

Business Continuity Strategy Considerations for Japanese Small and Medium-Sized Enterprises

Yohei Chiba^{1*} and Shingo Nagamatsu^{1, 2}

¹ National Research Institute for Earth Science and Disaster Resilience (NIED), Japan *y.chiba@bosai.go.jp

² Kansai University, Japan

Background

- Japan is one of the most natural hazard-prone countries.
- It also has some of the most corporate assets in the world.
- More than 90% of Japanese companies are small and medium-sized enterprises (SMEs); these businesses generate approximately 70% of the nation's jobs.
- However, Japan's SMEs have NOT made significant strides toward creating business continuity plans, making them particularly vulnerable to a disaster.
 - SMEs lack resources and workforce needed to develop business continuity efforts.
 - Many SMEs lack knowledge of business continuity strategies.

Research Question

- What business continuity strategies can work better for Japan's SMEs?
- What requirements are needed to employ the strategies?

Objective

- The overall aim of the study is to identify the most effective business continuity strategies for Japan's SMEs.
- The results will be used to develop a web-based tool for SMEs that can recommend more suitable business continuity strategies accordingly.

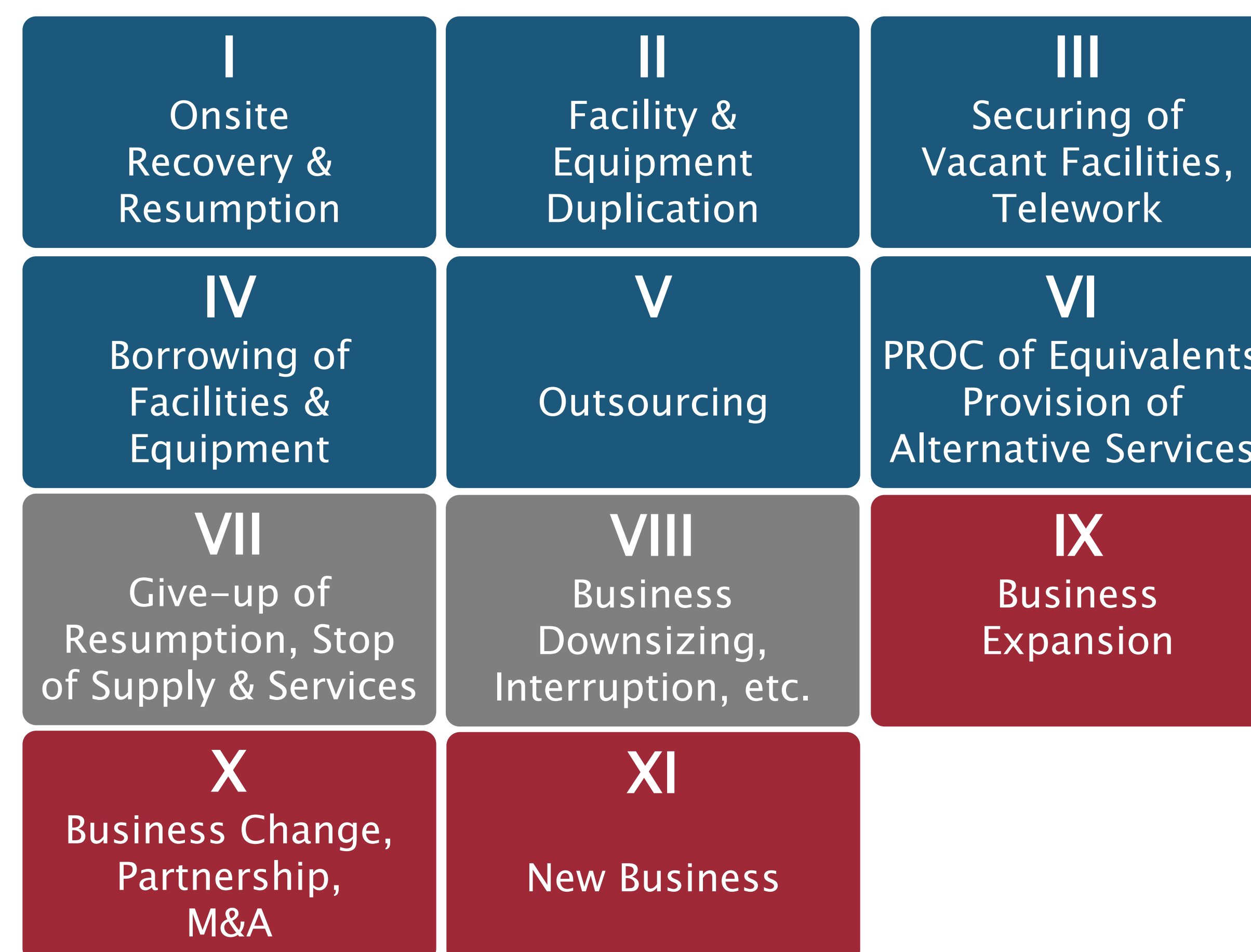
Study Framework

The study goes through the following steps.

