

Corporate Pandemic Preparedness

A Guide to Business Continuity Planning

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Definition : Business Continuity Management



**“ Business Continuity Management provides the availability of process and resources to ensure the continued achievement of critical objectives”
(Standards Australia, 2004)**



AGENDA

1. **Overview of Risk Management**
2. **Current Risk Assessment**
3. **Assumptions**
4. **Preparedness**
5. **Creating the Business Continuity Plan**
6. **Business Functions Analysis**
7. **Travel Considerations**
8. **Conclusions**



Overview of Risk Management



Overview of Risk Management

- Risk assessed in terms of **impact and likelihood**
- A pandemic is difficult to predict but potentially could have a **catastrophic impact:**
 - Estimated that a severe outbreak could cost Asia **USD\$250-290 billion in the short term**. Economic damage from SARS estimated at USD\$60 billion
- **Specific, proactive and functional plans & responses are required for a non-business emergency**
- Aim is to **minimize the impact** and **ensure resilient business continuity**

Emerging Risks & Crisis



Complex Internal/External Relationships

Interdependent





Emerging Risks & Crisis

- **Interdependence Risk**
 - ▲ Inherent, inevitable, **unknown**
 - ▲ An unforeseen and undetected risk across an extended enterprise/value chain beyond the **control** of a single organisation
- **Shared Risk**
 - ▲ Intentional, inevitable, **undisclosed**
 - ▲ “A risk assumed by one is imposed on all”
 - ▲ **“Boundary-less” crises**
- **Global & local simultaneously**
 - ▲ Causes
 - ▲ Impact
 - ▲ Management





Current Risk Assessment

H&A Assessment : Regional Government Responses



Country	Official Response to date	Projected ability of health system to cope with major pandemic	Extent of H5N1 Infection in Local Poultry	Overall Risk Assessment
Australia	Excellent	Excellent	Nonexistent	Low
Bangladesh	Unsatisfactory	Unsatisfactory	Nonexistent	Medium
Cambodia	Unsatisfactory	Unsatisfactory	Localised	High
China	Satisfactory	Unsatisfactory	Localised	Medium/High
Hong Kong	Excellent	Excellent	Nonexistent since 2004	Medium
India	Satisfactory	Unsatisfactory	Nonexistent	Medium
Indonesia	Unsatisfactory	Unsatisfactory	Widespread	High
Japan	Excellent	Excellent	Localised	Low
Malaysia	Excellent	Satisfactory	Nonexistent since 2004	Medium
Pakistan	Unsatisfactory	Unsatisfactory	Nonexistent since 2004	Medium/High
Philippines	Satisfactory	Unsatisfactory	Nonexistent	Medium
Singapore	Excellent	Excellent	Nonexistent	Low
South Korea	Excellent	Excellent	Nonexistent since 2004	Low
Taiwan	Excellent	Satisfactory	Nonexistent	Low
Thailand	Unsatisfactory	Unsatisfactory	Localised	High
Vietnam	Excellent	Unsatisfactory	Widespread	High

As of October 27 2005



Assumptions

Pandemic Crisis Assumptions



- Greater lead time to prepare – a **gradual deterioration** is anticipated
- Useful lessons learnt from SARS
- However more difficult to respond – cannot predict the outcome
- Large parts of Asia are dependent on agriculture
- Threat will cause greater fear – **psychological impact** on a key business asset namely **people**
- Government decisions will have the greatest impact; **information & health care capability gaps across Asia**
- **Flexibility** in all things will be required!





