



# UNSTOPPABLE BUSINESS

Recipe to Survive the Crisis

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## Recipe to Survive the Crisis

July 2019



BILL & MELINDA  
GATES foundation

This booklet was produced under Sri Lanka Preparedness Partnership (SLPP) established under the purview of Asian Preparedness Partnership (APP).

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# Why this booklet?

The purpose of this booklet is to provide you, a brief introduction as a member of the Micro, Small and Medium Enterprise (MSME) community in Sri Lanka, regarding the importance of disaster preparedness as well as Business Continuity Management (BCM). Whilst highlighting the corporate responsibilities and benefits of ensuring business continuity during emergencies, the booklet also introduces the concept of BCM as well as Business Continuity Planning (BCP).

This booklet developed under the Sri Lanka Preparedness Partnership (SLPP) is a quick and simplified guide for the MSME Community and includes topics such as, Do You Know Your Risks? In an Emergency; Are YOU Ready? NO Stopping; And Yet Continue, Reap the Benefits and The Continuity Plan.

The SLPP has been established under the purview of the Asian Preparedness Partnership (APP) for emergency response preparedness. The partnership aims at providing assistance to improve inter-organizational coordination by engaging the local

humanitarian organizations and institutions as well as private sector organisations and networks, to have increased dialogue with governments and inter- agency networks via partnerships, knowledge exchanges, and networking.

APP is funded by the Bill and Melinda Gates Foundation and implemented by the Asian Disaster Preparedness Centre (ADPC), an intergovernmental organization that endeavours to strengthen resilience of people and institutions encountering impacts of disasters and climate change in Asia and the Pacific.

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# Do You Know Your Risks?

When there is a disaster, can YOUR business survive? Will you be able to recover the business process which was suddenly disrupted? How long will it take to resume normal operations?

## AJITH TYRE HOUSE

*Now we cannot even have an income from this enterprise...after a whole section of the bridge sank...less vehicles go on this road now.*

*Then, how about the workers' wages ?  
electricity bills ? shop rent? loses from  
damaged equipment...*



## Increasing Threats

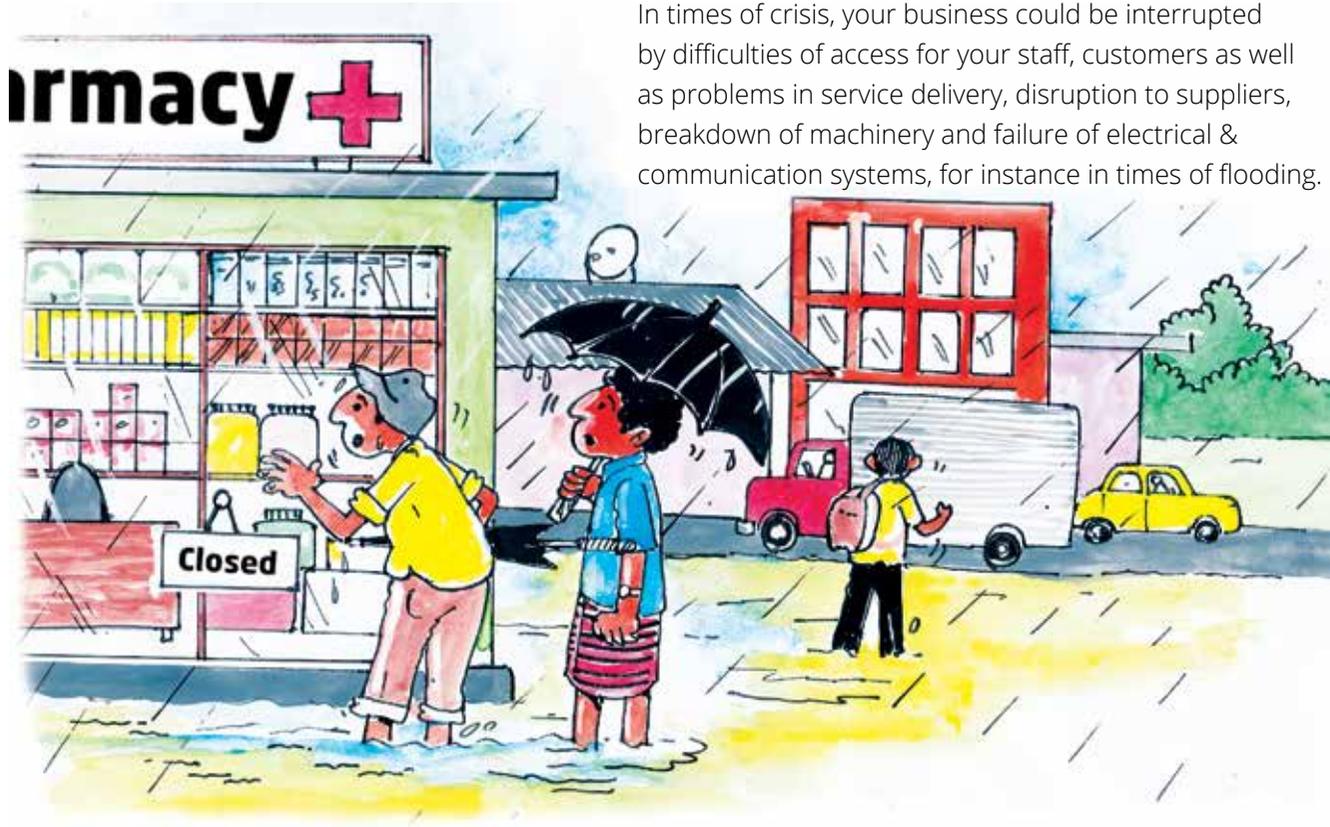


Organisations large or small can be struck by a range of disasters both natural and man-made. The frequency and severity of weather-related events seems to be increasing. In Sri Lanka, over the years, disasters such as frequent floods, landslides, prolonged drought, tsunamis, cyclones, have affected many a business. At the same time, Sri Lanka has

experienced man-made catastrophes such as terrorism, bomb threats, communal disturbances, and strikes, all of which could severely impact on your business venture. Furthermore, you may face other instances such as power disruptions, fire, theft, toxic or chemical spills as well as accidents.

