Lesson 2: Value Proposition

Lesson Overview

For partnerships to function all parties involved must understand the value the partnership creates. This lesson explores the different reasons that both the public and private sector form emergency management partnerships.

Learning Objectives

By the end of this lesson, you will be able to:

- Define "value proposition."
- Identify common needs, drivers, and motivators for the public and private sectors.

Understanding Value

The value of a public-private partnership is defined as the benefit of the partnership minus the cost of the partnership.

Benefits can include physical assets, access to threat information, or relationships within a network.

Costs associated with partnerships can refer to both financial costs as well as costs to resources and personnel.

Successful partnerships should have members with complementary needs and assets, allowing each partner to support the other's efforts, and ensuring that any cost of the partnership is outweighed by its benefits.

Potential Values of Strong Partnerships

We just defined the value of a public-private partnership as the benefit minus the cost of the partnership. Potential values of strong partnerships include:

- More innovation
- Better depth of experience
- More commodities available to all partners
- Broader reach for each partner
- Force multiplier
- Increased sense of social responsibility
- More community buy-in
- Better supply chain management
- Increased quality of service
- Improved flow of communication

What is a "Value Proposition"?

When partners communicate what they see as the value of the partnership to their partners, it is known as the value proposition**.**

A value proposition serves to:

- Communicate to all partners why the partnership is essential to completing a common mission.
- Improve partner engagement in the partnership.
- Clarify the common mission.
- Discuss any potential changes to the mission, focus, or method of collaboration.

Communicating the value proposition helps a partnership identify its purpose and objectives, and helps establish trust between partners. Mutually communicating the value proposition between partners will help the partnership to answer the question "What are we trying to accomplish with this partnership?"

Articulating the Value Proposition

In order for a partner to communicate the value it receives from a partnership, it should clearly articulate the value proposition to its partners. Articulating the value proposition is not limited to those conversations that ultimately form the partnership. Value propositions can change over time as partner capacities and levels of engagement change.

When articulating the value proposition to a new or existing partner:

1. Identify your partner's needs
2. Describe your organization's value
3. Explain how this partnership is essential and mutually beneficial in addressing the common mission
4. Craft a plan for strong working relationships that help achieve partner goals
5. Agree to a plan of action

Learn how Jim Turner, Private Sector Liaison for the San Francisco Office of Emergency Management, approaches articulating the value proposition to a potential partner.

Story Transcript:

Jim Turner
Private Sector Liaison, San Francisco Office of Emergency Management

And I often say when I'm talking to people and I'm doing presentations, that in this role as private sector liaison, I am a salesperson and a beggar. I'm a salesperson because I'm selling preparedness. I'm selling mitigation. I'm selling your role as a business, as a nonprofit, as a congregation, in the disaster response and recovery framework. And that means ultimately preparedness and mitigation. Because you have to be prepared to respond and to recover. The second piece of the role as a beggar is understanding where the resources are. The private sector has all the resources. We don't make electricity, the private sector makes electricity. We don't make widgets, the private sector makes widgets! So as a person connecting the private sector to the public sector, my role as a beggar is to go out and to ask them for their resources, but here's the key you don't ask for the resources when they're needed, you got out and you make sure that the resources are there and staged before you need them

Needs, Drivers, and Motivators

The reasons that organizations in the public and private sector enter into public-private partnerships varies depending on many factors. In turn, these reasons inform the value of the partnership. Some motivators for entering into public-private partnerships include:

- Benevolence and value to communities
- Access to information
- Restoration of services
- Access to resources
- Assistance in emergency planning and response
- A "seat at the table"

Benevolence and Value to Communities

The ultimate motivator for public and private partners is to strengthen the resilience of our Nation's communities. Members of emergency management agencies are public servants, and work every day to strengthen the community. The employees and customers of the private sector are also part of their communities, thus they seek to make their communities more resilient in order to continue providing valuable jobs, goods, and services.

When the public and private sector join together, the community benefits from their increased communication and collaboration on preparedness, planning, protection, mitigation, response, and recovery. Public-private partnerships do not just increase resiliency and preparedness for the individual partners. It increases the resiliency and preparedness of the public in the area. Public and private sector organizations realize this value to the community and it is one of their motivators for creating partnerships.

Motivator: Access to Information

Both the public and private sectors are motivated to join public-private partnerships in order to access information critical to emergency management. Select each of the links below to learn more:

- Sensitive information: Both the public and private sectors have sensitive information that may be useful to other organizations who want to plan and protect themselves in the event of an emergency. This information could be facility layouts, security plans, or location of back-up sites and resources. Partnering allows these organizations to share sensitive information in a secure environment.
- Information systems: Many information systems, including internet search engines and portals and telecommunications systems, are owned by the private sector. Public-private partnerships allow partners to have greater access to these information systems and therefore more easily disseminate information to the public.
- Threat information and risk analyses: Public and private organizations frequently gain critical information to support threat and risk analyses by partnering with other groups. By receiving additional data on potential threats and risks, all members of a partnership have an enhanced ability to protect, prevent, respond, and mitigate their risk of property and operations in a particular area.
- Accurate and timely situation reports: Private sector businesses thrive when they are able to provide services to customers. During an incident, leaders within the private sector need the best information available so that they can direct their employees and continue to provide

services – maintaining profitability and assisting in the recovery. When they receive substantive, timely, and actionable information in situation reports, they can better respond and recover.

One example of an organization gaining access to information through public-private partnerships comes from the New York City Office of Emergency Management (OEM). OEM shares information with the private sector at all times, in order to provide businesses with accurate information to aid in their decision-making. In turn, the private sector funnels concerns from constituents to the OEM.

