

Mass absentee plans: Helping in the midst of disasters like Southern California's fires

By Greg Livingston, ABCP, CDRP

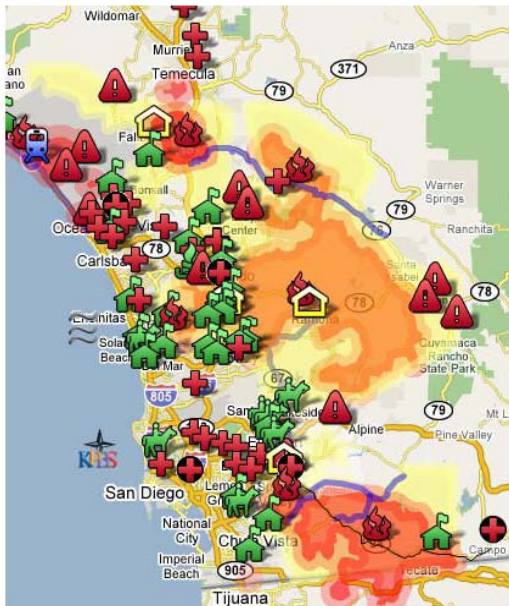


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In October 2007, fires ravaged hundreds of square miles in Southern California. Seven counties — from the Simi Valley northwest of Los Angeles through San Diego County to the Mexican border — were consumed by the blazes. In the San Diego area, an estimated 640,000 people were forced to evacuate their homes — with more than 1,500 of those homes reduced to ash and rubble.

I live in an area of Southern California where San Diego, Riverside and Orange Counties converge. As I write this, the air is still thick with smoke, there is a large layer of soot as far as the eye can see, and I've just learned that one of my close friends has lost everything. At a time like this, I'm reminded that I'm not just a business continuity planner, but also a concerned friend and member of the community who is trying to sort through the devastation. Like me, individuals affected by an event like the Southern California fires are most concerned with the well-being of their friends and family — not with showing up for work. And rightly so. But in the wake of disasters like this, some services and products go from being a nice-to-have to absolutely critical — requiring businesses to continue operations.

Faced with this situation, many of my clients are using the business continuity plans I developed. Those clients whose business continuity plans address mass absenteeism — or that have a separate mass absentee plan (MAP) — are better equipped to remain open and serve the community.

Mass absenteeism

To ensure the critical products and services continue to be available, businesses need a plan to address mass absenteeism. A MAP — a cousin to the business continuity plan — is a response plan to deal with mass employee absenteeism. An outgrowth of pandemic planning, MAPs address the impact of an event, not the cause.

Because the change in demand for a particular product or service may not follow the normal product life cycle, communication and the ability to understand and accurately project the market's response to an event is invaluable. A keen sense of this dynamic situation is needed to navigate the most uncertain times the event presents. To prepare, organizations need to identify and prioritize their essential business functions. Management must be prepared to suspend or reduce nonessential business functions and manage the consequences. This includes the immediate and future consequences to the organization, others in the value chain, customers and constituents.

The response

Developing your response to an event requires understanding and answering several key questions:

- When should response measures be invoked?
- What is your responsibility to employees, customers, vendors and the community?
- How would the organization function with a 40 percent reduction in staff, suppliers and customers?
- How might the demand for your products and services fluctuate during the event?

About the author

Greg Livingston, ABCP, CDRP, is a manager with the technology risk management services practice. He specializes in business continuity planning, business impact analysis, risk assessment and IT architecture. Throughout his 15 years of experience in business continuity, Livingston has led several engagements across various industries and helped clients design and carry out complex technology-resilient and recovery strategies. He is also a board member for the San Diego Association of Contingency Planners (ACP) and is a frequent speaker at industry events.

- How might your outsourced functions and supply chain members be affected during an event?
- What should you do now to assure an effective response to a mass absentee threat that protects and minimizes the impact on employees and operations?
- How can your existing business continuity plans address a mass absentee incident?
- Who should lead the planning effort?

Answers to these questions provide the foundation for your organization's MAP.

Response planning

Development and implementation of a comprehensive MAP helps ensure those involved in the response are aware of the operating functions that are enabled during the event. The MAP should be built around five distinct phases that are consistent with business continuity best practices.

