



June 2009

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Being Prepared – Tools to Weather Any Storm

by **Mike Adams**
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Robert Baden-Powell is recognized as the founder of the worldwide movement toward the creation of the Boy Scouts and the overall scouting program. Mr. Baden-Powell is also recognized for the creation of the motto for the Boy Scouts, "Be Prepared", as delivered in various speeches at the 1929 World Jamboree at Arrowe Park in Birkenhead England. This simple, two-word motto has been subsequently translated into over 178 languages and dialects. At the heart of the message -- the need to ensure that the youth were prepared for the adversities that life will present to them.

June 1st 2009 officially marked the beginning of the 2009 Hurricane Season for the United States. The season represents the period of time when the conditions are most prevalent for tropical depressions in the Atlantic Ocean to manifest into tropical storms and ultimately become hurricanes. The season for this year is anticipated to be from June 1st through November 30th. Notwithstanding the predictions for the season's start date of June 1st, on May 28th of this year the National Hurricane Center tracked the first tropical depression that formed off the coast of North Carolina, officially escalating the start of the 2009 Hurricane Season. According to the estimates by the National Oceanic and Atmospheric Administration (NOAA), they are expecting above average activity during this season. The scientists and experts at NOAA are predicting that the United States will see between eleven to fourteen named tropical storms and five or more hurricanes with several in the category three or higher. Hurricane Katrina, which devastated most of New Orleans in 2005, was a category three when it made landfall on the morning of August 29th.

This information is concerning to all of us who live and work in the coastal areas, but is especially important to our Financial Institutions as a reminder to revisit their Business Continuity and Disaster Recovery programs.

Today, in the Post-Katrina era of hurricane awareness, all Financial Institutions in the coastal areas should be more attuned to keeping an active Business Continuity and Disaster Recovery plan.

This is the time to consider your plans and determine if you are truly ready.

There are some fundamental strategies that I would like to offer to help ensure your plans are executed with the greatest possibility for success during a hurricane or tropical storm related disaster. These strategies have served me well on many occasions. The strategies outlined below will greatly assist your Financial Institution with early preparation and ensuring that all team members are aware of the plan and what is expected of them.

Early Preparation

Preparing an office for an impending hurricane starts long before the first warnings or bulletins on the radio or television; it begins long before the storm. The first step is to take time to walk through your lobby, your offices, and your storage rooms, and look around closely. Take note of what you see on the floor or close to the floor or windows. Are there storage boxes or stacks of printer paper that could be damaged if water soaked the floor? Are there power strips under desks that if left plugged in could result in electrical fires? Are there desktop computers placed on the floor under a desk to save room? All of these need consideration and a plan for protection in the event of a storm. Consider what you can move off the floor now and what you need to address as part of your shutdown process.

The addition of duct tape and heavy-duty lawn and leaf bags to any office is a must for early preparations. The lawn and leaf bags offer protection for desktop computers and monitors in the event of roof leaks, broken windows, and similar events that allow for blowing rain or water entering the building. Always unplug computers from power and the network. Make sure to unplug power strips under the desks from the wall socket if possible. If not, disconnect all devices from the power strip; don't just turn them off. Duct tape can often be used on the bottom of doors to offer a significant barrier in keeping excess water out of a room.

Keep a "Hurricane Kit" at all of your branch offices including the above materials, along with a flash-light with batteries, safety card, a laminated "shut down" instruction sheet, and phone number card.

Plan Awareness and Understanding

Many institutions implement table-top and functional tests of their Business Continuity and Disaster Recovery plans. However, oftentimes institutions fail to include all key members of the institution in the testing exercise. When disaster strikes, everyone is impacted, not just management and department leaders. Consider inclusion of everyone in the testing of these plans whenever possible; this will help ensure a better understanding of the plan and will encourage more active participation in the event of a disaster. Commonly, failure to truly implement many Business Continuity and Disaster Recovery plans today can be directly attributed to a lack of understanding and real world translation of the plan to the entire staff and all team members who are impacted by the event or disaster.

A common example of lack of understanding can be seen when a Teller shows up at the "recovery site" as directed but then doesn't know what to do or what is expected of him next. Perhaps there is a phone and a computer, but what work needs to be done and what specific steps does he need to take to serve as a functional part of the recovery effort? Many times I have shown up at a given recovery site for a test or a real world recovery event only to find numerous staff members standing around drinking coffee, or otherwise engaged in conversation ranging from the lack of coordination of the recovery, to where they are going to go for lunch.

Your preparations, no matter how good they are, must be tested and must be communicated institution-wide for the plan to work as envisioned. Consideration must be given for each employee and how the recovery operations will impact them and their ability to contribute to the overall success of the institution, and ultimately its stakeholders. Keep in mind that every employee and team member of the institution plays a role in meeting your client's, or member's, expectations; they are all contributors to the overall success of the institution.

The most effective method is to hold an initial meeting with all employees and team members to explain to them the key objectives and components of the Business Continuity Plan and Disaster Recovery Plan. Give specific attention and focus on critical areas of the plan that call for employee action, including: when to report, what to expect, who to contact, and how to know when and where to go in the event of a disaster. Setting the right expectations at this level will remove doubt and help ensure that all staff members are prepared. Your employees will also be provided with the assurance that their own safety and well-being are considered in addition to the overall operations of the institution.

Follow-up through individual meetings between the various departments and groups within the institution is the next step in this cycle. Managers and supervisors can relay individualized components of the plans and distribute subsets or specific sections of the plan that are purposeful for each team member when separate meetings and discussions are held. Inclusion of the entire staff in planning and testing of recovery plans will greatly increase the chances to recover operations faster, increase client or member confidence, and provide security and a sense of teamwork for everyone.

The Right Attitude

Switch your mindset from *"It will never happen to us"*, to *"Be Prepared."* Being prepared takes more than a set of documents that the management team reviews each year. True preparation – whether for hurricanes, floods, fires, earthquakes, power outages, or other natural or man-made disasters – requires time and an institution-wide commitment.

Preparation ensures a greater chance of success for the institution in the event of a real disaster, and safeguards your employees, stakeholders, customers, members and the community you serve.

Whether you are located in hurricane county or other parts of the country, now is the time to reassess the strength of your Business Continuity and Disaster Recovery programs. Compushare's team of Business Continuity experts carries years of in-the-seat real world experience within the financial services industry developing and executing viable and compliant enterprise wide Business Continuity and Disaster Recovery programs. Our team can assist your institution with the development, review, testing and training of your plans. Clients along the gulf coast are encouraged to contact us for a complimentary "Hurricane Kit" to keep at your branch locations.

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Compushare delivers viable and proven solutions exclusively for community financial institutions including areas of business continuity, disaster recovery and business resumption planning, risk management, and other compliance and technology management programs. Learn more about our approach toward **Strategy, Safety, Soundness** and **Support**.

To learn more on how Compushare can assist your institution with business continuity and DR planning and preparedness, contact your Client Solutions Executive or education@compushare.com.