A partnership for accelerating pre-disaster planning

Business Continuity Planning programme
Acknowledgements

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The programme

The Humanitarian Leadership Academy (the Academy), Unilever, and Save the Children UK have been in partnership since January 2016. Together, with the Philippines Disaster Resilience Foundation (PDRF) and the University of the Philippines Institute for Small Scale Industries (UPISSI), they have designed and implemented a pioneering programme called the Business Continuity Planning (BCP) programme, which aims to build the disaster resilience capacity of business leaders from micro, small & medium sized enterprises (MSMEs).

Over one year, 1000 MSME business leaders, and other organisations, in the regions of Luzon, Visayas and Mindanao have been equipped with the knowledge and tools to be able to assess the risks to their business, mitigate hazard impact, and be able to continue business operations after a disaster. The programme also trained 25 Master Trainers, equipping them to facilitate BCP training for MSMEs beyond the life of the pilot programme.

The training was delivered as a two-day workshop and was aligned with the ‘six steps to business continuity planning’. The main outcome of the training was a roadmap developed by each business leader and strategically tailored to their business enabling them to analyse potential risks and plan to mitigate against these.

“With Typhoon Haiyan happened we were in a state of shock. For a whole week, we did not do anything, we were just stuck, asking ourselves ‘What do we do now?’ If not for that one worker who suddenly appeared in our business and asked me: ‘do I still have a job with you? Can I work?’

“That’s when I snapped back into the real world and realised we had to take action—we realised our responsibility to the community who counted on us for their livelihoods.”

– Ms. Eva Marie Adona
Owner, Eva Marie Arts and Crafts, Tacloban
BCP training participant, July 2017

“The biggest challenge faced by MSMEs is how to pick themselves up after the hazard and how to establish resilience. We often underestimate the potential effects of hazards. What I learned from the training was that the biggest challenge really is knowing how to prepare and how to be resilient once the hazards become disasters.”

– Mr. Joseph Porfirio L. Andaya
Trainer of Trainers for the BCP programme, July 2017
The vision

The BCP programme has one clear vision: In countries affected by disaster and crises, MSME business leaders are equipped with knowledge and tools to strategically assess risk and develop contingency plans to continue business operations after an incident. Furthermore, these businesses are able to continue their role in their value chain, combined with a policy environment that supports business continuity planning.

The challenge

In the Philippines, natural disasters are frequent and often large scale. Even small-scale hazards, such as the risk of theft or building fire, can significantly impact individual businesses.

MSMEs have been the focus of the BCP programme training activities, as they are particularly affected by hazards and natural disasters. Such events can be significant, potentially catastrophic for them and for the

Why focus on MSMEs?

- The most vulnerable families in the world depend upon local markets and supply chains for their livelihoods and material needs

- These businesses are especially vulnerable in crises. They cannot access insurance, and live in regions without robust welfare safety-nets

- Disasters cause huge disruption to local supply chains and markets, with devastating impact on the livelihoods of dependent communities

- Preparedness ensures these shocks are less severe and less prolonged, building resilient supply chains and ensuring speedy rehabilitation for continued economic development

- It is local people, businesses and organisations that are first responders in disasters. The Academy will provide them with the skills to do so

"Micro, small, and medium sized enterprises employ more than one third of the global population and also form important parts of multi national companies’ supply chains"

"These enterprises are particularly at risk as they have limited resources to recover from damages and losses"

"How well small-scale producers and enterprises respond to a disaster, can have significant repercussions for lead businesses"

"Disaster recovery and preparedness are mutually reinforcing disaster management strategies – preparedness reduces recovery costs and can reduce the risks of adverse economic effects; disaster recovery can strengthen preparedness capacities and reduce vulnerabilities to future hazards"

Business & Disaster Recovery Report 2014, CSR Asia and Prudence Foundation
communities where they are located, who rely on them for access to essential items such as food, drinking water, shelter & household items and medical supplies. This becomes especially significant in the face of disaster and crises.

MSMEs typically form a large proportion of any economy. For example, in the Philippines there are around 900,000 registered businesses and 99.5% of these are categorised as an MSME. They are also an important source of employment, with the loss of jobs being another knock on effect resulting from business closure or delays resuming operations.

