



**How to promote
Business Continuity Planning
to mitigate the impact of disasters**
A guide for government officials



**Asia-Pacific
Economic Cooperation**

Emergency Preparedness Working Group



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The rising frequency and ferocity of natural disasters in the APEC region threatens not only the growth but the very survival of many businesses. The on-going risks to their operations can be reduced and this is where governments come in.

Governments and businesses, particularly small and medium-sized enterprises, must work hand in hand to make business operations more resilient – for their own sake, the sake of their communities and for the prosperity of the region as a whole.



A blurred background image showing two men in business attire sitting at a table, looking at documents. The man on the right is writing on a document. The scene is set in a meeting room with recessed ceiling lights.

This guide highlights the challenges officials face in their efforts to promote the use of Business Continuity Plans by SMEs and offers ideas and options for overcoming these challenges.



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INTRODUCTION

Over 70 per cent of the world's natural disasters occur in the Asia Pacific region and these disasters are increasing in frequency and ferocity.

One survey¹ shows that despite the threat posed by these disasters, only 13 per cent of small and medium-sized enterprises (SMEs) have Business Continuity Plans (BCPs) in place and that fewer than half are aware of the concept. The survey shows that in contrast, 47 per cent of large businesses have BCPs and that 75 per cent are familiar with the concept.

As a result, most SMEs are unprepared for the impact of adverse events on their business operations, leading to disruptions, financial losses and interrupted supply chains.

In addition, SMEs make up 97 per cent of private companies in the APEC region² and employ over half of the region's workforce. As such, they are the backbone of APEC economies. Their breakdown in the wake of catastrophes affects the livelihoods of communities, the role they play in supply chains and the sustainability of economic growth.

In 2011, following a string of natural disasters in the region, APEC Leaders called on member economies to promote and facilitate the use of BCPs 'to better prepare businesses and communities for natural disasters and to mitigate their impacts'.

This guidebook was developed in response to the Leaders' call and as part of APEC's practical work in the Emergency Preparedness Working Group. It is based on a series of Australian-led workshops attended by government officials and BCP experts from 11 APEC economies and offers ideas and options for addressing the many challenges faced by governments in their efforts to promote and facilitate the use of BCPs. Presented in the form of case-based learning experiences, it provides real-life examples of how some government agencies have addressed these challenges.

The guidebook should be read as a reference only and used in conjunction with other resources, including APEC's Guidebook on SME Business Continuity Planning (downloadable in full and summary form from www.apecscmc.org).

¹Survey results page 21

²For more detailed information, see the **APEC Policy Support Unit Policy Brief 8, 3 December 2013** at www.apec.org/en/about-us/policy-support-unit.aspx

WHY BCPs ARE ESSENTIAL

What is a BCP?

- A BCP is a roadmap that enables a business to prepare for disasters and to continue its operations under adverse conditions, it identifies an enterprise's critical functions and the necessary measures to take to maintain these functions.
- It is the cheapest form of insurance a business can have and can be produced at minimal or no cost.
- It is a living document – it must be tested and updated at least once a year to accommodate changes to the business or the industry.
- The process of preparing a BCP¹ is also valuable – it forces a business to identify the specific actions it must take to address key issues, persons responsible, timelines and problem areas.

BCPs have multiple benefits for SMEs

- A BCP can help ensure an SME's survival following a disaster.
- It can minimise an SME's revenue losses and downtime and be inexpensive or cost neutral to produce.
- It can improve efficiency and reduce costs – in producing a BCP, an SME can review its facilities/systems and make them more effective.
- A BCP can boost staff morale by making jobs more secure.

Resilient SMEs can help communities and the economy

- Businesses that can maintain or quickly restart their operations following emergencies keep income flowing in their communities, help people retain their jobs and reduce socio-economic stress.
- Businesses that can maintain their supply chains also enable other enterprises to survive by being able to meet their contractual obligations. But one business that fails can contribute to the failure of many others who depend on it.
- By keeping supply chains flowing, businesses can ensure their continued access to international markets.

Why traditional approaches to disaster management are failing

- Traditional emergency response plans are no longer sufficient because most do not consider the impact on SMEs' operations and on supply chains.
- Traditional responses create unrealistic expectations of governments and aid donors and reduce SMEs' confidence in their ability to help themselves.

¹See APEC's Guidebook on SME Business Continuity Planning, downloadable in full and in summary form from www.apecscmc.org. This guidebook outlines a step-by-step process to help SMEs formulate Business Continuity Plans. For each of the 10 steps, forms have been prepared for SMEs to complete. When all the forms have been properly completed, SMEs will have viable Business Continuity Plans tailored to their individual enterprises and the risks they face.

CHALLENGES TO BCP PROMOTION AND FACILITATION

Business Continuity Planning is a relatively new concept for the governments of many developing economies. As a result, these governments have seldom, if ever, targeted their SMEs for BCP promotion and facilitation, despite the fact that SMEs are at high risk from adverse events and play a pivotal role in post-disaster economic recovery.

The effects of disasters on SMEs cost governments dearly, with the loss of essential goods and services, higher unemployment, reduced productivity, a greater call on health services and plunging morale. As the frequency of adverse events accelerates, many governments are beginning to recognise that every dollar they spend on enhancing BCP use by SMEs can save them many times this amount in post-disaster response and recovery outlays.