Motivator: Restoring Services Quickly

Both the public and private sectors are keenly aware of the need to get businesses and services up and running quickly after an incident. The private sector, both citizens of an affected area and business owners, are eager to re-establish commerce in their communities after an incident. The public sector is also invested in restoring government services as well as helping restore utilities and other commercial services when recovering from an incident.

Public confidence in the effectiveness of government hinges on how quickly things get "back to normal." Therefore it is in the interest of both public agencies and private businesses to restore services and improve resilience in the face of incidents or disasters.

Motivator: Resources for Response

When an incident or event takes place, the private or public sector may be in a better position to supply resources to an affected area if they coordinate and share resources instead of overlapping or being unable to supply resources.
Click the links below to see examples of partners gaining access to resources and improving their emergency response:

- **Essential resources:** The public sector cannot always stage enough resources such as water, medicine, lumber, or electrical cable, to respond to any possible incident. For example, the need to stockpile water can be made unnecessary through targeted partnerships. A city or community could be faced with a deadly heat wave and in response they might enter into a partnership with a private company to provide water in sufficient quantities.
- **Manpower:** Non-profit groups may be willing to sign agreements with public sector agencies pledging volunteers to distribute food, medicine, and social services in response to an emergency. Partnerships in which partners pledge volunteers can be useful to emergency managers, who have a better idea of how much manpower they will need during an emergency.
- **Other services:** Partnerships can ensure that citizens have access to other services and resources during an incident. For example, the California Emergency Management Agency, CALEMA, partnered with a major bank to provide mobile ATMs to residents affected by an earthquake.

Motivator: Assistance in Emergency Planning and Response

All sectors may be motivated to join public-private partnerships in order to gain assistance in emergency planning and response. Public-private collaboration provides improved coordination of efforts and resources to prevent, mitigate, respond to, and recover from disasters.

Joint planning and response helps ensure that:

- Private-sector response plans are consistent with federal, state, and local response objectives and procedures
- Public-sector emergency response objectives and procedures reflect private-sector needs and vulnerabilities
- Coordination occurs between the public and private sectors in state and local fusion and emergency operations centers

Motivator: A "Seat at the Table"

A major motivator, primarily for private sector partners, is to have a voice in policy decisions and emergency response operations. A "seat at the table" provides private sector organizations a chance to attend meetings and voice concerns and suggestions on how to improve their sector, as well as contribute to coordination emergency responses.

Below are examples of organizations who gained a seat at the table through public-private partnerships:

Be Ready Utah: Be Ready Utah is a public-private partnership which aims to involve the private sector in all phases of emergency management through information sharing and joint-planning. In order to reach this goal, the State Business Operations Center collaborates with the State Emergency Operations Center, and Be Ready Utah has a seat in that State Emergency Operations Center.

Missouri Public Private Partnership: The Missouri Public Private Partnership (MOP3) is a voluntary coalition of Missouri's private and public sector leaders. This partnership makes sure there is intelligence and information fusion between the public and private sectors in the Missouri Information Analysis Center (MIAC), which is the state fusion center. Public agencies in Missouri benefit from the increased involvement of private companies in helping to deter terrorist activity, and the development of private sector initiatives to help identify indicators and warnings of suspicious criminal or terrorist activity.

Personal Motivators

Story Transcript:

LaNile Dalcour

Life Safety/Security Director for Brookfield Industries and past Private Sector Representative in the NRCC

Well if I had an opportunity to speak to a colleague or anyone that was interested in being the PSR, I think the number one thing that I am taking away from here is that I have a chair and I have a voice. And it's a voice that's being heard directly by the government. It's not a issue where I'm at my office or I'm at my home and I'm just complaining about things. I'm actually getting an opportunity to talk to some people that can make a difference. And I feel like those dividends have paid off. The second thing I think I am going to walk away from here is if I started this position with a network of 100 people, I now have a network of 300 to 350 people. So I think going back into the private sector world, I'm actually going back as a security manager, better life safety manager, which in all makes me a better employee for my company.

Ira Tannenbaum

Director of Public-Private Initiatives for New York Office of Emergency Management

From the personal engagement perspective, it simply comes down to the fact that my family lives in New York City, and my family shops and relies on the private sector organizations. We need them to be as resilient as possible. So it's a very simple, selfish reason, but simply, we recognize that we need those folks to be successful.

Scenario: Value of Public Private Partnerships

As you learned in Lesson 1, the fictional Central City is home to several public-private partnerships including the Critical Infrastructure Resiliency Task Force.

One of Central City's newest busineseses, the Merkel Chemical Storage Facility, is considering whether or not to join the Critical Infrastructure Resiliency Task Force.

Merkel Chemical Storage Facility stores chemicals and hazardous waste for several pharmaceutical and industrial companies in the Central City area. They want to become better prepared for potential disasters or incidents, and believe that joining the Task Force might be beneficial.

Critical Infrastructure Resiliency Task Force: Central City's Critical Infrastructure Resiliency Task Force expands upon existing programs by combining public sector organizations (fire, police, emergency management) with private sector representatives (utilities, building-owners, financial firms). The group is intentionally restricted to a manageable size to avoid bureaucratic delays, and includes senior-level operational representatives from each agency or institution. The purpose of the group is to "fast track" solutions to common issues affecting both the private sector and the public sector. The primary focus of the group is on infrastructure and interconnected systems.

Lesson Summary

This lesson covered the following topics:

- Definition of "value proposition"
- Common needs, drivers, and motivators for the public and private sectors