

## **Pandemic Response Planning for Businesses**

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The Fall flu season is coming, and with it is coming the particularly aggressive H1N1 Swine Flu (which has nothing to do with pigs). With widespread vaccinations planned, perhaps it will be just a ripple. Or perhaps it will be a tidal wave, sickening millions of people. For most, it will not be a fatal attack; but to prevent the spread of the disease, contagious workers should stay home so as not to spread the infection to their fellow workers. Other workers may elect to stay home to care for ill family members or children whose schools have closed.

If your company suddenly lost 50% of its work force for several weeks due to such a pandemic, how would you survive the event? The one thing that is guaranteed is that if you haven't planned for such a disaster, survival may be quite painful. The cost to your business due to reduced productivity, lost customers, and even employee moral when paychecks aren't cut can be significantly reduced if you are prepared through proper planning.

Planning for a pandemic is complicated by the fact that it can strike at any of your company's operations, depending upon the degree of infection in each department. You can't predict which departments will be incapacitated, but you can have a contingency plan for each.

To guide you through this complex planning process, eBRP Solutions, a company focused on Business Continuity Management tools, has made freely available its guide to pandemic response planning.<sup>1</sup> This detailed guide provides a template that takes you through all of the phases of proper pandemic response planning. It has been used by commercial, government, and non-profit organizations around the world,<sup>2</sup> including the Information Technology Disaster Recovery Organization of the U.S. Internal Revenue Service's (IRS).

In this article, we take a peek at the topics through which the guide takes you in creating an effective pandemic plan. As you will see by the detail of the plan, it is not a simple exercise. But there is nothing simple about surviving a disaster such as a pandemic.

### **Planning Phases**

The Pandemic Response Plan guide is separated into four phases:

- **Assessments** – The analysis of the risks to which you may be exposed.
- **Planning** – The development of risk mitigation, contingency strategies, and business policies to help deal with the results of a pandemic.

<sup>1</sup> [Pandemic Response Plan](http://www.ebrp.net/documents/R3FluPandemic.pdf), eBRP Solutions; July 2009.

<sup>2</sup> <http://www.ebrp.net/documents/R3FluPandemic.pdf>

<sup>2</sup> [No Pandemic Plan? It's Not Too Late to Get Started!](#), *Disaster Recovery Journal*; October 1, 2009.

- **Response** – The development of strategies for dealing with the impact of the pandemic at both organizational and operational levels.
- **Restore** – A formal process for returning to normal following the pandemic.

## Assessments

Identify the risks of a pandemic and their impact on company functions.

### *Risk Assessment*

A risk is a threat to which a business function has some degree of vulnerability. Risks can affect markets, profits, customers, employees, and other areas.

- **Employee risks:** What impact will a pandemic have on your employees? Plan for absences, and set guidelines for vaccinations and face-to-face contact. If contractors are used, the impact on them should be considered as well.
- **Customer and market risks:** Is the demand for your products or services likely to diminish as the result of a pandemic? Alternatively, you might find that the need for your offerings increases. Maybe you're in health care, or maybe your competitors can't deliver.
- **Supply chain risks:** Analyze the impact of each supplier's inability to perform for your organization.
- **Location risks:** Risks might be greater for multitenant facilities or facilities that involve intensive customer personal contact. Are any of your facilities in public buildings that might be closed due to a pandemic?
- **Process risks:** Is a function of your business threatened if manpower is reduced? If suppliers fail to deliver? If a location should be closed?
- **Insurance:** What insurance is in place to mitigate the effects of any of the above risks?

### *Impact Analysis*

A pandemic will affect the availability of human resources rather than of facilities. What will the impact of a reduction of human resources be on customers and corporate financials? Are regulatory requirements an issue?

- **Customer impacts:** The demand for your products may decrease. Your ability to respond to customer needs may be impacted. Alternatively there may be an opportunity to increase your market share in certain cases.
- **Financial impacts:** What is the estimate for reduction of profits, margins, return on investment, cash flow, and other financial measures?
- **Regulatory impacts:** If you can't meet your regulatory requirements, what fines might be imposed? What business restrictions might be imposed?

## Planning

If you don't know when a pandemic will occur, if you don't know how long it will last, or if you don't know how severe it will be, plan for the worst.

### *Set Priorities*

Determine what your goals are.