Pandemic Crisis Assumptions

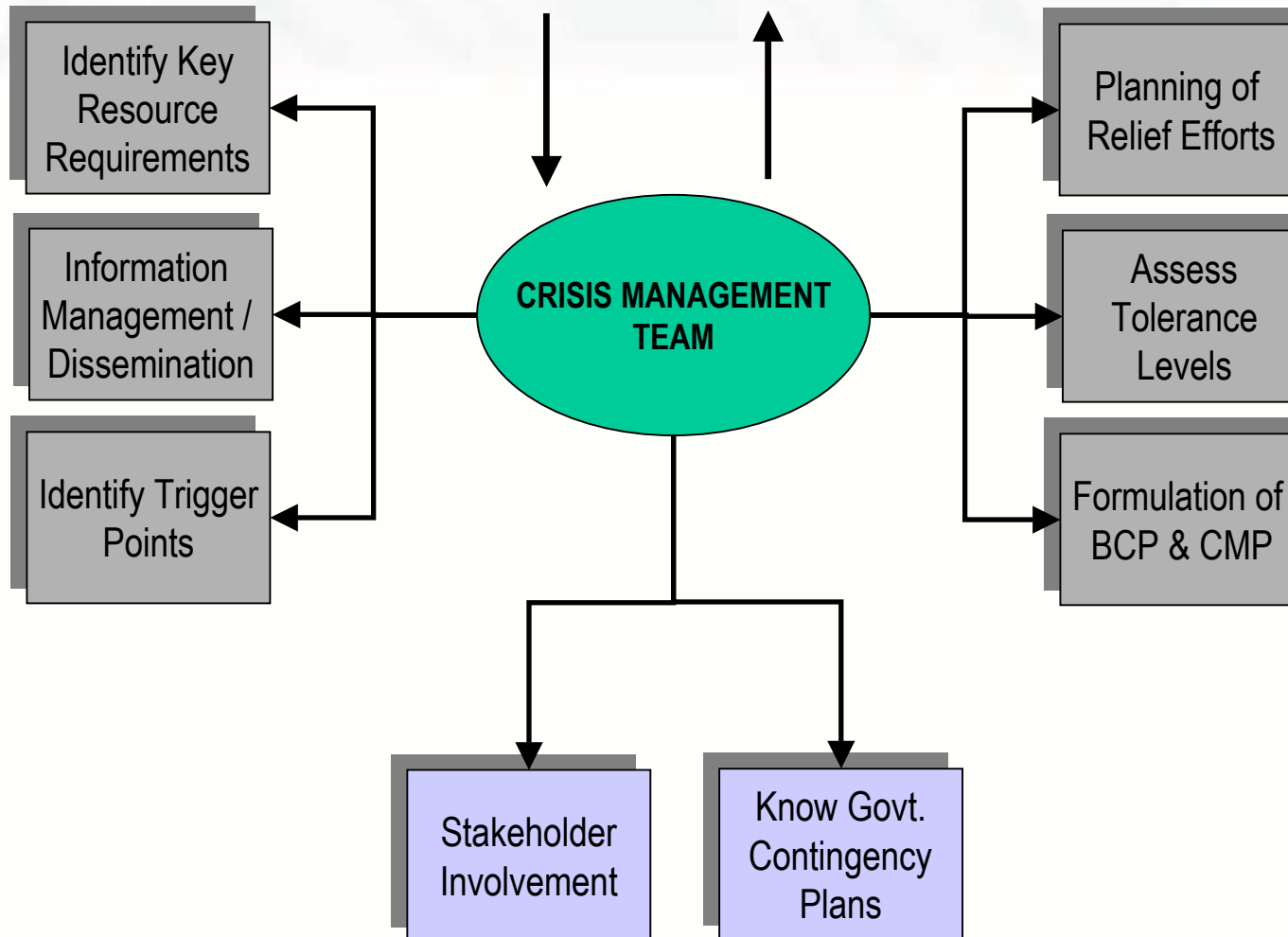
- There is **still time** to **plan and prepare!**
- WHO likely to be conservative in declaring heightened state of alert – very significant financial and political impact
- A pandemic unlikely to be geographically isolated— impact will be global and local simultaneously and must be managed accordingly
- Medical evacuations may be denied
- There is potential for **social unrest**
- Anti-viral drugs – ‘stockpiling’ has legal implications and moral concerns



Preparedness

Preparedness

TOP MANAGEMENT



Are you Prepared?



- **Do you have a contingency plan?**
- **Has it been updated or reviewed in the last 6 months?**
- **Has it been customized to a global pandemic such as Avian Flu?**
- **Have you discussed it with your partners?**
- **In the event of a pandemic, can you communicate with your staff 24/7?**
- **Can staff work from home?**





Where to Begin?

- What do you currently have in place?
- Do you run a Crisis Management Team?
- Bottom up risk evaluation –
 - ❖ IT, Logistics, Finance, Manufacturing
 - ❖ **Communications is key**
- Develop, implement, communicate, test and maintain your plan
- Can you partner with an external service provider for support?