But government agencies continue to encounter obstacles in their efforts to promote and facilitate the use of BCPs.

In many cases governments:


- **are unaware of the value of BCP use by SMEs;**
- **lack clear policies for promoting/facilitating BCP use;**
- **have limited resources to promote/facilitate BCP use;**
- **lack the expertise to support BCP development;**
- **lack information about the impacts of disasters on SMEs;**
- **are unable to overcome the ‘tyranny of distance’ in promoting BCP use by SMEs in remote areas;**
- **do not use private-sector support effectively for BCP promotion and facilitation;**
and
- **face SME apathy when trying to promote BCP use.**

The following pages will take you through these challenges and demonstrate, through case studies, how some economies are dealing with them. But first, a few words about BCPs and why they are valuable to SMEs and governments in both developing and developed economies alike.

HOW GOVERNMENTS CAN PROMOTE BCP USE

Governments can:

- develop clear policies to encourage the nation-wide use of BCPs;
- where appropriate, develop regulations to ensure that critical businesses adopt BCPs;
- create and maintain a database of BCP expertise for SMEs to draw upon;
- promote BCPs through industry associations and organisations;
- provide financial incentives for BCP adoption;
- conduct public campaigns and seminars to increase BCP awareness;
- form public-private partnerships to better promote the use of BCPs;
- devise inexpensive web-based applications to encourage BCP formulation;
- support local councils and communities in their efforts to promote BCPs;
- draw on international bodies to support government efforts to promote BCPs;
- assess and report on how disasters can harm SMEs; and
- collect and disseminate data on how BCP usage is tracking and developing.

A photograph showing a person from the back, walking through shallow floodwaters. The person is wearing a dark t-shirt and dark pants. In the background, there is a large, closed metal shutter or door. The water is murky and reflects the light. The overall scene suggests the aftermath of a natural disaster.

After the Tohoku tsunami struck north-eastern Japan in March 2011, 656 SMEs went bankrupt within a year. But only 12% of these SMEs were located in the Tohoku region. The others were scattered all over Japan and were bankrupted by indirect losses or damage caused by supply chain disruptions.



CASE STUDIES

BCP PROMOTION AND FACILITATION –
CHALLENGES AND RESPONSES



THAILAND – FLOOD

Challenge

Governments lack the necessary resources and expertise to promote and facilitate BCP use by SMEs.

BCP Response

Enlist the support of internationally funded disaster organisations to conduct in-country BCP training programs.

The 2011 floods in the Central Region of Thailand highlighted the urgent need for government action on BCP promotion and facilitation among SMEs. The flooding affected the operations of over 550,000 SMEs, throwing 2.4 million locals out of work. Over 80 per cent of the losses, estimated at US\$46 billion, were incurred by businesses. To help prevent similar losses in the future, the Bangkok-based Asian Disaster Preparedness Center¹ (ADPC) devised a 12-month project to promote and facilitate BCP uptake in Ayutthaya, one of the worst hit areas.

Why did the ADPC decide the project was necessary?

Floods occur regularly in the Central Region and recovery is usually rapid. But the 2011 floods were the most severe for decades and the extent of the damage was unprecedented. After the floods, the Thai Government mandated that all State-Owned Enterprises develop their own BCPs. However no clear policies, incentives or training programs were put in place to boost the disaster resiliency of SMEs, largely because of a lack of information within the Government about the value of BCP use, a lack of BCP expertise and limited resources for BCP promotion and facilitation.

To carry out its BCP promotion project, the UN-funded ADPC enlisted international organisations² to train Thai SMEs, government officials and private sector leaders in BCP preparation and implementation.

The ADPC concurrently carried out studies on BCP promotion best practices in the Asia Pacific region and on the regulations supporting these best practices (see page 25). Training packages in Thai and English and guidelines for BCP promotion were also produced so the project can be replicated in other areas of Thailand.

¹Founded in 1986 through the United Nations, the **Asian Disaster Preparedness Center** is an independent, not-for-profit organisation based in Bangkok. Its objective is to foster disaster management capabilities in Asia Pacific economies through training programs and the promotion of institutionalised disaster management and mitigation policies. With a staff of over 200 people, the center is funded by voluntary contributions from regional economies and international organisations including the United Nations, World Bank and the Asian Development Bank. The center has developed strong links with local, regional and national governments, development agencies and other regional and international organisations. For further information, see www.adpc.net

²International organisations enlisted by the ADPC included the JTI Foundation, based in Switzerland (funding); the APEC SME Crisis Centre, based in Chinese Taipei (expertise); and the Asian Disaster Reduction Center based in Japan (expertise).

Who were the key players in the ADPC project?

The ADPC worked in partnership with two key Thai Government agencies – the Office of SME Promotion and the national Department of Disaster Prevention and Mitigation (DDPM). This was the first time these agencies had worked with the BCP concept.

To train the trainers, the ADPC enlisted volunteer BCP experts from the Japan-based Asian Disaster Reduction Center¹ and hired an international BCP consultant.

How was the project implemented?

In 2013, the ADPC and Thai Government invited stakeholders to a national consultation to discuss the status of BCP among Thai SMEs.

The stakeholders included SME associations and training institutes, UN agencies and other development organisations, large companies and relevant Thai government departments (the Department of Disaster Prevention and Mitigation, the Office of SME Promotion, the Industrial Standards Institute, the National Economic and Social Development Board and the Board of Investment).

