Lessons Learned from Hurricanes Katrina & Rita

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Objectives

- Share relevant information to improve responsiveness to disaster situations
- Identify “Lessons Learned” to improve:
  - Customer Service
  - Employee Awareness and Performance
  - Operations
  - Communications
  - Procedural Documentation
  - The Business Continuity Plan
- Illustrate the Importance of a Business Continuity Plan
Centurion Support during Hurricanes Katrina & Rita

Hurricane Katrina
- 9 Disaster Declarations
  - Supported by 3 out of 12 Recovery Centers

Hurricane Rita
- 8 Disaster Declarations
  - Supported by 4 out of 12 Recovery Centers

501 customers in the affected states
- 115 in the disaster area

Smallest Financial Institution Supported = $1M
Largest Financial Institution Supported = $6B

Our consulting team has assisted up to 200 financial institutions in developing their Business Continuity Plans
Lessons Learned

- Take threats / warnings seriously
- **Have a Family Evacuation Plan**
- Don’t assume threat will go the other way
- Be familiar with evacuation routes so that you do not end up somewhere that you had not planned on
- Iron out any family disputes ahead of time
- Have required items prepared in advance
- Consider shipping items in advance to a safe area
- Put equipment on higher level
- Provide and obtain key contact information to others, including cellular numbers, destination phone numbers
- Establish check in and status points to communicate with others
- Be Patient and Courteous
Family Evacuation Plan

- Establish in advance where you will be evacuating to
- Have local and regional maps available
- Map out route using high lighter and document it, share it with other drivers that may be traveling
- Establish alternate routes if roads are damaged or closed
- Remember, authorities are in control
- Make required reservations in advance, i.e. hotel, restaurant
- Provide basic needs for 3-5 days, clothes, food, water
- Ensure car is in good shape and maintained, oil, water, brakes
- Leave as far in advance to avoid crowds and long delays
- Take First Aid Kit and required medications
Lessons Learned – Employee Related

Employee Post Emotional Impact

- Survivors Remorse
- Anxiety Attacks – Mood Swings
- Lack of focus at times
- Feelings of guilt
- Inconsistent periods of Non-Productivity
Consider Offering the Following Services to Support Customers and Maintain Loyalty

- Expect Increased Loan Activity
- Deferment of Loan Payments
- Consider Waiving the following fees:
  - NSF
  - Late Payments
  - Overdraft Protection
  - ATM Usage
  - Check Cashing Exceptions
  - Handled each situation on a case by case bases
Obtain Support from the Financial Industry

- Other Banks
- Banking Associations, i.e. ABA
- Banking Regulators
Lessons Learned

- Have End of Month Processing documentation with you
- Do not assume Couriers, FedEx, UPS will be able to deliver
- Determine who should go to the recovery center – consider skills required, shift changes, family situation, etc.
- Determine who should remain at financial institution for support
- Ensure employees have gas for their cars
- Designate a person as Disaster Recovery Coordinator
- Determine cash requirements for branches and ATM’s/obtain extra cash early
- Protect equipment and facilities where possible, (i.e., covering system with tarp after powering off, taking PCs to higher level)
- Determine frequency of status updates
Lessons Learned

- Be prepared to go to a different center than you tested at
- Ensure employees have gas for their cars
- Realize that employees going to the center may have personal issues that they may need to address
- Consider employees’ pets
- Communicate at all times with management and customers
- Determine estimated time when system will be restored
Lessons Learned

- If you need to travel to a Centurion Disaster Recovery Center:
  - Expect long delays at airport – A 3 hour trip can easily become a 13 hour ordeal
  - Provide cash and corporate credit card to employees going to recovery center – do not assume that credit cards will work in all cases
  - Have water, snacks, sandwiches, etc. with you at all times
- Provide status line for employees to call for updates on reporting to work, etc.
- Provide automated status line for customers
- Use Web site to provide information to customers
Lessons Learned

- Conduct tests on regular basis to expedite recovery in real disasters
- Update plan and document activities while going through the disaster as much as possible while they are fresh in your mind
- Make sure that you have contracted with Centurion for the proper equipment to support ancillary products
Lessons Learned

- Expect the unexpected
- Ensure that fuel is available for cars, generators, etc.
- Have multiple phone numbers for personnel & key customers
- During regional disaster where power is out prioritize which offices will be open based on number of generators
- Have direct phone numbers of branch offices posted on Web site as an alternative to 800# not being available
- Consider alternate phone sources such as satellite
- Utilize text messaging when other communication lines fail
- Determine in advance a process for handling government issued checks such as FEMA and Red Cross checks and debit cards distributed
- Department heads should meet with employees to determine who will be needed and where to report
Lessons Learned

- Conduct a Post Disaster Review within two weeks with the management team to determine ways to improve the plan
- Have a communications plan in place to communicate with customers
- Have additional security available as required
- Determine which employees can work remotely and make provisions to do so
- Make hotel accommodations early in an evacuation situation
- Document evacuation shelters
- Assign someone to work with authorities in charge at the time
- Be sure if vital information/documentation is kept in vault that someone can obtain access when it is locked
Lessons Learned

- Take advantage of technology to:
  - Minimize dependence on having to transport paper (i.e., imaging technology)
  - Electronic vaulting to eliminate having to transport tapes to recovery center – if roads are closed or damaged you may not be able to get tapes
- Develop levels for personnel implementing the plan (i.e., Essential – Critical – Support)
- Consider paying payroll early to employees if the disaster will impact payroll
- Evaluate your dependency on vendors – their inability to deliver the product or service could impact your recovery
- Seek alternate alternatives to provide wire transfers
www.centuriondr.com  
   - Centurion Disaster Recovery  
www.ready.gov  
   - US Department of Homeland Security  
www.drj.com  
   - *Disaster Recovery Journal* (free magazine)  
www.contingencyplanning.com  
   - *Contingency Planning & Management* (free magazine)  
www.ffiec.gov  
   - Federal Financial Institutions Examination Council’s site  
www.redcross.org  
   - American Red Cross  
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   - Federal Emergency Management Agency  
www.nicsinfo.org  
   - National Institute for Chemical Studies