Planning Aims



- **Containment** of the disease by reducing spread within the workplace
- **Business continuity and business resumption** if containment is not possible



Creating the Business Continuity Plan

Business Continuity Planning Objectives



1. Create guidance for **reducing exposure** to a public health crisis – containment activities
2. Create **communications** protocols – internal and external
3. Identify **Business Functions** – Organization and by Country
4. Identify **Personnel** - critical skill sets / essential and non essential staff – knowledge management



Business Continuity Planning Objectives

5. **Impact Analysis** – Business Functions
6. Identify **IT and Telecommunications** requirements
7. Define **Data Backup** Strategies
8. Identify **Contingency** Business Function Strategies

Business Continuity Planning Considerations:



Gather and evaluate information

1. **Monitor** the evolution of any pandemic
2. Monitor media and government travel advisories
3. Establish links with local health authorities
4. Establish **'trigger points'** – WHO alert levels

Business Continuity Planning Considerations:



Containment activities

1. Consider reduced airline travel
2. Make use of teleconferencing
3. Establish protocols for employees to **work from home**
4. Retain a stock of masks and disinfectant
5. Managing **fear**

Business Continuity Planning Considerations:



- Identify ways to reduce the impact of a pandemic on supply chains
- Be aware of but **not reliant upon government contingency plans**
- Establish reliable means of **communication & keep staff informed**



