



Resiliency and Business Innovation

Building a Resilient Business Community: Before, During, and After a Disaster A Course for Support Practitioners

Module B: Strategic Policy and Analysis Concepts

September 22, 2020 6:00pm-8:00pm

Linton Wells II, J.P. Auffret, Robert Rogers



Puerto Rico Science, Technology & Research Trust









Overview for Entrepreneurs Support Practitioners' Course: Helping Business Owners/Operators Get the Most from Their Course



Resiliency and Business Innovation Sponsored by: U.S. Economic Development Administration

Introductions



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Overview for Entrepreneurs Support Practitioners' Course: Helping Business Owners/Operators Get the Most from Their Course



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Course Outline

Module A Overview and Introduction (Tue, Sep 15, 6:00:8:00) Lesson A: Puerto Rico, COVID-19 and Resilience; Helping Business Owners/Operators Get the Most from Their Course; Introduction to Resilience Lesson 1: Introduction to Workbook & Facilitators, Baseline Survey

Module B Strategic Policy and Analysis Concepts (Tue, Sep 22, 6:00-8:00) Lesson B: Strategy and Policy Aspects of Puerto Rican Resilience Lesson 2: 5 Keys to Networking; Protection of People, Data, and Operations

Module C Digital Puerto Rico, Key Asset Protection (Tue, Sep 29, 6:00-8:00) Lesson C: Digital Puerto Rico, Resiliency Innovation Network, Lesson 3: Digital Marketing for Resilience, Protection of Inventory, Equipment, and Buildings

Module D Integration and Wrap Up (Tue, Oct 6, 6:00-8:00)

Lesson D: Personal & Business Resilience, Micro-manufacture (M2), Advanced Agriculture, Building a Resilient Business, READI Framework Lesson 4: Keys to Recovering Better, Complete Workbooks, Quiz, Wrap-up



Agenda for Module B

6:00 PM -7:10 PM Strategy and Policy Aspects of Puerto Rican Resilience Puerto Rico, A Snapshot External Forces

- Natural Disasters & Climate Change
- Age of Accelerations" and 4th Industrial Revolution SWOT Analysis

Innovation and Entrepreneurship

Observations for Puerto Rico from Estonia, Denmark and Singapore Post-virus "new un-normal"-- opportunities for Puerto Rico

7:10 PM-7:15 PM Break

7:15 PM -8:00 PM Lesson 2: 5 Keys to Networking; Protection of People, Data, and Operations







Building a Resilient Business: Before, During, and After a Disaster

Strategy and Policy Aspects of Puerto Rican Resilience



Puerto Rico Science, Technology & Research Trust

Resiliency and Business Innovation Center for Resilient and Sustainable Communities

Organized by the Puerto Rico Science, Technology & Research Trust Sponsored by: U.S. Economic Development Administration

Sept 22, 2020, 6:00 PM- 7:10 PM

*C-RASC consists of researchers from George Mason's Volgenau School of Engineering , the School of Business, the School of Policy and Government, the Jimmy and Rosalyn Carter School of Peace and Conflict Resolution, the College of Science, and the College of Heath and Human Services



Resilience is NOT Just Bouncing <u>Back</u>. It's Being Prepared to Bounce <u>Forward</u> Better



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Sometimes You Can't Bounce Forward Better When to Pivot?





Puerto Rico: A Snapshot



Our Economy



GDP, GDP p/c, Growth Rate



Trends 1995-2020

Puerto Rico GDP 1960-2020 Data Source: World Bank

Population Avg Age



rage-age-of-the-population-in-puerto-rico/

Puerto Rico: Average age of the population from 1950 to 2050 (median age in years

Population



SOURCE: TRADINGECONOMICS.COM | GOVERNMENT DEVELOPMENT BANK FOR PUERTO RICO

https://tradingeconomics.com/puerto-rico/population

Cumulative Net Migration





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External Forces (1) Natural Disasters & Climate Change



