



Sheffield
University
Management
School.

SME RESILIENCE TO FLOODING – A RESOURCE BASED PERSPECTIVE

Dr. Martina McGuinness

Senior Lecturer in Risk Management & Strategy

Sheffield University Management School



m.mcguinness@sheffield.ac.uk

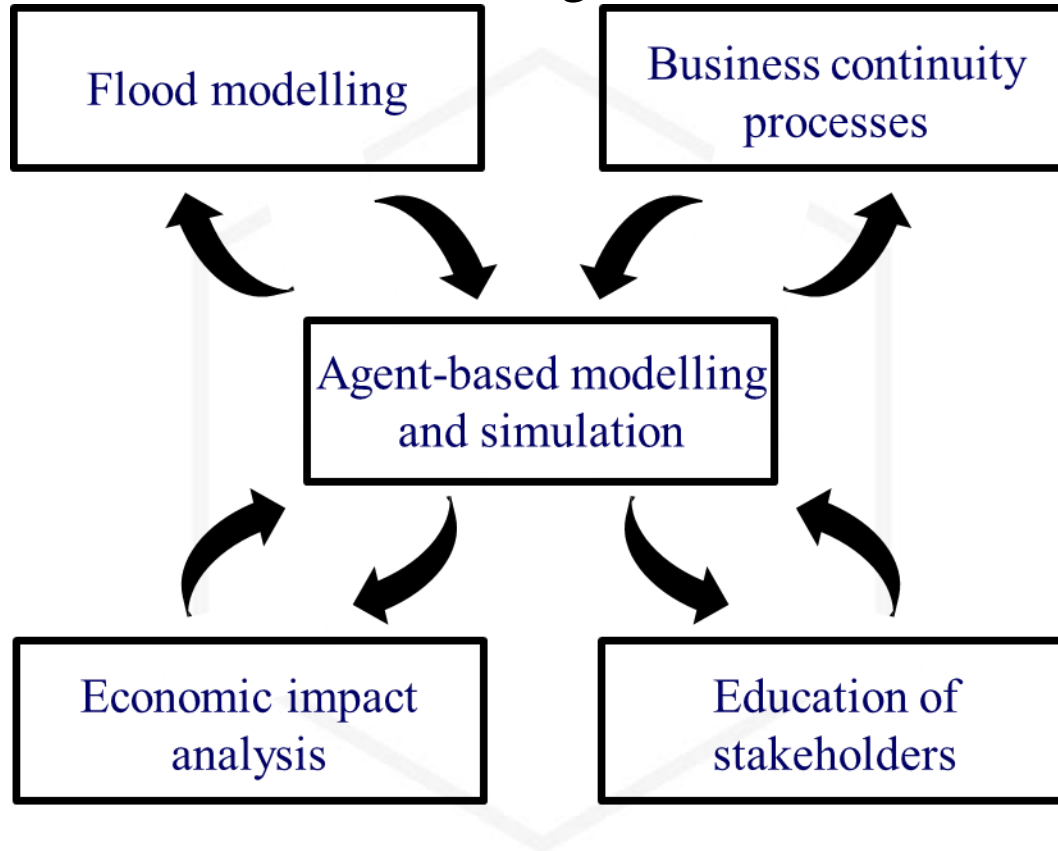


Agenda

- Overview of the project
- Research context
- Lower Don case study
- Emerging findings
- Conclusions



SESAME: Project overview



Aims to iteratively evaluate organisations' flood response strategies to develop guidelines and recommendations to influence behaviour change enabling them to better prepare for future floods



Research context

- Milder wetter winters and localised weather events a trend
- Flooding is a key risk facing the UK
- High cost of floods to insurers and the wider economy
- Small and medium sized enterprises (SMEs)

Resource based perspective

- A firm is a bundle of resources
- Each firm's resource bundle is unique
- Relationship between a firm's resources and its performance
- Business continuity management is an important resource for a firm's resilience to major disruption



Business Continuity Management

[A] “holistic management process that identifies potential threats to an organisation and the impacts to business operations those threats, if realised, might cause, and which provides a framework for building organisational resilience with the capability for an effective response that safeguards the interests of its key stakeholders, reputation, brand and value-creating activities.”

(ISO 22301, 2012:s3.4)



Sheffield
University
Management
School.



Civil Contingencies Act 2004

CHAPTER 26

CONTENTS

PART 1

LOCAL ARRANGEMENTS FOR CIVIL PROTECTION

- 1 Meaning of "emergency"
 - Contingency
- 2 Duty to assess, plan and advise
- 3 Section 2: supplemental
- 4 Advice and assistance to be given
- 5 General measures
- 6 Discharge of duty
- 7 Urgent measures
- 8 Urgent measures: monitoring
- 9 Enforcement of orders
- 10 Enforcement of orders: Scotland
- 11 Provision of information
- 12 Amendment of orders
- 13 Scotland: cross-border arrangements
- 14 National Assembly for Wales: orders
- 15 National Assembly for Wales: regulations, etc.
- 16 Interpretation, etc.
- 17
- 18