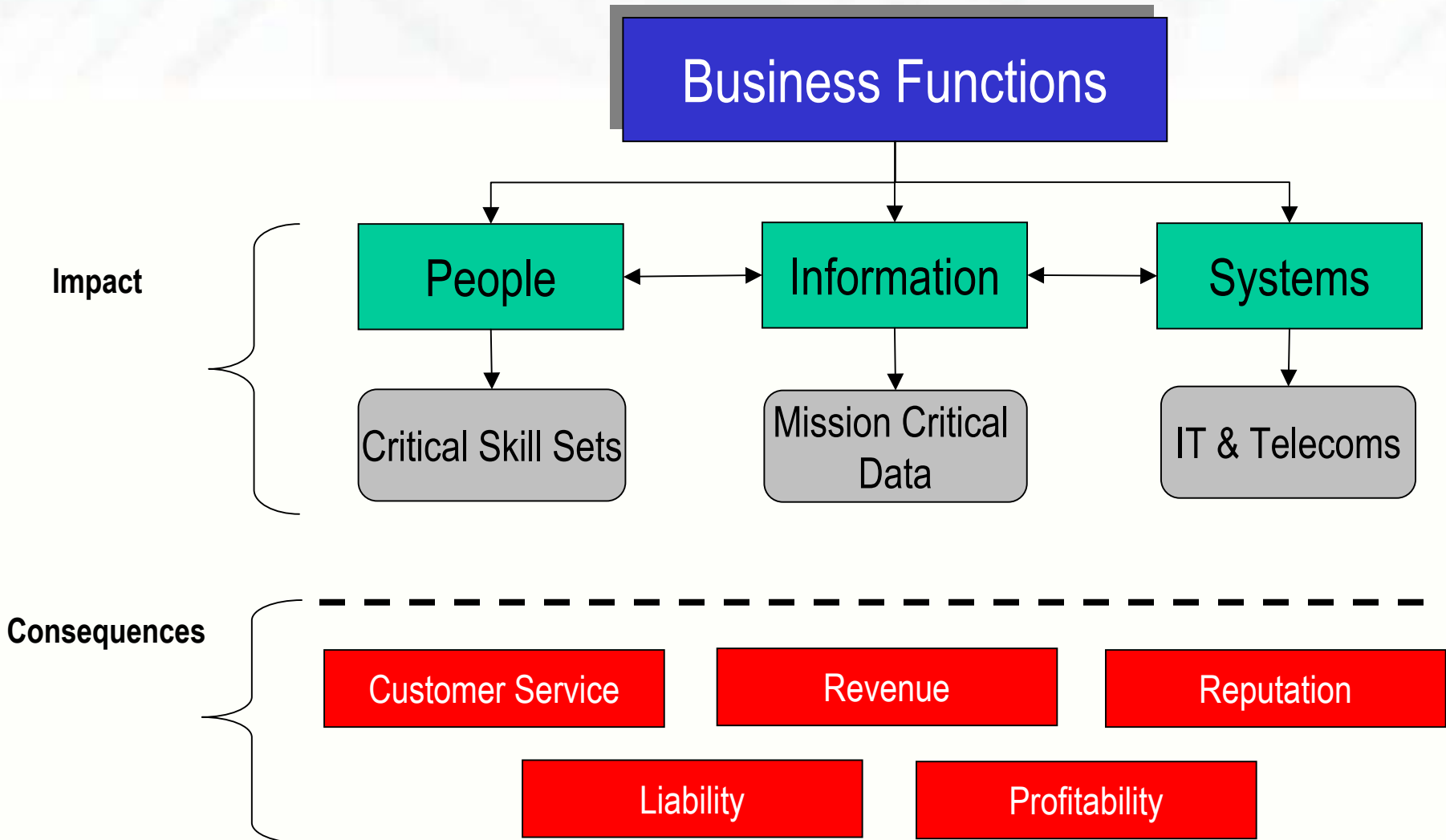


Business Functions & Impact Analysis

“75% of respondents believe a major disruption to their top earnings driver would threaten their ability to continue operations”

– (Protecting Value study 2002)

Business Functions Analysis



Understanding Your Vulnerabilities



- **Business Functions Analysis**
 - ▲ Personnel – critical skills & dependencies
 - ▲ Vital business documentation – location and person responsible
 - ▲ Systems – IT and Telecommunications key vendors and operating systems

- **Impact Analysis**
 - Customer service
 - Revenue
 - **Reputation**
 - Liability



Travel Considerations

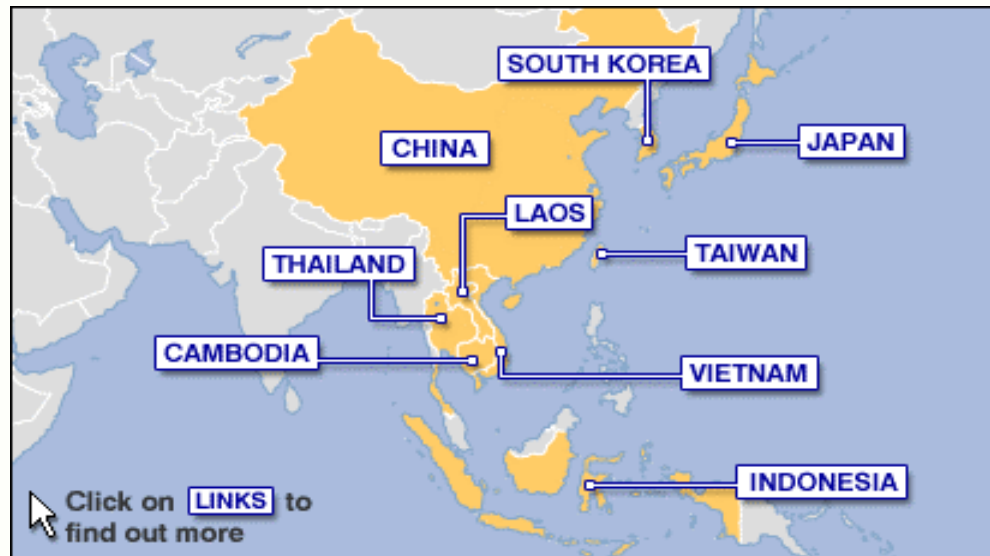
Essential Travel to H5N1 Infected Areas



Before Travel

During Travel

After Travel





Before Travel

- ✓ Is **business travel essential**?
- ✓ Is travel **tracked**? Can you quickly ascertain where your people are?
- ✓ Assemble simple home made **health kits**:
Thermometer, mask and alcohol-based hand gel
- ✓ Identify in-Country health care **resources**
- ✓ Check health **insurance plan** or obtain additional insurance to cover medical evacuation or in-Country care
- ✓ Obtain a regular flu **vaccination**?



During Travel

- ✓ Avoid all direct contact with poultry, including surfaces contaminated with poultry feces or secretions
- ✓ Wash hands often with soap. Alcohol-based hand gels to be used when soap not available
- ✓ All foods, including eggs, should be thoroughly cooked
- ✓ If you become sick with fever, have difficulty breathing, seek prompt medical attention

After Travel



- ✓ **Monitor health for 10 days**

- ✓ **Before visiting a doctor or hospital, inform medical staff of the following:**
 - ▲ Your symptoms
 - ▲ Where you traveled to
 - ▲ If you had direct contact with poultry



Conclusions



Managing Risk for a Competitive Advantage

- A 2000 report issued by Marsh identified “dread disease” as the 6th most important risk within the next five years
- **When NOT if** for a pandemic!
- Companies with functional and well tested CMP’s will be best placed to **mitigate risks and recover quickest**
- Effective crisis response plans and procedures will **reassure staff, maintain stakeholder confidence & bolster reputation**





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