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Session 4

**Public-Private Efforts to Promote the Formulation
and Implementation of Business Continuity Plans
for Private Firms**

Submitted by: Japan



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Public-Private Efforts to Promote the Formulation and Implementation of Business Continuity Plans for Private Firms

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Outline



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- 3. Other Ministries' Efforts**
- 4. Local Governments' Efforts**
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the Great East Japan Earthquake**

1. Purpose and Goals in Promoting BCP

Purpose

To avoid a halt of corporate activity caused by a natural disaster such as an earthquake, and avoid its undesirable impacts to the company, economic growth, and employment not only in the affected areas but also in other areas connected through business relationships.

To minimize disaster impacts, **it is crucial to promote the formulation of a Business Continuity Plan (BCP)**, which is a management strategy aimed at ensuring business continuity in times of disaster, **ensuring socio-economic stability in Japan, and improving the reliability of Japanese firms for foreign countries.**

Numerical Targets for BCP Formulation

Targets in each Earthquake Disaster Reduction Strategy endorsed by the Central Disaster Management Council

○ Targets to be achieved in about a decade

Percentage of private firms which have already formulated BCP

⇒Almost all large-scale companies, majority of medium-sized firms

Tokai EQ (March 2005), Tonankai and Nankai EQ (March 2005), Tokyo Inland EQ (April 2006), Trench-type EQs in the vicinity of the Japan and Chishima Trenches (December 2008)

Targets in the "New Growth Strategy" road map adopted in Cabinet Meeting (June 2010)

○ Target to be achieved by 2020

to ensure the stability of corporate activities which underlie economic growth

⇒BCP formulation rate: almost all (large-scale companies), 50% (Medium-sized firms)

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2. Overview of CAO's Efforts to Promote BCP

- 1. Formulating and Enhancing BCP Guidelines**

for leading private companies to formulate and implement BCP.
- 2. Collecting and Providing Information about BCP Formulation**

