



# Credit Union Front Line

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The monthly sales and service newsletter for professional tellers, call center staff, and member service representatives

## Play It Safe When Disaster Strikes

Along with warmer temperatures comes stormy weather. May 2003 holds the record for the most tornadoes (543) since 1950, according to the National Weather Service, Silver Spring, Md.



Tornadoes and other natural disasters often strike with little warning. Your ability to respond quickly and

calmly is critical to both your safety and others', so review the credit union's action plan for natural disaster emergencies and power outages.

Three main areas your credit union's plan is likely to address, according to Rich Woldt, CEO of the Risk Management Learning Center, ([rmllearningcenter.com](http://rmllearningcenter.com)), a

Stoughton, Wis.-based consultancy that works with credit unions on emergency planning:

**1. Life safety.** "The most important component in your credit union's action plan is life safety," says Woldt. "It addresses whether you evacuate or shelter in place, but in any case, the protection of life and limb comes first."

Because your safety and your members' safety always come first, it's paramount to know when and where to take shelter and evacuate

quickly. If your space is rented, for example, you might take life safety cues from the landlord.

Such is the case in Lubbock, Texas ("tornado country"), where, according to Sherry Cruz, CEO of Lubbock Teachers Federal Credit Union, the school teachers' association provides the credit union's space.

Credit union employees follow the building's rules. "They take part in regular tornado drills. And they know if a tornado strikes to

### TESTING ONE, TWO...

From fires to floods to tornadoes, credit union operations can be put at risk without a moment's notice. With the proper preparation, you can keep those risks to a minimum and continue to serve members.

Testing and updating are the most ignored stages of business continuity planning, says CUNA Mutual Group's Mike Retelle.

"People maybe test once a year, if that," he says. "What can happen in a year? Your CEO could change, your facilities manager could change, your charter, your sponsor, the number of branches you have, your asset level, your infrastructure. Any of those could change and have a major impact on your plan."

Testing or loss simulations can occur prior to tornado season, hurricane season, and so forth. Based on realistic scenarios, suspend key systems and see how well the plan kicks in, document the findings, and then make improvements.

What if you turned off the power? How do people react in the dark? Remember, there's no air conditioning, no computers, maybe no phones. Are your data backed up? Are critical documents and items secure? How do you provide services with no power (and maybe no branches or other credit unions) to rely on?

Your credit union should involve everyone—from employees to the board—in routine testing to reduce risk of failure and to share responsibility, Retelle advises.

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evacuate to the basement and take the stairs—never the elevator,” says Cruz.

If, however, a tornado watch gives advance warning, Cruz says front-line staff are instructed to run their personal computers with a minimum number of programs turned on and to back up data frequently. If needed, they can

shut down machines quickly with no real data loss.

The life safety step also involves plans for providing needed medical help to victims. That means making sure the credit union is properly

stocked with first-aid items and that you and co-workers have basic training in rendering assistance.

**2. Property protection.** Property protection includes your readiness to lock down currency, cash, and confidential records in fire-resistant files and vaults. Should you have to evacuate, at the very least make sure to lock your cash drawer. Whenever possible, however, put cash and valuables in the vault.

Part of property protection also involves cordoning off affected areas and controlling and monitoring access to those areas.

“During a power outage, for example, we authorize tellers to let in a few people at a time and dispense a limited amount of cash until security and accounting systems come back online,” says Barry Kane, vice president of branches and call centers at Patelco Credit Union, San Francisco (see “Above & beyond, p. 4).

**3. Communications.** After an emergency, it’s important for the credit union to speak with one voice—especially to the news media. “Too often incidents are blown out of proportion, adding to trauma and generating inappropriate responses both in the credit union and community,” says Woldt. Follow standard policy to refer any inquiries from the media to the designated credit union spokesperson.

Also make sure you’re trained to use all your credit union’s communication systems—phones, facsimile machines, e-mails, and radios. That way you can contact authorities and next-of-kin to get help as quickly as possible.

Plain and simple: Be prepared. The more you know about your credit union’s action plans during a power failure, tornado, or other natural disaster, the better equipped you are to ensure your safety and the safety of those around you. ■