Natural Disasters 2004-2020



FEMA-4017-DR, Puerto Rico Disaster Declaration as of 10/04/2011

Hurricane Irene Aug 2011



Hurricane Maria Sep 2017



Earthquakes, as of Mar 2020



Temperature Change 1950-2100



14 https://nca2018.globalchange.gov/chapter/20/

Global Models Predict 1.5° to 4° F by 2050



Sea Level Rise Predictions 2000-2100

Effects of Sea Level Rise



San Juan, 1 foot



San Juan, 3 feet



San Juan, high tide flooding

Sea Level Rise Projections for Puerto Rico by 2050: 0.8 feet, 1.2 feet, 2.8 feet

Under Intermediate-Low, Intermediate, and Extreme Scenarios

From CARICOOS: Caribbean Coastal Ocean Observing System, and https://nca2018.globalchange.gov/chapter/20/



Drop in Precipitation Forecast

Major reservoirs in Puerto **Rico could enter permanent** supply deficit as early as 2025 under a higher emissions scenario and by 2040 under a lower emissions scenario

Also longer dry seasons and shorter, but wetter wet seasons

Recommendations:

- **Fresh water harvesting**
- **Increase agricultural water** use efficiency



-15 to -10

-20 to -15

-35 to -30

-40 to -35

-45 to -40



Climate Change Impacts on Coral Reef Ecosystems and Societal Implications

Future impacts on island economies due to:

- changes in key fisheries
- declines in natural shoreline protection
- loss of tourism





Future Climate Change Relevant to Regional Risks

Global climate model predictions uncertain, but they suggest:

- Increased frequency of strong hurricanes (Categories 4 and 5) in Atlantic Basin, including Caribbean
- Sea level rise will have particular impacts when combined with high tide flooding
- Increase in both drought intensity and frequency for Puerto Rico due to increases in both average and extreme temperatures and decreases in precipitation

Resilience capacity can be increased through:

- Better data collection of extreme events, and cost analysis
- Application of new technologies
- Collaborative action
 - With other Caribbean countries, e.g. via
 - Caribbean Community Climate Change Centre (5C) in Belize
 - Caribbean Institute for Metrology and Hydrology (CIMH)
 - With US Federal agencies, academics, and climate experts









External Forces (2)

Age of Accelerations and the 4th Industrial Revolution



Age of Accelerations



Thomas L. Friedman

- Accelerating political, social, economic changes
 - Climate change and pandemics cross borders
 - Pace of tech change
 - Globalization vs. de-globalization
- From interconnected to interdependent
- Deep impacts on people
- Left-right political divisions no longer meaningful
- How to design socio-political-economic governance for Fused, Fast and Deep world?



Velocity of One Aspect of Tech Change



If a factor, e.g. computing power/unit cost, doubles every 18 mo, 5-yr increase is 900%, 10-yr is 10,000%, 15-yr is ~100,000%

Biotech even faster, robotics ubiquitous, nano poised breakout, energy impacts are global

- Think BRINE (bio-robo-info-nano-energy) + Additive Manufacturing & Al
- Interactions complicate things
- Linear projections CAN'T work



Fourth Industrial Revolution



Dr. Klaus Schwab, WEF

- Accelerating tech change
- Blurring lines between physical, digital and biological spheres
- Interconnected technical & social impacts
- Rising geopolitical risk and changing markets



Four Industrial Revolutions



Source: Klaus Schwab, "The Fourth Industrial Revolution: what it means, how to respond," 14 January 2016 <u>http://www.weforum.org/agenda/2016/01/</u>, accessed February 16, 2016

fuse technologies "blur lines between physical, digital and biological spheres"



4th Industrial Revolution (4th IR)

Key distinctions between 3rd & 4th revolutions:

Velocity of change, scope, and systems-wide impact

- Massively disruptive, and accelerating
- **Transforming management**, as well as production and distribution
- Can provide very important <u>collective</u> benefits to society, but also negatively affect many individuals

