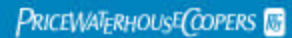


Risk Management Alert

Pandemic Preparedness

June 2009



The World Health Organization (WHO) has now raised the level of the influenza pandemic alert from Phase 5 to Phase 6. At the same time, the WHO considers the overall severity of the influenza pandemic to be moderate. The driver for the Phase 6 alert is the rate at which the virus is spreading across the globe. While the symptoms in the majority of cases appear to be mild, the increased rating should reinforce the need to ensure your business continuity management process accounts for several key scenarios and considerations related to pandemic planning. Careful up-front planning that focuses on delivering your organization's most critical services during a pandemic outbreak will help maintain viability for customers, vendors, and business partners. In addition, such planning will provide options to allow employees to be effective while being able to simultaneously care for their families.

Below are some key pandemic-specific scenarios to consider when enhancing your continuity planning process to more fully address a pandemic's business impact:

- Upwards of 40% absenteeism may extend for several weeks, randomly affecting employees at all staff levels, functional areas and locations which may result in:
 - Unaffected employees acting as victim caregivers, contributing to increased absenteeism, as well as healthy employees concerned about being infected by co-workers.
 - Potential modification of company policies to allow employees the ability to personally respond to the pandemic's impact without fear of employment action.
 - Need to plan for geographic dispersion of personnel and the delegation of authority.
 - Minimal staffing determination and potential cross training for those essential functions.
 - Increased "off hours" work schedules, overtime, and staggered shifts.
 - Use of telephone and video conferencing and "web" meetings replacing in person meetings.
- Key vendors may significantly reduce their shipments and services.
- Customers may rapidly migrate to non-physical interaction (e.g., significant increase in call center and online transaction volume).
- Demand for remote connectivity applications and internet access may strain internal network and/or external provider (e.g., phone carrier, cable company) capabilities.
- Possible travel restrictions and transportation disruptions that affect employee transit options.
- Consideration for directly providing health services (e.g., vaccines) and / or education.

It is well documented that the most effective emergency responses leverage day-to-day infrastructure and processes . . . during times of stress, the familiar may be executed while the novel fails. Thus, PricewaterhouseCoopers works with clients to design plans, programs, and policies that leverage the existing critical infrastructure and processes that immerse employees on a daily basis.

We can help your organization plan and prepare for the unique impact a pandemic may have on your business by taking necessary steps, some of which include:

- Allocation of resources
- Establishment or enhancement of policies and procedures
- Creation of a preparedness and response plan
- Enhancement of business and technical infrastructure
- Development of a corporate communications plan

For more information

If you have any questions about your program, how you might enhance your Pandemic Preparedness and Response Program, or how your existing Business Continuity Management Program can respond during a potential crisis please feel free to contact our Business Continuity Management Team.

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