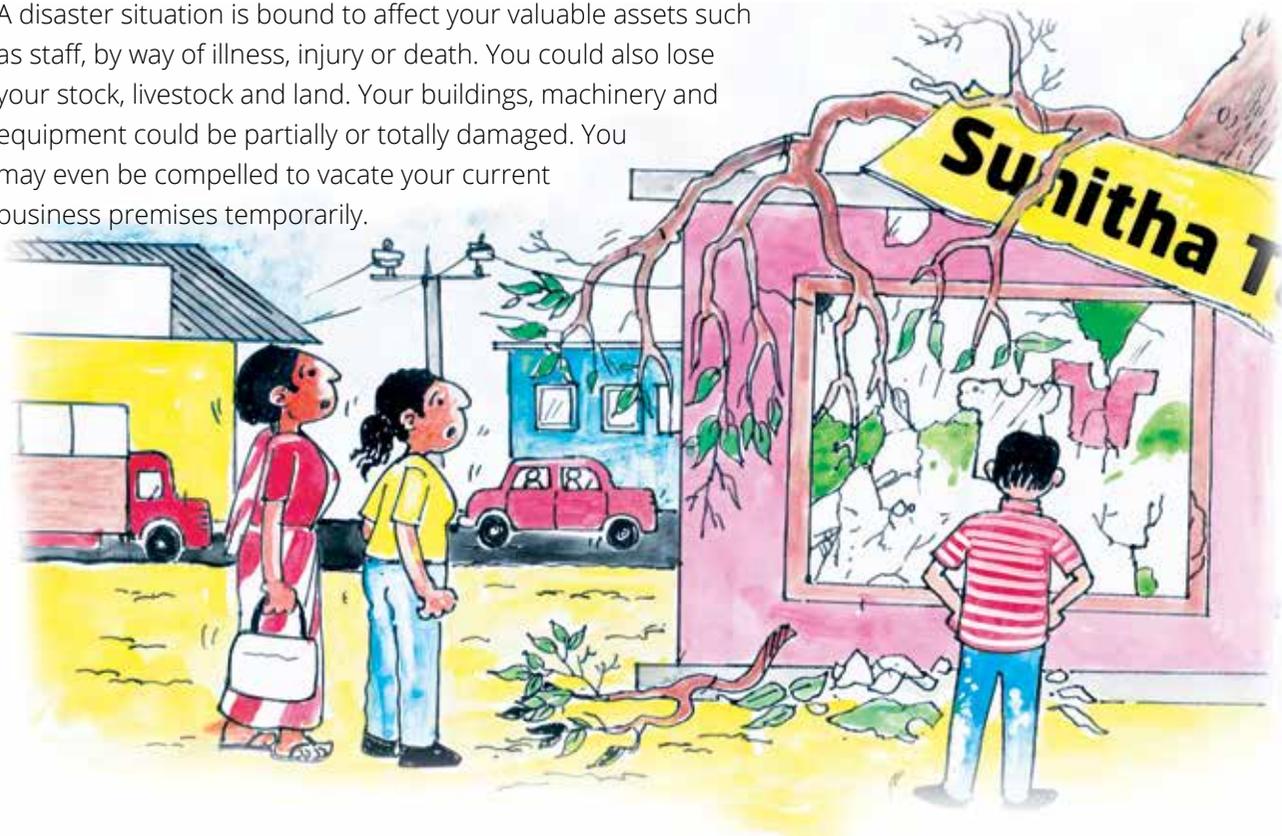
# Business Interruptions

In times of crisis, your business could be interrupted by difficulties of access for your staff, customers as well as problems in service delivery, disruption to suppliers, breakdown of machinery and failure of electrical & communication systems, for instance in times of flooding.



## Potential Damages

A disaster situation is bound to affect your valuable assets such as staff, by way of illness, injury or death. You could also lose your stock, livestock and land. Your buildings, machinery and equipment could be partially or totally damaged. You may even be compelled to vacate your current business premises temporarily.



## Potential Losses



A disaster has the potential, in addition to a loss of revenue, to lead to a complete failure of your business. Moreover, the zero stocks in the market and loss of reputation could result in a situation of losing customers who would be compelled to divert to other products or services. The cancellation of hard-won contract agreements would inevitably result in the loss of your business image.

