What Businesses Can Learn From Humanitarian Operations

Navigating uncertain and dynamic environments and overcoming resource and information scarcity are nothing new to humanitarian organisations.

Supply chain disruptions have become commonplace in recent years due to the increasing occurrence of natural disasters, the Covid-19 pandemic, the Ukraine war and various forms of geopolitical tension. In an increasingly volatile business environment, organisations that are used to operating in structured environments can look to the humanitarian sector for insights on navigating this new reality.

In this podcast, INSEAD Knowledge speaks to Luk Van Wassenhove, Emeritus Professor of Technology and Operations Management and academic director of the INSEAD Humanitarian Research Group (HRG). He is not only well-known in the field of operations management, but also recognised as one of the pioneers in humanitarian operations.
In the past, humanitarian organisations have benefited from adapting best practices from the commercial sector, but businesses can also gain insights from how humanitarian organisations operate in extreme conditions. How do they overcome uncertainty, time pressure, challenging physical conditions and the lack of resources and information? Van Wassenhove’s serendipitous engagement with the humanitarian world – including the Red Cross in Geneva and the UN World Food Programme for the UN Joint Logistics Centre – 25 years ago made him realise that operations management professionals have much to learn from humanitarian organisations.

In fact, learning can be a two-way process. This is where the INSEAD HRG has a role in bridging knowledge between the two seemingly unrelated sectors. Companies need to look beyond their current and immediate boundaries and be open to learning from others. They should also learn to work with diverse stakeholders, be agile in dealing with unexpected situations, decentralise and localise where possible and empower employees to increase responsiveness.

Among the themes discussed, “co-opetition” – where companies in the same industry not only compete but also cooperate to advance the sector – is particularly interesting and relevant. The emergence of new paradigms such as circularity and the energy transition have necessitated the rethinking and reestablishment of systems, infrastructure and supply chains. New business ecosystems that have taken shape as a result have made cooperating with new stakeholders – including competitors – inevitable and necessary.

Beyond operational agility and resilience, humanitarian operations are driven by purpose – a holy grail that many companies seek but often in vain. The absence of profit as an incentive strengthens the purpose of humanitarian organisations to deliver aid to those in need.

Moreover, principles of humanitarian work are increasingly relevant in a world with a growing divide. The inequitable access to vaccines and medical services seen at the height of the pandemic clearly shows the need for more equitable and resilient supply chains. In particular, if companies follow the example of humanitarian organisations by embracing the principle to “do no harm” and take responsibility for the impact of their business, society and the environment will benefit greatly from this change.
Find article at
https://knowledge.insead.edu/operations/what-businesses-can-learn-humanitarian-operations

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INSEAD Knowledge is the expert opinion and management insights portal of INSEAD, The Business School for the World.

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