Program initiation

- Plan scope and assumption establishment
- Project sponsor and leader identification
- Project plan and schedule definition

Operations analysis

- MAP business impact analysis preparation
- Direct and indirect source risk assessment documentation
- Mitigation opportunity identification

Strategy determination

- Operational strategy creation
- Vendor strategy creation
- Policy development

Plan development

- MAP alert procedures
- MAP incident response
- Business continuity plan

Program implementation

- Plan publication and orientation
- Alert and response measure verification
- Personnel training activities
- Resource acquisition and installation
- Monitoring measures activation

Mitigation and response strategies

Once the business impact analysis is completed and you have a full understanding of the impact on your members, suppliers and operations, identify strategies for addressing the following areas.

Human resources. Employees that are impacted during a mass absentee event look to absence and leave policies — as well as dependent care and safety policies — for guidance. In addition, they may be concerned with payroll stability and available benefit programs while away from work.

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Operations. Operating during a mass absentee event is very different from a normal business environment. Special consideration must be given to employee isolation and shifting measures, production schedule flexibility, personnel cross-training and succession, production automation where possible, backup and alternative processes, and remote access options like telecommuting.

These areas cause an organization to examine its technology infrastructure capabilities. The infrastructure may need to be expanded or adapted to provide for remote access to systems and data — as well as for significant expansion in the volume of activity from remote access. To handle the inevitable technical problems that arise as users become accustomed to working remotely, technical support for remote access users is necessary.

Organizations should also consider delivery service alternatives and substitute products and services — which affects inventory- and stock-level management, billing and collections, cash management and security administration. Once the event has run its course, use decontamination procedures to return the organization to its pre-event state.

Supply and delivery chain. Organizations that rely on other businesses during an event require plan coordination, communications directives, pipeline management and priority arrangements. Of these, many likely depend on alternative arrangements, as one supplier may be substituted with another. However, this is difficult with outsourced services like e-banking, statement processing and credit processing. Product and schedule flexibility is also crucial, as suppliers' problems become your problems in an event.

Legal, regulatory and contractual requirements. Although customer, employee and supplier contracts were agreed upon and signed before an event, the signers may not be able to follow through with the agreements due to issues like major absenteeism, travel restrictions or product availability. In addition, workers' compensation becomes a common and major concern for both recipients and providers, as the number of claims and appeals may escalate exponentially.

During an event, ADA accommodations, control compliance (Sarbanes-Oxley, FDIC, NCUA, HIPAA), record security and access (GLBA), and filing requirements (SEC, State Commissions, NASD) still apply.

Customer and public service. Organizations must consider their essential public services and products — and the increased demand for these during an event. Health officials may determine whether you can continue serving your customers, if your hours of operation must be modified or if you must close for a period. This means that effective media presentations for members and the general public are essential.

Overall, success means having processes and procedures in place before an event occurs. No single strategy satisfies all risk and impact profiles — and choosing the right strategy is a subjective determination based on management perspective and philosophy.

Plan development and implementation

Once the incident response strategies have been determined, develop the MAP using the following approach:

- Finalize the mass absentee incident response management team structure
- Document plan assumptions and impact fluctuations on personnel, suppliers and markets
- Prepare detailed business unit response and recovery procedures
- Develop MAP incident response plan testing processes and procedures
- Establish methods for maintaining the MAP
- Test the MAP for accuracy and update it accordingly
- Review the plan and gain senior management approval
- Include testing exercises for a mass absentee event in the organization's activity schedule

Activating and sustaining

Once a MAP is developed and implemented, continually maintain the plan development project. First, manage the implementation of the mitigation measures and infrastructure changes. For example, acquire and install automated backup or failover systems to sustain operations in the event primary functions fail from lack of personnel. Second, establish monitoring and alert procedures. The monitoring systems should provide meaningful and actionable indications of the level of apparent risk and response, including:

- No immediate risk apparent
- Potential for incident exists

- Initial response measures to be deployed
- Incident response plan activated
- Peak response
- Response interlude

Use color codes to easily communicate the status response to personnel. Third, finalize MAP incident business operations alternatives and develop written agreements with service providers, suppliers, vendors and subcontractors related to the support of activities during the event. Finally, after carrying out MAP testing processes and procedures, maintain the plan by implementing operation options, changes and mitigation measures. Conduct MAP incident response management team briefings on actions, the status of preparedness and the approval of the detailed MAP.

Prepare now

The Southern California fires demonstrate the value and importance of proactively planning for an impending disaster. Take the time to ensure your organization and employees are properly prepared for a potential mass absenteeism event, and plan and implement incident identification and response measures and continuity assurance measures.