

Disaster Planning on the Cheap is not Just Costly, It's a Complete Disaster

By Ian I. Mitroff, Ph.D

In the rush to fix blame, the most important lessons of the two major natural disasters to strike in the past year, the Asian tsunami and hurricane Katrina, are being ignored. Unless the real lessons are finally given the attention they deserve, we will continue on the same perilous course. It will already be too late in planning for the next disaster.

First and foremost, the hackneyed distinction between “natural” and “human-caused” crises is not only seriously out-of-date, but it is completely bankrupt. It no longer serves any useful purpose. At best, it is an anachronism, a carryover from a simpler age. At worst, it is major contributor to the crises we face because it delays action until they are seriously out of control and hence it is too late to do anything effective.

Both the Asian tsunami and Hurricane Katrina should teach us that there is now a seamless connection between “natural” and “human-caused” crises. As sure as night follows day, one inevitably follows the other. Indeed, the time between them has essentially shrunk to zero. The initial natural crisis and the resulting human-caused crises are so interconnected that they can no longer be viewed as two separate events but rather as two overlapping phases of the same phenomenon.

For example, consider the 6 plus magnitude earthquake that struck Turkey a few years ago. On its face, it was a case of a pure natural disaster. However, because of the substandard construction of high-rise apartment buildings, it quickly turned into a human-caused crisis. As the result of the earthquake, a number of apartment buildings collapsed killing hundreds of poor people. (It is always the poorest of the poor that are affected the most.) Investigations afterwards revealed that government officials had accepted bribes from shady contractors.

As a result, government officials closed their eyes to the faulty construction. The buildings were so poorly built that the supporting walls were compared to cardboard.

The earthquake may have been the initiating natural disaster, but its effects wouldn't have been as devastating had it not been for the underlying human caused crisis waiting to happen. The point is that the human-caused crisis actually preceded the natural one.

Of course Enron and enumerable other cases demonstrate that human-caused crises are perfectly capable of happening on their own. Thus, I am not saying that human-caused crises are always preceded by or need natural disasters to trigger them.

If there is any valid distinction left between “natural” and “human-caused” crises, it is that “natural” disasters are not fully preventable whereas virtually all “human-caused” crises are. Most natural disasters such as earthquakes are neither predictable nor preventable. However, many such as hurricanes and tsunamis are predictable to a degree even if they are not fully preventable.

In contrast, with proper planning and preparation, the vast majority of human-caused crises are preventable even if they cannot be predicted perfectly.

And, with proper planning and preparation, many of the most serious aspects of natural disasters can be mitigated, and in this sense, partially prevented. But, it is precisely the fact that so many of the worst aspects of both natural and human-caused crises are preventable that provokes such intense public outrage. For instance, why couldn't the Federal Government have dropped food and water from helicopters sooner? No wonder why people justifiably erupt with outrage.

One thing is certain. Natural and human-caused crises must now be viewed as integral and inseparable parts of the same continuous chain. Unless we are prepared, a major human-caused crisis is virtually guaranteed to follow every natural disaster. But this means that as soon as the natural part is triggered, then the response to the human-caused phase needs to be immediate. If it is not, then as both the tsunami and the hurricane demonstrate, valuable time will be lost with the result that the human-caused part will become even worse.

In short, one can no longer just react to crises. One needs to be continually proactive. And in fact, the better one's reactive capabilities, the more one is lulled into a false sense of security. Believing that one can just react prevents us from doing all we can and ought to do to prevent what is preventable in the first place. And, as we have seen, even with the best of reactive and response capabilities, too many people will still be injured and die.

Let me repeat an important point: the two most recent natural disasters demonstrate unequivocally that the human-caused phases precede the natural phases! If the responses to the natural parts of the crisis are not already in place before the natural occurs, then it will be too late to treat the human-caused phases.

This is why simulations of worst cases are absolutely necessary. In this respect, the simulations that were conducted prior to Katrina were criminally deficient. They did not include the breaking of the levees even though it was known that this was a real possibility. (If they are done right, simulations can at least give us better estimates of the true effects.)

Furthermore, the simulations were also seriously deficient because like most that I have witnessed they did not forecast what would happen to the most vulnerable populations. Instead of being part of the solution, the simulations were thus part of the problem. They only added to the human-caused crises instead of alleviating them.

Another important lesson is that traditional Risk Management, or RM for short, is defunct as well. As such, it is a major contributor to human-caused crises.

In traditional RM, one multiplies the probability or the frequency of a particular crisis times its consequences should it occur. (If one throws an unbiased coin 100 times, then heads ought to come up 50 times and tails 50 times. If every time a head results, you win one dollar, and every time a tail results you lose a dollar, then on average, you ought to earn zero dollars. This is the basis for multiplying probabilities or frequencies times consequences.)

In the case of Katrina, it was thought that the probability of a hurricane of such a large magnitude occurring and wrecking the amount of havoc it did on the city of New Orleans was only 0.03. Thus, however high its consequences, in effect they would be reduced by 97%! It is as if one would experience only 3% of Katrina's effects averaged out over many years!

To his credit, Homeland Security Secretary Michael Chertoff wants to replace traditional RM by approaches that focus on the consequences only. If we don't, then we will continue to downplay high consequence, low probability crises like Katrina, not to mention atrocities like 9/11. Indeed, prior to Katrina, the Federal Government reckoned that based solely on consequences New Orleans was one of the top four most vulnerable regions in the U.S.

Finally, the hardest lesson to learn is that no crisis is ever the result of a single cause. They are due to a whole series—a whole system-- of interlocking events. However far removed it seems, the ill-conceived and disastrous war in Iraq is a major contributing factor. The war has drained and diverted invaluable resources and political will.

In sum, proper crisis planning can never be allowed to be a purely technical activity that is governed by typical budget games.

Unfortunately, the reality is that proper crisis planning is profoundly political. And, politics always funds disaster planning on the cheap. The millions that the Bush administration cut in funding for levee reconstruction and replacement of the pumps will be eclipsed by the billions it will take to rebuild New Orleans.

But as I have also been arguing, proper crisis planning is profoundly philosophical as well. It is the failure of our underlying concepts and institutions to keep pace and to change that is at the root of difficulties.

The clock for the next crisis is already ticking. It never sleeps. It is already recording how well and how poorly we have been doing in preparing for the next crisis. Is anyone learning?

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