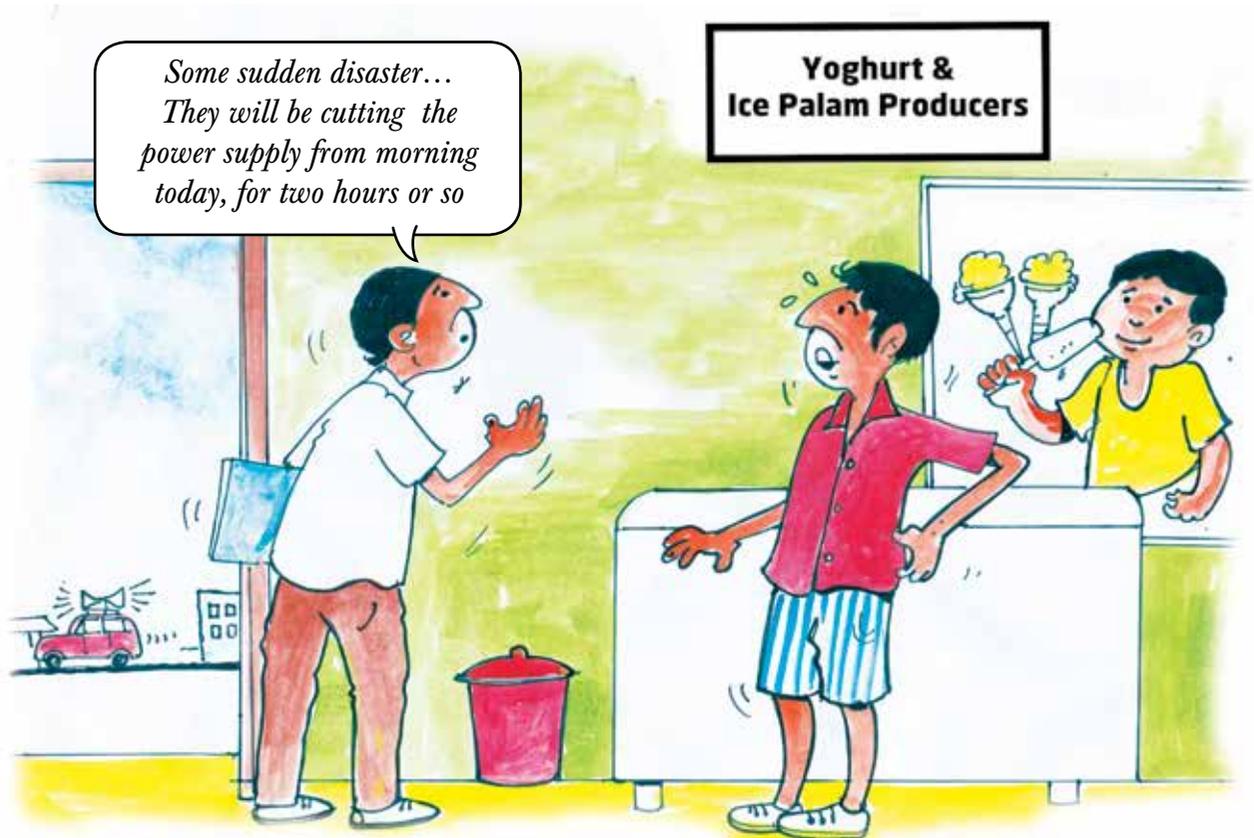
It is crucial for you to be aware of all the possible scenarios of the hazards, risks, and their consequences; damages, interruptions and losses for your business, in times of disaster.

### **ARE YOU READY FOR THE UNEXPECTED?**



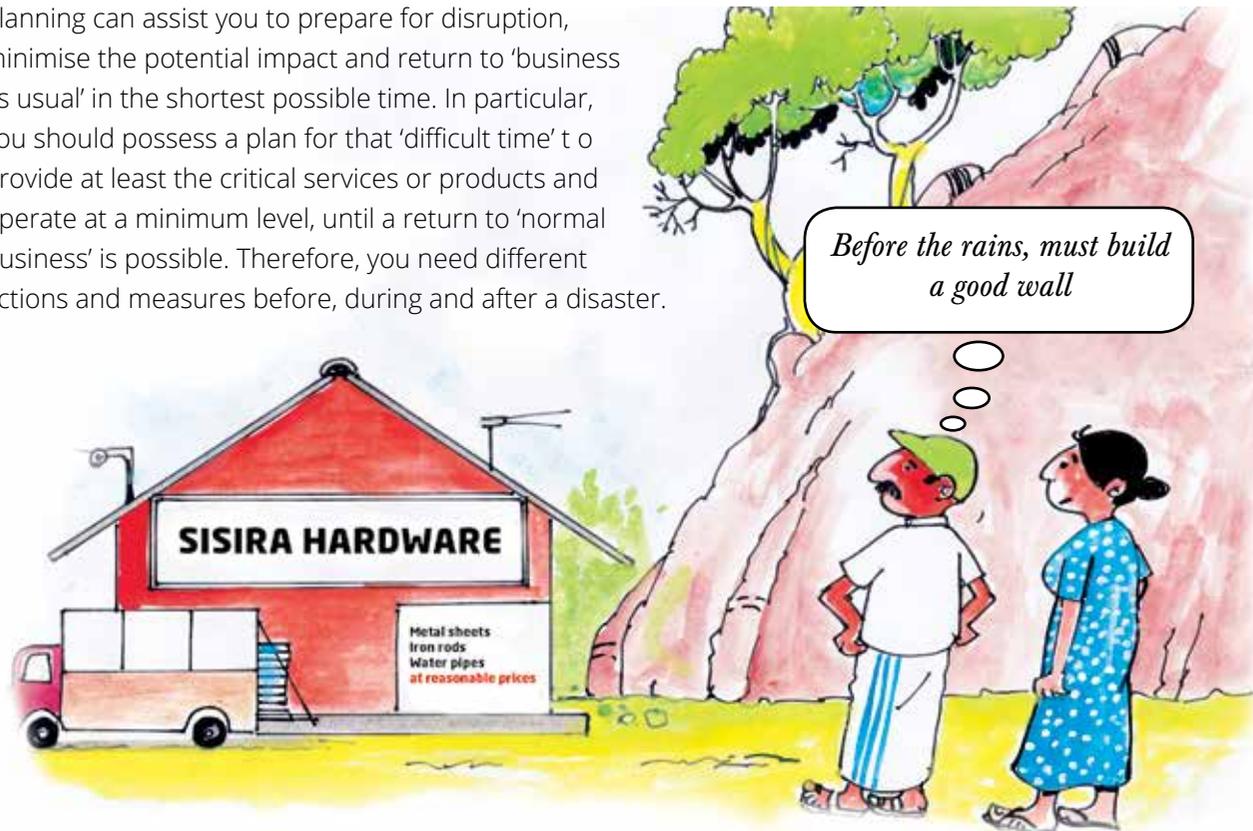
# In a Disruptive event; Are YOU Ready?

