time and again we see the valuable role that businesses play in achieving this outcome. From providing proactive community support to working on technology solutions and helping to build resilient places, businesses play a valuable role. We also see examples of how risk management and resilience techniques used in the

and funding informed by science-based evidence and data.

Key in all of this is a willingness – a mindset – by everyone to invest in upfront planning and action towards saving lives and livelihoods and protecting the environment. As part of this effort, we can also define quantifiable societal, economic and environmental benefits which can be linked to the [UN Sustainable Development Goals](#) (SDGs) and the [Sendai Framework for Disaster Risk Reduction 2015-2030](#). As we are finding in our case studies, many businesses around the world are working with governments, support agencies, academia and the public to help avoid disasters and to be better prepared to deal with disasters that occur.

Resilience requires an integrated approach

When it comes to allocating scarce resources, some actions involve dedicated financial investments, others are more about establishing a network of people to act co-operatively. There must be clear



KEY POINTS AND CONSIDERATIONS

Helping society to avoid disasters is good for business – positive linkages can exist between business objectives and a broader societal and environmental purpose. Here are a few summary points to consider.

- 1 Businesses can and should play their part in helping to avoid disasters, as part of achieving their objectives. What skills and services can your business provide to help achieve this goal, in the parts of the world where you have a presence?
- 2 How can your business work with government, researchers and other teams towards this effort? Could learnings from the way you manage risk and resilience in your business be useful for an integrated group working to avoid disasters?
- 3 Helping communities, cities, towns, and rural and remote areas to avoid a disaster can help your business resilience. Knowing where your vulnerabilities are, and the disaster threats you face, can help you focus your efforts and support yourself and those around you.

provide services such as Earth observations to assist with monitoring long-term trends and short-term threats. Grocery retailers can help communities in many ways. Collective action from businesses helps to sustain and maintain economic outcomes for everyone. People can continue to earn their livelihoods or recover quickly to do so, supply chains can continue to operate, infrastructure and the built environment can continue to be operational and disasters can be avoided.

Many tools and techniques that can help the effort to avoid disasters are related and similar to those used for achieving good business resilience and risk management. For example, counterfactual analysis and near-miss analysis helps us to think through how actual situations or close calls could have unfolded differently. The use of premortems and “prospective hindsight” can help us to think through worst-case scenarios and how we can avoid them. Bowtie analysis helps us to unpack specific risks or threats. The Johari window psychology construct tells us to consider “unknown unknowns”. In the business world, just as with disaster risk management, the Johari window can help us understand and manage risk.

As the head of UNDRR ([United Nations Office for Disaster Risk Reduction](#)), Mami Mizutori, has stated: “disasters can be prevented, but only if countries invest the time and resources to understand and reduce their risks.” We believe that, with a collective effort including the support of businesses around the world, we can avoid disasters. 🌐

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and transparent visibility across all groups involved, with the “glue” that bonds these groups together being good governance and shared accountability.

What role can businesses play? The actions of many businesses during the COVID-19 pandemic provide us with a great many examples (from pharmaceutical companies to restaurants and manufacturers). Opportunities abound for businesses of all sizes and in all parts of the world to be part of collaborative efforts and projects to achieve sustainable resilience against disaster threats. Businesses can support governments and local authorities in many ways. The finance and insurance sector can assist with innovative proactive finance and insurance solutions

for people and local communities to have resilience in the face of disaster threats. Engineering and construction firms (designers and builders) can create solutions for buildings to be both sustainable and resilient against disaster threats, including nature-based solutions that integrate with the local environment. Technology, satellite specialists and drone manufacturers can



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During 2023 and 2024, we will be releasing case studies and examples of disasters that have been and are being avoided.

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