The importance of MSMEs

Our approach to mitigating the impact of disasters emerges from a holistic understanding of the ecosystem in which MSMEs operate through this programme. It is evident the pivotal role the MSMEs play in ensuring survivability and rapid recovery of communities after disasters. The faster they can resume business, the faster the community can recover (See supplementary report, pg 5).

By reducing the vulnerability of MSMEs through the BCP training, businesses will be able to remain operational during and after a disaster reducing impact on a vital supply to customers and communities, paying employees, reducing vulnerability to suppliers upstream, maintaining livelihoods and wellbeing to those affected by the disaster downstream.

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Impact Story

In 2017, in a rural community in the province of Albay in the Philippines, grocery store owner, Ms. Balaguer, braced for the impact of an impending storm. Just two years previously, the province had been devastated by a major typhoon, which destroyed homes, businesses, and farmlands. The damages caused by the previous typhoon had amounted to hundreds of millions of dollars (US). Lives were also lost, causing immense grief to many residents in the community. The new typhoon was expected to be more powerful. It was expected to bring heavy rains, winds, and the threat of tsunamis. The grocery store owner and her family prepared for the worst.

While the impending storm was certain to wreak havoc again to the province, the grocery store owner was better prepared this time around. Following participation in a BCP training seminar a few months beforehand, Ms. Balaguer had taken steps to protect her business and avoid disruptions in her operations. For example, she raised the foundations of her store to avoid getting flooded during heavy rains. She also prepared an emergency kit and rented a generator in case of an electricity outage. To ensure that she could supply the community with essential commodities, the grocery owner stockpiled inventory in a warehouse situated in a safe, elevated location.

As the storm barreled through and exited hours later, her store remained open to serve the community.

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1 Department of Trade & Industry, the Philippines
Achievements

In mid-2017, an independent evaluation of the programme determined the programmatic impact on training participants and the factors that influenced the success and learning from the programme.

The evaluation found that the BCP programme has delivered on its objectives to develop contextually appropriate training curriculum and train 1,000 MSME leaders. The programme also contributed to outcomes at the business level directly linked to the Theory of Change on page 7.

In its pilot phase from 2016-2017, the programme has given clear results in the short-term outcome areas of building awareness and encouraging MSMEs to develop emergency plans for themselves and with their suppliers. The programme now has the potential to achieve impact in the medium- and long-term outcome areas, especially as learning and success can be drawn from the programme and shaped into a sustainable, replicable and scalable programme model.

In addition to businesses, a small number of other organisations with a stake in disaster risk reduction were represented at the trainings. This included the public sector (e.g., the Department of Trade & Industry, Chamber of Commerce and local government), larger corporations, Unilever, community development staff and NGO representatives. This also enhanced the training experience for the participants who had the opportunity to share experiences and network with different types of organisations. Anecdotal findings suggest that this approach has contributed to new, informal networks in communities affected by disasters and has also effectively engaged decision makers and policy makers in the programme.

The findings and trends that were identified during the evaluation have been categorised into four thematic areas that also reflected the training approach: changes to preparedness, vulnerability and sustainability, as well as the factors that contributed to the effectiveness of the programme.

The business continuity planning training opened my eyes to many things that I should prepare for to address disasters. Before the BCP, I had a negative mentality and feared that my business will end after a disaster. But the training programme helped me find solutions ...”

— Mr. Ricard Sabdao
Mayon Farmers Association in Albay
The Challenge
Micro, small and medium sized enterprises (MSMEs) are particularly affected by hazards and disasters. Such events can be significant, potentially catastrophic for them and for the communities where they are located, who often depend on them access to essential items such as food, drinking water, shelter & household items and medical supplies following a disaster. MSMEs are also a source of employment and an important part of the economy.

The Purpose
Increase availability and accessibility of high quality business continuity planning (BCP) training for MSMEs and influence the BCP policy and planning environment in relation to disaster risk reduction.

The Vision
In countries affected by disaster and crises, MSME business leaders are equipped with knowledge and tools to strategically assess risk and develop contingency plans to continue business operations after an incident and continue their role in their value chain, combined with a policy environment that supports business continuity planning.

The Outcomes

**SHORT-TERM**
- High quality and accessible BCP learning opportunities, through online formats or replicated by skilled and knowledgeable trainers through networks, cooperatives or segments of value chains.
- Build awareness of concepts and practices around disaster and risk management throughout MSME and policy & planning landscape.

