

MOBILITY & RESILIENCE CURES BUSINESS CLIMATE CHANGE WOES

Fourteen months ago terms such as climate change, disaster recovery, crisis management; and business sustainability were all foreign and distant lingos corporate British Virgin Islands (BVI) used to support global messaging. However, after three catastrophic and unprecedented disasters these terms are now more than buzz words – they are at the corner of every entrepreneur’s mind and businesses are suddenly focused on one thing – resilience, and mobility.

For decades we have heard about the hole in the ozone layer and melting ice caps, but once again it all seemed so foreign. After all, what did all of that have to do with the daily strides of people living in a 24 square mile island that can hardly be seen on any map.

As the years rolled on and the news became rife with stories of the Paris Accord and the push for countries to minimize greenhouse gas emission, still there seemed no correlation between these global issues; and a small business owner trying to deal with the day to day stress of staying afloat. In fact, the whole issue of sustainability and climate change were used as mere marketing rhetoric and some businesses would also include the term “going green” to spice up their public relations.

However, that all changed in a matter of hours when on 6th September, 2017 hurricane Irma pummeled the Territory leaving behind a site that resembled photos of the aftermath of an atomic bomb. Irma is still the subject of nightmares for many and in fact the trauma was so great that the Government had to invest in psychological intervention for all public servants and many nonprofit organizations became overwhelmed with persons seeking counselling and other trauma related support.

Almost overnight persons lost their homes and all their possessions and the Territory which depends on two economic pillars – Financial Services and Tourism lost the latter which provides one in four jobs. Thus punching a major blow to a government that was already trying to recoup from a destructive flood that occurred on 7 August, 2017 (a month before Irma). The blow was great as financial services the other pillar also saw a fall out.

However, it was the private sector that was in shambles and that is the crux of this feature – the Irma blow and the lingering effects forecasted for 2019. In fact, businesses are still crippled and some who are just beginning to see rays of sunshine are terrified of some of those very threats that once seemed so foreign; as now the subject of sustainability seems almost like a lifeline.



WHEN IRMA CAME

From June to November every year the British Virgin Islands like every other Caribbean nation notes the hurricane season. The forecasts of expected storms are released, and listed and often has no real effect. Few businesses ever bothered to create a crisis management or disaster recovery plan, because since Hurricane Hugo in 1989 the islands were spared from many storms. In fact, every hurricane that passed since then caused at worst only moderate damages.

Therefore, it came as no surprise on 5th September, 2017 that some companies did not even bother to install hurricane shutters and other protective features to their buildings. Others merely thrust a few sandbags at their doors; and left everything expecting to resume business the following day. There were no contingency plans, and while now in hindsight cloud storage seems like a necessity; no one considered business continuity on that day.

At 1:00 a.m. on 6 September, 2017 the radio which usually ends broadcast at 10:00 p.m. was still on urging everyone to clear the streets, but it was noted that no one seemed to be taking the plea seriously. Even as the Director of Disaster Management Sharleen Dabreo stressed the seriousness of the impending storm.

The next morning seemed like any other day and it almost appeared as if the forecasters were wrong. However, things began to change by 9:30 a.m. and by 11:00 a.m., what has now gone down in history as the strongest Atlantic forming hurricane ever recorded began to pummel the small Territory of the British Virgin Islands.

This was no hurricane, because it contained small cyclones and at some points appeared to be a tornado; and even though it is recorded as a category five, it is regaled as something much greater. People were crying and sobbing loudly, as the roof and walls collapsed forcing many to, in daredevil manner run through it all to find shelter in the homes of strangers. What resulted was a population of 27,000 all with a story of how they felt their hour had come. This was a case of collective near death experience. Even more, it is agreed that hurricanes Irma and Maria which was also a category five hurricane that passed ten days later were all manifestations of climate change.



A family home lays in ruin after Irma



Many homes lost their roofs during Irma's passage



Major bank destroyed

CLIMATE CHANGE DISASTER RECOVERY AND CORPORATE BVI

One of the hallmarks of the British Virgin Islands is that the Territory is relatively crime free; so much so that having at most, four murders in any year is viewed as a Territorial crisis. This fact, coupled with the thought of many business owners that the following day was going to be business as usual meant that security was not the focus the day before the storm and this resulted in a major hit.

The horror for business owners was great on 7th September as many who were weeping at the loss of their homes and belongings had no idea that their businesses were being looted. The island was in darkness as the entire electricity network was down and there was no telecommunication available.

In the pandemonium, idle hands went to work breaking into businesses throughout the island and destroying what the hurricane spared. What resulted was a second blow to business owners who viewed it all as a triple whammy.

It is hard to cope when both home and business are in shambles, and for hours a drive through Road Town, the capital of Tortola, the largest island of the British Virgin Islands; and the hub of corporate BVI revealed chilling and somber facial expressions from business owners who seemed near that dismal edge.

On that day lessons that business text books and gurus failed to convey as it relates to business continuity; and sustainability became a teachable moment and practical experiment.

