

Healthy Exercise

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“Back-up is not enough.”

“Documentation is key.”

“Communication!”

“Overall, we believe we were able to re-affirm our pandemic and business continuity plans.”

These are the words of Milford Bank’s CEO Robert Macklin, Security & Facilities Manager Ric Biroscak, and Branch Administration VP Jorge Santiago, in an interview discussing their experiences with a national pandemic planning exercise. Milford has been early to proactively respond to concerns about pandemic planning. In 2007, the bank collaborated with the Milford Chamber of Commerce and Milford Health Department to create a community pandemic continuity guide for businesses, leveraging banking and other national guidance to provide for their community, in addition to providing for the bank’s own welfare. The resulting document is available on the Milford Chamber of Commerce website.

In September-October 2007, the Financial Banking Information Infrastructure Committee (FBIIIC) and the Financial Services Sector Coordinating Council (FSSCC) coordinated a national financial services pandemic flu exercise. In a media briefing following the event, it was reported that 2,775 organizations were involved in the exercise, 62% of which were banks and credit unions.

The test was designed to be completed over a three week period, with the three intervals representing stages of an overall 10 week pandemic event. The national test simulated absentee rates based on employee last names. Reasons for absence were described as: taking care of dependents, fear of infection, transportation issues, illness, or death. For interval #1, representing the first 2 weeks of the pandemic simulation, last names beginning with the letters A, E, F, J, K, N, O, Q, T, U, V, X, Y, and Z were used to approximate a 25% absentee rate. The target absentee rate for interval #2 (weeks 3 through 6 of the pandemic event) was 49%, based on last names beginning with the letters A, C, E, F, G, I, J, K, N, O, Q, R, S, U, V, X, and Z. The target absentee rate for the last 4 weeks of the simulated event was 35%, based on last names beginning with the letters D, E, G, H, I, K, L, N, and R.

Milford’s experience echoes that of other participants, as the random aspect of defining absentees seemingly well reflects the random nature of a pandemic. Milford’s team was particularly sensitive to employee safety, well-being and wage continuity; placing a focus on how to ensure that sick employees stay home and not infect the rest of the bank. One of the important realities illuminated by this test is that management must honestly plan in terms of the possibility of losing entire departments and not be lulled into thinking that a pandemic will fairly distribute itself across all divisions. Instead of management planning on how they might manage with only half of the bank’s staff, the bank must plan on how it will get by with only half of its entire organization chart, including many or maybe most of senior management.

I recently facilitated an abridged version of the test with the management team at Rivergreen Bank in Maine, compressing the three week test into a three hour tabletop discussion. The random absentee methodology left much of the management team “available”, but presented the interesting challenge of only five branch personnel left to staff three offices, with no IT support in-house available. Their

deliberations focused on three “basics”; cross-training, communication, and written procedures. Milford responded similarly and I expect that the survey results from the national test will suggest comparable focus.

In planning for pandemic, a company is in essence creating a disaster recovery plan for its most mission critical “system” – its people. Katrina taught us that illness is not the only reason for reduced personnel availability, as national disasters pose housing, displacement, and transportation issues that may generate absenteeism in a similarly random fashion.

Guidance now abounds. For example, Milford’s community plan references “materials modified from San Francisco Department of Public Health”. Banking guidance includes the ABA’s “Emergency Preparedness Toolbox” and the “Interagency Statement on Pandemic Planning” issued by the FFIEC in December. The FFIEC guidance contains a full page listing of helpful websites.

I was genuinely impressed with Milford Bank’s proactive planning. They have health supplies at the ready. They have a customer information brochure prepared in advance. Emergency planning is a standing agenda item for their quarterly employee meetings. Remote computing access is securely in place. Alternative communication is set up through a Yahoo user group. And more. What did we all learn back in Scouts? Be prepared.



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