Disruptive events can be catastrophic, and consequences of disruption may prove costly for your business. This is especially true if you are unprepared to deal with emergencies.



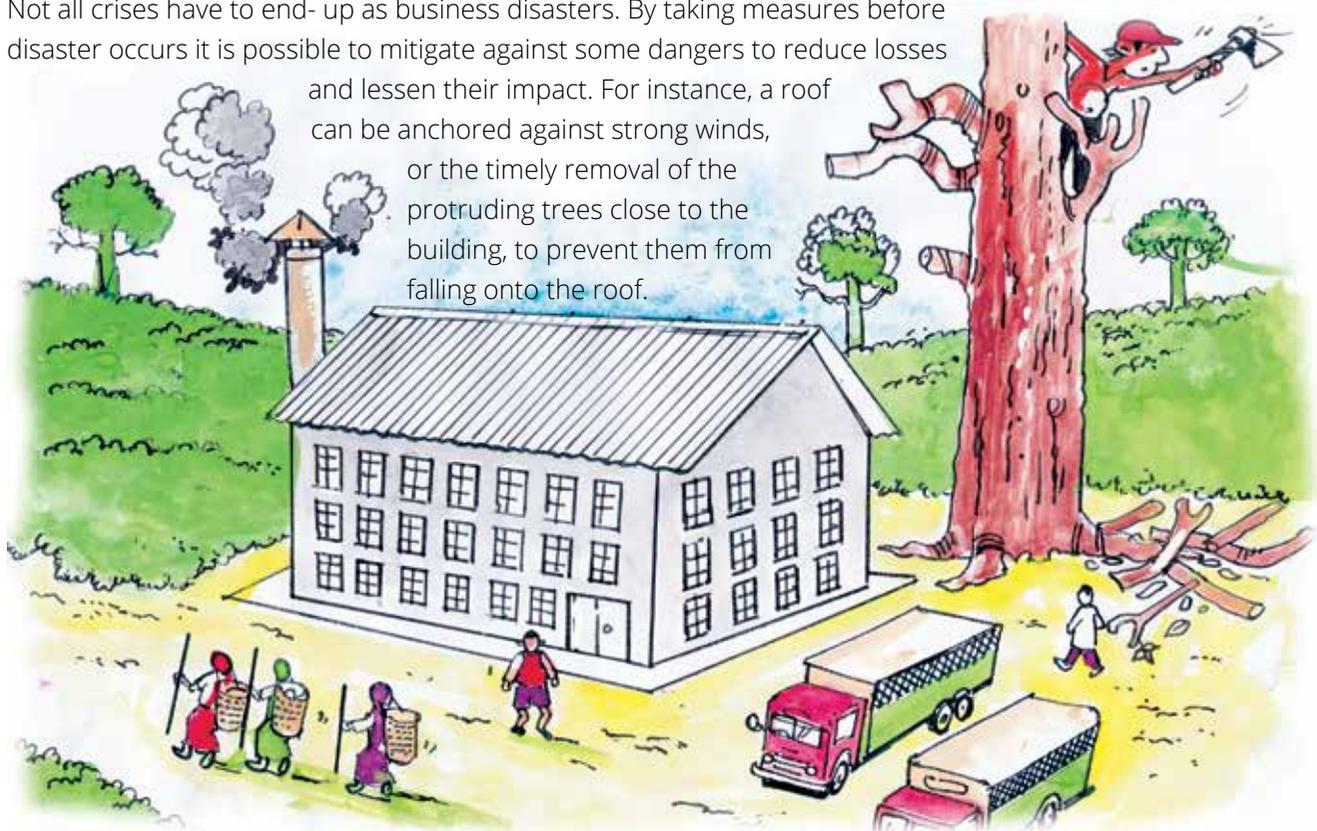
## Proactive approach

Planning can assist you to prepare for disruption, minimise the potential impact and return to 'business as usual' in the shortest possible time. In particular, you should possess a plan for that 'difficult time' to provide at least the critical services or products and operate at a minimum level, until a return to 'normal business' is possible. Therefore, you need different actions and measures before, during and after a disaster.



# Preventing & Mitigating Damages and Losses

Not all crises have to end- up as business disasters. By taking measures before disaster occurs it is possible to mitigate against some dangers to reduce losses and lessen their impact. For instance, a roof can be anchored against strong winds, or the timely removal of the protruding trees close to the building, to prevent them from falling onto the roof.



