

Pandemic Pandem

**Expand your
business
continuity plan
to tackle an
evolving threat.**

DARLA DERNOVSEK

Unlike a hurricane, this disaster won't arrive with rising waters and roaring winds. Unlike a thief, its presence won't be captured by video cameras or security systems.

Instead, it's likely this disaster will sneak in the door on unwashed hands or float into the air from an unimpeded cough. While it will arrive quietly, it could wreak as much havoc as a tornado or other natural disaster.

Some public health experts believe an infectious disease-caused pandemic is almost inevitable. If their predictions are correct, credit unions could face a crisis significantly different than the disasters many business continuity plans envision.

If the pandemic begins on the other side of the globe, your credit union might have days or even weeks of advance notice. On the other hand, a pandemic could come to your doorstep via an infected traveler before officials raise the alert.

"You can see a hurricane coming," says Al Sawchak, senior consultant at Strohl Systems, King of Prussia, Pa., a business continuity software and consulting firm and a Credit Union National Association (CUNA) strategic alliance provider. "But with the bird flu or another type of pandemic, you may not even recognize it when it begins."

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Once the pandemic hits a community, it will spread rapidly. Within a few days, half of your employees could be absent, your members clamoring for funds, and your lobby closed for business.

Pandemic predictions

A pandemic is a global outbreak of a disease. This type of outbreak occurs when a new virus capable of causing serious illness emerges and quickly is transmitted from person to person. The virus rapidly infects new victims, spreading across nations and continents to overwhelm health-care systems before a vaccine can be developed.

Public health experts see the avian influenza, also known as bird flu, as having the greatest potential for causing the next pandemic. While the virulent virus that causes avian flu can spread among birds and from birds to mammals, few people have been infected to date. But the avian flu virus continues to evolve, giving it the potential to mutate into a form that could travel easily person to person.

Like the Spanish flu of 1918, a mutated form of the avian flu could home in on young, healthy workers. When a young, healthy immune system encountered the Spanish flu, it went into overdrive to fend off the virus. That set off the acute respiratory distress syndrome that killed 675,000 Americans and

50 million people worldwide.

Sawchak notes influenza often is difficult to diagnose because its initial symptoms mimic the common cold or other illnesses. If that holds true for the bird flu, a credit union might not recognize it's dealing with a pandemic instead of an ordinary flu until public health officials raise the alert.

'Social distancing'

Once a pandemic is declared, Sawchak says keeping people from clustering in groups is vital to control contagion. This concept, "social distancing," means closing meeting rooms, break rooms, and cafeterias; cancelling public events; and minimizing contact among co-workers and between staff and the public.

Within a credit union, it might mean:

- ▶ **Replacing** face-to-face meetings with e-mails or conference calls;
- ▶ **Closing** lobbies while keeping the drive-through open;
- ▶ **Encouraging** use of electronic channels, automated teller machines (ATMs), and telephone services; and

FOCUS

- ▶ **Some public health experts** believe an infectious disease-caused pandemic is almost inevitable.
- ▶ **Teachers CU's** recovery plan overlaps duties and has multiple backups for key positions.
- ▶ **A call tree** would enable Fort Worth Community CU to allocate available employees.



▶ ESSENTIAL STEPS FOR PANDEMIC PREPAREDNESS

Update your business continuity plan to prepare for a pandemic. People interviewed for this article suggest these steps:

- ▶ **Create** a disaster recovery team of executives or managers responsible for operations, marketing, security, human resources, and information technology (IT).
- ▶ **Teach** employees about proper personal hygiene for disease prevention and “social distancing.”
- ▶ **Prepare** multiple backups for employees in key positions.
- ▶ **Develop** multiple options for communicating with employees and members.
- ▶ **Stockpile** supplies, including disinfectant, disposable gloves, surgical masks, and food and water for employees who opt to stay on-site.
- ▶ **Document** responsibilities, policies, and procedures in an easily accessible format.
- ▶ **Examine** electronic services that would aid members, including ATMs, shared branching, and online banking.
- ▶ **Update** IT systems to enable telecommuting.
- ▶ **Verify** vendors’ readiness, especially those you rely on for electronic services.
- ▶ **Be prepared** to direct members to remote channels.
- ▶ **Review** employee policies on absenteeism, benefits, and telecommuting.



‘The bottom line is we know at some point a pandemic will come along.’

Scott Earl

and to recognize that the pandemic plan we’d have written on our own would have been too narrowly focused.”