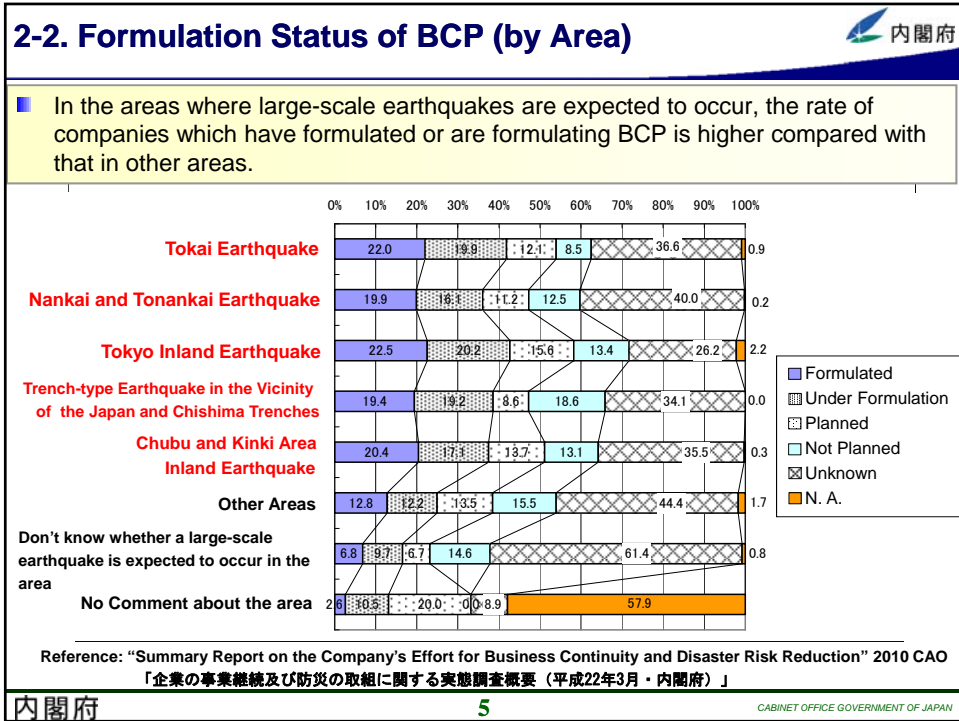
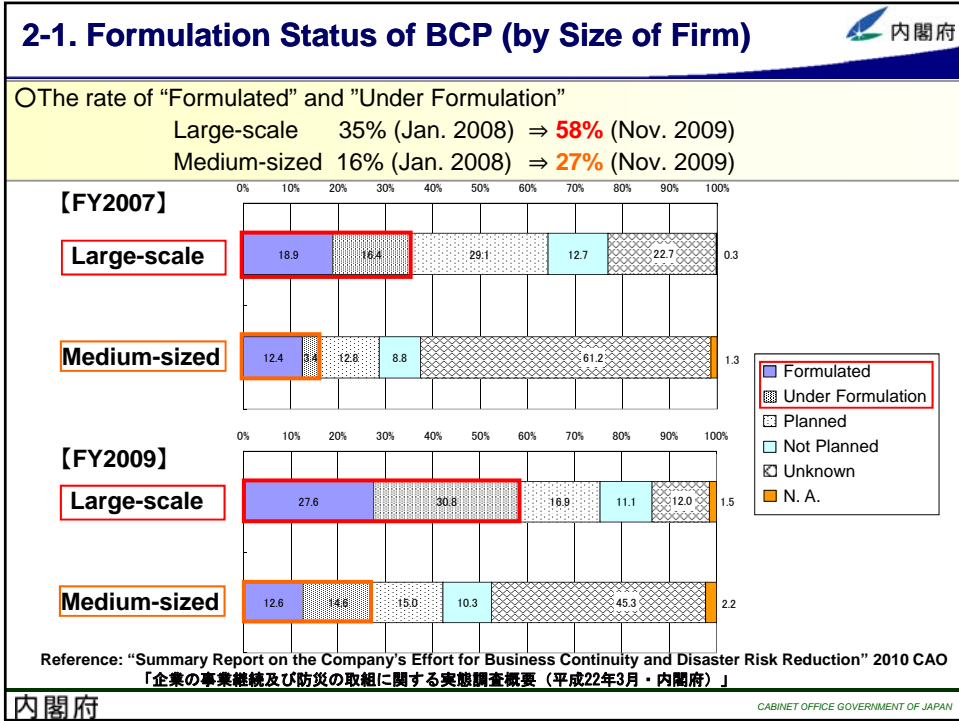
Examples

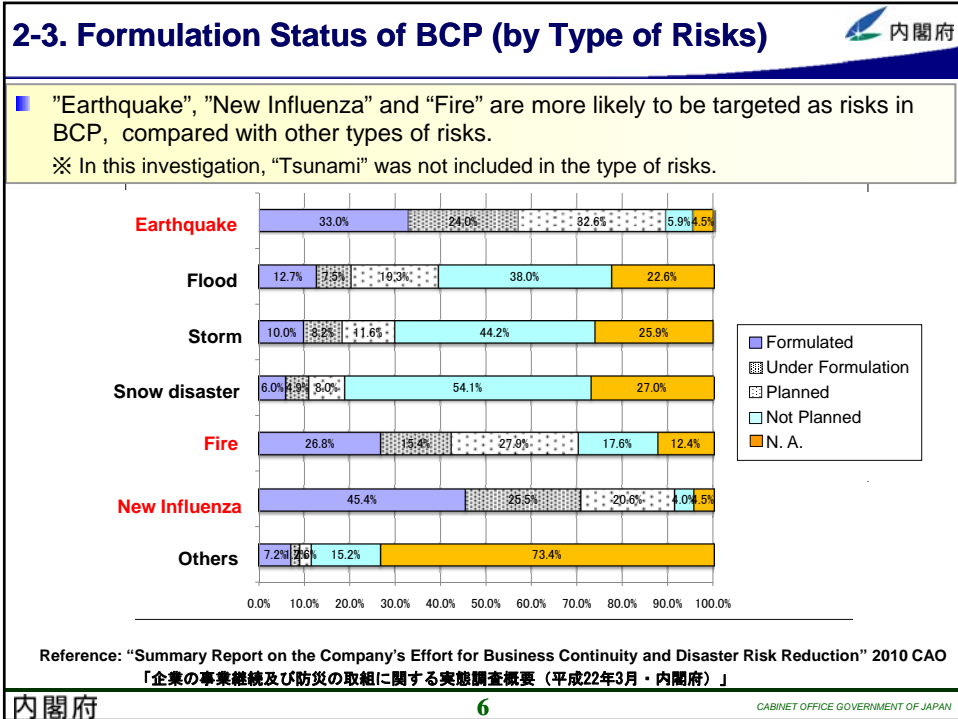
which will help companies to formulate and implement easily and effectively.
- 3. Investigation of Corporations' Efforts for Business Continuity**

