

# Planning For Disaster: Supply Chain Considerations

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*The process of development and associated sustainability issues are the topic of much of the recent literature pertaining to international business activity. Most studies involve the application of the various business activities to the establishment and successful operation of organizations in various political, geographic and other settings. However, one area of great importance has not yet seen the interest which should accompany its significance. It does little good to institute best practices, etc. while at the same time overlooking the distinct possibility that the business will suffer an unexpected interruption of one or more of its essential functions through no fault of its own. The occurrence of natural disasters, social unrest and many other events/situations place an organization at risk both due to damage or interruption at its own facilities as well as those of its supply chain partners.*

*Disaster planning is one of the most important functions of organizational management today. This is not only true because of the numbers of disasters and emergency situations occurring throughout the world, but also because of the recognition by stakeholders that their share of a profitable future for the organizations is directly linked to that organizations continued operation. It has also become apparent that as organizations extend their influence (and dependence) to other countries there is a need to consider disasters affecting an organization's suppliers and buyers. Thus the development of what is now referred to as "Supply Chain Risk Management" (SCRM).*

*This paper will briefly discuss the history of SCRM as well as its application in today's world. The March 11, 2011 Sendai, Japan earthquake/tsunami/nuclear disaster will be used as an example of a worst case scenario related to SCRM. While the paper will explain the SCRM process in general along with the reasoning behind each step, the focus will be on lessons learned for SCRM from the Sendai disaster. Lessons include: dealing with multiple disasters; quick supply chain interruptions; unexpected duration of certain events; dealing with delivery/distribution problems associated with partial shutdown or reduced capacity to produce sufficient product to meet contractual obligations; as well as other impacts.*

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