

Public-Private Alliances to the Rescue

Many companies are realizing that they can play a crucial role in helping communities recover from natural catastrophes

by Rachael King

Flood survivors need bleach; the chemical compound is essential for purifying water and disinfecting contaminated surfaces. But well-intentioned donors often don't know that. And in the rush to help in the first days after an inundation, they typically send items like clothes that aren't vital – and can even hamper relief efforts.

The need to disseminate – and act upon – that kind of myth-busting information in a disaster's wake fueled the formation of the Aidmatrix Foundation, a nonprofit group that uses information technology to ensure donations are quickly dispatched to those in greatest need. "In a disaster, generally about 50% of volunteer time and transportation are because of things not needed in the system," says former Wisconsin Governor Scott McCallum, Aidmatrix's CEO.

The foundation pooled its own resources with funding from UPS ([UPS](#)), Accenture ([ACN](#)), and the Federal Emergency Management Agency to build a software program that would help match donations with needs. Officials in the Midwest later used the software to handle donations that poured in after floods ravaged the region in June.

Business Lends a Helping Hand

Aidmatrix is indicative of the kinds of public-private partnerships that can flourish in a world where large-scale natural disasters are becoming commonplace. Large corporations are adept at resuming their own operations after a disaster, but experts say that's not enough.

Businesses should – and increasingly do – use their technological expertise to help rebuild cities, states, and even nations racked by flooding, fires, and hurricanes. "If the community around an organization fails to stand back up and resume operations shortly after the disaster, it doesn't matter how good your individual plan is," says *Lynne Kidder*, senior vice-president for regional partnerships at [Business Executives for National Security](#). BENS, as it is known, is an organization that helps create public and private partnerships to aid in dealing with catastrophic events.

Put bluntly, a company can't fully bounce back unless its customers and employees do. The connection wasn't lost on [Shell Exploration & Production](#) in the months following Hurricanes Katrina and Rita. About 70% of Shell's oil and gas production occurs off the U.S. Gulf Coast, and in the interest of helping revive the region, the company began a multimillion-dollar social investment program called the Coming Home Campaign. The company sponsored the 2006 New Orleans Jazz & Heritage Festival, which it says resulted in \$250 million in economic activity; it donated more than \$750,000 to help police officers and volunteers obtain housing; and gave employees as much as \$1,000 apiece to support neighborhood rebuilding and recovery efforts.

Greenhouse Gas Effect

The need for companies to get involved in community recovery efforts will only rise. Droughts, heavy downpours, excessive heat, and intense hurricanes will become more common as the concentration of heat-trapping greenhouse gases rises, say researchers at the U.S. Climate Change

Science Program. The number of floods has increased sixfold since 1980, according to a November report from the aid agency Oxfam International. Natural disasters more generally have quadrupled over the last two decades, the report says.

Few have been as devastating as Katrina. But its impact was blunted at least partly by efforts of companies including Wal-Mart ([WMT](#)), the world's largest retailer. In the days before Katrina made landfall, Wal-Mart executives huddled in a company emergency command center and used hurricane-tracking software to follow the storm's progress.

As Katrina gathered strength, the company moved supplies and trucks to strategic locations, and over a two-week stretch from Aug. 29 to Sept. 16, 2005, was able to ship almost 2,500 truckloads of merchandise to affected areas. When the storm knocked out the company's inventory management system and much of the local phone system, Wal-Mart relied on satellite phones that had been brought in to prepare for disaster, according to a March, 2008, report by Steven Horwitz, a professor at St. Lawrence University.

Don't Depend on Washington for Help

Horwitz argues that big-box retailers such as Wal-Mart and Home Depot ([HD](#)) were so effective because of their expertise at logistics and management of the so-called supply chain, the complex network of suppliers, transporters, distributors, and other players responsible for getting a product from the factory to a store's shelves. Then there's the business incentive to provide needed goods and services, he adds.

And if Katrina reminded the nation of anything, it's that local residents can't afford to wait for help from Washington. Indeed, most of the initial response in the first 72 hours after a disaster will come from local community members, experts say. That, combined with the fact that an estimated 85% of the critical infrastructure in the U.S. is owned or operated by the private sector, underscores why businesses are essential to community disaster planning.

A tool in helping businesses act locally is the Corporate Crisis Response Officers Assn., an organization of executives who act as liaisons between their businesses and the community in the event of a crisis. The group developed the Essential Public Network, an online tool for real-time information sharing between businesses, the government, and nonprofit sectors.