The \$1.5 billion asset credit union is adapting its business continuity plan to follow public health experts’ recommendations. That includes accounting for the possibility that half or more of its 650 workers

▶ **Recognizing** the handshake as a risk vs. a friendly greeting.

As the threat grows, workers will stay home either because they’re ill or they’re caring for others who are ill. They also may lack child care because schools and day-care centers likely will be among the first institutions to close.

Amy Sink, senior vice president and chief financial officer for Teachers Credit Union, South Bend, Ind., learned about these measures at a May 2006 influenza pandemic planning summit two local hospitals sponsored.

“It was quite eye-opening,” Sink says. “It prompted me to be more active about planning

could be absent, health-care services overwhelmed, and community services and infrastructure disabled.

Employee roles

Teachers’ expanded plan protects operations by overlapping responsibilities and maintaining multiple backups for key personnel. Employees have a list of senior executives’ cell and home telephone numbers. A “call tree” creates calling lists multiple managers can use to contact employees so everyone hears from the credit union in a timely manner.

The credit union shared the updated plan with employees at a recent all-day seminar with the theme “Prepare.” The seminar combined information about Teachers’ plans with public health officials’ presentations on personal preparedness.

Policies about employee absenteeism and benefits are a key part of pandemic planning, Sink says. If employees are worried about losing income or benefits, they may come to work even when they could carry the disease. One option is sick-pay policies.

Yet if only a handful of employees are well enough to work, they may resent carrying the load for others, especially if they’re forced to take up residence in the credit union to avoid carrying germs home to their families or bringing germs into the credit union. A projected fatality rate of 2.5% of the population means employees also may need to cope with the distress of losing loved ones and co-workers.

“Workload and stress wreak havoc on morale,” notes Tammy Trudelle, vice president of human resources at \$615 million asset Fort Worth Community Credit Union, Bedford, Texas. Trudelle chairs the CUNA HR/Training & Development Council.

Like all the credit unions contacted for this article, Fort Worth Community is committed to ensuring employees could afford to stay home to care for themselves or their families by adapting pay and benefit policies. Some credit unions have written those policies into business continuity plans.

Other options

Trudelle believes Fort Worth Community’s commitment to cross-training and communication would pay off in a pandemic. A call tree would enable the credit union to allocate available employees, while policies and procedures would guide employees who must



\$191 million

Amount the U.S. Agency for International Development (USAID), Washington, D.C., has committed to fight bird flu. But the World Health Organization—one of several USAID beneficiaries—says it has only half the \$90 million to \$100 million it needs to fight the bird flu during the next two years.

Experts worry the virus H5N1—which has caused the death or destruction of 220 million birds and infected 247 people, killing about 60% of them—could mutate and then spread easily person-to-person, igniting a pandemic. During the past year, the virus spread from Southeast Asia into Europe and Africa.

Sources: USAID, Associated Press

take on unfamiliar roles.

To make sure those policies are accessible in a disaster, Fort Worth Community's senior executives carry a zip drive with a disk holding the policy and procedure manual document. The zip drive has a USB connection so it can plug into most personal computers.

"If this comes to fruition, no one individual or individual area of the credit union will be able to carry the load," Trudelle says. "It's going to take everyone."

Numerica Credit Union, Spokane, Wash., may allow employees to work at home or at another off-site location during a pandemic, says Jennifer Lehn, executive vice president of the \$600 million asset credit union.

While cross-training is the best solution to address high absenteeism during a disaster, staff using the credit union's virtual private network to work from home would allow the credit union to take advantage of valuable skills, Lehn says. Numerica already has issued laptops to key employees to use if a disaster strikes.

▶ Y2K ALL OVER AGAIN?

Scoffers claim fears of a pandemic are as overblown as survivalists' reaction to year 2000 (Y2K) concerns about computer issues. Those who've studied a pandemic's potential to do harm disagree.

"There's no comparison at all," says Al Sawchak, senior consultant at Strohl Systems, King of Prussia, Pa. Y2K affected people only through their dependence on machines, while a pandemic would hit people directly, he adds.

Predictions of Y2K damage also were linked to a specific date, while a pandemic's unpredictability increases the damage potential.

Finally, preparation prevented Y2K problems. By comparison, pandemic preparations only can reduce—not prevent—the spread of disease, notes Scott Earl, CUNA's director of disaster recovery and preparedness.

For a pandemic, the credit union plans to create a voice mailbox employees can access for messages regarding reporting to work and work assignments.

Employees who are unable to report for work also could use the telephone system to alert the credit union to vital tasks to address during their absence.