Private sector participants included the Thai Chamber of Commerce and Thailand's SME, bank and industry organisations.

Following the national consultation, two four-day 'train the trainer' courses were held in Bangkok in February and April 2014. The first course was led by the volunteer BCP experts from the Japan-based ADRC and was based on APEC's *Guidebook on SME Business Continuity Planning*². The second course, led by an international BCP consulting firm, was a more advanced course based on the international *ISO 22301 Standard for Business Continuity Management Systems*, against which an organisation's disaster readiness can be measured and certified (see page 24).

About 200 SMEs from Ayutthaya Province and other areas were then selected for activity-oriented workshops in BCP development and implementation. These SMEs were drawn from five key sectors – logistics, automotive, ICT, agriculture and tourism.

Four one-day training courses for SMEs subsequently took place in Bangkok. Trainers were drawn from the ADPC, the Thai Government's Office of SME Promotion and Department of Disaster Prevention and Mitigation, and others who were trained during the 'train-the-trainer' courses in Bangkok.

¹The Asian Disaster Reduction Center is based in Kobe, Japan. Founded in 1998, it is funded by its 29 member economies in the Asian region. The center's objective is to facilitate multi-national cooperation for disaster reduction through information sharing, human resource development and community capacity-building. It works with UN agencies and other international organisations and initiatives and facilitates the establishment of networks and professional exchanges. For further information, see www.adrc.asia

²APEC's *Guidebook on SME Business Continuity Planning* was developed by the APEC SME Crisis Management Centre in collaboration with the Asian Disaster Reduction Center and can be downloaded in full and summary versions from www.apecscmc.org

How did the two ‘train the trainer’ segments of the project help?

These segments aimed to build the capacity of key government officials from Thai agencies and key industry ‘early adopters’ in how to assess SMEs’ losses post-disaster, how to determine SMEs’ recovery and reconstruction needs and how to construct BCPs for individual businesses. The courses also familiarised participants with the role of public-private partnerships in reducing the risk from future disasters.

What were the key project outcomes?

Key deliverables from the project were:

- A study on Thai SMEs’ vulnerability to natural disasters;
- A study on the Thai Government’s existing policy framework for boosting SMEs’ disaster resiliency and recommendations for improvements;
- A study on global best practices in BCP promotion and facilitation and on supporting regulations and incentives;
- The formulation of guidelines for promoting BCP among Thai SMEs; and
- A ‘train-the-trainer’ package in Thai and English.

The training package will be distributed to government agencies throughout Thailand to encourage project replication.

What impact has the project had to date?

Stakeholders have become more aware of the urgent need for BCP adoption by SMEs. Some stakeholders voiced the fear that Thai SMEs might lose their competitive edge if the need for BCP was ignored, particularly when Thailand enters the ASEAN Economic Community in 2015. The training institutes have also realised the need for specific BCP training courses for SMEs.

Background

SMEs in Thailand

SMEs in Thailand make up 99.8 per cent of all businesses.

SMEs contribute 38 per cent of the economy's GDP and employ over 80 per cent of the workforce.

Types of disasters in Thailand

Natural disasters include floods, cyclones, tsunamis, earthquakes, fires and epidemics.

Other threats include IT failures, terrorism and civil unrest.

Responsibility for disaster management

Thailand's Department of Disaster Prevention and Mitigation is responsible for the economy's disaster prevention and mitigation plan. This plan includes general strategies for mitigation, response and relief but lacks strategies to protect the business sector.

In 2009, the Thai Government commissioned a study on the economy's capacity to respond to future emergencies, including preventing and mitigating damage to the business sector. International consulting company PricewaterhouseCoopers completed the study in 2011 and found that while large enterprises, banks and foreign companies in Thailand had developed BCPs to prepare for disasters, most SMEs lacked awareness of the importance of BCPs.

The ADPC hopes that the active participation of Thai Government Departments in its BCP project, and the positive outcomes of the project, will influence the Government to take a more proactive approach to BCP promotion and facilitation, including through the development of national policies, regulations, and incentives to encourage BCP uptake.

Further information:

Thai and best practices studies (full version): www.adpc.net

BCP Study by NESDB and PwC: www.nesdb.go.th



CHINESE TAIPEI – TYPHOON/EARTHQUAKE

Challenge

Governments lack comprehensive information on disaster risks.

BCP Response

Employ technology experts to produce and disseminate 'potential hazard' maps to identify threats to SMEs.

With 73 per cent of its landmass exposed to three or more natural hazards, Chinese Taipei is one of the most disaster-prone economies on earth. To help bolster its resilience, Chinese Taipei has generated over 1100 potential hazard maps since 2010. These maps cover all of Chinese Taipei's regions, districts and cities and are freely available to the public. Recent collaboration with Google to disseminate real time crisis maps and disaster alerts through Google's Public Alerts system now ensures that millions of people in Chinese Taipei can gain instant access to vital information during crises.

What prompted the Chinese Taipei Government to initiate hazard mapping?

Chinese Taipei is tropical, mountainous and second only to Bangladesh in population density. It suffers an average 3.5 typhoons a year, detectable earthquakes on a daily basis, a major earthquake every decade or so and regular floods, landslides and debris flows.