- Protecting your financials.

- Protecting your customers.
- Protecting your employees.
- Protecting your reputation.
- Obeying regulations

### ***Create a Healthy Workplace***

Create a working atmosphere that promotes health and minimizes the risk of spreading the disease. How do you communicate these plans? What health supplies should you provide? What about food handling? Face-to-face meetings? Visitors? Travel?

- **Education:** Provide education for your employees and their families. Covering your nose and mouth with tissue, frequent washing of hands, and avoiding close contact with infected people are some of the issues. Above all, stay home if you are sick.
- **Communication:** Determine how your educational points will be communicated. Company newsletter? Bulletin boards or signs? Company web site? Paycheck stuffers? Discussions with management?
- **Supplies:** Provide employees with whatever supplies are necessary to prevent the spread of the disease throughout the workplace. Anti-bacterial hand cleaners, tissues in meeting rooms, latex gloves, and face masks are some examples.
- **Dealing with fear:** How do you answer employee questions? Don't let them depend on rumors.
- **Counseling:** Protect the mental health of your employees. Use whatever resources might be available, such as your employee benefits program or local health agency counseling.

### ***Emergency Center Operations (ECO)***

An ECO should be established to monitor attendance levels and to shuffle manpower to critical functions from lesser ones, as well as to invoke other mitigation strategies.

### ***Manpower Issues***

A succession plan should be formulated to ensure continuity of management. Cross-training may be necessary.

- **Succession planning:** It is estimated by the U.S. Center for Disease Control and Prevention (CDC) that 40% of all people will be infected by a flu pandemic. Can you tolerate the loss for days or weeks of 40% of your management? Every manager should have a designated, trained, backup.
- **Cross-training:** In addition to managers, identify critical employees whose skills are needed for business continuity. These skills may include certifications, subject matter expertise, unique knowledge of manual processes, or important customer or vendor relationships. Some other employee should be cross-trained to take over the impacted function should a critical employee become absent.
- **Workload changes:** In extreme cases, such as loss of sales, it may become necessary to reduce the workforce to save the company. Understand the applicable laws, and plan the policies and procedures to lay off workers.
- **Travel restrictions:** Determine what travel should be restricted. What if the government restricts travel? Can you relocate employees to other facilities not impacted by the pandemic?
- **Educate Employees:** Keep your employees up-to-date on the pandemic situation, how to recognize symptoms, what to do about family health, and company policies concerning the pandemic.

### ***Set Employment Policies***

Consider what changes should be made to absentee policies. Under what circumstances must employees use personal or sick days for absences? How will secondary absences (for instance, staying at home to care for a sick family member or to take care of children whose schools have been closed) be handled? Review telecommuting policies.

### ***Work with Suppliers***

Identify the suppliers that are mission-critical to your organization, including essential utilities and services. Consider modifying existing contracts to include pandemic language.

- **Critical suppliers:** Determine aspects of the supplier relationships that may be subject to negotiation to mitigate the effects of a pandemic. Review Service Level Agreements (SLAs).
- **Single points of failure:** Identify those suppliers who, if they fail to deliver their goods or services, could cripple or shut down your business. Identify alternate suppliers and initiate relations with them.
- **Utilities and public services:** Public services such as power, water, snow removal, and garbage collection may be single points of failure. Select alternate providers and determine what guarantees they can provide.
- **Contracts:** Examine existing contracts to determine exclusivity rights, delivery requirements, service level agreements, and force majeure clauses.

### ***Improve Customer Accessibility***

When a pandemic hits, one-to-one relationships with customers may dissolve into more diffuse relationships.

- **Access to products and services:** What can be done to streamline customer services and remove some of the human intervention needed to satisfy your customers' goals? Online transactions? Drive-thru windows? Extended delivery services?
- **Access to information:** Prepare a customer information web site, complete with FAQs (frequently asked questions). Implement an online chat function to communicate with customers. Decentralize call centers to mitigate the effects of reduced manpower at a central call center.

### ***Insurance Coverage***

Review your current insurance coverage to make sure that key-man insurance is adequate, that you are protected from lack of performance due to a pandemic, or if a customer, vendor, or employee contracts the disease. If you are self-insured, consider what coverage may best be shifted to an insurer.

### ***Communications Plan***

Establish a Pandemic Communications Team to plan methods for information dissemination and to accept feedback.

