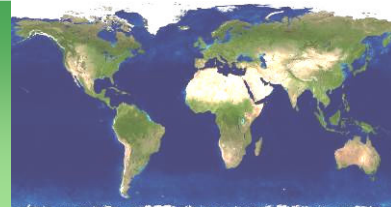


# Preparing for a Pandemic



## About Procovery

Procovery is a professional consulting firm with offices in Concord California. We are experienced in adding value for our clients by reducing their risks. Our principle consultant has nearly 20 years experience, has helped organizations prepare for the pandemic, and is a Certified Business Continuity Professional.

## Background on Flu Pandemics

In modern history, flu pandemics occur 3 to 4 times per century. Most recently, "Spanish Flu" in 1918, "Asian Flu" in 1957, and "Hong Kong Flu" in 1968. The 1918 pandemic, considered the worst health crisis in recorded history, killed up to 50 million people worldwide, 700,000 in the U.S. (mostly adults aged 20-40.) The death toll for the 1957 and 1968 pandemics totaled about 3 million.

## The World Health Organization and the U.S. Governments have Issued Public Health Advisories

Nearly 2000 people have been hospitalized and 149 have died from the Swine Flu in 17 states in Mexico. 40 people have been infected in the U.S. (no deaths.)

Cases have been suspected or confirmed in Sacramento, California, Texas, New York, Kansas, Ohio, Nova Scotia, British Columbia, France, Spain, Israel and New Zealand.

Should this level of transmission be sustained, the next pandemic could begin.

## Absenteeism will be Extraordinary

Pandemic flu is different from seasonal flu, in that few people have immunity, so it spreads rapidly, afflicting 15-35% of the population. Even if the virus is not lethal, companies need to plan for 25-40% of the workforce out for 2-4 weeks at a time, due to illness or caring for loved ones.

## Government Response and Medical Supplies will be Inadequate

Supplies of vaccines and antiviral drugs will be inadequate. Katrina showed us that local and national governments do not have the know-how or the resources to manage disasters of this scale.

## Economic Disruption will be Great

In 2007, the World Bank estimated a pandemic could cost the U.S. economy \$71 - \$167 billion, and the global economy at least \$800 billion.

The Centers for Disease Control estimates that a "medium-level" pandemic in America could hospitalize or kill nearly a million and sicken nearly a hundred million Americans.

Disruption may be greatest when rates of absenteeism impair essential services, such as transportation, logistics, food, water, power and communications.

## Once the Pandemic begins, there will be No Time to Prepare

Once a contagious virus emerges, global spread is considered inevitable. Countries might close borders and restrict travel to delay the arrival, but cannot stop it.

The 3 pandemics last century encircled the globe in as little as 6 months, even when most international travel was by ship.

Given the speed and volume of international air travel today, the virus could possibly reach all continents in less than 3 months.

In comparison, the 1918 flu spread throughout the U.S. within 3 weeks. How much more quickly would it spread today?

## Companies are taking Cost-Effective steps Now

While there is still time, companies are establishing preparedness programs, since there will be no time to prepare after the pandemic begins. At this point, companies are beginning to:

Factor the pandemic into budget and business plans.

Identify Coordinators to manage the organization's preparations and response.

Determine the impact a pandemic could have on company financials. Use multiple scenarios that affect different product lines, suppliers, and customers.

Identify critical materials, suppliers, transportation, logistics and employees.

Define authorities, triggers, and procedures for activating and terminating the company's response plan, altering business operations, and transferring business knowledge to key employees.

Assess the potential affects and your response to isolation or quarantine of certain countries or regions.

Learn how national and local governments are preparing for the pandemic.

Plan to manage and prioritize customer relationships when the pandemic arrives.

Review the company's insurance programs with respect to the pandemic.

## Build Resiliency in the Workforce

Disseminate information to employees about the company's preparedness and response plan.

Consider programs to build employee awareness of the pandemic, and strategies for personal and family protection.

Review employees' access to healthcare.

Provide information for the at-home care of ill employees and family members.