In 2009, after the worst typhoon in 50 years, the Chinese Taipei Government tasked the economy's National Science and Technology Center for Disaster Reduction¹ (NCDR) with researching and developing new ways to enhance emergency preparedness and disaster resilience, including by designing information systems to promote situation awareness.

Who are the key players in the NCDR?

The NCDR employs scientists and technology experts from industry, government and academia.

What key mechanism has the NCDR developed?

The NCDR produces maps highlighting areas most likely to suffer floods, landslides, debris flows and earthquakes. These maps identify the rainfall thresholds likely to trigger adverse events. Hot spots are identified by overlaying the hazard maps with population exposure. The maps are updated annually before the typhoon season and central and local governments use them to plan risk reduction measures.

¹The National Science and Technology Center for Disaster Reduction was formed in 2003 to advise the government on disaster prevention and reduction. For more information, see www.ncdr.nat.gov.tw

The NCDR maps are static but following collaboration with Google in 2013, the NCDR can now issue up-to-date, integrated disaster information through Google's Public Alerts page, as well as dedicated Google crisis maps for Chinese Taipei based on 19 real-time data sets from various agencies (including Chinese Taipei's Central Weather Bureau, the Water Resource Agency, Soil and Water Conservation Bureau and the NCDR).

How can these maps help businesses?

In Chinese Taipei, floods are the major cause of business disruptions. The NCDR flood maps provide information about where and when floods are most likely to occur and the likely height of the floods. Armed with this information, SMEs can assess the vulnerability of their stock, data, logistical supply routes and employees, and draw up plans to cope with the various levels of threat.

What impact has the project had to date?

In July 2013, Google hosted the first crisis map for Chinese Taipei in preparation for its typhoon season and millions of people were able to receive the most up-to-date and integrated information by visiting just one web portal.

What is the Google alert system?

The Google alert system was conceived in the United States in January 2012 and uses US data and information provided by partner economies to disseminate emergency updates during crises. Developed initially for the United States only, the service has now been expanded to cover Chinese Taipei, Japan, Canada, Indonesia and Colombia. Google plans to expand its coverage further as more economies provide relevant data.

Further information:

Google public alerts: google.org/publicalerts (see 'learn more' for FAQs).

National Science and Technology Centre for Disaster Reduction: www.ncdr.nat.gov.tw



PAPUA NEW GUINEA – FIRE

Challenge

Governments lack the expertise to support BCP development.

BCP Response

Employ external consultants to train government officials.

In August 2011, a fire swept through the top floor of a two-storey office block housing the Lae branch of the PNG Internal Revenue Commission (IRC) and various businesses. The damage forced all enterprises in the building to close their doors. Because the IRC lost many of its hard copy records and some of its equipment in the fire, it was unable to resume full operations for several months, causing great inconvenience to local SMEs. Meanwhile, two international businesses in the same building had BCPs in place and were able to relocate and restart trading within days. After observing how BCPs had benefited these enterprises, the IRC staff in Lae asked their head office to arrange BCP training for key Information Technology staff.

Why didn't the IRC have a BCP in place?

The IRC staff had very little knowledge of BCP and had not understood its benefits until the fire forced the closure of the Lae office building.

Why did the IRC's Lae branch decide that BCP training was necessary?

The fire in Lae demonstrated that businesses with BCPs were better equipped to cope with an emergency and resume operations. These businesses included the international consultancy firm PricewaterhouseCoopers (PwC) and the ANZ Bank. PwC was able to set up a fully functioning temporary office in Lae within days of the incident and the ANZ was able to divert its records, staff and customers to another local branch. Like many SMEs and other government agencies in the fire-affected building, the IRC was totally unprepared for the disruption. Although the Lae branch managed to establish a temporary office elsewhere after the fire, it was unable to resume its full operations for months. In the meantime, local businesses were forced to deal directly with the IRC's head office in Port Moresby, a process made very difficult by frequent telecommunications disruptions and limited IT connectivity between branches.

Who provided the BCP training?

Although the PNG Government lacks internal BCP expertise, some of its agencies were familiar with training courses conducted by an international BCP consultancy firm through the firm's work with the Central Bank of PNG. Following the Lae staff's request for BCP training for IT personnel, IRC headquarters decided to send them to a public training course held by the consultancy firm in Sydney.

After the training course, the commission's Training and Curriculum Development Section decided to employ the consultancy firm to train the agency's entire senior management. The training took place at a specially designed program in Port Moresby in November 2012. Sessions were held on how to assess the risks presented by various emergency scenarios, how to develop a proper BCP team structure, how to document and maintain practical checklists, how to prioritise time-critical activities, and how to conduct BCP disaster simulations and drills to validate the BCPs.

How is the IRC following up on this training?

The IRC plans to develop a detailed Business Impact and Risk analysis for the agency's various branches in PNG, record the branches' BCPs using a specialist BCP browser-based system and organise disaster simulation exercises. These steps are commonly missing in the development of BCPs. A dedicated system and staff who are familiar with their BCP makes updating and maintaining the plan much easier for both management and staff. Without disaster simulation exercises there can be no guarantee that the plan will work during an emergency.

What lessons were learned from the training?

The IRC's training section and senior management realised that all levels of staff in an organisation should be familiar with BCP principles and should be involved in the development and implementation of the IRC's plan. Without the involvement of all staff and management, BCPs run the risk of becoming rapidly outdated and unable to meet the challenges of a real-life incident.

