The Importance of BCDR in an Era of Climate Disruption

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Hurricane Irma passed through the British Virgin Islands (BVI) on 6 September 2017 and inflicted widespread damage. Within the following two weeks, Hurricane Jose brushed past and Hurricane Maria passed through the territory causing further damage to the already devastated islands. These catastrophes created an enormous red line on the calendar of many in the BVI -- before, and after. Almost nothing, on the two sides of the red line, is the same. I could spend a lot of time discussing how cataclysmic an experience it was to survive these hurricanes but many people out there have already been prosaic on the topic. Instead, I will focus on a less emotional foray, the theme of Business Continuity and Disaster Recovery (BCDR) coupled with arbitration.

The importance of BCDR

The BVI International Arbitration Centre (BVI IAC) has been very fortunate throughout both hurricanes, having sustained only a couple of cracked windows. As one of few fully operational facilities in the territory following the major hurricanes, boasting redundancy in connectivity, the BVI IAC made temporary space available for critical government offices. This included the National Emergency Operational Centre (NEOC), the Premier, the Governor, the Judiciary and a few other teams. The Centre provided space for offices and meetings with NGOs and other disaster recovery bodies. The idea was to help the Executive handle the worst situation it had ever faced in the best conditions possible at a time when it had lost the majority of its buildings and resources.

In under two weeks, three category 5 hurricanes passed less than 200 miles from the British Virgin Islands. If this is a glimpse of what a ‘normal’ hurricane season looks like in the future, it begs a number of questions for our country. How do we build a public infrastructure that can resist 225 mph gusts of wind
so that it can continue to support businesses and people in the territory? How do we structure businesses when there is an inherent risk of total destruction? This is not just a problem for the BVI or other island countries. Business-disruptive disasters occur quite regularly everywhere: it could be terrorism in Europe, war in the Middle-East, plane-grounding volcanos in Iceland, Ice storms in the Northern US or earthquakes in Mexico to name but a few. This goes to highlight the importance of BCDR in the modern world and planning to ensure continuity in service.

Hurricanes and other disasters have a very strange and devastating way of bringing BCDR plans into the light instead of leaving them as a set of useless recommendations hidden in filing cabinets in the basement. It is simple: when a business faces a category 5 hurricane or any other disaster of that magnitude, either it has a plan or it ceases to exist.

The BVI IAC remained operational during the hurricanes, but how did it work?

BCDR as a foundation

When we started designing the institution, two years ago, the mission was simple: take the concept of an International Arbitration Centre in the BVI and make it a reality. In order to achieve this, we developed a programme of work and designed two main work streams: the physical build of the arbitration centre and the creation of a new arbitral institution.

Approaching this as we would a start-up, we made every decision with two key concepts in mind: (i) must be sustainable and resilient and (ii) must be scalable quickly. As a result, BCDR was built-in, a modus operandi, a foundation, rather than just an afterthought.

On the “build” work stream, we selected a strong modern building, made of cement and security glass. A building located quite centrally for which public infrastructure would be restored rapidly. When designing the interior space, we designed hermetic rooms which met the standards of soundproofing we were after but also provided multiple layers of security in case of a breach. During the build, we only worked with local builders and artisans, to ensure knowledgeable contractors would be readily on call should there be any problems with our operations.

On the institutional side, our thinking focused on mobility as a way to provide resilience. We designed all processes and selected all our business tools based on that requirement: we would need to able to walk away with our business in our pocket. We were confident our building would be able to resist hurricanes well, but we didn’t want to take anything for granted. Irma proved us right: our building remained intact but everything around it was annihilated. Should we have had an ongoing case at the time, it would have critical for us to relocate seamlessly to another location.

The BVI IAC can administer arbitrations, under its proprietary rules or ad-hoc, anywhere in the world, not just the BVI. This offer parties the option to resolve disputes in situ, but also mitigate against situations where the country has been affected by a hurricane like this year. Our registrar and part of the Board of Director are not based in the BVI but do travel to the BVI regularly. We also selected work tools based on our ability to operate virtually. All our core systems are cloud-based and as a result, scalable, sustainable and resilient. This includes, inter alia, our marketing system, our work and project management system, our document management system, and even our accounting software. All can be controlled from mobile devices. We also outsourced most key support services, from cleaning and maintenance to finance, procurement and administration services. Not only does this allow us to scale up or down our services in...
relation to busyness but it also offers security and continuity with regards to services rendered. A collateral benefit is that our operating costs are flexible as well.

As a result, the BVI IAC remained operational throughout Irma and Maria. Admittedly, we would have struggled to host a hearing the next morning but this would have been more a function of the lack of available hotels and transportation in the country rather than the malfunction of the arbitral institution.

Every cloud has a silver lining, and I hope that when building, or rebuilding a business, entrepreneurs in the Caribbean and elsewhere will ensure that planning is set on a BCDR foundation and that processes rely on cloud-based technology so as not be disrupted in the event of a substantial catastrophe.