Evaluate the company's programs for helping employees get access to vaccines.

Consider where cross-training can help create a more flexible work force.

Update the Employee Assistance Program.

## Assess Supply Chain and Critical Vendors

Conduct a Vulnerability Assessment to determine how the organization could be affected when suppliers are affected.

Outline a triage procedure for coping with disrupted operations, materials, customers, service providers and call centers.

Learn about National and Local response plans where the company, vendors and customers do business (travel and shipping restrictions, labor, quarantines, access to vaccinations, etc...)

Develop methods for communicating pandemic status and actions to employees, vendors, suppliers, and customers in a consistent and timely way.

Collaborate with insurers, health plans, and major local healthcare facilities to share the company's pandemic plans and understand their capabilities and plans.

## Establish a Prevention and Response Plan

The speed that a pandemic can travel will leave no time to create emergency policies "on-the-fly." You should have these policies ready to go when the pandemic arrives:

**Sick Leave:** Establish policies for employee compensation and sick-leave absences unique to a pandemic (e.g. non-punitive, liberal leave, stay-at-home-if-sick), including policies on return to work after an illness.

**Travel Policy:** Establish policies for restricting travel to affected geographic areas in the US and abroad, evacuating employees working in or near an affected area when an outbreak begins, and guidance for employees returning from affected areas.

**Communication Plans:** Establish protocols for communicating with employees, families, vendors, customers, media, health departments and the government.

**Meeting Policies:** Establish guidelines to modify the frequency and type of face-to-face contact (e.g. hand-shaking, seating in meetings, office layout, shared workstations, cafeteria, etc...) among employees and between employees and vendors/customers.

**Telecommuting:** Establish policies and technology for flexible worksites (e.g. telecommuting) and flexible work hours (e.g. staggered shifts). Enhance communications and information technology infrastructures as needed to support employee telecommuting and remote customer access.

**Hygiene:** Establish policies for preventing influenza spread at the worksite (e.g. promoting respiratory hygiene/ cough etiquette, and prompt exclusion of people with influenza symptoms). Policies for Janitorial staff to clean and disinfect the workplace.

**Supplies:** Consider what supplies might need to be stockpiled now due to lack of availability in a pandemic (e.g. N-95 masks, gloves and antiseptic wipes.)

**Emergency Response:** Determine how to deal with an employee who gets seriously ill at work.

**Public Authorities:** Work with health and law enforcement to determine how to continue critical functions if a community is under quarantine.

## Leverage the Investment

Clients are telling Procovery that investors and customers have already begun ask tough questions about preparedness for the pandemic. Likewise, property/casualty, health and life insurance companies are modeling their risks.

Be proactive and prepare a detailed presentation about your investment to protect operations and employees.

Consider highlighting how the company's business model affects the exposure, how risks have been assessed, how the company's Pandemic response program is organized, and how the workforce is being protected.

Consider describing the company's policies for return-to-work, travel, telecommuting, emergencies supplies, and coordinating with authorities.

## Conclusion

Even if this flu strain does not develop into a pandemic, prudent companies are recognizing this ever-present risk and are developing these programs now.

Customers are already beginning to ask their vendors the tough questions about preparedness.

This is the time to assess strengths and weaknesses, foster good will amongst employees and customers, and to develop policies for dealing with an emergency.

Prepare before the pandemic begins. After it has begun there will not be enough resources or enough time to establish an effective response.

## Weblinks:

US Gov't Official Website on the Pandemic:  
<http://www.pandemicflu.gov/>

Centers for Disease Control:  
<http://www.cdc.gov>

California Dept of Contagious Disease:  
<http://www.dhs.ca.gov/ps/dcdc/dcdcindex.htm>

World Health Organization Website:  
<http://www.who.int>

## Contact Procovery

***"Procovery has assembled a 'Preparedness Toolkit' for the pandemic. Contact us to learn how this toolkit can be used to measure preparedness, conduct a Business Impact Analysis, and upgrade programs to protect your business from this emerging threat."***

- Chris Scheffler, Procovery Risk Consulting