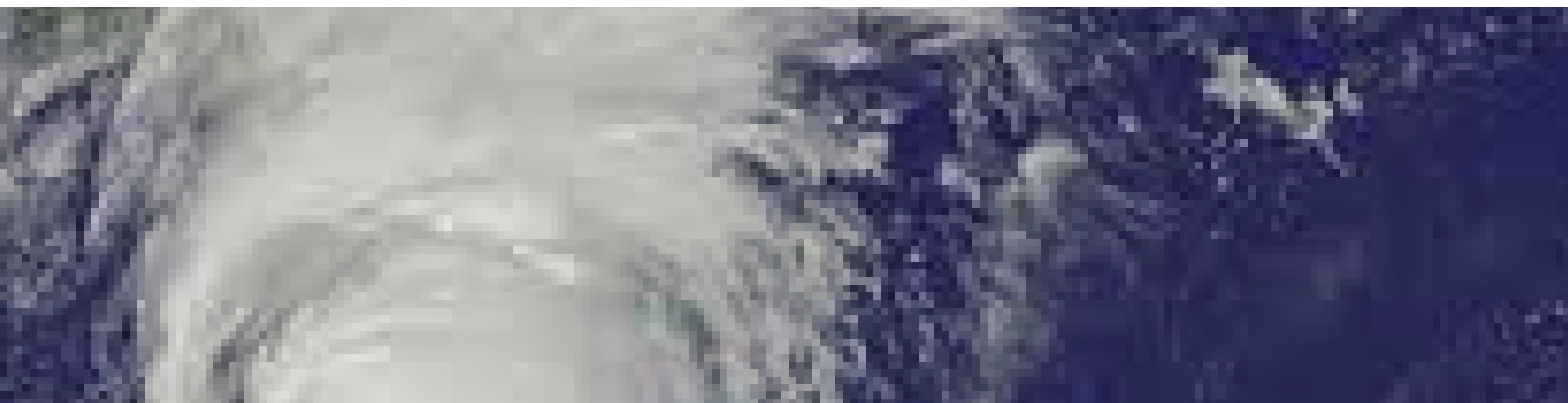
How does one find the mental fortitude to grapple at the same time with being homeless, providing for and comforting your family who is traumatized, and salvaging your business which seemed to have collapsed?

For businesses with overseas clients, deadlines, and legal obligations hovered over their heads with no earthly thought of how to meet these obligations. Imagine -- there was a shortage of fuel for the generators, the electricity was gone, there was no internet, and no phone! How do you contact anxious clients to convey what had happened?

Would they care and what does this mean for the future of your business? At this point there was a widespread hopelessness within the business community as many of the key steps in crisis management were outright failures.

For instance, step one which is to anticipate – went out the door because no one prepared for Irma's arrival. The second step of planning is laughable because again all believed that hurricanes avoided the BVI. The third step of identifying the communications team was impossible since there was mass destruction and people were scattered. The fourth step of 'communication' was outright impossible; so across the public and private sector businesses remained closed. Productivity halted.

In cases of disasters and emergencies it is customary for the private sector to look to the Government for certain assurances; but this was one instance where the Government was too overwhelmed to offer such



. Everything was down and all indications were that “this was going to take years to fix” a thought that was worrisome to business owners who needed assurance.

The next blow came from the loss of human resources. It would have been foreseeable for business owners if they could even roundup their staff and come up with a short term plan – a way forward. However, this became a challenge considering that the British Virgin Islands has a population that features a little over 50 percent of migrant workers. Most of the key industries comprise of expat employees. This became an issue as days following the disaster -- as soon as the airport opened private planes began arriving to take expats who wished to leave home.

Even some Virgin Islanders hired flights to take their families to other countries. Other families boarded flights to ensure that their children continued school as many of the schools in the Territory were in shambles. This resulted in a massive loss of human resources and a vicious blow to business continuity

.At a moment like this, none of the lessons in crisis management seemed to apply, little could be done at that point to ensure continuity especially since one was not even sure where they were; and what could be done.

The problem worsened as insurance companies adopted a snail pace in dealing with claims dragging on the rebuilding process; and the Government after two meetings with little improvement had to pilot and pass a Motion which formed an Insurance Tribunal; that is still working.

In fact, during the British Virgin Islands’ House of Assembly sitting on 23 October, 2018 Minister for Health and Social Development Ronnie Skelton announced that there has been a 300 percent increase in insurance premiums; which means an anticipated increase in various items; and various implications spanning to 2019. Already, this rise in premium is being blamed for the sharp increase in corporate and residential rent – causing additional burden to limping businesses.



THE WIDER CONTEXT AND SUSTAINABILITY LESSON

The visit of Irma was a real indication of how grave an effect environmental challenges can have on businesses; and it served as an eye opener for not only the the British Virgin Islands, but also Antigua and Barbuda, St Martin, Anguilla, US Virgin Islands, Dominica, and Turks and Caicos Islands which were also affected.

In a 2014 World Bank article Rachel Kyte (Kyte, 2014) made the chilling announcement that Climate change can be described as the biggest challenge to achieving sustainable development. The writer also made the grim announcement that climate change has the propensity to make millions of people paupers, by increasing poverty. Here in the British Virgin Islands Irma was a vivid illustration of just how catastrophic climate change can be.

