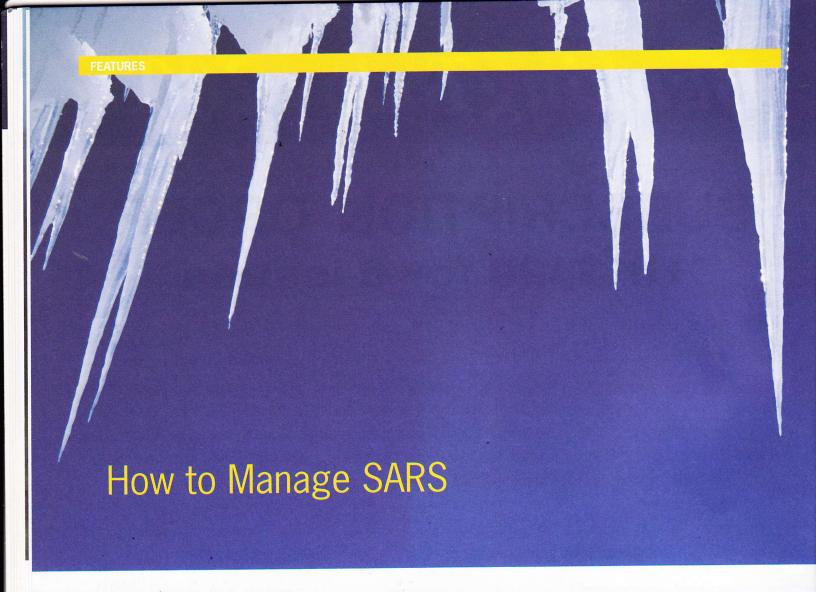
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<u>ACCA</u>

Disaster Planning and Crisis Management



Severe acute respiratory syndrome (SARS) truly put business continuity planning (BCP) and crisis management initiatives to the test.

At PricewaterhouseCoopers, our clients straddle a wide range of industries across multiple borders. Some, although not all, have developed plans to manage crisis and continue business operations in the face of disaster or business disruption. Those that do have such plans generally aim to plan for realistic 'worst case' scenarios (eg the destructive loss of their main place of work and its contents, fire, loss of telecommunications for extended periods, sabotage) to less severe situations (eg temporary loss of access, isolated power failure to part of an office, burst water pipe).

During the SARS crisis, however, companies operating businesses around Asia were facing different circumstances and regulatory requirements in each country. The reaction of

governments in the region varied widely. While some countries immediately quarantined all suspected cases others were slower to react with much greater consequences.

Management had to manage staff and customer expectations through these uncertain times. Banks are relatively more likely to have a BCP in place because of regulatory requirements. During SARS, many of our clients were forced to invoke their BCP in a way which they had never anticipated.

Leon Carrington, Regional Head of Business Continuity Management at Barclays Capital felt confident that the plans that they had developed contained sufficient detail that, should it lose its primary offices in Asia, or lose the ability to utilise key systems (either partial or in full), the bank's management and staff would be able to respond appropriately. All buildings remained accessible, systems were in tact, staff were

able to and wanted to work. They wanted to maintain a state of 'business as usual'. Nevertheless, Mr Carrington and the senior management team still faced some real challenges and difficulties.

Questions started to arise. To what extent should staff be segregated? Should staff be relocated to other offices and if so, where? Would the regulators be flexible and allow traders to work off-shore?

The Crisis Management Team at Barclays Capital, comprising senior management across the Asia Pacific region, convened via in-house video conferencing links on a daily basis to discuss, debate and determine the next steps to be taken.

Management took the decision early on to require some staff to remain in their main workplace, others to transfer to their dedicated



disaster recovery (DR) sites which are fully fitted out to ensure business as usual, and further, for others to work from home. Working from the DR sites was simply a question of invoking the BCP which was tested on a regular basis. The arrangements for working from home proved successful, once the technology and telecommunication infrastructure had been put in place to allow this to happen, which took several days to implement. Specific members of management and a number of traders are now able to work from home, should the need arise. In the event that SARS were to return, Mr Carrington has an established strategy and knows just what to do.

Other members of staff were rapidly despatched overseas to continue business operations. Those already overseas remained so. Restrictions were placed on travel to infected destinations for work – senior management had to grant approval – and staff were discouraged from taking holidays in such a destination.

The Barclays Capital Human Resources department had previously set up a database of all personal travel following the Bali bombings, and were able to rely on this source of data to

keep track of the whereabouts of staff and keep communication channels open. Additionally, HR developed a database during SARS to monitor the health of all members of staff. A private nurse was also employed to perform health checks on all staff reporting to work and provide medical advice.

Building management stepped up hygiene precautions, and day-to-day office cleaning was enhanced. In view of the travel restrictions, staff were encouraged to make greater use of the Bank's audio and video conferencing facilities.

Constant dialogue with regulators in the region was essential. Communication regarding best practices with others in the industry was helpful, and Mr Carrington regularly spoke with his peers. Meanwhile, a user group comprising heads of HR was set up in Hong Kong to cover the regional offices and provided participants with guidance and support during the crisis, sharing new information discussing precautionary measures being taken.

For most companies, their management teams were fire-fighting precisely because they did not have tried and tested plans. With a little help

from technology and the crisis management team initiatives, Barclays Capital were able to adapt their BCP to suit the issue at hand and continue 'business as usual'.

Business continuity plans are not intended to include every last possible crisis scenario. An enterprise-wide approach to planning enables senior management to determine the prioritisation of business functions and support services for recovery purposes, and the minimum resources required to achieve a rapid recovery following an emergency across the organisation as a whole. It also provides senior management with a greater understanding of the thought processes and subsequent procedures that are put in place for business continuity planning purposes. The plan should be pragmatic freeing up the management team to get on with making strategic decisions, thereby setting them apart from their competitors, during times of crisis.

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