Responses must engage public-private, whole-of-society, and trans-national stakeholders

• In comprehensive, integrated ways

Converging 4th **IR Trends** (1)

Trends can't be controlled by governments, only influenced

4th IR will affect business, government, and people

 Now governing by "systems of public policy and decision-making [that] evolved alongside 2nd IR"

Challenges of **misinformation & disinformation**



Converging 4th **IR Trends** (2)

Trends support:

- Empowerment of individuals and non-state actors
 - More people part of conversations about their future

Profound impact on people

- Change "not only what we do, but also who we are"
- Privacy issues vs. biotech and AI revolutions
 - Pushing back thresholds of life span, health, cognition, and capabilities
 - will redefine moral and ethical boundaries



Benefits & Opportunities for Puerto Rico

Accelerating, converging technologies

- Increased overall productivity
 - Automation beneficial to aging, declining workforce
- Physical, digital, biological worlds play to Puerto Rico's strengths
- Gaming industry now much larger than movies

Also accelerate de-globalization of supply chains*

- Local production of manufacturing and services
 - But, reduced labor costs through robots/co-bots--reshoring
- Installed new energy production is now dominated by local sources -- solar, wind, hydro, and fracked natural gas.
- Explosion of productivity in urban and indoor agriculture



Stresses for Puerto Rico

- Potential job loss
 - McKinsey (MGI) 2017 study:
 - "about 60% of all occupations have at least 30% of constituent activities that could be automated." [with present tech]
 - Need human-machine teaming
 - Service jobs particularly vulnerable to automation
- Increase in migration pressures
- In many places high potential for domestic unrest, scapegoat-finding, radical nationalism and protectionism
- Potential balkanization of Internet

Threats to existing security structures

 Likely center of gravity of future conflicts: <u>resilience</u> of populations of engaged nations

•Can challenge social compacts







SWOT Analysis for Puerto Rico

In the new post-virus "un-normal"





Contribute Inputs to Business Owner/Operators' Resilience Plans

STRENGTHS

Inherent assets

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- Diverse activities: History, architecture, culture, cuisine, rainforest, beaches
- Location
- Qualities separating you from competitors
 - U.S. jurisdiction, goods "Made in U.S.A."
 - U.S. accounting and licensing processes
 - No U.S. passport needed
 - Strategic sectors: (1) Adv Manufacturing, (2) IT, (3) Services for export, (4) agro industries, (5) ocean economy, (6) bio economy, (7) logistics, (8) visitors' economy
- Internal resources
 - Bi-lingual, educated workforce
 - Strong higher education system
- Tangible assets
 - Manufacturing base in pharma, computers & electronics, chemicals, medical devices
- Lower tax rates





- Power, comms & other infrastructures are unstable and vulnerable
- Many small businesses can't shift to remote ops
- Extended brain drain
- Unstable politics—"long term" is 4 years
 - Strategic plans not being executed
- Unpredictable regulatory environment
- Regulatory rules and taxes increase production & shipping costs
 - Bureaucracy
- Resource limitations—debt burden and financial controls
 - Uncertain flow of recovery funds
 - Good governance will be essential
 - No room to squander funds





- Entering new markets via bi-lateral or multi-lateral agreements
- Manufacturing in pharma, computers & electronics, medical devices
- Closed environment agriculture also, NO WINTER
- De-globalization of supply chains
- Local production of energy
- Opportunities for remote work
 - Bring back, or leverage, diaspora
 - Stable power, comms and internet are key
- Trans-generational opportunities





THREATS

- Recurring, diverse natural disasters
 - Weak critical infrastructures
 - Inconsistent preparations—focus of this course
- Emerging competitors—varies by sector
- Contradictory press/media coverage—need to tell story better
- Continuing brain drain, population loss
- Global economy restructuring post-COVID-19:
 - Will industries like tourism and hospitality recover? Where or where not?
 - Availability of reconstruction funds



Innovation and Entrepreneurship



"We have run out of money, now we've got to think."