**MEDIUM-TERM**
- BCP Training Programme becomes institutionalised to train MSMEs and other actors, engaging policy makers and NGO/governmental humanitarian actors.
- Accelerated pre-disaster planning by MSMEs in a supportive BCP policy environment, who are able to get their business back up and running as soon as possible after a disaster and maintain their role and services in the community and economy.

**LONG-TERM**
- BCP training is replicated across the national MSME landscape, due to an accessible online format and through networks, cooperatives and local/regional/national government initiatives.
- MSMEs develop procedures, plans and contingencies to mitigate risks, increasing their preparedness and reducing their vulnerability.

Strategic partnerships contribute to enabling environment
Preparedness

Key findings:

Business leaders from small and medium sized enterprises (SMEs) who participated in the programme were 14 percentage points more likely to have an emergency plan when compared with similar businesses who did not attend the training programme. The establishment of an emergency plan was a key focus of the programme.

Trainee retailers indicated that following the training they had taken steps to ensure that, in the event of a typhoon, they had alternative options planned for safer storage of stock.

The greater likelihood of a participant SME having an emergency plan demonstrates that the programme was successful in improving preparedness at the short-term outcome level of the theory of change model.

Given that resources are often limited after a disaster, it is increasingly recognised that communities need to build resilience and prepare before an emergency takes place.

The programme’s baseline study found that 61% of the businesses had an emergency plan in place before the training. The endline evaluation found that this had increased to 79% of those who participated in the BCP training.
Vulnerability

Key findings:

Small and medium sized enterprises (SMEs) who participated in the programme were 47 percentage points more likely to have medical insurance, than similar business who did not participate in the training.

SMEs were also 22 percentage points more likely to have suppliers with an emergency plan. Insurance increases the likelihood of being able to rebound after a disaster and ensure that employers do not need to dip into reserves to pay for employee medical costs.

Key informants said that the time they spent participating in the training gave them the opportunity to reflect on their role in their community in terms of providing essential goods and services, such as household items, and their role as an employer.

The fact that suppliers to training participant businesses were more likely to have an emergency plan demonstrates the follow-on effects of the training to supporting industries.

Impact Story

For Ms. Ledesma, owner of the 5H store, disasters such as fire and floods were serious threats because of the damages these cause to products. She indicated that companies did not accept products anymore if the store was flooded. Aside from fire and floods, she also cited theft and looting as ancillary threats. After attending the BCP training, Ms. Ledesma indicated that her most valuable learnings were how to address theft and floods. For theft, she began relying on Close Circuit TV (CCTV) cameras to protect her business premises. In addressing floods, she explained that the BCP training compelled her to better plan and organise her warehouse operations.

In particular, Ms. Ledesma pointed out that in the event of a major storm, she moved her products to strategically located areas on the higher-level floor to protect these from floods. Another valuable input she derived from the training was knowing the hotline numbers of important contact persons who respond to calls for help during disasters such as the Philippine National Police (PNP) and the fire department.
Sustainability

One of the first steps in increasing the sustainability of individuals, organisations and communities to manage the effects of hazards and disasters includes individuals identifying the risks to them, as they perceive them, as well as realising their potential capacity to mitigate their impact².

Given this, one of the focuses of the training for the participants was to identify the key risks and challenges their businesses may face in the immediate aftermath of a disaster. The rationale was that by increasing awareness of businesses to the challenges they may face would allow them to then identify contingency measures to mitigate against the effect of these challenges and further the sustainability of their business activities.

Key findings:

Participant SMEs exhibited a greater understanding of key concepts related to risks to business sustainability as a result of the training. They were 6 percentage points more likely to identify loss of capital, 64 percentage points more likely to identify loss of stocks and 31 percentage points more likely to identify payroll delays as challenges following a disaster.

Key informant interviews with training participants highlighted several examples of how the training gave them a greater awareness of the value of business continuity planning and their role in their community following disasters.

Impact Story

For Ms. Blecie Consuegra, natural disasters were threats she worried about constantly. In fact, back in 2012, a major typhoon decimated all her stocks and burdened her with costly damages. It took her a week to recover from the tragedy. When Ms. Consuegra participated in the BCP, she focused her attention on addressing her problem with worker shortages. The strategy she came up with was to support them further in their work, so she raised their salaries and provided a level of insurance. Ms. Consuegra pursued other steps following the training: she invested in additional fire extinguishers to better deal with fires and CCTV equipment to deter theft and looting. However, she did suggest that to improve the programme, first aid should also be part of the training modules.