## Securing lives

During disaster, the protection of people's lives and their health and safety should be your prime concern, i.e. your employees, customers and visitors. Have you thought about the ways and means of ensuring that employees can be evacuated to a safer place in the event of a disruptive incident? Rescue of staff working in high-rise or multi-storied buildings requires special preparedness.

## Resuming and recovering key business activities

Knowing the steps your enterprise will take to recover its key activities is crucial for quick resumption of service in times of disaster. You should set out the realistic timeline within which you aim to have key aspects of your business functioning at acceptable levels as well as mapping out those resources which you will require for continuation or timely recovery of your prioritized activities.



Business operations will not be saved if only tangibles such as physical assets, buildings and lives survive.

**BEYOND THE TANGIBLES**, there is for instance, the hard-won confidence of the customers which must be secured for the sake of continuity in your enterprise.

# **NO Stopping; and Yet Continue to safeguard the business**

Business is not an isolated phenomenon but thrives on interactions of the community it is linked with. Continuity can only be realised if adequate safeguards are in place for the entire community, customers, and value or supply- chain. Negative impact on any single element or entity in the community is bound to affect the entire value or supply chain.

*The main water line to this area has burst. They are cutting the water until its fixed .*

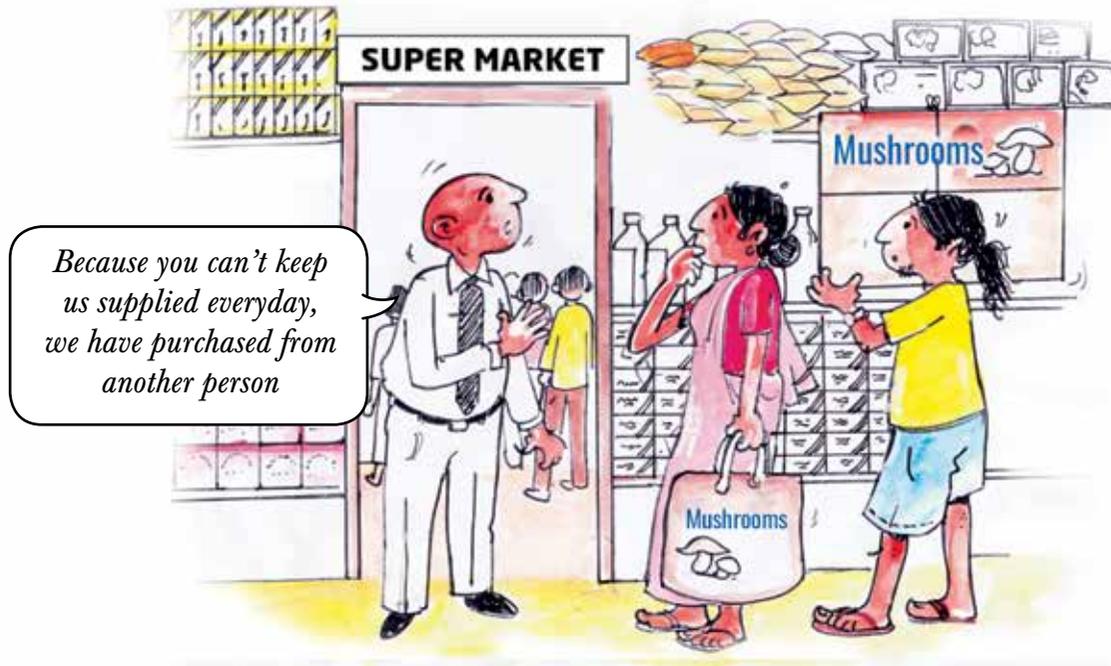
*Let's continue our work as usual...we have enough of a stock of water*



# Continuity of products and services

During a crisis, your business must be geared to respond to any disruption, by continuing critical mission activities. For instance, if supplying a product to a supermarket chain, until you recover from the

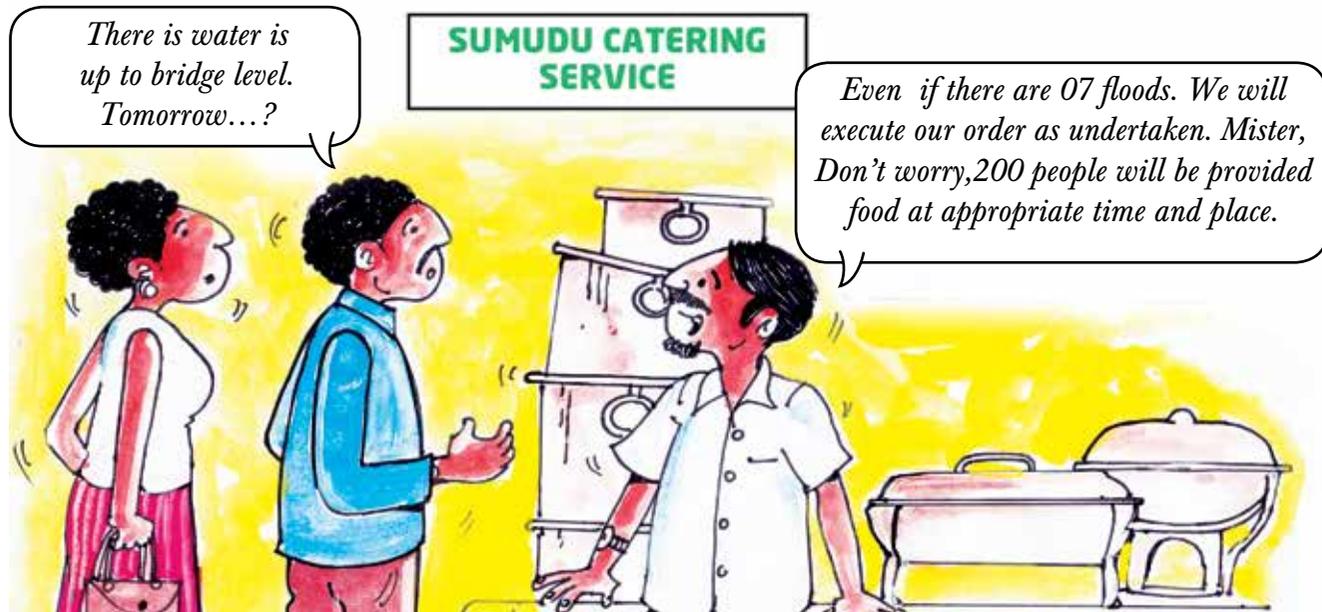
crisis, product delivery must be ensured to prevent disappearances of your products from the market shelves in the short term.