-Sir Ernest Rutherford

"I have not failed. I've just found 10,000 ways that won't work."

- THOMAS A. EDISON

Due.

First Attempt at Iterative Learning

Iterative Approaches

- Interdependencies often are complex (or "wicked") problems
 - Problem will change as fixes are applied
 - <u>Iterative</u> solutions
- Document going-in assumptions and articulate them
- Schedule reviews
 - Get straight feedback
 - If plan is converging to desired outcome, continue
 - If not, review assumptions and adjust
- Recognize leadership challenges, up and down chain
 - MUST get buy-in up front from bosses and your team
 - Changes based on assessments are strengths, not weakness
- Form complex, adaptive coalitions with outside organizations






Overcoming Obstacles

 Joplin, Mo reconstruction model bottom up, cultural resilience

 Understanding Federal Funding and the coming drought of it

Countering mis-information/ dis-information

• "Managed retreat" from climate change

• Co-creation of services (public-private)



Small State Examples



Population: 1,329,000

Population: 5,792,202

Singapore Population: 5,850,342



Small State Example (e-Estonia)

- "The most advanced digital society in the world"—Wired magazine
- Sustained journey < <u>https://e-estonia.com/</u>>
 - 1994 1st draft of "Principles of Estonian Information Policy
 - 2000 e-cabinet meeting
 - 2007 cyber security
 - 2014 e-residency
 - 2019 AI strategy
- Digital Mode, Seamless State: Government as a platform
 -- Upholding ideals of democracy and personal privacy



Small State Example (Denmark)

- One of world's most digitalised countries
 - Most transactions cashless
 - Almost all interaction with the Danish authorities take place online
- "Digital by default" paper only as last resort
- High-level broadband penetration
- Data security is high priority
- Set up business online in 24 hours
- Most public health services online
- Digital payments transfers directly to citizens

From information society to network society

https://denmark.dk/innovation-and-design/digitalisation



Small State Example (Singapore)



DIGITAL READINESS BLUEPRINT C

SGID OF MAL



Singapore Smart Nation Key Pillars

- Digital Economy
- Digital Government—
 "Digital to the Core, and Serves with Heart"
- Digital Society

People, companies and public agencies



Singapore < <u>https://www.smartnation.gov.sg/</u>>

Observations for Puerto Rico from Singapore





2018 visit

• Execute 20-to-30-year strategic plans; by a highly effective, non-corrupt government; in a stable political environment

Peter Ho lectures: Of elephants in the room that are black*

· Foresight

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- Develop a mindset to deal with unexpected--systematically
- Black Swans, Black Elephants, Pink Flamingos
- · Whole-of-Society Approach
- Need to be able to challenge official views
- Avoid blame-seeking culture
- Even small city-states can influence, shape, and even create, not just markets, but also their own operating environment





Post-virus "new un-normal" opportunities for Puerto Rico

- Reconstruction funds are flowing: Apply the tools of complexity science to current problems
- Stable, Resilient, Sustainable Power Generation & Distribution
- Synchronized & Coordinated with Interdependent Infrastructures for "Smart Puerto Rico"
 - Transportation (trench fiber and power, anticipate smart roads)
 - Information & Communications Technology requires stable power, bandwidth, and end-users (rural electric cooperatives)
 - Water and Wastewater
 - Workforce Development—try to attract diaspora
- Biotech revival/health care
- Micro-manufacturing
- Solidify production roles within U.S. as supply chains re-shore
- Caribbean Resilience Hub





5 Keys to Successful Networking

How to Stay Connected in a COVID-19 World



Why is Networking Important?

- Enables you to find resources for your company
- Helps generate customers and leads for contracts
- Helps you identify suppliers, partners, and employees
- Increases your visibility in your profession or local community



What is the best approach to networking?



- Give more than you get
- Be genuine when you connect with people
- You do not need to be an extrovert to network

• TIP: Social Media makes it easier to stay connected!