Government Agencies Learn from Business

The lack of coordination between local businesses and government bodies proved detrimental after Katrina. Many companies didn't even know who to contact in the government, says Asa Hutchinson, chairman of the CCROA advisory board and the former Homeland Security Dept. Under Secretary for Border & Transportation Security. Hutchinson advocates businesses banding together on the local level to prepare for disaster. "Businesses have the motivation; it's their assets, it's their marketplace and their employees that are at risk," he says. "They have to take it upon themselves and not wait on the government."

Initiative-taking by the private sector doesn't leave the government off the hook. "The humanitarian and public sectors often aren't aware of resources out there or don't have the resources to effectively implement them," says Lisa Hamilton, president of the UPS Foundation. Some agencies are willing to learn from business, however. UPS loaned logistics expert Matt Lawrence to FEMA for nine months, starting in September, 2007, to help the agency implement new approaches to disaster-logistics management. Lawrence brought his knowledge of technology and process to FEMA, along with experience in evaluating and redesigning supply chains to improve efficiency. UPS paid his salary while he was at FEMA.

UPS has been involved in disaster relief in other ways. The company created the transportation portal for the Aidmatrix Network and is helping deliver food and other supplies to regions affected by the June flooding in the Midwest. Globally, [UPS has been involved in a partnership](#) (BusinessWeek,

1/25/08) with [Agility](#), [TNT](#), the U.N., and the World Economic forum to help the humanitarian sector with the logistics of emergency response to large-scale disasters.

This idea dates at least as far back as the earthquake in Iran in 2003, when a review showed that more aid would have been delivered if there had not been a bottleneck at smaller airports without experienced personnel and the proper equipment to handle the huge volume of relief shipments.

IBM Takes the Lead in Turkey

Other companies are also bringing tech expertise to global disasters. The IBM ([IBM](#)) Crisis Response Team has responded to more than 70 disasters worldwide since it was started in 1993. In 1999, after Turkey was rocked by a massive earthquake, the IBM team helped the Health Minister create a computerized logistics management system that could catalog over 10,000 drugs. In just a few days, IBM had the system running in Turkish and English. As IBM continued to respond to disasters, the team needed a disaster management system that could help track goods, manage personnel, reunite families, register volunteers, and manage resources. There was no global standard package, so IBM kept reinventing systems and customizing them.

Then it had a breakthrough, in the aftermath of the Asian tsunami in 2004. IBM Research's [Sanjiva Weerawarana](#), who was instrumental in the formation of Sri Lanka's open source software community, began working with individuals, universities, and software companies to create the open-source disaster management software called Sahana, after the Sanskrit word for patience. Since then, Sahana has been used in many different disasters, including the Pakistan earthquake, the Peru earthquake, and most recently in Myanmar and China.

While many technology companies are generous with products and money in the wake of disasters, they are sometimes taken aback by the effort required to work within the humanitarian community. "In general, it takes companies a while to figure out how to do this right," says Jesse Robbins, who works with O'Reilly Media and as a volunteer firefighter was a first responder in Hurricane Katrina. Robbins says that tech companies new to the humanitarian sector sometimes come with forceful opinions about how things should be done, which doesn't always go over well with other organizations. He says Microsoft ([MSFT](#)) has taken pains to understand how people use its technology to solve problems. "Microsoft is the shining star of doing this right," he says.

A Chance Meeting Leads to Change

The same might be said of the Safeguard Iowa Partnership, a coalition that came about after a chance meeting in 2006 between then-Iowa Governor Tom Vilsack and **BENS** CEO *Charles Boyd*. At the invitation of Governor Vilsack, the organization spent about nine months during 2006 facilitating meetings between local businesses, public agencies, and universities. By the beginning of 2007, the Safeguard Iowa Partnership formed with the idea that the government cannot act alone in safeguarding national security. Businesses including Alliant Energy ([LNT](#)), Deere ([DE](#)), [Pella](#), Rockwell Collins ([COL](#)), and [Wellmark Blue Cross & Blue Shield of Iowa](#) were founding members.

Just 17 months later, during the floods in Iowa, state officials asked the Safeguard Iowa Partnership to coordinate the donations that came through the Aidmatrix system. The whole idea of having the private sector engaged in disaster management is relatively new, says Kidder at BENS: "Even three years ago, before Hurricane Katrina, we'd talk to businesspeople who would say, 'Isn't this the government's job?'" Kidder doesn't get that response anymore. "The whole public-private collaboration piece has become imperative."