

Practical Pandemic Planning for Businesses

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Presentation Overview

- Pandemic Introduction
 - What is the Threat?
- Key Issues and Barriers to Normal Business Operations
- Planning to Address the Threat
 - Key Solutions
- Intersection with “General” Business Continuity Planning
- The Business Case for Planning
- Avoiding “Fatigue”

Pandemic Influenza



Pandemic flu is virulent human flu that causes a global outbreak, or pandemic, of serious illness. Because there is little natural immunity, the disease can spread easily from person to person.

History of Pandemic Influenza



▶ Pandemics

- ▶ 1918 - Spanish Flu (H1N1) killed 500,000 in US and 20-50 million worldwide
- ▶ 1957-1958 - Asian Flu (H2N2) killed 70,000 in US and 1-2 million worldwide
- ▶ 1968-1969 - Hong Kong flu (H3N2) killed 34,000 in US and 700,000 worldwide

▶ Potential Pandemics

- ▶ 1977 - Russian Flu (H1N1) isolated to Northern China
- ▶ A dozen potential outbreaks have occurred in last three decades, killing hundreds around the world
- ▶ **From 2003-2007, Bird Flu (H5N1) has resulted in 331 cases around the world, with 203 deaths**



What is Bird Flu?

- Avian Flu / H5N1
- A virus currently passed from poultry to humans
 - One documented case of human to human infection
- Extremely unstable virus structure
 - Likely mutations
- Demographic of ill: healthy children and young adults
- Four drugs known to treat H5N1
 - Two may not be effective



Pandemic Phases



WHO PHASES		FEDERAL GOVERNMENT RESPONSE STAGES	
INTER-PANDEMIC PERIOD			
1	No new influenza virus subtypes have been detected in humans. An influenza virus subtype that has caused human infection may be present in animals. If present in animals, the risk of human disease is considered to be low.	0	New domestic animal outbreak in at-risk country
2	No new influenza virus subtypes have been detected in humans. However, a circulating animal influenza virus subtype poses a substantial risk of human disease.		
PANDEMIC ALERT PERIOD			
3	Human infection(s) with a new subtype, but no human-to-human spread, or at most rare instances of spread to a close contact.	0	New domestic animal outbreak in at-risk country
		1	Suspected human outbreak overseas
4	Small cluster(s) with limited human-to-human transmission but spread is highly localized, suggesting that the virus is not well adapted to humans.	2	Confirmed human outbreak overseas
5	Larger cluster(s) but human-to-human spread still localized, suggesting that the virus is becoming increasingly better adapted to humans, but may not yet be fully transmissible (substantial pandemic risk).		
PANDEMIC PERIOD			
6	Pandemic phase; increased and sustained transmission in general population.	3	Widespread human outbreaks in multiple locations overseas
		4	First human case in North America
		5	Spread throughout United States
		6	Recovery and preparation for subsequent waves

Pandemic Assumptions



Disruption of Everyday Life



- Disease Origination
- Pandemic Duration
- Number of Waves
- Population Fear
- % of Absenteeism
- Government Action
- Government Effectiveness
- Infrastructure Availability

Pandemic Assumptions



- **Disease Origination**

- Pandemic Duration
- Number of Waves
- Population Fear
- % of Absenteeism
- Government Action
- Government Effectiveness
- Infrastructure Availability

- Overseas (Asian origin)
- Globalization accelerates spread, increases impact
- Impacting global production / supply chains



Pandemic Assumptions

- Disease Origination
- **Pandemic Duration**
- Number of Waves
- Population Fear
- % of Absenteeism
- Government Action
- Government Effectiveness
- Infrastructure Availability

- **18 to 24 months duration for the pandemic**
- **Several waves lasting for 6 to 8 weeks in any given geography**

Pandemic Assumptions



- Disease Origination
- Pandemic Duration
- **Number of Waves**
- Population Fear
- % of Absenteeism
- Government Action
- Government Effectiveness
- Infrastructure Availability

- 2 to 3 waves per pandemic
- Each wave lasting 6 to 8 weeks
- Each wave separated by several months

Pandemic Assumptions



- Disease Origination
 - Pandemic Duration
 - Number of Waves
 - **Population Fear**
 - % of Absenteeism
 - Government Action
 - Government Effectiveness
 - Infrastructure Availability
- **Availability of Medical Treatment**
 - **Vaccine Availability (3 to 9 months following beginning of Phase V)**
 - **Other Medicine Availability**
 - **Business Closures**
 - **School Closures**