Are You an Introvert?





- It takes skills to become a good networker for both introverts and extroverts
- Key techniques include doing research before the event: Who is speaking? Who is attending? What connections do you want to make at the event?
- Extroverts do not have the advantage over introverts



5 Keys to Successful Networking

- Determine your target audience
- Identify which events or conferences to attend
- Be visible online to help build your network
- Stay connected to your network through social media
- Measure your networking effectiveness



Determine Your Target Audience

- Start with coworkers, friends, neighbors & family
- Join Trade Associations
- Join Chamber of Commerce
- Join Community Organizations
 - Coach Baseball or Softball
 - Volunteer at school activities
- Serve on Community Boards





Business Chambers & Trade Associations

Chambers

- PR Chamber of Commerce
- PR Chamber of the South
- PR Chamber of the West
- PR Manufactures Association

Trade Associations

- ASORE (restaurants)
- ACDET (retail)
- MIDA (food distributors)
- PIA (pharmaceuticals)
- CUD (retail)
- Hecho en PR (businesses that produce locally)

Identify which Events or Conferences to Attend

- There are more events than there is time for you to attend
- Choose the events where your target audience meets
- Consider limiting the number of groups you join to concentrate on two to three organizations
- Suggestion join one of each:
 - Trade Association
 - Business Group
 - Community-Based Organization
- Get involved in committee work!



Be Visible Online to Build Your Network



- 70% of Puerto Ricans used the internet in 2017. Because of COVID-19, there are more in 2020
- Most buyers check the internet before they make a purchase
 - Power of information has shifted from seller to buyer
 - Most buyers have already searched the internet before they buy
- Websites are where buyers go first to find information



Most popular social media websites in Puerto Rico in 2019, based on share of visi

Stay Connected with Social Media

- Puerto Rico's most popular social media platform is Facebook
- Most businesses use Facebook for B2C (Business to Consumer) connections
- Most effective ways to use Facebook:
 - Create an impressive profile page with a professional picture
 - State clearly what your business can do for your target audience
 - Regularly post content that is relevant to your target audience
- Seek profession digital marketing help



Source StatCounter © Statista 2020 Additional Information:

January to December 2019; Including mobile, tablets, desktop and consoles.



Measure Your Networking Effectiveness

- Set clear goals for the number of connections per week
 - In-person Goals (After COVID-19)
 - Social Media Goals
 - Website Visits (Google Analytics)
- Develop a content calendar for your target market
 - Don't sell; be helpful
 - Don't write ad for baby clothes; write Blog for mothers on how often to wash clothes



Bonus Key



- Practice inbound marketing techniques
 - Attract customers by creating valuable content
 - Inbound marketing connects and engages
- Become a trusted advisor to your target audience
- Study digital marketing techniques
- Learn to be a SME (Subject Matter Expert)



Questions?



Poll Question #2 (After Slide 9)

Do you use your Facebook account in one of the following ways?

- Paid Ads
- Post Content Marketing Ads
- Write Blogs
- Post and share comments and "likes" on other people's content
- I don't have a Facebook account



Poll Question #1 (After Slide 8)

- Do you have a website with your products or services prominently displayed?
- Yes
- No





Lesson 2

Business Impact Analysis; Protection of People, Data, and Operations



Lesson 2, 3 & 4 Overview

Complete Your Resilience Plan

- Lesson 2, Business Impact Analysis; Protection of People, Data, and Operations
- Lesson 3, Protection of Inventory, Equipment, and Buildings
- Lesson 4, Integrate Material from Lessons 2 & 3;
 Discuss "Adapt & Reposition;" Finalize Resilience Plan





Building a Resilient Business: Before, During, and After a Disaster



Business Impact Analysis; Protection of People, Data, and Operations



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Your Six Critical Business Assets







Protect People - 1 (Overview)



- People are the most overlooked asset when planning for a disaster
- Employees & Staff
- External People
 - -Customers
 - -Vendors
 - -Suppliers
 - -Other Key Contacts





