Over the last decade we have seen a dramatic increase in humanitarian crises: from man-made conflict, to climate change related disasters including typhoons and earthquakes, and global health emergencies such as the Ebola outbreak. These humanitarian crises are becoming more frequent, widespread and complex.

It is becoming increasingly evident that global crises impact everyone, not just those on the frontline. Crises lead to vulnerable societies that are prone to social and economic degradation and instability. These problems are rarely contained, affecting governments, societies and businesses everywhere.

During and in the immediate aftermath of disasters, more lives are saved and livelihoods maintained if local people and businesses are prepared. Maintaining business functions in the face of disasters is the single most important action a local community can do to ensure critical services or products continue to be delivered.

It is imperative that local communities are involved in business continuity planning (BCP), and develop a proactive plan of action so they are prepared when disaster strikes.

The Philippines experience frequent, high-impact natural disasters as evidenced by Typhoon Haiyan in 2013, where over 6,000 lives were lost. Infrastructure is not resilient, and housing, especially for the poor, is not resistant.

Many businesses are damaged by extreme weather, often there is a breakdown of security and firms are looted. Access to food, water and medical supplies can be severely constrained across the region.

There is an urgent need to have better systems and disaster plans in place to reduce the impact of crises and to ensure businesses thrive, communities are able to quickly recover and livelihoods are saved.

“When 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 of Eva Maria Arts and Crafts, Tacloban
The need for business continuity planning

The Humanitarian Leadership Academy and Unilever have been working together to develop a pioneering programme to provide business continuity planning training to micro, small and medium enterprises (MSMEs) in the Philippines.

The aim was to build the capacity of 1,000 business leaders and to accelerate pre-disaster planning and post-disaster rehabilitation in their communities. The training focused on building resilience of small-scale retailers in local supply chains, getting businesses back up and running as quickly as possible after a disaster, and contributing to enhanced livelihoods in vulnerable communities.

Small businesses represent sixty-two per cent of the entire workforce in the Philippines, and of the 900,000 businesses registered as MSMEs – only two in ten have business continuity plans. Typhoon Haiyan had a disastrous effect on these businesses and at least half of them have not recovered since.

The training started as a pilot in the Philippines and has been tailored for the type of disasters they often have to deal with: typhoons, earthquakes, and floods. However, the course can be modified for any context and for any type of crisis.

The pilot programme trained 1,000 MSMEs business leaders and other organisations in the regions of Luzon, Visayas and Mindanao with the knowledge and tools to be able to assess the risks to their business, mitigate hazard impact, and continue business operations after a disaster. The programme also trained twenty-five 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. Since completing this training, a BCP module has been developed on our online learning platform, Kaya: http://bit.ly/infoBCP

“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

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

Mr. Ricard Sabdao, Mayan Farmers Association, Albay

The BCP programme has one clear vision:

In countries affected by disasters and crises, 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 the supply chain, providing much needed goods and services to the communities in which they operate.
Like the Philippines, many other countries are vulnerable to natural disasters such as typhoons, earthquakes, floods, droughts and man-made crises such as conflict, poor building structure or industrial disaster.

The total worldwide economic losses from natural and man-made disasters in 2017 was estimated at USD $306bn, according to Swiss Re, well above the 10-year average of USD $190bn.

Every year, MSMEs also lose millions of dollars worldwide. In the Philippines alone, MSMEs lose from USD $1,000 to USD $40,000 per year due to disasters, dependent on the size of the business.

MSMEs are particularly affected by hazards and disasters. Such events can be potentially catastrophic for them and their local communities who often depend on them to access essential items such as food, drinking water, shelter, household items and medical supplies following a disaster.

MSMEs are also a valuable source of local employment and an important part of the local and regional economy.

It is therefore important that businesses across the world prepare, respond and recover from emergencies in order to keep communities functioning and avoid economic loss.

Businesses are a key part of every community and it is important they remain open; protecting livelihoods, and ensuring people have access to the goods and services they need.

What are the benefits of planning?

• Reduce economic loss
• Employee safety
• Customer confidence
• Supporting the community

What are the impact of disasters without business continuity?

• Employees can’t work and aren’t paid
• Customers can’t access goods and services
• Damage to premises, equipment and stock
• Loss of income and livelihoods
• Delays and cancellation of deliverables (unable to access location)
• Cancellation of orders and contracts
• Loss of work to competitors
• Failures within the supply chain
• Loss of reputation
• Higher insurance premiums.

Billions of dollars are lost to disasters

Philippines business case study

Marlene Latayan, 38, and Reynaldo Latayan, 40, are the owners of ‘Reynaldo Latayan’s Superstore’, a wholesale business that covers 152 micro retail stores in San Pablo City and Alaminos, Laguna Province, Philippines.

“The training is an eye-opener for us. We realised that we should not only just be focusing on income and earnings but we really have to take care of the business. Even if we are a small business, we feel that we are being given importance. We are more encouraged now to strive for the business to grow, to give back through community service and to share our learnings from the training”. Marlene Latayan
Join our BCP programme

In 2015, we launched the world’s first global learning initiative for the humanitarian sector, the Humanitarian Leadership Academy. Our ambition is to prepare a new generation of humanitarians to manage crises in their own communities.

Our programme has raised the profile of BCP with influential stakeholders in the Philippines by establishing links with relevant organisations and businesses who are critical to influencing policy and planning at the national, regional and local levels. These partnerships support our overall programme strategy by contributing to an enabling environment for BCP.

Our work is bringing people and organisations together to transform the way the world responds to disasters.

For more information about how your organisation could benefit from business continuity planning training, contact us by email at info@humanitarian.academy

Philippines business case study

The Obero family store is located at the heart of the market. When it floods, rice and other products often get damaged. All members of the family help at the store, and the business owners attended the BCP training in 2016 in Calbayog.

“The BCP training helped. It gave us ideas on what to do during storms and emergencies. We need to monitor and be prepared. After the training I told my brother in law what we learned. We usually monitor if there is a storm coming and we will get everything ready—gasoline, food, canned goods, emergency light, etc.” Melanne Obero.

Since the BCP training, there have been changes. They moved location and put in place more safety and preparedness measures. They have a fire extinguisher, a water hose at the second floor, and a generator. Melanne’s husband maintains the computers and electricity in the store. They have installed twelve CCTV cameras in the store. They put products on the second floor of the building and have a warehouse that is spacious and flood-free. “We’re really thankful for that. I’m always ready. Like a girl scout. We have less problems now since the move. And we are ready”.

“Before, we could not stock up because of the flooding. Now we can.” Melanne relates. They put products on the second floor of the building and have a warehouse that is spacious and flood-free. “We’re really thankful for that. I’m always ready. Like a girl scout. We have less problems now since the move. And we are ready”.

Working in partnership