Pandemic Assumptions

- Disease Origination
- Pandemic Duration
- Number of Waves
- Population Fear
- **% of Absenteeism**
- Government Action
- Government Effectiveness
- Infrastructure Availability

➤ **25%-40% Absenteeism
During Phases V and VI**



Pandemic Assumptions

- Disease Origination
- Pandemic Duration
- Number of Waves
- Population Fear
- % of Absenteeism
- **Government Action**
- Government Effectiveness
- Infrastructure Availability

- **Border Closures**
- **Supply Stockpile**
- **Quarantines**



Pandemic Assumptions

- Disease Origination
- Pandemic Duration
- Number of Waves
- Population Fear
- % of Absenteeism
- Government Action
- **Government Effectiveness**
- Infrastructure Availability

Pandemic Assumptions



- Disease Origination
- Pandemic Duration
- Number of Waves
- Population Fear
- % of Absenteeism
- Government Action
- Government Effectiveness
- **Infrastructure Availability**

- Water
- Electricity
- Natural Gas and Other Fuels
- Sanitization
- Mail
- Telecommunications

Pandemic Assumptions



- Disease Origination
- Pandemic Duration
- Number of Waves
- Population Fear
- % of Absenteeism
- Government Action
- Government Effectiveness
- Infrastructure Availability



Investigate and define assumptions specific to your organization

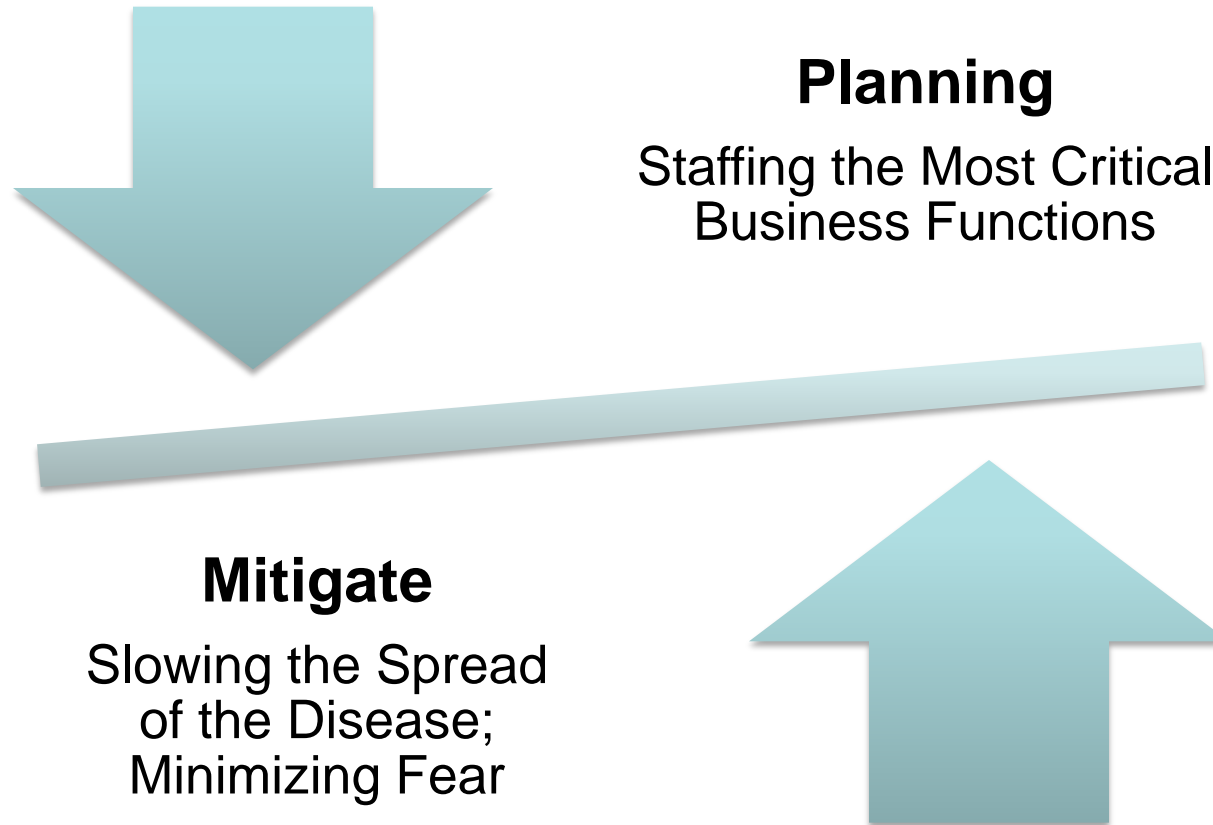
Key Issues and Barriers



Cause	Effect
<ul style="list-style-type: none">• Fear• Epidemiologic Trends	<ul style="list-style-type: none">• Absenteeism• Hoarding• Product / Service Demand• Process Change• Contractual Issues• Quality / Liability• Misinformation• Global Supply Chain Failure• Systemic Failure

