

Disaster Relief Planning for Corporations

In 2004, millions of lives were lost or devastated by the Indian Ocean Tsunami and in 2005 more than 1,800 people were killed as a result of Hurricane Katrina. In both cases, the affected areas are still dealing with recovery issues many years after the events. Every year since these two catastrophes, the world has experienced other natural disasters with wide-ranging impact on human life, community health, and economic productivity.

Corporations continue to play a more dynamic role in disaster relief grant-making. It is estimated that in 2007 the United States corporate sector gave over \$1.38 billion to various disasters relief efforts. The public at large has come to expect that corporations will come to the rescue when disasters strike. What used to be a case of "should we respond?" has now become "when and how should we respond?"

Developing a More Effective Disaster Response

Many TCC clients have found that having a formal disaster relief plan in place helps to minimize confusion, waste, and ineffectiveness in the aftermath of a catastrophe. Incomplete, or nonexistent, planning has led to spending that exhausts philanthropic budgets, often forcing corporations to undergo the time-consuming task of requesting new resources or to pull from existing program funds to fund the surprisingly high cost of the relief efforts. Nearly three-quarters of companies

responding to a 2005 corporate philanthropy survey stated that they made contributions above and beyond their budgets in order to respond to the U.S. Gulf Coast Hurricanes.

In our experience, there are five major steps that a company should take into consideration in drafting its disaster relief plan in order to speed up response times and lessen cannibalization of existing philanthropic programs.

Table One: Five Steps to Building an Effective Disaster Relief Plan

I	<p>Develop the Criteria for When and How to Respond <i>Determine the level and type of eligible disasters</i> <i>Benchmark other peer and best practice firms</i></p>
II	<p>Decide Company's Disaster Relief Response <i>Determine resources available, including cash, product, and expertise</i> <i>Agree upon the disaster relief stage company will focus on</i> <i>(see Table Two)</i> <i>Set estimated giving amounts</i></p>
III	<p>Establish the Decision-Making Process <i>Create a standing disaster relief committee</i> <i>Identify a core group of immediate-response decision makers</i></p>
IV	<p>Create an Implementation Plan <i>Define roles of staff</i> <i>Build a short list of "go-to" nonprofit organizations and coalitions;</i> <i>Set a timetable for response</i> <i>Create a communications plan</i></p>
V	<p>Evaluate and Adjust Based on Lessons Learned <i>Debrief with all stakeholders</i></p>

insights

One of the most common, and often most challenging, questions that corporate community engagement staff ask is, “where in the relief process should we engage? Should we respond immediately or wait until the ‘dust settles’ and we know more about what is really needed?”

Typically, corporations engage in one or both of the first two stages of disaster relief (See Table Two below), due to pressure from employees

and the public to respond quickly. In these early, time-sensitive stages, it is particularly important to have already mapped out a plan for a successful relief effort. And while engaging in the immediate emergency response efforts is of critical importance, companies are increasingly finding their overall impact limited when their support is focused solely on immediate, short-term assistance.

Table Two: Five Stages of Disaster Relief

1	2	3	4	5
Short-term emergency response	Short-term relief efforts	Recovery	Reconstruction	Mitigation
Addresses immediate needs (cash, water, food, temporary shelter, and medical care)	Stabilizing affected area by returning public order, establishing communications, beginning most essential repairs	Repairs to infrastructure in area: restoring water and electricity, repairing roads, salvaging what is possible	Rebuilding homes, schools, businesses, and communities. Restoration of jobs and livelihood.	Preventative steps to ensure same events do not happen again including rezoning, planning, and coordinated preparation.
Four to eight weeks	Four to eight weeks	Three to four months	One to three years or more	One to three years or more

In the third and fourth stages, “Recovery” and “Reconstruction,” repairs are made to infrastructure, schools, businesses, and forms of livelihood. Many corporations are finding that they can have a greater, lasting impact if they hold back some portion of their relief dollars until these stages are underway. Funding at these stages requires collaboration with government, civil society groups, and coalitions of other funders. These efforts might not readily garner as much public attention but with good communication efforts, companies can make the case to stakeholders of how they are helping.

In the fourth stage, “Mitigation,” steps are taken to ensure that any preventable events do not occur again. In this stage, partners may include national or international scientific bodies, government agencies such as NASA or the Army Corps of Engineers, and foreign governments to co-develop early warning efforts, planning, or major infrastructure projects. Joining these efforts requires a long-term commitment on behalf of the company and is most often undertaken when companies have a major presence in the geographic area.

How TCC Group Can Help

TCC Group works with corporations to craft individualized disaster relief plans that tap into each company’s distinct resources while taking into consideration the needs of multiple internal and external stakeholders. TCC Group can guide a corporation through the entire process of

building a disaster relief plan or assist at a particular juncture. To learn more about our work in this area, or to share your own experiences with disaster relief planning, please contact Tom Knowlton, Director of the Corporate Practice, at 212-949-0956 or knowlton@tccgrp.com

^a http://en.wikipedia.org/wiki/Hurricane_Katrina

^b Giving USA. Press Release on June 19th, 2006.

^c Giving in Numbers 2006 Edition, Committee Encouraging Corporate Philanthropy (CEPC)

^d Adapted from Stephen Jordan, the Center for Corporate Citizenship in the Corporate Philanthropy Report, November 2005.