Effectiveness

Several MSME training participants, programme implementers and partners, as well as policy makers and planners in Disaster Risk Reduction (DRR) and BCP, were asked what factors they thought had influenced the effectiveness of the programme. The key trends are listed below.

**What were the major factors influencing the achievement of the objectives?**

**Responding to needs:** the majority of respondents said that the programme met a demand for BCP training amongst MSMEs, who wanted support and effectively engaged MSMEs who are likely to be the most vulnerable to disasters and crises.

*“During the first day of the training I said, ‘What will we do?’ I had the impression it was for businesses because in my mind, if you say ‘business’, you are merely referring to big businesses, like corporations. I had also become negative and felt like giving up. But when I saw the details of the BCP and every page that was presented, I understood... I saw that it was suitable after all for small businesses.”*

— Mr. Ricard Sabdao
Mayon Farmers Association in Albay

**Shared partnership approach:** the ability to connect with the Unilever value chain and learn from Unilever’s contextual experience has been a key factor in the success and reach of the programme.

**Mix of organisations types in the training sessions:** this was advantageous to sharing of experiences and networking. The majority of the participants were MSMEs but a minority were larger corporations, as well as community development staff from Unilever, representatives from cooperatives, regional government agencies and local government. This also gave the opportunity to engage stakeholders who have influence in disaster risk reduction and business continuity planning policy.

**Training module content:** the main outcome from the training was a roadmap strategically developed to each MSME. These were designed by the business leaders during the training. Several of the training participants credited the ‘six steps to BCP’ training content as efficiently guiding them through this process.

Development of training module content with different stakeholders: input from the programme partners (PDRF and UP ISSI) and other agencies who had knowledge of disaster risk reduction and business continuity strategies enhanced the quality of the content, as well as engaging such agencies in the programme.
Strategic partnerships

The programme has raised the profile of BCP with influential stakeholders in the Philippines. This was achieved through individuals attending training and the Academy establishing links with relevant actors critical for influencing policy and planning at the national, regional and local levels.

Partnerships support the overall programme strategy, especially by contributing to an enabling environment for BCP. The pilot programme provided an opportunity to identify several broad purposes of partnerships that can enhance the overall strategy:

» Stakeholders providing technical input to the programme and training content.

» Stakeholders who can deliver the BCP training to their networks of MSMEs, to further the impact and reach of the programme.

» Raising awareness and helping to recruit MSMEs and other organisations to the training.

» Influencing national/regional DRR policy (such as improving mandatory building safety standards) and the inclusion of BCP and support into national and local policies and plans.

What we’ve learned

The following section lists the main learning points from the programme pilot, also taking into account the cost-effectiveness information.

» There is a demand and need for business continuity planning in the Philippines amongst MSMEs and other organisation types.

» MSMEs often form the largest proportion of commercial enterprises in a country’s economy, play a critical role in value chains and are the largest employment source. However, they are often the most vulnerable to crises and disasters.

» Larger corporations are ‘life-lines’ for MSMEs in terms of the development of value chains and additional support. Collaboration with an organisation such as Unilever has meant that the programme has achieved so much more through engagement with established value chains, as well as the opportunity to learn from their experiences and knowledge of the context.

» "The baseline identified cash flow as a major challenge in times of disaster – the average MSME has 1-week survivability should it have to close. By reducing vulnerability to achieve availability of 1-month’s salary across 1,000 MSMEs, in theory, it will be the same as placing nearly GBP 4 Million into the affected community, a 1:12 cost to benefit ratio.

» Continued engagement and strategic partnerships with policy makers and planners, academic institutions, NGOs and cooperatives, will provide an enabling environment for BCP.
environment for business continuity planning and aid programme sustainability.

» The focus on the 'six steps to BCP' was effective for the training participants.

» The Trainer of Trainers (ToT) initiative has the potential to increase the reach and impact of the programme, especially if the trainers are part of networks and cooperatives.

» From the view of a circular economy, the continuity of the business will ensure the continuity of livelihoods in the community and supply of essential items for the household. Similarly, the MSMEs suppliers’ continuity will be ensured which in turn will mean that suppliers will be able to pay their staff and thus the staff’s family.