Business issues presented by a systemic failure will be overwhelming

Planning to Address the Threat





Solutions (Absenteeism)

- Proactive Measures
 - Encourage vaccinations
 - Coordinate with public health professionals
 - Participate in public health exercises
 - Consider stockpiling supplies
 - Educate employees regarding good health practices
 - Consider employing PPE resources
 - Equip critical employees to work at home
 - Review HR policies
 - Develop an employee tracking and availability process
 - Consider special preparations for employee family members

How will your employees feel about coming to work?



Solutions (Absenteeism)

- Reactive Measures
 - Eliminate face to face meetings - use conference calls instead
 - Close or restrict use of the cafeteria
 - Distribution of antiseptic wipes, masks and glove
 - Communicate stay-home-if-sick procedures
 - Implement special cleaning procedures
 - Reorganize work and work force – focus on critical work
 - Activate Employee Assistance Program
 - Implement special medical assistance procedures at work
 - Monitor quarantines

Slow the spread of the disease in the workplace and minimize fear through planning, resource acquisition and communication

Solutions (Absenteeism)



- Response Planning and Risk Mitigation

The screenshot shows a web browser window displaying a 'Tasks' list within a 'Skill Assessment Demo' application. The browser address bar shows the URL: <http://inside.avalution.com/Project/SkillAss/Lists/Tasks/AllItems.aspx>. The application header includes 'Welcome Brian Zawada' and navigation links for 'My Site' and 'My Links'. The main content area is titled 'Tasks' and features a table with columns for Process, Task Title, Primary People, Alternate People, Task Criticality, Criticality and Impact, Skills Needed, and Skills Replenishment. The table is filtered to show 'All Items' and is organized into sections for 'Process : Manufacturing - Product X (3)', 'Process : Marketing (3)', and 'Process : Payroll (1)'. The 'Manufacturing - Product X' section contains three tasks, each with a 'NEW' indicator.

Process	Task Title	Primary People	Alternate People	Task Criticality	Criticality and Impact	Skills Needed	Skills Replenishment
Process : Manufacturing - Product X (3)							
Manufacturing - Product X	Production Scheduling NEW	Adrian Del Bucco; John Smith	Carl Whitfield; Jose Tomlin	Important	Required to optimize manufacturing process and confirm resource availability.	Vendor and process knowledge.	Twenty-four other current employees have this experience. Vendor turnover is minimal.
Manufacturing - Product X	Assembly NEW	Louis Santalone; Mike Christie; Jose Tomlin; John Smith	Brian Zawada; Courtney Bowers; Adrian Del Bucco; Rob Giffin	Critical	35% product capacity is needed to maintain safety stock and meet critical customer requirements (expectation that a pandemic will result in 40% decrease in product demand for a period of 16 weeks).	Knowledge of assemblers, tumbler and quality assurance measurement devices.	Twenty-eight manufacturing (assembly) retirees live in the area year-round. Human Resources tracks these people for strike planning purposes.
Manufacturing - Product X	Pick, Pack and Ship NEW	Susan Yardis; Tom Andrews	Brian Zawada; Mike Christie	Critical	Staffing is required to support 35% of normal capacity (assuming critical customer list is accurate and a 40% decrease in product demand materializes during a pandemic).	Knowledge of WMS and label printing machine.	Given the amount of new process automation introduced over the past twelve months, there are few internal options. Recommend cross-training staff.
Process : Marketing (3)							
Process : Payroll (1)							

Solutions (Absenteeism)



Skill Assessment Demo > Tasks > Assembly > Edit Item

Tasks: Assembly

OK Cancel

Attach File Delete Item Spelling... * indicates a required field

Process: Manufacturing - Product X

Task Title *: Assembly

Primary People

Adrian Del Bucco Brian Zawada Carl Whitfield Courtney Bowers Rob Giffin Susan Yardis Tom Andrews	Add > < Remove	Louis Santalone Mike Christie Jose Tomlin John Smith
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Alternate People

Carl Whitfield John Smith Jose Tomlin Louis Santalone Mike Christie Susan Yardis Tom Andrews	Add > < Remove	Brian Zawada Courtney Bowers Adrian Del Bucco Rob Giffin
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Task Criticality: Critical

Criticality and Impact

35% product capacity is needed to maintain safety stock and meet critical customer requirements (expectation that a pandemic will result in 40% decrease in product demand for a period of 16 weeks).