Background

Types of disasters in PNG

Between 1980 and 2010, PNG was hit by 12 earthquakes, 10 floods, 10 volcanic eruptions, seven epidemics, and droughts, storms and fires.

Responsibility for disaster management

PNG's National Disaster Centre focuses on building PNG's capacity to respond to emergencies but also recognises the need for greater investment in disaster preparedness and mitigation and for more comprehensive information on likely hazards.

As the centre's Acting Director Martin Mose says:

'In the past, we have been good responders to disasters and emergencies. But people waited for things to happen before they responded. Modern day best practice in disaster risk management requires a more proactive approach with a focus on preparedness and mitigation.'



AUSTRALIA – STORM

Challenge

Governments do not take advantage of private-sector support for BCP promotion/facilitation.

BCP Response

Join forces with chambers of commerce and SME organisations and seek sponsorship from private corporations.

After a storm severely damaged SMEs in Townsville, northern Queensland, state government officials and the local branch of the Queensland Chamber of Commerce joined forces to devise an internet BCP tool kit to help SMEs prepare for future disasters.

What prompted the initiative to promote BCP use in Townsville?

A freak storm struck Townsville in 2012, causing widespread damage to businesses. When state government officials consulted over 300 local SMEs about the extent of the damage, the SMEs complained about a lack of easily accessible information on how to protect their businesses from adverse events. Most SMEs did not have a BCP in place, did not know where to find guidance on building a BCP and had no idea how to get their businesses up and running again quickly. They identified their major issues as loss of data, the breakdown of their communications and IT systems, inadequate insurance cover and lengthy interruptions to trade.

Who took the lead on the subsequent action?

State government officials, representatives of the local arm of Queensland's Chamber of Commerce and the North Queensland Small Business Centre joined forces to produce a complete BCP tool kit on a USB stick, tailored for Townsville businesses but adaptable for wider use. Corporate entities Telstra and Ergon Gas provided financial support.

How was this solution put into practice?

The USB BCP package, dubbed the Key to Business Resilience, was launched in November 2012 and received wide media coverage.

The Chamber of Commerce and Queensland's Department of Employment, Economic Development and Innovation produced 200 USB sticks and distributed them to local SMEs at a launch event in Townsville. The chamber's regional manager personally distributed further USB sticks to chamber members in Townsville.

The publicity campaign surrounding the launch highlighted that SMEs can download a copy of the Key to Business Resilience from the Queensland Chamber of Commerce (CCIQ) website: www.cciq.com.au/services/north-queensland-natural-disaster-resources.

What lessons have been learned from this exercise?

Government departments, business associations and the private sector can pool their resources to produce cost-effective BCP resources for SMEs.

Background

Responsibility for disaster management

In Australia, state authorities are responsible for managing disasters within their borders. Queensland's department responsible for SMEs encourages BCP by providing information on its portal (www.business.qld.gov.au). This information is supplemented with BCP web-based seminars.

The Key to Business Resilience

The Key to Business Resilience is a one-stop BCP shop for SMEs. It includes BCP templates and checklists, web resources and emergency contact information. It also provides advice on data back-up methods and insurance claims. The key is easy to use and SMEs can implement the information immediately or over the course of time. The information takes the form of interactive PDFs with drop-down boxes and user-friendly links to all sections.

Further information:

The Key to Business Resilience:

www.cciq.com.au/services/north-queensland-natural-disaster-resources

Queensland BCP resources: www.business.qld.gov.au



AUSTRALIA – FLOOD

Challenge

Governments face SME apathy when trying to promote BCP use.

BCP Response

Identify the key reasons for SME apathy and devise campaigns to counteract it.

In 2011, over 75 per cent of the State of Queensland was declared a disaster zone after floods hit the region. The immediate damage was estimated at AUD2.4 billion but subsequent business and trade disruptions caused the damage bill to soar to many times this amount. Most SMEs in Queensland did not have BCPs in place at the time of the floods. To stem losses from future disasters, the Council of Australian Governments (COAG) directed all relevant agencies to more actively promote BCP use. As a first step, the agencies formed a project group to review government BCP support programs, identify gaps and make recommendations on how to fill them. The project group reported its findings to Australia's National Emergency Management committee in December 2011.

What was the outcome of the review?

The review found that BCP advice was widely available from government agencies but that SMEs were either unaware of it or unable to access it easily. Agencies' BCP promotion efforts were also hampered by a lack of information on the types of disasters likely to affect SMEs around Australia. Other issues hindering BCP promotion included poor coordination between national and state initiatives and a shortage of 'good news' stories to promote the benefits of BCP use.

Have any Australian campaigns been carried out subsequent to the review?

The Get Ready Queensland campaign was launched in Queensland in October 2013 to promote greater resilience in communities who had suffered repeated natural disasters in recent years. The campaign will be funded for an initial four-year period and brings together all aspects of government disaster preparedness activities. BCP is integral to the program because of the on-going damage to the State's economy caused by business disruptions and the massive Federal Government expenditure required to support the recovery of businesses after successive disasters. The campaign is providing a new avenue for public conversations on BCP alongside the established methods utilised by government business advisory networks.

Who were the key players in the campaign?