- **Keep Up-to-date:** Establish a Research Team to keep current on the state of the pandemic.
- **Public cooperation:** Participate with local health agencies and emergency responders in their planning processes. Let them know what assets or services your company can provide.

- **Employee communication:** Set up special means of communications so that employees can identify pandemic-related communications. Use a special toll-free number for a hot line. Make certain employees understand good health habits, know what to do if they get sick, and know when to seek medical care.
- **Customer communication:** Make sure your customers know you have a plan, know when it will be initiated, and understand how the plan will affect them.
- **Supply chain communication:** Review supplier contracts and service level agreements. Ensure that they know that you have a pandemic plan, and familiarize yourself with theirs.

### ***Manpower Strategies***

The major impact of a pandemic is on the workforce – yours, your customers, and your suppliers. How will you deal with your employees and visitors? What restrictions will you put on travel? What do you do about a change in demand for your products or services?

- **Prioritize processes (functions):** Use the Impact Analysis to create a hierarchy of business functions ordered from those that are mission-critical to those that can be suspended for a period of time. Identify the critical employees for each.
- **Manage skill sets:** Identify employees with specific skill sets or functional experience. Form teams of employees whose members have similar skills and experience to be backup teams to provide a pool of employees to move into situations where the number of personnel has fallen below critical levels.
- **Travel/relocation:** Consider what travel is important to your business, and restrict non-critical travel. Plan on how you will relocate employees if necessary.
- **Backfilling:** Hire and train temporary employees to provide a buffer of trained personnel to fill gaps. These people can be obtained from temporary employment agencies, contractors, or even retiring or retired employees.
- **Dispersal to other locations:** Employees with similar skills can be dispersed to other locations or other shifts to minimize the chance of cross-contagion.

### **Response**

Develop strategies for dealing with the impact of the pandemic at both organizational and operational levels.

#### ***Process Contingencies***

For each critical function, what resources does it need? Can it be performed by home-based workers or workers at other sites? Can functions be scaled back, temporarily postponed, or eliminated? How can they be executed with minimum face-to-face contact?

#### ***Supply Chain Strategies***

Identify what can be done in advance to plan for disruption in the supply chain. Create sourcing diversity and stockpile mission-critical components.

- **Sourcing diversity:** Establish relationships with backup suppliers for those vendors who are mission-critical and who are single points of failure.
- **Stockpiling:** Mission-critical supplies should be accumulated in the event that a supplier cannot meet its delivery obligations. Consider the cost of stockpiling versus the risk of component shortages.
- **Geographic dispersion:** Consider geographic diversification of your vendor supply base so that if one vendor is impacted by the pandemic, others may not be.

- **Pecking order check:** Determine where you are in your vendors' pecking order list. Some vendor contracts with government and large customers may give them priority in time of need. In critical cases, consider negotiating preferred treatment for critical supplies.
- **Supplier readiness:** Do your critical vendors have pandemic plans of their own? What do they entail? Have they identified their critical suppliers? How will they handle a diminished workforce and restricted transportation? How will they communicate with you?
- **Transportation readiness:** How will you get products to your customers? What if there are transportation restrictions? Set up alternative accounts with other delivery services and transport modes.

### ***Customer Strategies***

During a pandemic, your customer base may shrink or grow. What customer interface options do you have, and how do you keep them informed?

- **Options:** Reduce travel time to reduce exposure. Employees who have already recovered from the virus may be the best bet for travel you cannot eliminate. Change your sales and service operations to reduce direct contact with customers. Consider videoconferencing. Take advantage of the needs of potential customers to expand your market by being an alternate supplier to them.
- **Honesty and information:** Don't hide the truth. The pandemic will pass, but the customers who have been lied to will remember.
- **Alternate distribution:** Increase online opportunities for customers to order your goods. Expand phone sales.
- **Making hard choices:** What if you cannot meet customer demands or sales are insufficient to support the business? Can you say "no" to customers? Can you scale back production and reduce your workforce?

### ***Physical Security***

Physical security entails securing access to buildings to minimize infections. It also requires keeping parking areas, communication networks, the supply chain, and transportation modes secure in the face of pandemic problems.

