Disaster Recovery

In an Interconnected Age

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Some Timely Reminders

Hurricane Andrew (1992)
- Estimated damage near $25 billion.
- Destruction of over 25,000 homes and damage to over 101,000 in Dade County, FL area.
- Estimated damage of $0.5 billion in Gulf of Mexico, including damage to oil platforms and satellites.

Hurricane Katrina (2005)
- Estimated economic impact exceeded $150 billion.
- Destruction and damage to over twenty offshore oil platforms.
- Estimated daily casino tax revenue loss of approximately $600,000.

Source: National Hurricane Center web site.
Agenda

• Learning the hard way
  – Lessons from past natural disasters

• Fundamentals of contingency planning
  – Key elements of emergency preparedness

• Protecting your enterprise
  – Tips to ensure your company is prepared
Lessons Learned

• Plan, plan and plan some more
  – Up front planning is key to a successful contingency response

• Solid communications strategy
  – Contact information of staff and service partners is critical
  – Multiple contact methods provide needed redundancy

• Diversify your resources
  – Geographic, vendor and technical
  – Do not put all your eggs in one basket

• Partnerships
  – With suppliers
  – With neighboring companies
Key Elements of Planning

A - Creation of Disaster Recovery Plan

• Plan should address critical impact items that require a quick response

• Risk assessment should be completed to identify immediately needed items

• Examples:
  – Send/receive electronic transactions (ACH, wires).
  – Access/provide cash (cash can become KING!)
  – Positive pay processing
Key Elements of Planning

**B - Communications Plan**

- Assess capabilities for getting in touch with staff during crisis situations
- Distribute critical telephone numbers and contingency instructions to all staff
- Provide key contact information for service partners, regulatory agencies and local law enforcement to key staff
- Implement contingency web sites and/or call-in lines for staff to access and obtain updates
- Provide alternative communication that provide updates and are accessible by customers and other stakeholders
Key Elements of Planning

C - Employee Welfare

• Contingency plan should address employee welfare items including:
  – Temporary shelter
  – Food resources
  – Immediate family care

• Don’t forget families
  – Employees don’t!

• A “safe haven” for staff is important to a quick and successful turnaround of a crisis situation
Key Elements of Planning

D - Continuation of Financial Services

- During natural disasters, cash becomes KING!
- Contingency plan should identify pre-determined locations for placing reserve cash
- A key element in delivering financial services quickly during contingency situations is equipment/hardware preparations
Key Elements of Planning

**Regarding equipment and hardware:**

- Mirror primary hardware/software set up at another location.
- Alternate location shouldn’t be anywhere near your primary location (i.e. another city/state).
- Have multiple subscribers set up to process financial transactions.
- Keep additional subscriber credentials in separate location.
- Cell phones can be a critical communications tool.
- Set up an alternate internet service provider to accommodate unavailability of primary service provider.
- Contingency location should remain in “ready” mode.
Key Elements of Planning

**E - Partnerships**

- Investigate “partnering” with other organizations to provide assistance during crisis situations
- Inform key service providers of partner arrangements
- Include “partners” and other stakeholders in contingency testing and make sure they have a current version of your contingency plan
Key Elements of Planning

F - Plan Testing

• Complete frequent walk-through or test of plan
  – Quarterly, semi-annually or annually
• Organize each walk-through, creating such items as
  a testing schedule and test script
• Involve all stakeholders in the walk-through
• Review and identify vulnerabilities
• Consider unannounced/unscheduled tests
• Update plan accordingly and ensure distribution of
  updated plan to all stakeholders
Key Elements of Planning

G - Connection with Community

• Coordinate efforts with local law enforcement
• Include law enforcement phone numbers in contact section of contingency plan
• Inquire where your company stands on local responder list during crisis situations
Integrate Planning With Policy

• Review business continuity policies when reviewing disaster recovery plans
  – They need to match
• Key elements of a business recovery policy include:
  – Definition of critical business data and systems
  – Responsibility for each of these elements
  – Criteria for recovery
• Guidelines for testing and accountability
• Enforcement
Protecting Your Enterprise

• Create a flexible disaster recovery plan
  – Disasters run on their own schedule

• Include provisions for the safety and welfare of employees
  – And their families

• Back up critical information at alternative locations
  – Out of range of contemplated disaster
Protecting Your Enterprise

• Use alternative service partners to support contingency plan
  – Preferably on different grids

• Make advance arrangements with local law enforcement and other first responders
  – Help them help you

• Test contingency plans regularly
  – And, check the batteries in your home flashlights and radios while you’re at it
REMEMBER – PLANNING IS KEY!
Questions and Certification

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