The Department of Local Government, Community Recovery and Resilience implemented the Get Ready Queensland campaign in conjunction with the Queensland Department of Tourism,

Major Events, Small Business and the Commonwealth Games. The latter department is generally responsible for promoting the use of BCP by SMEs and does so by providing information on the business and industry portal www.business.qld.gov.au, supplemented by BCP web-based seminars.

What were the key components of the campaign?

The 2013 Get Ready Queensland campaign was launched with a promotional week prior to Queensland's peak cyclone and storm season. The campaign promotion included multilingual radio advertisements, TV, newspaper and billboard advertising, internet banners and advertisements, and advertising through corporate partners. The corporate partners placed the Get Ready Queensland logo on their company advertisements and conducted public and staff awareness campaigns. Local councils and local politicians highlighted the importance of preparing for natural disasters in their newsletters and in their newspaper editorials.

Specific activities for SMEs included:

- A Business Resilience Roundtable for influential business leaders and government ministers to discuss ways to promote better preparations for the bushfire, cyclone and storm seasons.
- Online seminars (webinars) for SMEs on BCP, including Getting Your Business Ready for the Storm Season and Strengthening Your Business.
- Workshops were held for regional councils and SMEs in 11 locations to discuss preparations for potential natural disasters. Two sessions were held at each location, one for disaster management stakeholders and one for community leaders.

What were the outcomes and lessons learned?

- Raising awareness of the risks to SMEs from natural disasters is an essential step in promoting BCP uptake.
- Efforts made by governments to promote business services should stress that BCP is an essential 'self-insurance' activity.
- The Queensland Government's Business and Industry portal provides the most accessible method for providing information on BCP. SMEs' usage of the portal has increased substantially over the past couple of years. Following the launch of the Get Ready Queensland campaign, the number of site visits rose by 40 per cent. In 2013-2014, 2.4 million people visited the site.

Further information:

Queensland Government business and industry portal:

www.business.gov.au/business/topics/emergencymanagementandrecovery



NEW ZEALAND – EARTHQUAKE

Challenge

Governments are unable to overcome the ‘tyranny of distance’ in promoting BCP use.

BCP Response

Develop interactive web-based BCP resources.

After two earthquakes in Christchurch in 2011 and pleas for help from affected SMEs, the New Zealand Government funded the development of a business resilience website with tools that enable SMEs to build tailored BCPs.

What prompted the NZ authorities to promote BCP in 2011?

The NZ Government had acknowledged the need for BCP promotion and facilitation in 2008 but did not make it a priority until severe earthquakes hit Christchurch’s Central Business District in 2010 and 2011.

SMEs, not only in Christchurch but throughout the country, expressed a strong interest in learning about BCP after the earthquakes damaged their operations, both directly and indirectly through supply chain disruptions.

What new idea was formulated to address the barrier?

The Auckland City Council enlisted respected leaders of large businesses to ‘champion’ BCP and formed a focus group of SMEs and council leaders. The focus group decided the most useful way to promote and facilitate BCP use by SMEs would be to build a business resilience website with interactive tools to enable SMEs to build BCPs tailored to their size and type.

How was this solution put into practice?

Experts on BCP and website development were briefed by the focus group and the resulting website was launched in late 2011. It was promoted widely through the media and through chambers of commerce and business associations.

What impact has the solution had so far?

Fewer than expected SMEs have visited the website but those who have visited appear to have engaged well with the material.

What lessons have been learned from this exercise?

- Who delivers the BCP message is crucial – respected big business leaders are more effective ‘champions’ than government officials.
- SMEs should be consulted from the start of any government BCP project – SMEs may not know what material they need but have ideas about its form.
- The presentation of the material affects its uptake – business owners are busy people so the information needs to be brief and well-designed.
- While a website must be maintained and updated, it is an adaptable and accessible tool for SMEs.

Developing the BCP internet tool: the process

Breakfast seminar: The Auckland Council’s project team arranged a business breakfast where several leaders of large companies addressed SMEs on the value of disaster resilience and BCP.

Focus group: The Council’s project team then invited those SMEs who had attended the breakfast to take part in a focus group to discuss the best ways to promote and facilitate BCP use.

The SMEs told the project team that the brochures distributed by the local government’s Civil Defence and Emergency Management group were not particularly pertinent to their businesses and that business continuity information needed to be designed for SMEs.

The SMEs asked that BCP information be free, user-friendly and specific to various types and sizes of businesses. They said their preferred vehicle would be a website. On the basis of this information, the Council decided that a disaster resilience website with BCP interactive tools would be the most cost-effective and accessible resource and would be useful for SMEs throughout the economy.

Enlisting outside expertise: The project team engaged external BCP consultants to build the business continuity website and advise on BCP procedures but the team kept overall control of the content and design. For similar projects in other economies, academic organisations could be engaged to build similar websites to keep costs low. The New Zealand website took less than a year to build and includes an interactive application to enable SMEs to enter the size and type of their businesses, identify their vulnerabilities and build customised BCPs.

Testing the website: The website (www.resilientbusiness.co.nz) was widely tested among local SMEs prior to its launch.

Further information:

Business resilience website: www.resilientbusiness.co.nz



One lesson from the Great East Japan Earthquake and the Thailand Floods in 2011 is that well-prepared businesses play a key role in reducing national and regional economic damage.