Please describe the criticality of this task to the organization and the impact if it stopped operating.

Understand your skill-based single points of failure and identify alternate sources of human capital

Solutions (Hoarding)



Supply	Demand
<ul style="list-style-type: none">• Assess the demand placed on your key suppliers<ul style="list-style-type: none">• Will your organization be able to source critical products and services?• Will your employees have access to products and services needed to meet personal needs<ul style="list-style-type: none">• Will a fear of a shortage cause a run on your product?	<ul style="list-style-type: none">• Analyze the effect of a pandemic on demand<ul style="list-style-type: none">• Will your product or services be relied upon by your customers?• Are you involved in a healthcare-related industry?• Understand the consistency of demand• Identify government expectations of your industry or your specific organization

Solutions (Demand)



Supply	Demand
<ul style="list-style-type: none">Assess the demand placed on your key suppliers<ul style="list-style-type: none">Will your organization be able to source critical products and servicesWill your employees have access to products and services needed to meet personal needs<ul style="list-style-type: none">Will a fear of a shortage cause a run on your product?	<ul style="list-style-type: none">Analyze the effect of a pandemic on demand<ul style="list-style-type: none">Will your product or services be relied upon by your customers?Will a fear of a shortage cause a run on your product?Are you involved in a healthcare-related industry?Understand the consistency of demandIdentify government expectations of your industry or your specific organization



Solutions (Process Change)

- What is “business as usual” for your organization?
- Imagine “business unusual”
 - What would it look like?
 - Could you deliver your products or services differently?
 - Would your products or services change?
 - Would the criticality of your products or services change?
 - Can your organization “survive”?

How does the public use your product or service; how is it acquired? Essential or a nice to have?

Solutions (Contractual Issues)



- Force Majeure?
- Regardless of contractual protections, your business partners may be unable to perform



Solutions (Quality / Liability)



Quality	Product Liability	“Professional” Liability
<ul style="list-style-type: none">• Quality concerns<ul style="list-style-type: none">• Process change• Supplier change• Insufficient testing• Speed to market issues	<ul style="list-style-type: none">• Can your organization assist with pandemic response?<ul style="list-style-type: none">• What’s your liability?• Does your industry have protections?	<ul style="list-style-type: none">• Plan scope• Resource distribution

Solutions (Misinformation)



Phases I-III	Phases IV-VI
<ul style="list-style-type: none">• Provide information to employees regarding what is (and what isn't) a pandemic<ul style="list-style-type: none">• And what to expect	<ul style="list-style-type: none">• Communicate with all key stakeholders<ul style="list-style-type: none">• By phase• By stakeholder

Solutions (Global Supply Chain)



- Take an inventory of your “extended enterprise” and the methods of integration with overseas entities
 - Where does your organization source critical products and services?
 - Where do single points of failure exist in terms of your supply chain, to include the people tasked with performing critical support functions overseas (i.e., production, call centers, IT development, etc.)?
 - Do single and sole sourced suppliers exist, and are contingency plans in place in the event of a supply chain disruption?
 - How are critical products, sourced from overseas locations, shipped (and vice versa)?

Solutions (Global Supply Chain)



- Be proactive with your suppliers (and your inventory)
 - Consider increasing safety stock levels for materials from at-risk countries
 - Ask suppliers for their business continuity plans, specifically making inquiries regarding how they address their supply chain and “people” risks during a pandemic
 - Develop joint crisis management/recovery plans with key suppliers
 - Pre-qualify alternative domestic or local suppliers