In FY2011, the CAO will investigate formulation status in specific industries.
- 4. Comprehensive Exercises for Continuing Business with Inter-firm Collaboration.**

Promoting BCP by Public-Private Cooperation

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2-4. Implementation of Exercises with Inter-firm Collaboration

Report on Exercise for Continuing Business with Inter-firm Collaboration (2011)


Participants: 10 retailing, wholesale and manufacturing companies, more than 30 staff (which actually constitute the supply chain for foods and commodities)

Assumption: Tokyo Inland Earthquake

Situations : 6 scenarios, 3 or 7 days after disaster.




CAO summarized the findings



3. Other Ministries' Efforts 内閣府

“Certification of Construction Company’s Ability to Continue Business in a Time of Disaster”
 by Ministry of Land, Infrastructure, Transport and Tourism (MLIT)



Simplified Guide for Construction Companies to Continue Business in a Time of Disaster (published in 2009, revised in 2010)

Construction Company ⇒ **BCP Formulation**

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Assessment of Business Continuity Ability

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Certification Published (period of validity; 2 years)

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Checked in comprehensive evaluation for construction bid contract by MLIT

“Contribution to Communities (Certification of Business Continuity Ability)”

★ Merits

As of 24 June, 2011 ⇒ 170 Companies are certified

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4. Local Governments' Efforts 内閣府

Local Governments promote BCP for local companies considering the specific risks expected in each area.

Miyagi Pref. : Commerce and Business Support Division mainly promotes BCP by formulating and circulating BCP guidelines and investigating status.


- Formulated “**Guideline for Formulating Plan for Continuing Business during Emergency in Miyagi**” (assuming Miyagi-ken-oki Earthquake, etc.)
- Promotes BCP by investigating and publishing the formulation status in Miyagi

Tokyo : Commerce and Industry Department promotes BCP, collaborating with the Chamber of Commerce, Tokyo Metropolitan Small Business Promotion Agency.

- Formulated “**BCP Step-up Guide for small-sized companies (Tokyo edition)**”
- Official support for BCP formulation (training for small-sized firms, consulting, etc)

Shizuoka Pref. : Division of Commerce and Industry carries out various activities for business continuity with companies and universities.

- Formulated “**BCP Models in Shizuoka (2nd Edition)**” (assuming Tokai Earthquake, introducing examples, etc.)
- Human resource development through “**BCP Leadership Training Course**”



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5. Examples of Financial Sector's Efforts



1. Development Bank of Japan

- “**Loan with Disaster Preparedness Rating**”; financing with low interest rate for investing in projects for disaster preparedness (including non-facility items), by companies which make a sincere effort for disaster risk reduction

2. Local Banks

- “**BCP Support Loan**” by Shiga Bank; low interest loan for installing or enhancing disaster-prevention facilities and for consulting fees for BCP formulation by companies which try to minimize damages from disaster.

3. Credit Guarantee Corporation

- “**BCP Special Credit Guarantee**” by Shizuoka Guarantee; companies with BCP can reserve a credit guarantee to support fund-raising for restarting business in a time of disaster by prior application and evaluation.

6. Findings from the Experience of the Great East Japan Earthquake



About 5 months after the Great East Japan Earthquake, many companies are still far from restarting their businesses.

Points of awareness in terms of further promotion of business continuity are;

① Reviewing Risk Assumption

⇒ Assuming larger-scale disasters, such as ultra-wide-scale disaster and Tsunami disaster

② Dealing with Complex Supply Chain

⇒ Confirming direct and indirect effects from affected business partners

③ Strengthening Inter-firm Collaboration

⇒ Improving communication and collaboration framework in a time of disaster

etc.