

Disaster Relief, Inc.

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Abstract:

When disaster strikes, many corporations respond generously. After the 2004 tsunami, for instance, U.S. firms alone contributed more than half of a billion dollars in cash and in-kind donations. But a host of reactive efforts don't produce the best results--and may even get in the way.

To make the most of their humanitarian efforts, companies need to address two fundamental questions: What kind of aid do we want to contribute--philanthropic (money and in-kind donations) or integrative (backroom, operational assistance)? And how do we want to contribute it--by working one-on-one with a single agency or by joining a consortium?

The permutations of those two decisions lead to four different approaches, each with its own strengths and challenges. Single-company philanthropic partnerships work well when there's a good match between what a company wants to contribute and what an agency needs, as with Coca-Cola's donations of water to the Red Cross. More diffuse, but also potentially more effective, are the benefits of joining a multi-company philanthropic partnership, which enables the resources of many firms to be matched to the missions of many agencies. More difficult to establish but more fundamental in its impact is a single-company integrative partnership, in which a corporation works to improve the way an aid agency operates, as the logistics giant TNT has done to help the distribution efforts of the World Food Programme. And most difficult to implement--but potentially most effective--is a multi-company integrative partnership, which brings to bear the collective best practices of many companies to improve the response capabilities of multiple agencies.

It's easy to see why the image of a relief worker carrying a sack of grain delivers an emotional wallop, but the behind-the-scenes work of process enhancement is just as crucial to humanitarian efforts. The sooner executives realize this, the better positioned the world will be to respond to global disasters.

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