BEST PRACTICE

SUCCESSFUL BCP IMPLEMENTATION IN ASIA PACIFIC ECONOMIES

BUSINESS CONTINUITY MANAGEMENT

The low rate of BCP uptake by SMEs in APEC economies is an issue for developed and developing economies alike. But large businesses and corporations in developed economies are increasingly adopting sophisticated Business Continuity Management (BCM) programs based on international best practice.

Business Continuity Management includes Business Continuity Planning as a key element but is a wider process defined by various standards developed by BCM experts. If a business or corporation takes the necessary steps to meet the appropriate standards, it can be certified as 'BCM ready' and attract better insurance terms and other benefits.

The first ever international standard for Business Continuity Management Systems – the ISO 22301 – was published in 2012. It was developed by the Switzerland-based International Standards Organization – the world's largest developer of voluntary international standards which cover almost all aspects of technology and business. (Formulated through global consensus, these standards help companies access new markets, level the playing field for developing countries and facilitate free and fair global trade.)

The ISO 22301 is a generic standard and can be used by any organisation, or part of an organisation, no matter what its size or type. Organisations that use the ISO 22301 process do so on a voluntary basis, do not have to become certified and can adapt the standard as they wish, according to their unique structures and legal and regulatory obligations.

For a simple explanation of the ISO 22301 process, see www.praxiom.com/iso-22301

Singapore and the United Kingdom, for example, have adopted the ISO 22301 BCM Standard to build greater disaster resilience among their private sectors.

BCP/BCM BEST PRACTICES IN ASIA PACIFIC ECONOMIES

Singapore

Singapore has been spared major natural disasters to date but its government has placed great emphasis on building business resilience in the expectation that a disaster-ready private sector will enhance Singapore's reputation for reliable, high-quality services.

The Singapore Government established local BCM standards in 2004 and 2008 for voluntary use by businesses and launched its new Singapore Standard SS ISO 22301 in 2012. The latter is based on the international standard ISO 22301 and is expected to replace the two earlier standards by the end of 2014. While the use of BCM standards by Singapore businesses remains voluntary, the Government has scope to adopt the standards as regulations so that their use becomes mandatory.

In 2008, the Ministry of Trade and Industry tasked the Singapore Business Federation (SBF) with promoting and managing the use of BCM Standards through the SBF's National Business Continuity Management Programme (www.bcm.org.sg). Government funding for this program has totalled SGD30 million over five years.

The SBF program aims to build economic resilience among private enterprises by encouraging them to comply with BCM Standards and thus gain BCM certification. Once certified, companies can apply for funding through the SBF for various BCM support activities, including hiring consultants and carrying out projects to boost disaster resilience. Over 200 companies, including 100 SMEs, have taken part in the program to date.

Japan

Japan experiences tsunamis, floods, typhoons, earthquakes and volcanic eruptions on a regular basis, and in 1995 and 2011, suffered two of the most expensive natural disasters in recent history.

In 2005, the Japanese Government published and promoted a set of Business Continuity Guidelines with the expectation that all large companies and 50 per cent of SMEs would develop BCPs within 10 years. Following the flu epidemic in Japan in 2009, a second edition of the guidelines was launched with additional guidelines for epidemic/pandemic scenarios. The latest and most comprehensive edition, covering all types of hazards, was published in August 2013.

In 2006, the Ministry of the Economy, Trade and Industry released its Guidelines on Formulating and Implementing Small and Medium Enterprises. The purpose of these guidelines was not only to help SME entrepreneurs run successful operations but to emphasise the importance of preparing for emergency situations. The guidelines include blank forms and checklists for BCP preparation and have been supplemented by pamphlets on various BCP topics.

Tokyo's Metropolitan Government also employs BCP consultants to run a BCP Implementation Support Program consisting of courses and seminars covering earthquakes, floods and pandemics.

Republic of Korea

In 2007, Korea's national government passed the *Act on Assistance to the Autonomous Activities for Disaster Mitigation* to be administered by its National Emergency Management Agency (NEMA). Under the Act, the head of Korea's Central Disaster and Safety Countermeasures Headquarters also publishes disaster management standards for businesses and provides disaster management training for business personnel. Enterprises that employ the disaster management standards can apply for certification and once certified, receive various government incentives such as merit points for the purchase of goods and construction of facilities, discounts on insurance premiums, tax reductions and financial support for disaster mitigation facilities and programs. The Act has also encouraged the establishment of the Association of Business Continuity and Disaster Mitigation as a platform for knowledge exchange among businesses and the enhancement of their disaster management capabilities.

In 2013, NEMA launched a scheme to further encourage Korean businesses to undergo the disaster mitigation certification process. Under the scheme, NEMA fully funds BCP training for companies who hold employment insurance. Once trained, the companies can receive tailored BCP advice from one of eight authorised training institutions. Participating companies' BCPs are then evaluated and those businesses who pass the evaluation test are certified. Certification entitles the companies to incentives such as tax reductions, preferential financing conditions, insurance discounts, industrial land use, and bonus points when bidding in competitive tender processes.