- Identification of the options for business continuity strategies through literature review and expert consultations,
- Evaluation on what business continuity strategies can work better through a series of workshops with SMEs, and
- Clarification of requirements for employing the business continuity strategies through a questionnaire survey and in-depth interview to industry groups and SMEs.

1. The options for BC strategies

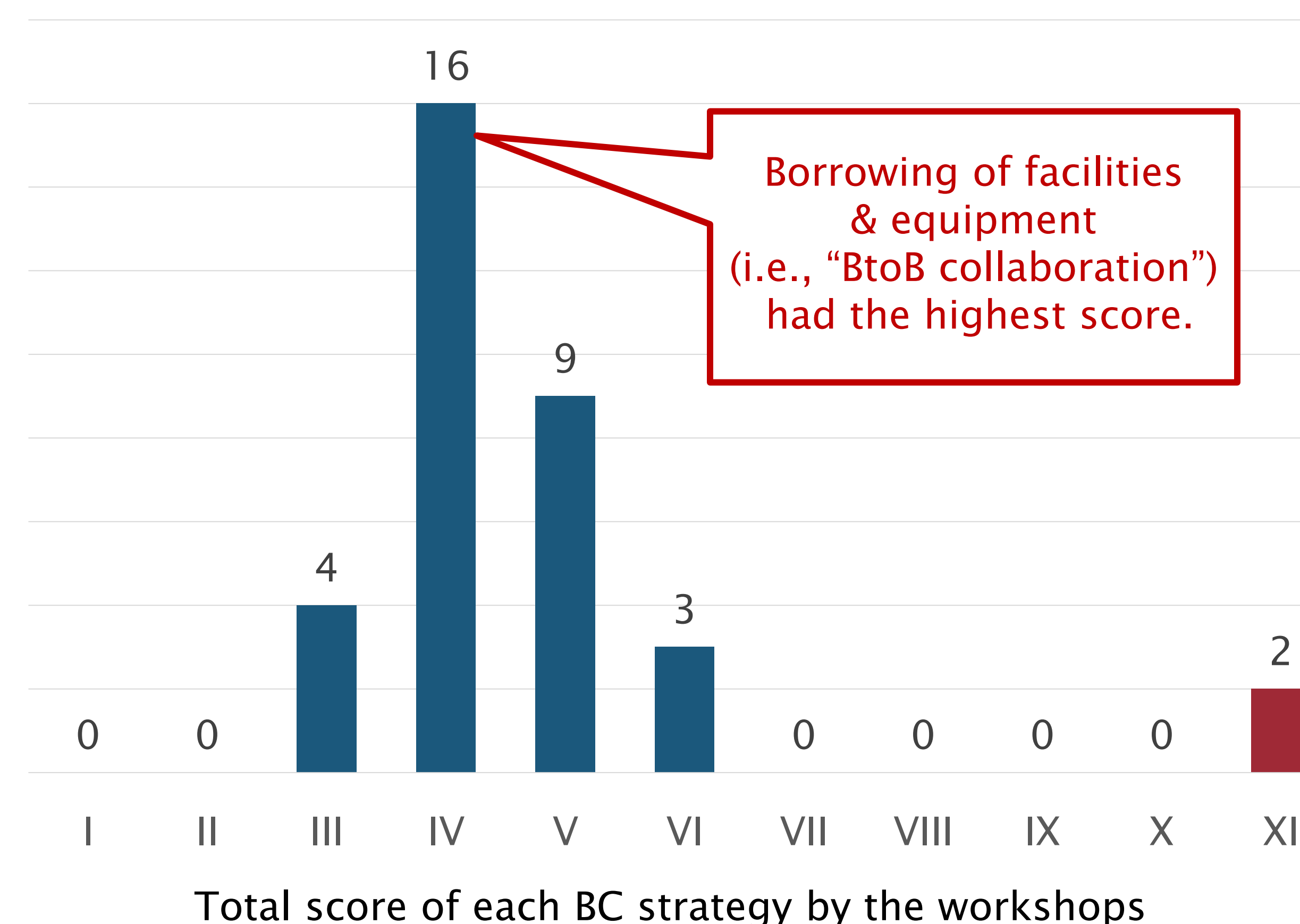
- Major eleven options for business continuity (BC) strategies were identified.