» The faster the recovery of the businesses the faster the recovery time of the communities.

» Respondents could clearly articulate a future implementation plan in line with what was learnt from the BCP Training. These mitigation strategies can be grouped into 6 categories related to vulnerability reduction and mitigation: Safety and Security of stock, staff and premises; Record management and back-ups; Alternate recovery sites and storage facilities; Flood mitigation; Refrigerated goods kept viable; Business and financial growth.

» There is great opportunity to contribute externally to the evidence base about BCP programming, given that there is not currently much documentation about the use of BCP in development contexts and the potential outcomes.

Sustainable, replicable and scalable programme model

The pilot programme has already achieved change in the short term outcome areas amongst the MSMEs who have attended the training during 2016/17.

The programme has achieved clear results in the short-term outcome areas related to building awareness and encouraging MSMEs to develop emergency plans for themselves and with their suppliers. The programme now has the potential to achieve impact in the medium- and long-term outcome areas, especially as learning and success can be drawn from the programme and shaped into a sustainable, replicable and scalable programme model.

Two potential programme models for scale up that build on impact and reach have been developed, as seen in Boxes 3.1 and 3.2 on the following pages.

High level recommendations to facilitate rapid scale up:

- Further analysis that explores tangible operational cost reduction, demand generation and willingness-to-pay with potential participant groups.

- Transfer ownership over time to potentially a public private platform as referenced in both the baseline and endline reports.
Box 3.1: Potential programme models

Option 1

**OVERVIEW**
Blended learning with two components; an online module to be completed in advance with core information, followed by a one-day in-person training component. The in-person component could be a standard format potentially be delivered through a number of partners and cooperatives.

**BENEFITS**
The benefits of in-person training would be retained, including a mentoring approach and opportunities for networking.

MSMEs that cannot access the online module could potentially catch-up/complete this in the in-person session.

It is possible to adjust the two-day training schedule into a one-day format. Completing an advance module online and presenting the BCP roadmaps in small groups clustered by industry or disaster scenario would also enable this.

**RISKS/CONSIDERATIONS**
The planned scale could be achieved in the online component—but it could be challenging to replicate this scale in the in-person component.

**COSTS/RESOURCE ESTIMATES**
A cost and resource estimate would be needed for programme management, design of content and maintenance, facilitation and governance of advance online module (cost also dependent on the number of hours of content).

The cost of a one-day workshop would be reduced in comparison to the previous two-day format (especially accommodation costs).

Box 3.2: Potential programme models

Option 2

**OVERVIEW**
100% online format, utilising the Massive Open Online Course (MOOC) framework on the Kaya platform.

**BENEFITS**
A key benefit is that MOOC formats are aimed at unlimited participation. With right levels of human resources, content can be designed to be current, compelling and tailored to the target audiences.

Training participants could access support, networking and interaction through forums, with the right levels of resourcing.

Participant numbers and registrations can be recorded, which will support planning and evaluation.

Approved trainers and facilitators (eg from PDRF, UP ISSI, the Trainer of Trainer initiative or other stakeholders such as BCMAP and DTI) could leverage their networks to complete the online training course (and deliver content in person if necessary).

**RISKS/CONSIDERATIONS**
Consider building in suitable reward mechanisms. For example, a basic option is a printable, auto-generated certificate of completion. The next level up from this could be a social certificate, which has the potential to be shared with the participant’s network through online platforms. Another step up is a verified certificate with an external exam provider, although this may incur a fee.

Opportunities for networking during the training will not be so readily available.

Training materials need to be available in the relevant languages and dialects.

It is expected that a minority of MSMEs would not be able to access online content, eg, due to lack of internet access, and a solution is needed for this if they to be included. For example, training facilitators who have been approved by the Academy could be given access to the training materials on Kaya and deliver in-person training sessions within their networks. However, a risk associated with this is the reduced ability to collect programme information about who has completed the training.

**COSTS/RESOURCE ESTIMATES**
A cost estimate would be needed to create content for online training course, as well as resources to provide all the needed functions to manage, implement, moderate content and participant discussions, monitor and govern the training course (also dependent on the number of hours of content).
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Humanitarian Leadership Academy
We are a global learning initiative set up to facilitate partnerships and collaborative opportunities to enable people to prepare for and respond to crises in their own countries.

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