Protect People – II (Complete Forms)

- Emergency Contacts | p. 13-14 fill-in list
- Key Contacts
- Current Customers
- Vendors/Suppliers
- Visitors

| p. 17 fill-in list | p. 18 fill-in list

| p.15 fill-in list

p.16 fill-in list

• Partners or Partnerships | p. 19 fill-in list





Protect Data I (Overview)

- No matter where your data lives (hard copy, on servers, or in the cloud) you need to protect it.
- Steps Essential to Backing Up Data
 - —Perform regular backup and storage off-site
 - -Plan how to recover
 - your data
 - —Test your backups
 - -Create a "Grab-N-Go" case
 - Develop a Vital Records
 - -Inventory List

- —Implement a Cybercrime
- -Protection Plan





Protect Data – II (Complete Forms)

- Create a "Grab-N-Go" Case checklist | p. 35
- Test Your Backups checklist | p. 35
- Create a Vital Records Inventory | p. 36





Protect Operations I (Overview)

- Operations are the core functions your business does on a daily basis.
- Ask yourself these questions to determine information you need to restart after a disaster:
 - -Is my business driven by demand from individual customers?
 - -Do I have service level contracts to maintain?
 - -Do I have to adhere to regulations to operate my business?
 - -Does my business depend on a specific power source (gas, electricity)?
 - -Does my business depend on the specific skills of my employees





Protect Operations II (Complete Forms)

- Where to Start checklist | p. 38
- Grab-n-Go checklist | p. 39
- Critical Operations/Processes checklist | p. 39
- Prioritize Critical Operations & Processes | p. 40 fill-in list
- Consider Losing Your Building | p. 40 fill-in list

MASON UNIVERSITY



Optional Checklist - Communications

A communications strategy during a disaster is important.

0	Methods of Communication checklist	p. 24
0	Finding a Spokesperson checklist	p. 24
0	Communications Before & After Disaster checklist	p. 25
0	Internal Communications checklist	p. 26
0	External Communications checklist	p. 27
٢	Crisis Communications checklist	p. 29





Your brand is how your stakeholders experience your company. The different ways people experience your company are:

- Employees
- Service
- Website
- Logo
- Tagline

Complete forms

• Protect Your Brand checklist | p. 28



Upcoming Schedule

Please join us for the next Puerto Rico Science, Technology & Research Trust's Puerto Rico Resilience course session on October 8 at 6:00 PM- 7:15 PM with the topic of:



And follow the course and check for schedules and updates at: <u>https://prsciencetrust.org/rbi/g3/</u>



Questions Very Welcome

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Trans-Disciplinary Research and Teaching are Key

Stability/Security \leftrightarrow Sustainability

Innovative

Community



MASO

May 26, 2020 linwells@gmail.com, +1.202.436.6354

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Roles of Stakeholders

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- Private vs public
 - Public sector being paid, but in lockdown many services aren't delivered
 - Actual unemployment in private sector (809% of workforce) may exceed 509%
 - What should roles be for govt, private sector, and academia in building sustainable resilience in Puerto Rico?
 - What are strengths/weaknesses of Small/Mediumsized businesses?



The Caribbean Climate Online Risk and Adaptation tooL (CCORAL) is a planning tool that can help countries make climate-resilient decisions and take actions in response to a changing climate. (http://www.caribbeanclimate.bz/caribbean-climate-chage-tools/tools/)

The Caribbean Catastrophe Risk Insurance Facility is the world's first index-based parametric insurance mechanism. It is a partnership of 17 Caribbean countries and the World Bank. (<u>https://www.ccrif.org/</u>)

The Caribbean Challenge Initiative was launched in 2008, with support of The Nature Conservancy. Puerto Rico and the USVI later joined participating governments committed to conserving at least 20% of their nearshore marine and coastal environments by 2020 and to ensuring that these areas are managed through a long-term finance structure. (http://caribbeanchallengeinitiative.org/)