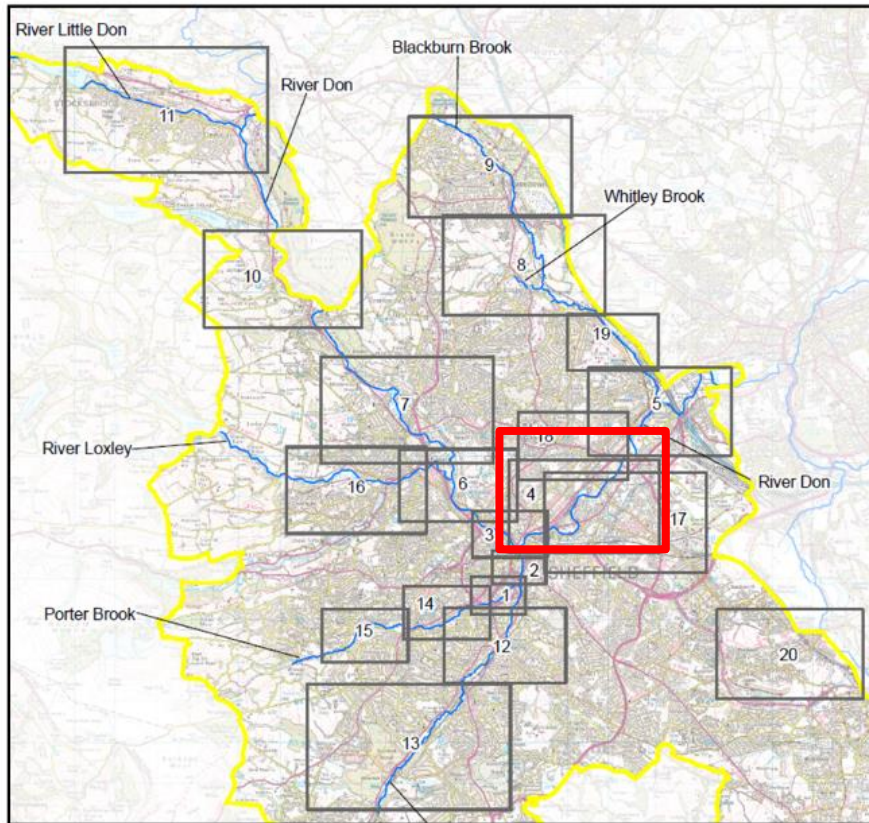




Sheffield
University
Management
School.

Case study:

Lower Don Valley, Sheffield



Methods

- Qualitative approach
- Semi-structured interviews
- ISO 22301 utilised as overarching framework for structuring interviews
- Nvivo software used for data analysis

Interview	Sector	ISIC code	Employees	
			2013	2007
1	Engineering	C28	45	
2	Engineering	C28	380	
3	Engineering	C28	24	24
4	Training/support	N78	45	
5	Insurance	K65	30	
6	Printing	C18	16	18
7	Trade/retail	G46/47	7	11
8	Recruitment	N78	10	12
9	Engineering	C28	25	
10	Haulage	H52/53	45	35
11	Engineering	C28	7	8
12	Prop maintenance	N81	98	
13	Manufacturing/Eng	C28	200	100
14	Property Agent	L68	4	4
15	Events	R93	35	
16	Domiciliary care	Q86	106	
17	Engineering	C28	48	
18	Manufacturing/Eng	C28	20	26
19	Engineering	C28	34	16
20	Manufacturing/Eng	C28	14	30
21	Engineering	C28	49	65
22	Engineering	C28	180	146

Challenges in implementing policy at the local level

- Whose responsibility?

“It’s still not my job, to actually manage businesses for business people...The impact [of the CCA] was more on the Local Authority in the fact it actually said we have to make people aware of what they’re expected to do prior to an emergency. Now that never existed in the old *Dealing with Disaster*.” [Sppt Int.1]

- How to do this?

“The actual issues for me have proved to be getting people interested. I still think there’s great apathy towards it... or whether it’s apathy or whether it’s just they haven’t got the time or the resources”

Mobilising resources at city level

- Short term - Business Recovery Group
- Longer term – Business Emergency Resilience Group
“the idea was that we would actually involve those groups of either businesses or where they’ve got an umbrella group like the retail group in the city centre so that we could actually utilise them as a method of actually giving information out and actually getting them”

...pragmatic also

“BERG allows us to tick that box [under the CCA]” [Sppt Int. 1]

Business continuity management

- Little evidence of formal business continuity processes from the sample of SMEs interviewed:

“we had nothing in place [plans/preparations] no. It [the flood] came as a right surprise actually.” [SME Int.7]

“we are such a small business, it’s [the business continuity plan] in the head.” [SME Int.8]

“for the larger organisations it’s different because you may have someone whose responsibility that is. But for SMEs, quite often if it’s one person and they’re employing, you know, their secretary and their son part-time. They have to do absolutely everything and to come up with an emergency plan, it just can’t take top priority.” [Sppt Int. 2]



New configurations of resources



“we’d obviously got the people who we knew, ... we rang them straightaway out of hours and said what can you do for us, what have you got, what can you get access to.”
[SME Int.6]



Nature of SMEs

“... we have spent a lot of years reacting to things like that. So I don't think we are too bad to be honest at reacting to things whether it be pipes bursting or you have no power or you have no water and you're flooded - deal with it. We don't sit down with our head in our hands and cry. It's right, you do this, you do this, and you do this.”
(Operations manager)



Leveraging of social capital

“We kind of used our own resources. This is the sort of thing we do, building, refurbishment works and things like that... So we have got the contacts there, it was getting the right kind of people in at the right time.”

(Operations Manager, SME12)



Longer term adaptation through resource acquisition and hard fixes



Conclusions and future directions

- Evidence strongly indicates lack of preparedness in the form of established BCM pre-2007 flood and post flood
- Reconfiguration of firm resources through improvisation, bricolage and leveraging of social capital
- Implications for resilience guidance for SMEs?
- Future work - comparative case studies