- **Secure buildings:** Employ guards and limited access to restrict access to employees, visitors, vendors, and suppliers suspected of being infected. Have written policies in place describing how such people are to be identified.
- **Secure parking:** If a significant number of your employees use mass-transit, where will they park if the mass transit system closes down? What if the operators of a parking garage have to close the garage? If other parking garages close down, how do you prevent non-employees from filling up your parking area?
- **Secure supply chain:** Commodities that are normally common may gain considerable value during a pandemic. Ensure your delivery and storage are safe and reliable. For critical supplies subject to theft, check that your insurance coverage is sufficient.
- **Secure communication channels:** Make sure that critical voice and data communication channels are not subject to disruption. This includes land lines, virtual private networks (VPNs), Voice over IP (VoIP), cellular communication, facsimile, web communications, and your own PBX. Establish backup communication channels.
- **Secure transportation:** Plan for public and private transportation means to be disrupted. How will your employees get to work? How will you receive materials and ship finished goods. How will you meet with your customers? How will you handle bulk mail?

## ***Personnel Security***

You need to plan to keep your people safe from infection.

- **Information security:** If you will be expanding telecommuting by your employees, what security measures should be put in place to guarantee that communication is secure? Do you need to establish a virtual private network (VPN)? Review or establish methods for user authentication and monitoring network usage. Set policies for home users to have adequate virus and spyware protection.
- **Travel policies:** Establish restricted areas. Quarantine those who have traveled to highly infected areas. Limit travel as much as possible.
- **Transportation:** If you must transport people, do so by private automobile or by private carrier (bus, plane, etc.) instead of public transportation.

## ***Public Interface***

Appoint a person to maintain communication with local authorities and health organizations.

- **Local authorities:** Pandemics can only be fought locally. Maintain contact with local authorities and emergency agencies to stay up-to-date on the pandemic. Report health status changes to them.
- **Health community:** Maintain close communication with local health agencies to report employee absences, contagions, and other health issues to them and to stay up-to-date on the progress of the pandemic.
- **Neighborhood:** Maintain awareness of the impact on your neighborhood. If local businesses close, where will your employees eat lunch? Where will they park? Where will they bank?

## **Restore**

The pandemic will not end abruptly. It may not even be clear when it is over. However, as it winds down, it is a good time to review your Business Continuity Plan and perhaps update it with what you have learned. You may also have to reevaluate your supply chain if it has been damaged by the pandemic, and your market may have changed.

### ***Plan to Return***

It may not be possible to return to where you were before the pandemic. Rather, assess what has changed and plan to go from there.

- **Assess what changes have occurred:** Has your market changed, and if so, do you think that the change is permanent? Have your products or services changed? Has your client base or supply chain changed?
- **Assess what has happened to your employees:** Have there been deaths, layoffs, or reorganizations? Are additional hiring and training required?

### ***Employee Issues***

Your employee base may have changed. Some may no longer be with you because they resigned or passed away. Others may have developed new skills. Succession plans may have been invoked and must be rolled back. You may have reorganized the company. You may have had negative experiences with the attitudes of some employees. How can this information be used to reconstitute and strengthen the company?

### ***Backlogs***

Reduced manpower may have necessitated cutting a few corners. Is there paperwork and data entry required to catch up? Preventive maintenance on hardware and software upgrades may have been put off. The time for performance reviews and contract negotiations may have passed.

### ***Debriefing***

Execute a formal process for reviewing the company's pandemic response. What did you learn about your employees, your customers, your vendors, your management, and your goods or services?

### ***Celebrate Return***

Have a party for your employees, your customers, your vendors, and your neighbors.

### **Summary**

The last time we faced an event that could cripple businesses worldwide was on January 1, 2000, when two-digit computer clocks reset to the year 1900. The Y2K problem was solved by immense effort on the part of all enterprises. What could have been a tidal wave turned out, thankfully, to be nothing but a ripple.

We now face a similar problem. An H1N1 flu pandemic can cripple businesses worldwide as severely as the Y2K problem could have nine years ago. If ignored, this pandemic could be our tidal wave. However, proper planning may again smooth this event into a ripple.

The freely-available eBRP Pandemic Plan Guide reviewed in this article highlights many areas that we might not even think about until it is too late. Whether you take advantage of this guide or not, it is imperative that you are prepared for the worst. We all hope that this pandemic will turn into a non-event, but we shouldn't bet our companies on it.