Against all this grim, there is still the proverbial silver lining as businesses now understand the importance of ensuring that they have a nimble structure that can flexibly maneuver should the brick and mortar component become compromised.

Technology is indeed the future, so much so that in the face of cataclysmic disasters a great technology centered plan can save the day. Take for instance the case of the Irma ravaged BVI. Two forms of businesses were able to brave the disasters – some online news sites, and the trust companies.

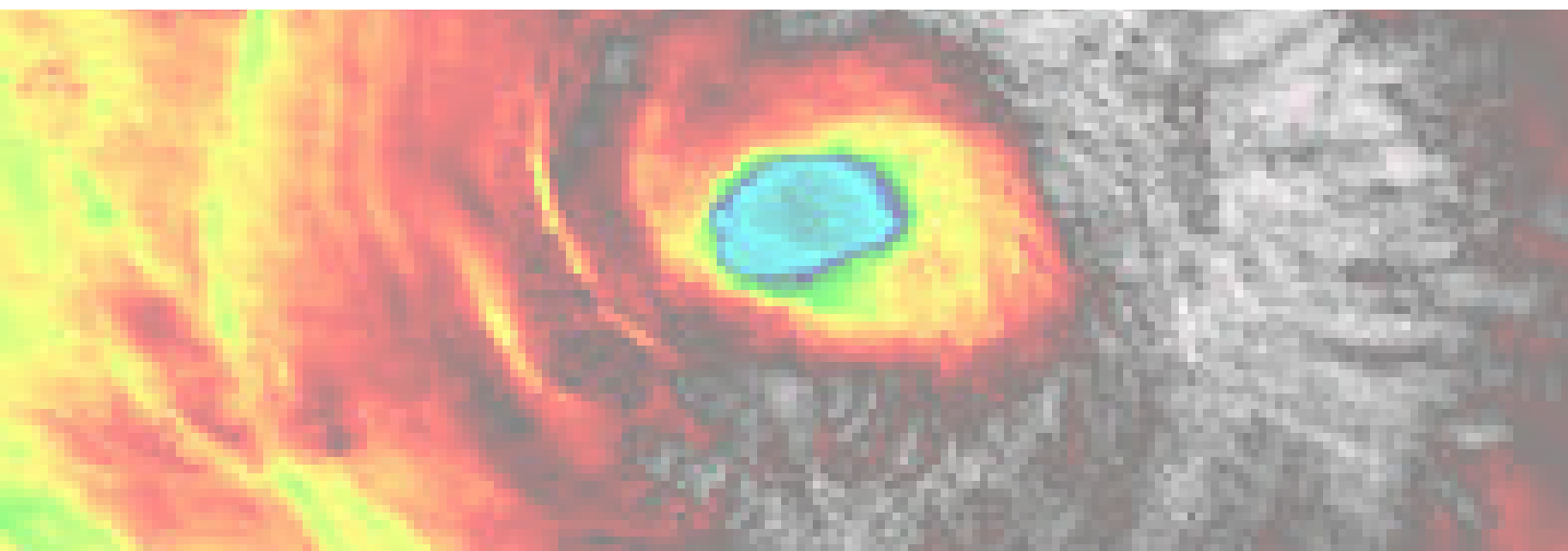
As was mentioned earlier financial services is one of the economic pillars of the British Virgin Islands.

In fact, 60 cents of every dollar the Territory earns comes from this pillar which deals with trusts and international business companies registrations. This sector has both a public and private sector component and both had a mobility factor that proved valuable in the face of the crisis and chaos Irma brought.

On the public side financial services business was up within two days because of the recovery planning of the Financial Services Commission of the British Virgin Islands (FSC BVI). Thanks to foresight of the Commission had earlier launched its Virtual Integrated Registry and Regulatory General Information Network ("VIRRGIN"), which is an online platform that facilitates services of the Registry of Corporate Affairs, and enables financial services stakeholders to conduct certain routine services.

On the other hand, the private financial services companies routed their staff to other jurisdictions where they have offices such as Hong Kong, Cayman Islands etc.; and through the use of VIRRGIN were able to conduct business for their clients seamlessly, and so the financial services sector was able to brave the impact of Irma and keep the entire Territory afloat.

The same resilience and mobility was illustrated in the case of at least two of the most prominent news websites in the British Virgin Islands – bvinews.com and bviplatinum.com. At the time hurricane Irma struck both of these sites had senior staffs coincidentally out of the Territory.



Thanks to this fact, they were able to maintain their news site; and provide comfort to the many relatives and friends who were overseas worried about their loved ones with no means to communicate. Reporters on the ground in the Territory were able to get to cell sites to send SMS messages and make brief calls to these reporters overseas who were able to keep the sites updated.

These examples of how the financial services sector, and media were able to continue business even in the face of such an unprecedented disaster are illustrations of how resilience and mobility must work hand and in hand to combat sustainability challenges such as climate change.

References

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looting crippled some businesses



Roads were blocked and impassable



Catastrophic flood