Personal awareness

Preparing staff to deal with the pandemic on a personal level is essential, according to Scott Earl, CUNA's director of disaster recovery and preparedness.

"We learned this from [Hurricane] Katrina: To get the credit union running for members, you also have to assist your employees so they can be there to provide those essential lifeline services for members," Earl maintains.

Earl advises credit unions to educate employees now about hygiene's important role in minimizing contagion. Introduce cough etiquette, proper hand-washing techniques, and hand sanitizers, using information online from CUNA and the government.

He recommends creating a guide for members to use to access services during a pandemic. Credit unions then can deliver that information using the full range of communication tools, from newsletters to on-hold messages.

Role-playing offers an excellent opportunity to "test" preparedness before a pandemic arrives, Earl adds ("Disaster recovery role-play," p. 44).

Learning experience

Some credit unions taking a leadership role in preparing for a pandemic were hit hard by Hurricane Katrina. That group includes Campus Federal Credit Union,



'Panic, hysteria, and rumors can do more damage than the actual pandemic.'

John Milazzo

▶ DISASTER RECOVERY ROLE-PLAY

Role-playing exercises help credit unions imagine a disaster's impact on everyday operations.

At EECU (formerly Educational Employees Credit Union), Fort Worth, Texas, a pandemic role-playing exercise helped the \$570 million asset credit union develop the first draft of a plan aimed at maintaining services for its 100,000 members.

Chief Information Officer Bill Burrows gathered senior staff and handed out printed materials about pandemics. He told them to assume the avian influenza virus had mutated for human-to-human transmission, had arrived on the West Coast, and would spread to Texas within two weeks.

That exercise boosted executives' understanding of a pandemic's potential damage and prompted the credit union to educate employees.

"Employees wash their hands a lot more now, based on that information," Burrows says.

EECU also uses role-playing to test its business continuity plan against other disasters, such as the tornado that destroyed its headquarters in March 2000.

View the sample scenario at creditunionmagazine.com.

Baton Rouge, La., with \$330 million in assets.

Campus Federal used remote channels, including ATMs, shared branching, and the Internet, to continue serving members in the hurricane's aftermath despite the closure of its three New Orleans branches (one has reopened).

The credit union paid and kept benefits current for all employees for 60 days after the hurricane, even when conditions made it impossible for them to work. And it relocated employees who could move to branches in other parts of the state. Those who moved out of state or couldn't return received severance packages based on longevity.

Posthurricane flooding contaminated money and other materials, requiring special handling. President/CEO John Milazzo says people themselves might be "contaminated" by a pandemic virus.

That means credit union members and employees could require special handling.

Among measures Campus Federal would use to minimize human contact:

- ▶ **Encourage** members to use drive-up lanes;
- ▶ **Limit** the number of people in the lobby;
- ▶ **Allow** only members in the lobby;
- ▶ **Issue** face masks and disposable gloves to members in the lobby and employees; and
- ▶ **Urge** employees to telecommute when possible.

Milazzo believes a pandemic would boost use of electronic services. For example, more credit unions

might adopt check imaging at the branch to reduce the risk of handling germ-laden documents.

Offering reliable information also will be essential. "Panic, hysteria, and rumors can do more damage than the actual pandemic," Milazzo notes.

If the worst-case scenario for a pandemic occurs, credit unions could find the community's infrastructure altered, causing power outages or overwhelming community services such as emergency medical, police, and fire services.

The Internet could be affected if the number of people working or studying from home overcomes the available bandwidth.

Yet some credit union employees likely will continue to shrug off the need to prepare for a pandemic by assuming it never will happen in their area or comparing it with the hype about the year 2000 (Y2K) computer issue ("Y2K all over again?" p. 43).

Unfortunately, Earl says, public health officials believe a pandemic is inevitable as viruses mutate and global interaction eases the spread of infection. That's why he believes plans to cope with a pandemic should be in place at every credit union.

"The bottom line is we know at some point a pandemic will come along." ☺

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RESOURCES

▶ CUNA:

1. CUNA HR/Training & Development Council, cunahrtdcouncil.org.
2. CUNA Operations, Sales & Service Council, cunaopsscouncil.org.
3. CUNA Strategic Services, strategicservices.cuna.org.
4. Pandemic information: cuna.org, under "initiatives" select "disaster preparedness."

▶ Federal government: pandemicflu.gov.

▶ NCUA Letter No. 06-CU-06 Influenza Pandemic Preparedness: ncua.gov.

▶ Strohl Systems, King of Prussia, Pa.: 800-634-2016 or strohlsystems.com.