## Fulfilling contractual obligations

Even in a disaster, you must be able to secure at least the critical supplies and services of your enterprise. Only if you have a plan to operate the business in the 'difficult time', will you have the best chances of fulfilling your contractual obligations, agreed to well

before the incident. For example, if you are in the catering business, you must be able to fulfil your contract for a wedding or a similar function under all circumstances.



## Assuring job security of your employees

If you are unable to secure the jobs of your staff in a disaster, their livelihoods are at risk as well as being unable to carry out their work duties. Adherence to

a well-prepared plan will also ensure job security for your employees, thus further retaining their confidence.

*If there is a disaster in our workplace, what will happen to us*

*Don't worry, I will see that you don't lose your jobs*



## Complying with legal and regulatory obligations

No matter what the situation is, be it normal or a crisis, you are bound to comply with legal and regulatory obligations by government. For instance, if you are running a petrol station, in an emergency, if considered an essential service, you will be required to provide uninterrupted supplies.



Investing in preparedness can be expensive, but the consequences of **NOT BEING PREPARED CAN BE EVEN MORE COSTLY**. By ensuring that your business process are able to continue even when disruption occurs you can ensure that your organization survives and also contributes to ensuring the wider value chain remains functional during crises.



# Reap the Benefits

Your enthusiasm to prepare for disruptions makes your business smarter. Admirable results of being prepared for the unexpected raises you to great heights.

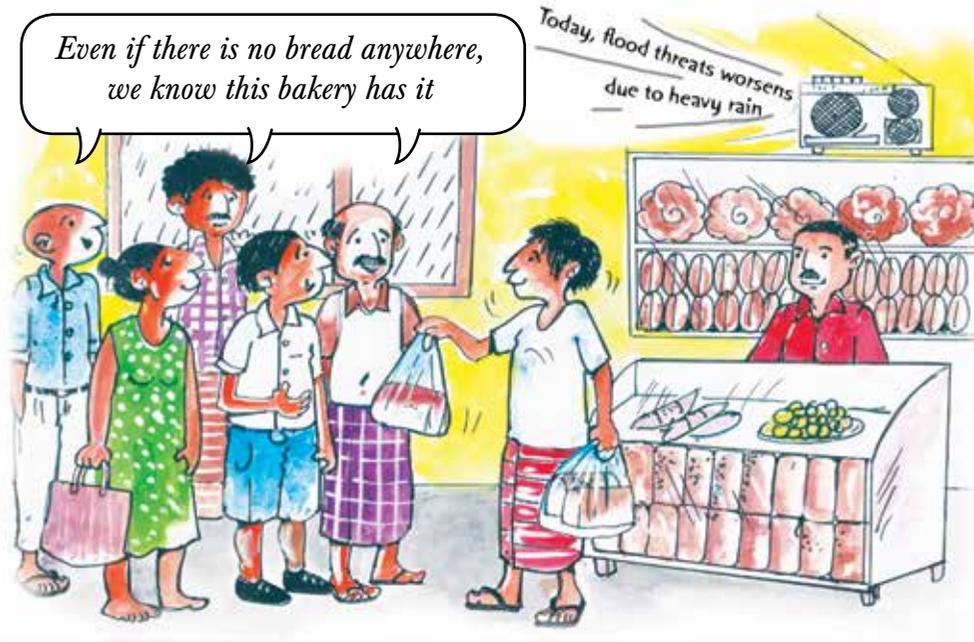
*I had to face several disasters. But never will I turn back. I have moved forward. Have accrued many benefits...*



## Confidence of your customers

Failure to maintain your product and services in a crisis situation, will lead your business to lose confidence of the customers. It will also disrupt your business and clients, often at the expense

of competitors. Demonstrating that you have contingency plans in place is a tangible way of proving to your clients that your business is sufficiently robust to continue in any disaster situation.