Source: Chiba, Nagamatsu, Hosotsubo (2023)

2. Evaluation of BC strategies

- The eleven options for BC strategies were prioritized by 27 respondents of the workshops held three times where a total of 39 SMEs participated. Each respondent scored 22 incidents (e.g., earthquake, flood, fire, pandemic, cyberattack, etc.) on -3 to 3 basis to determine which options were effective or not.

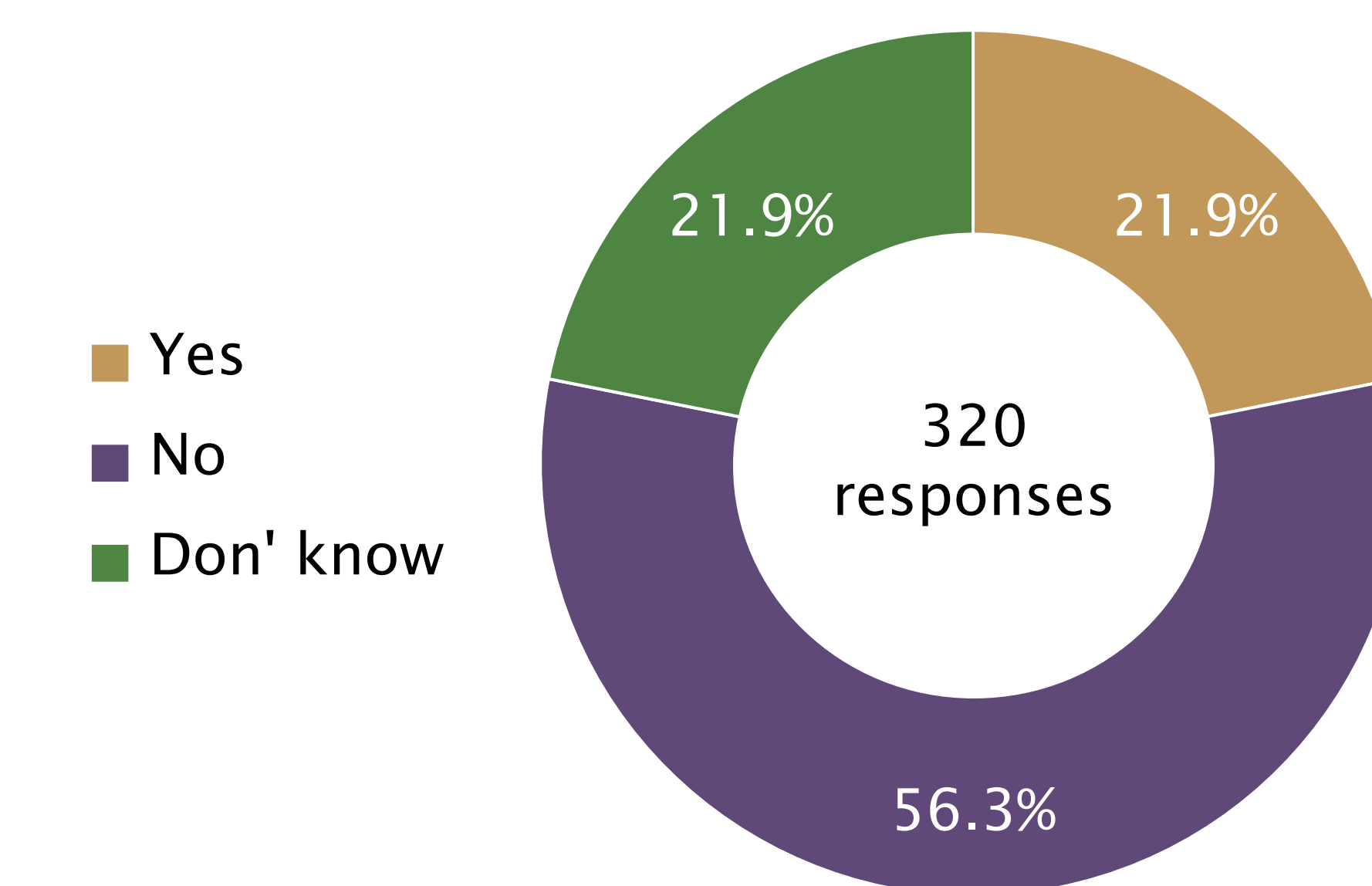


Borrowing of facilities & equipment (i.e., "BtoB collaboration") had the highest score.

