

Disaster Snapshot: The Need for Preparing for the Next Disaster

By Paul Brown



The cascading disasters in Japan beginning with the massive 9.0 earthquake near Honshu on March 11, 2011 serves as a wakeup call to all organizations and the public. The need to prepare before a catastrophic event has never been more clearly demonstrated.



In the United States, 2010 and the first quarter of 2011 saw multiple disasters including a major oil spill, heavy winter storms in Midwest and East Coast, and the very wet weather and flooding on across the country.

Outside of the U.S., other incidents included a major volcanic eruption in Iceland with plumes of ash disrupting international air travel and supply lines, flooding in Australia causing massive damage to agriculture (sunflower and cotton crops) and coal exports, severe snow in Western Europe resulting in transportation route paralysis, and deadly earthquakes in Haiti and New Zealand.



In today's world economy, we are all impacted in some way; either by the organization in which we are employed or higher prices that we pay for goods and services. We have started to hear and read about supply chain issues due to the earthquake in Japan resulting in disruption to U.S. based operations including parts shortages and employee furloughs. We have also begun to feel the increase in the costs of goods and services. Examples include:

- Nissan Motors parts production was stopped for 11 days
- Japan's Spot Market prices have climbed 10% to 30% for components sold to device manufactures
- Hitachi's circuit board production suffered due to damage to its manufacturing facilities
- Sony cut output at five of its plants
- Toyota Motors delayed re-starting its assembly lines
- Companies such as Apple, Ford, General Motors, and Nokia are feeling the impact of shortages of Japanese made components

It is time for American based companies to step up and assess their own supply chain vulnerabilities as well as making their Business Continuity Program (BCP) a priority. Business Continuity Programs cannot be considered as merely an "Insurance Plan", but a vital component of keeping the organization in business for planned or unplanned business disruptions. As an organization's Business Continuity Program matures, it must become embedded into the culture and operations of the organization. This transformation in thinking will add value by improving business processes, facilities, people, and technology through the increased resiliency and mitigation. Organizations also need to expand the



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scope of their efforts to include employee preparedness at home as well as planning for employees impacted by events while traveling. Together, these efforts will improve the availability of employees in the aftermath of an area-wide disaster.



Organizations need to get past a “Check the box” mentality for their Business Continuity Programs. It is not just about passing an audit or fulfilling a business objective or task. To be truly effective, planning must entail a Business Continuity Program that will prevent catastrophic business failure and truly resume the business following a major disruption. Organizations need to look at Life and Safety, Facilities Recovery, Business Resumption, Information Technology Recovery, and their Communications and Media Plans to coordinate efforts while making essential strategic decisions that are needed to resume business. Plans need to take in consideration a cascading disaster that affects employees, supply chains, logistics, packaging, transportation and other factors needed to get products and services to customers. An effective plan requires multiple teams handling recovery and communications while executive management is focused on making strategic decisions for the organization.



Furthermore, organizations need to be proactive in ensuring that their employees are also prepared. Do they have a family emergency plan to determine if the family is safe after a disaster? Do they know what their children’s pre-school and school disaster plans are? Does each family member carry a disaster kit in their car that includes water, food, a flashlight, spare shoes, and other essential items until they can reach home? Does the employee have a disaster kit at home to cover people living within their household and their special needs?



MLC has put together a “Guidelines for Disaster Preparedness” e-booklet which covers organizational and employee planning tips. You can download the free booklet from our website at http://www.mlcandassociates.com/mlc/nai_news.htm.

We hope that this Guideline for Disaster Preparedness will allow all organizations to be better prepared before the next event and mitigate the impact of disasters on individuals and companies. MLC and Associates is here to assist your organization in Business Continuity Services by contact us at (949) 222-1202 or send us an email to mlc@mlcandassociates.com.