# Competitive advantage

There are hidden blessings in disasters. If your enterprise has the capacity to continue with products and services during a crisis situation, your brand, apart from retaining a positive image and reputation, will be known for its competitive advantage. There will

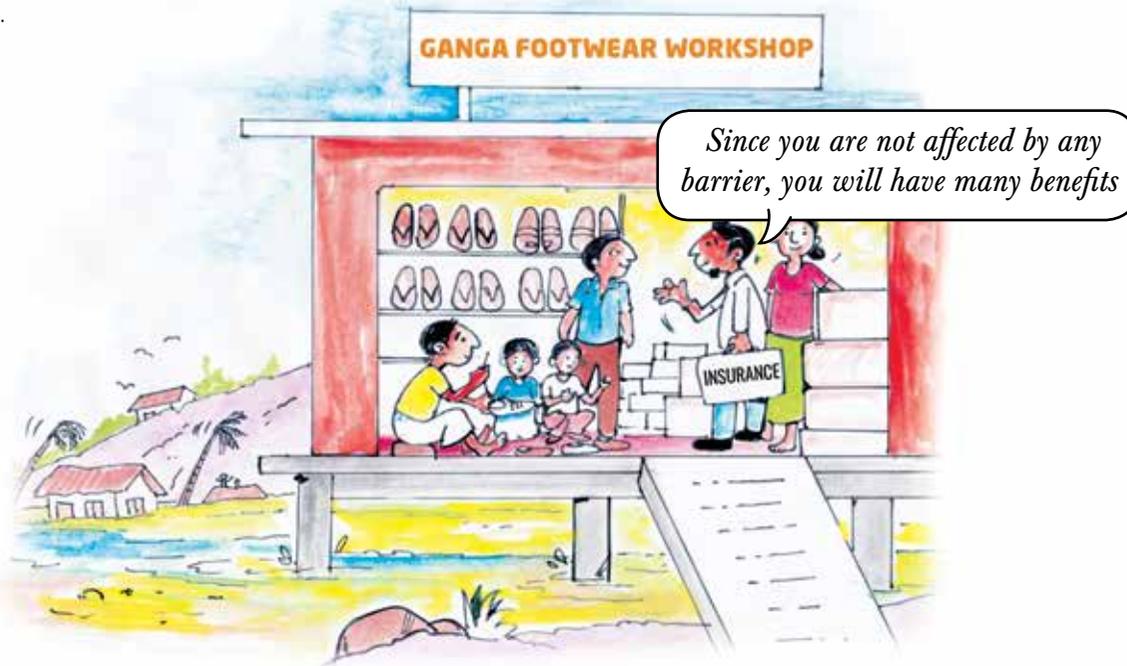
be many failed brands that may have to drop out of the market. Is your enterprise ready to increase its market share if this happens?



## Access to Financing & Insurance

If your organisation can demonstrate that you are prepared well- ahead for disasters, bankers would certainly be interested when appraising your loan application. It is the same situation with potential investors.

Insure against otherwise unacceptable risks. The level of preparedness could be a strong factor for obtaining possible discounts on payment of insurance premiums.



Endeavour to focus on those risks applicable to your organisation. Studies show that **MANY BUSINESSES DAMAGED BY DISASTERS NEVER RECOVER**. Those that do recover are typically the ones that are well - prepared with a plan before an actual disaster occurs.

# Unstoppable business

Business Continuity Management (BCM) is the process a company undergoes to install a capability and recovery system to address disaster risk before, during and after natural or man-made disasters. It is a sensible and proactive approach to integrate BCM to improve the current coping capacities of your business to enable continuity in crisis situations.