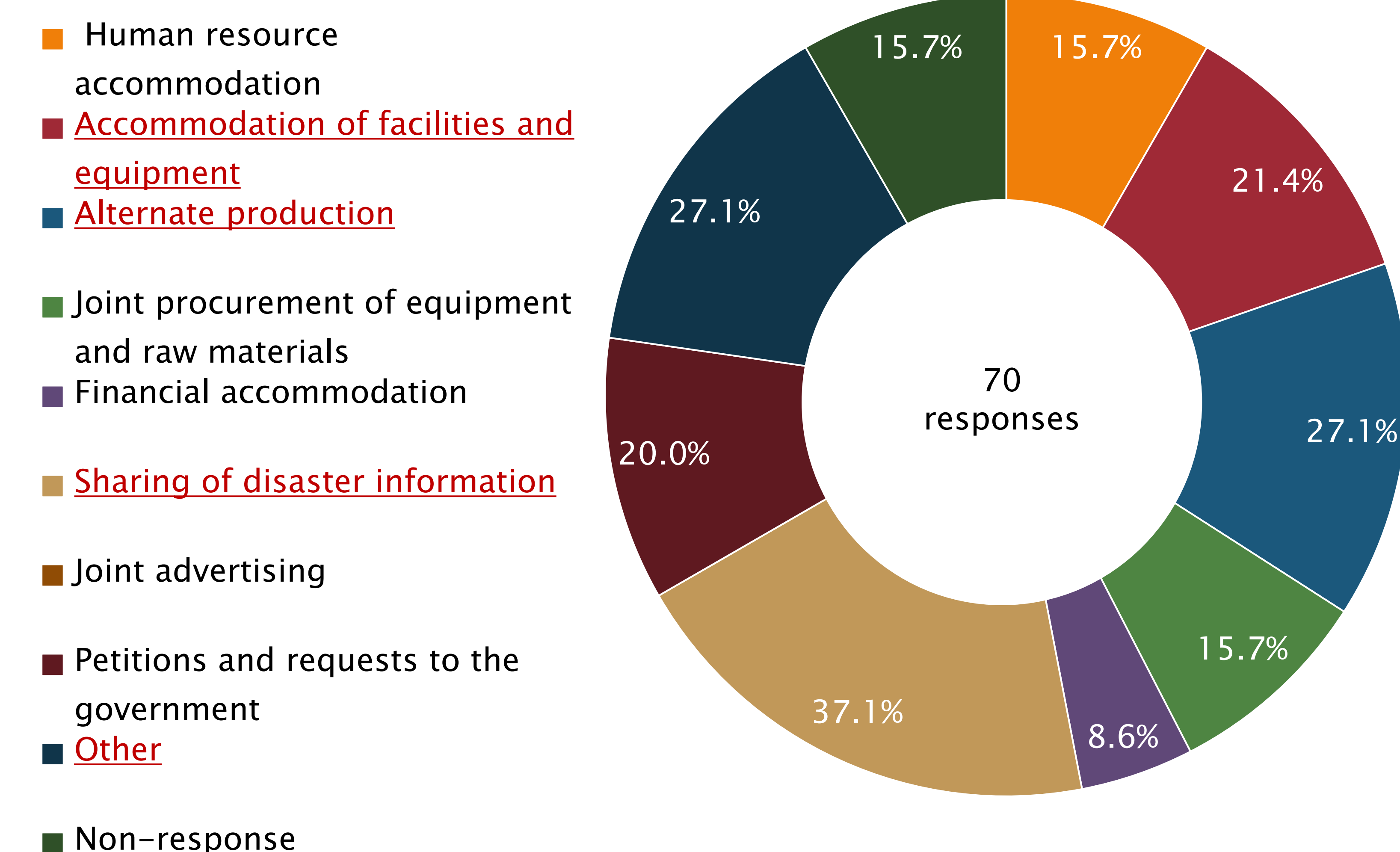
3. Questionnaire survey to industry groups

- A questionnaire survey was conducted to 921 industry groups, including construction, manufacturing, commerce, printing and publishing, to have the real picture of "BtoB collaboration" in the event of a disaster. 320 responses were received.

Have your member companies ever carried out BtoB collaboration among them in the event of a disaster?



What kind of the BtoB collaboration have your member companies carried out?



Future Research

- Extensive examination of BtoB collaboration among member companies and the requirement to reach BtoB collaboration
- Theoretical classification for the options for BC strategies