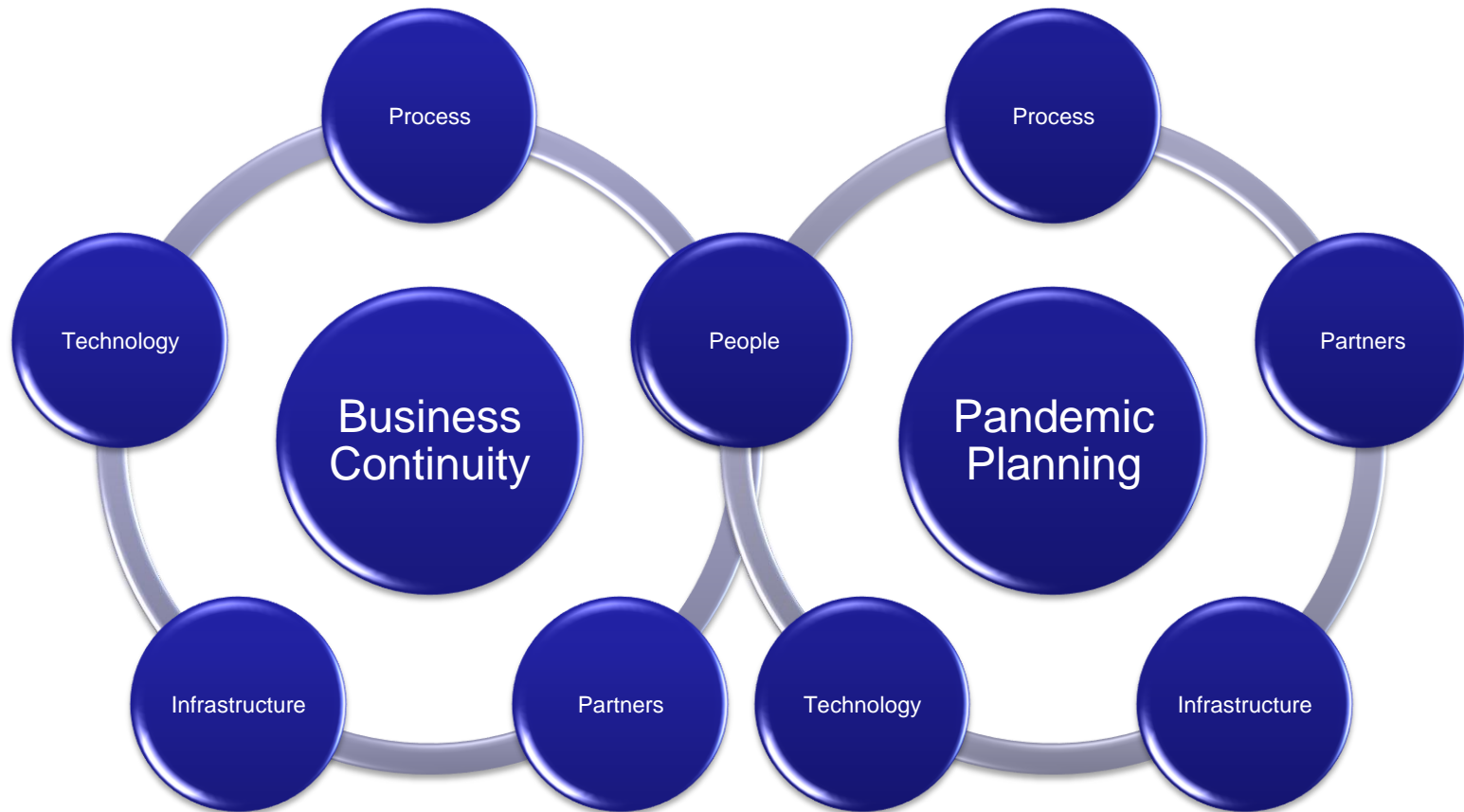




Solutions (Systemic Failure)

- Crisis Management and Business Continuity Planning
 - Appoint a CMT
 - Incorporate WHO phase-based planning
 - Monitor and assess
 - Define triggers and decision-making criteria
 - Identify the most critical business processes
 - Stock appropriate resources
 - Engage alternate workforce sources
 - Communicate

Intersection with “General” BCP



Intersection with “General” BCP



Sources of Additional Information



Web Sources

- www.pandemicflu.gov
- www.who.int/csr/disease/avian_influenza/en/index.html
- www.cdc.gov/flu/avian/
- www.apfluwatch.com
- www.osha.gov/dsg/guidance/avian-flu.html
- www.fda.gov/oc/op/pandemic/default.htm
- www.avianinfluenza.org/
- www.pandemictoolkit.com
- www.pandemicnetwork.com

Commercially Available Information Sources

- Control Risks Pandemic Monitor
- NC4

The Business Case for Planning



- Knowledge and Skill Single Points of Failure
- Business Characteristics
 - JIT / LEAN
 - Off-shoring and Out-sourcing
- Global Dependencies
- Treatment Options are Limited
- Businesses Will Be Looked to For Leadership
- Effects May Persist for 1-2 Years Following an Outbreak
- Insurance Is Inadequate
- Corporate Negligence Argument





Avoiding “Fatigue”

- Identify and communicate the business benefits of pandemic preparedness
 - Succession planning
 - Cross training
 - Knowledge redundancy
- Exercise
- Leverage pandemic preparedness to enable stronger business continuity
- Above all else, deliver periodic communications to all stakeholders



It's truly too late if your organization waits until Phase IV

Contact Information



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