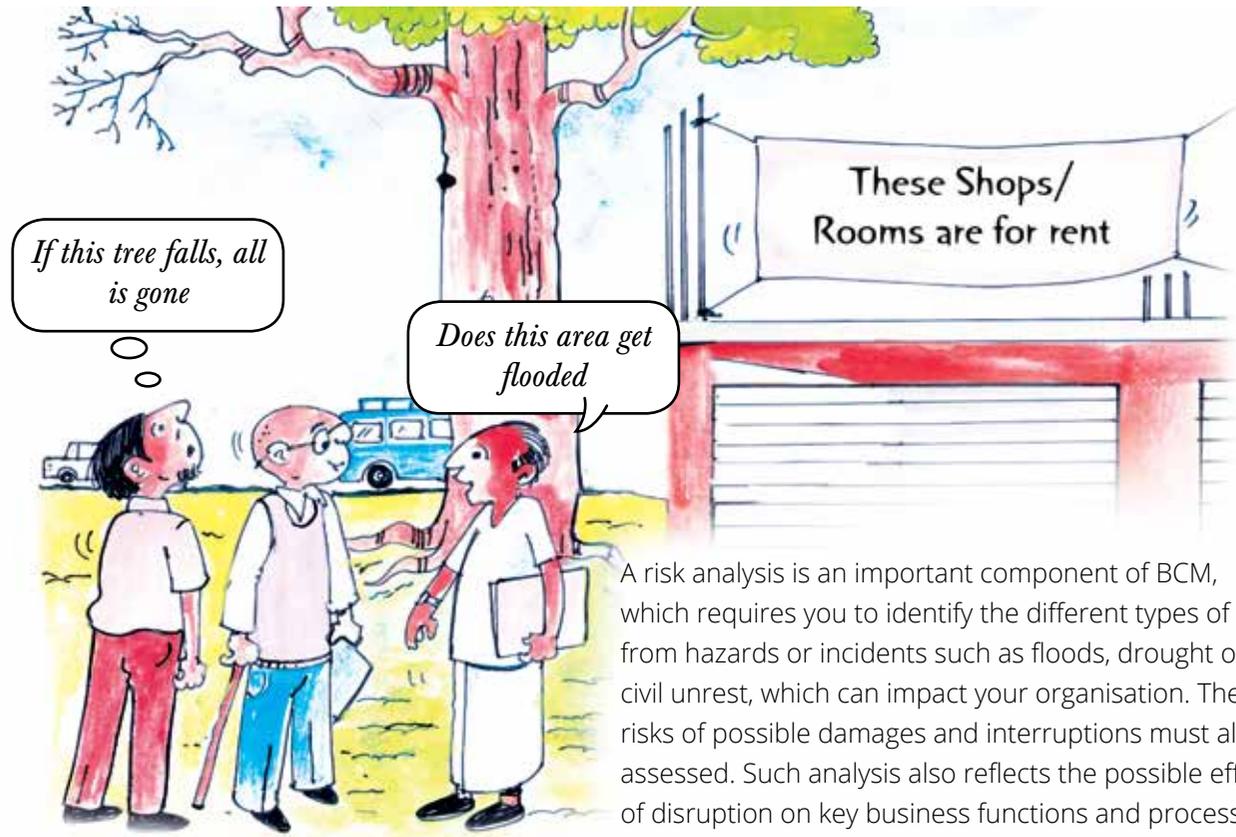
## Identify priorities

A key element of BCM is to analyse and identify the most sought-after product or service and define its minimum level of operation. It is important to identify that prioritised product or service is essential for meeting critical customer requirements, until normal

business activities can resume. For instance, during an emergency, if your business is a Hair- Dressing Salon, the wedding assignment must continue while the day to day services of the Salon can be curtailed until resumption of normal business.



# Analysing Risks

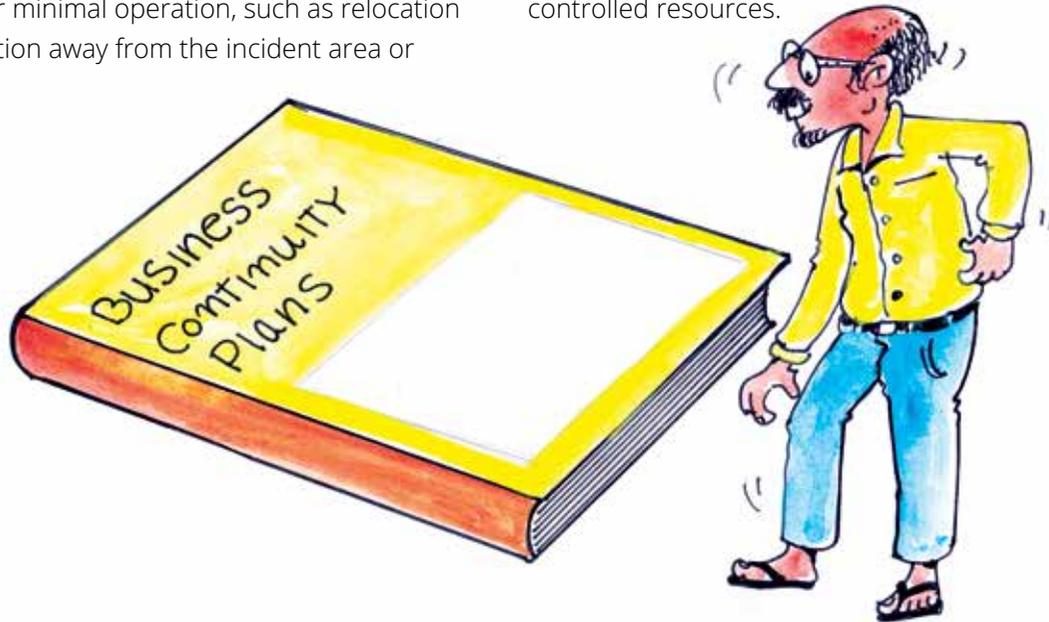


A risk analysis is an important component of BCM, which requires you to identify the different types of risk, from hazards or incidents such as floods, drought or civil unrest, which can impact your organisation. The risks of possible damages and interruptions must all be assessed. Such analysis also reflects the possible effects of disruption on key business functions and processes.

# Documented Plans

In BCM, the Business Continuity Plan (BCP) needs to be documented to detail operational procedures for use in the 'difficult time'. The BCP should always anticipate future risks. A separate BCP must be made for different risks at different entities. Identification of strategies for minimal operation, such as relocation of the operation away from the incident area or

outsourcing operations or part thereof, until 'back to normal', is a key activity in the preparation of BCP. Minimal resources should be identified in the BCP with assured availability at the time of operations. Alternatives would be required for externally controlled resources.



## Leadership, roles and test & review the plan

Leadership is key to the success of business continuity. The owner or the top management should lead the teams with correct decisions. Delegation of responsibilities amongst staff members during a crisis

should be included in the BCP and staff kept duly informed. The BCP should be maintained as a written document, tested in drills, and updated regularly.



## Financially prepared

You must be aware that if your business operation is suspended, you will lose revenue but yet be required to meet general expenditure such as payroll, rent, et al. Furthermore, if your facilities are damaged, you will need to consider the cost of the recovery of your damaged facilities. For the BCP, estimates are needed for funds required to implement the BCP. Other factors to consider include how much revenue will decrease due to business disruption, what are the recovery costs needed to continue your business as per the BCP, and how much general expenditure will be incurred during disruption? Modes of financing for continuity should be identified.



Regardless of the type, size and nature of your business, **BUSINESS CONTINUITY MANAGEMENT** protects against, reduces the likelihood of occurrence, prepares for, responds to, and recovers from, disruptive incidents whenever they may arise.

Implementing Agency



Focal Agencies



Supporting Agency

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