APEC SURVEY RESULTS

- The results of a recent survey carried out by Japan's Asian Disaster Reduction Center and the Taiwan Institute of Economic Research indicate that about 47 per cent of large companies have a BCP in place and that 75 per cent are aware of the concept.
- In contrast, only 13 per cent of SMEs have a BCP in place and fewer than half are aware of the concept.
- Businesses (both large and small) that have experienced a disaster are more aware of the BCP concept than those that have not.
- More businesses (both large and small) that have experienced a disaster have developed BCPs to cope with future incidents and disasters.
- The survey indicates that the top three obstacles preventing businesses from putting BCPs in place are: lack of knowledge about the BCP concept and the process of developing a plan; insufficient information about the potential risks to businesses caused by disasters; and low awareness by management of the need for a BCP.
- The survey also showed that most businesses strongly support the use of publicly available funding and publicly available training to help them develop BCPs.

**http://publications.apec.org/publication-detail.php?pub_id=1234*

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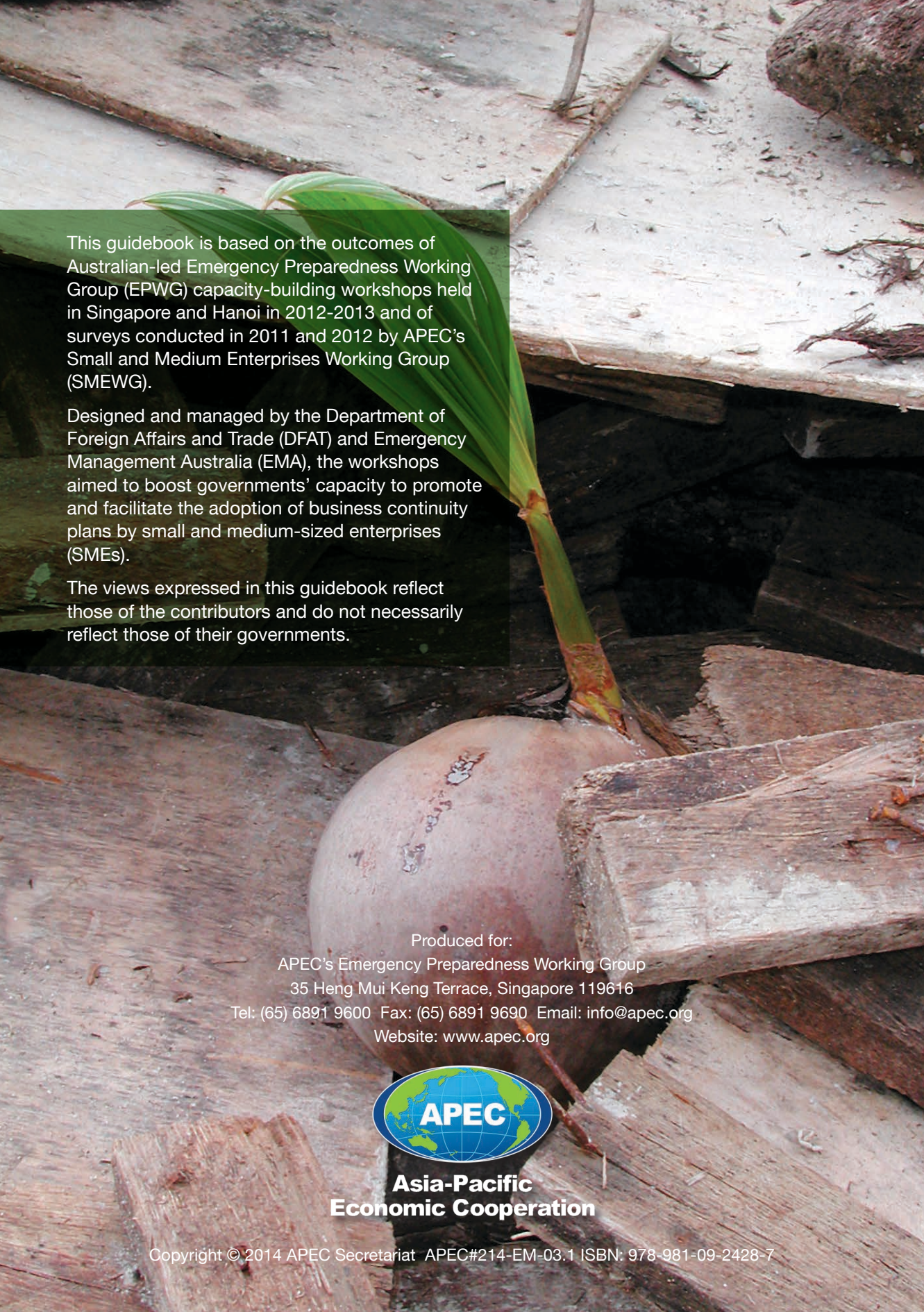
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A photograph of a green plant with long, pointed leaves growing out of a coconut shell. The coconut shell is resting on a wooden structure, possibly a table or bench, made of weathered wood. The background shows more wooden planks and some debris.

This guidebook is based on the outcomes of Australian-led Emergency Preparedness Working Group (EPWG) capacity-building workshops held in Singapore and Hanoi in 2012-2013 and of surveys conducted in 2011 and 2012 by APEC's Small and Medium Enterprises Working Group (SMEWG).

Designed and managed by the Department of Foreign Affairs and Trade (DFAT) and Emergency Management Australia (EMA), the workshops aimed to boost governments' capacity to promote and facilitate the adoption of business continuity plans by small and medium-sized enterprises (SMEs).

The views expressed in this guidebook reflect those of the contributors and do not necessarily reflect those of their governments.

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