



INVESTMENT DEALERS
ASSOCIATION OF CANADA

ASSOCIATION CANADIENNE DES
COURTIERS EN VALEURS MOBILIÈRES

Member's Seminar
November 29, 2006
Montréal Québec

Flu Pandemic

and BCP (similarities & differences)

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Agenda

- **IDA and BCP**
 - **BCP Maturity Models (Virtual Corp. and Gartner)**
 - **Avian Flu and SARS**
 - **Differences and similarities with BCP**
 - **Approach to Pandemic plan**
 - **Preparation of the pandemic plan**
 - **Conclusion**
- + Flu Pandemic Awareness Information**



IDA Members and BCP

■ By-Law 17.19

- “New IDA By-law 17.19 requires that all Members have in place business continuity plans that would assure prompt clients’ access to their assets following a significant business disruption of the Member”.

Maysar Al-Samadi (Bulletin **MR0397**)
Vice-President, Professional Standards

- Most members went beyond By-Law requirements
- Flu Pandemic is the next step if not started ...



BC Maturity Model – Athlete’s analogy

The BCMMSM

Standard Reference Chart

Increasing Business Continuity Competency Maturity

Maturity Model Levels	Level 1 Self-Governed	Level 2 Supported Self-Governed	Level 3 Centrally Governed	Level 4 Enterprise Awakening	Level 5 Planned Growth	Level 6 Synergistic
Athlete Analogy	Able to Crawl	Able to Walk	Able to Run	“Fit” Runner	Competitive Runner	Olympic Runner
Comparative Model	Organization “At Risk”		“Competent” Performer		“Best of Breed”	
Corporate Competencies	General Attributes of an Organization at Each Maturity Level					
Leadership	VL	L	M	H	H	H
Employee Awareness	VL	L	L	M	H	H
BC Program Structure	VL	L	L	M	H	H
Program Pervasiveness	VL	L	L	L	M	H
Metrics	VL	L	M	M	H	H
Resource Commitment	VL	L	M	H	H	H
External Coordination	VL	L	L	M	H	H
BC Program Content	VL	L	M	H	H	H

Public Domain version or Objective Assessment version

Source:

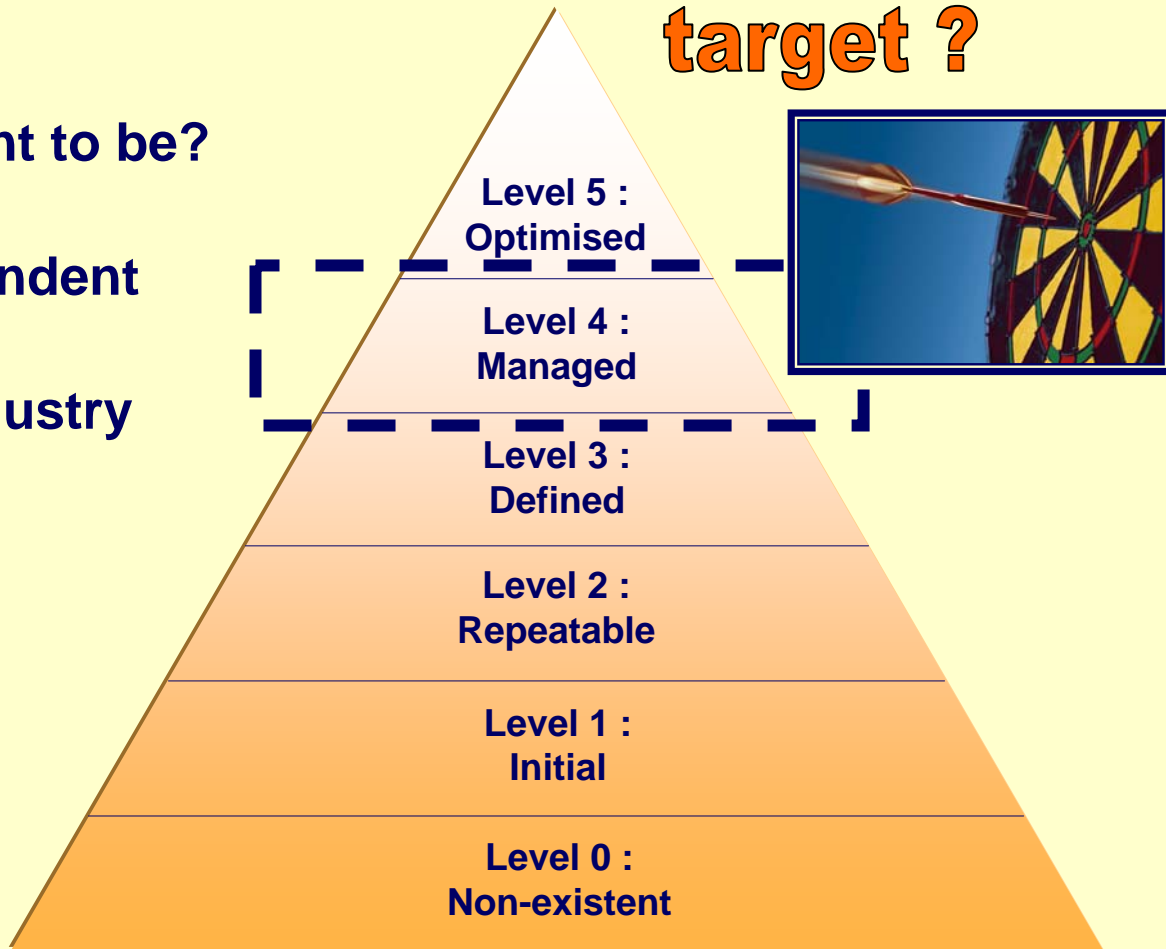


Business Continuity

Gartner BCP Maturity Model

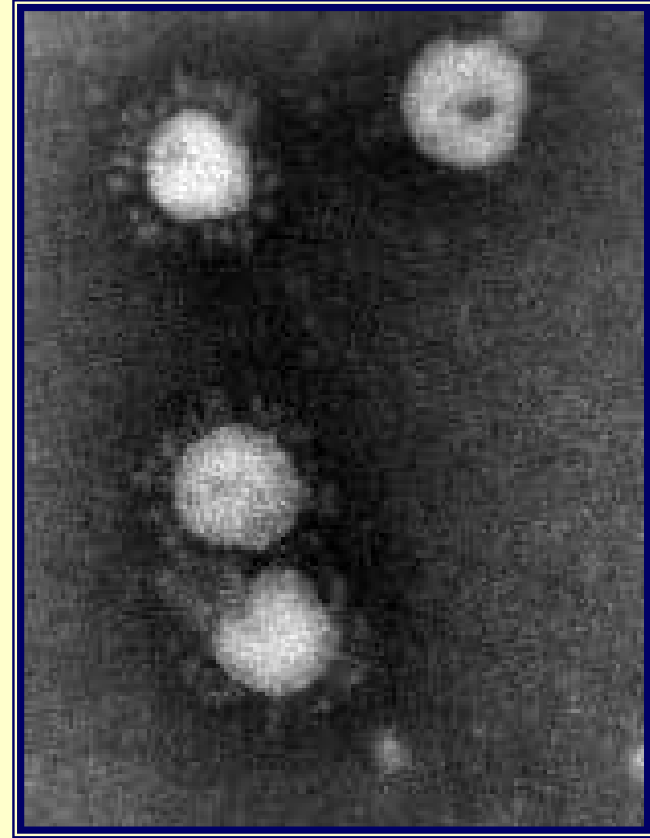
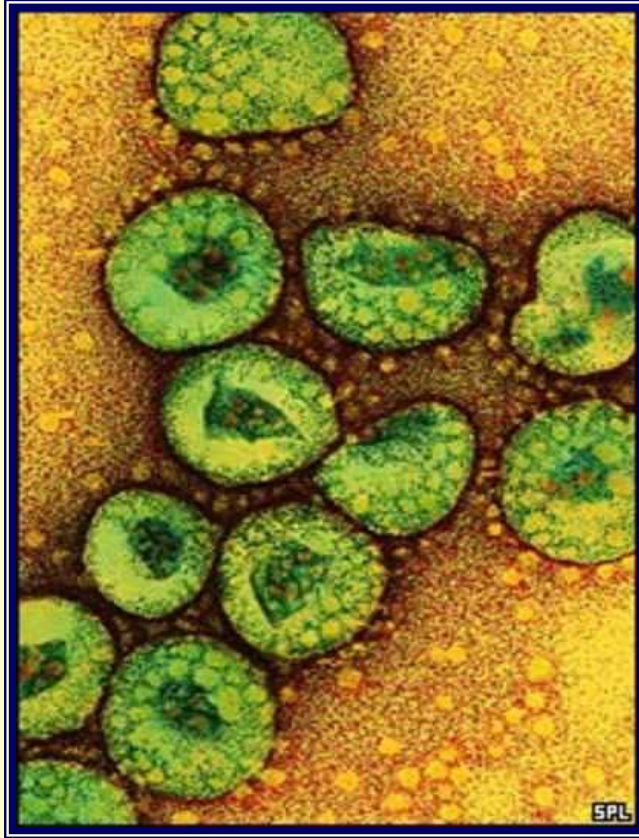
- Where do you want to be?
- Cost reward dependent
- Must consider industry

What is your target ?



Source: Gartner

Corona Virus vs SARS



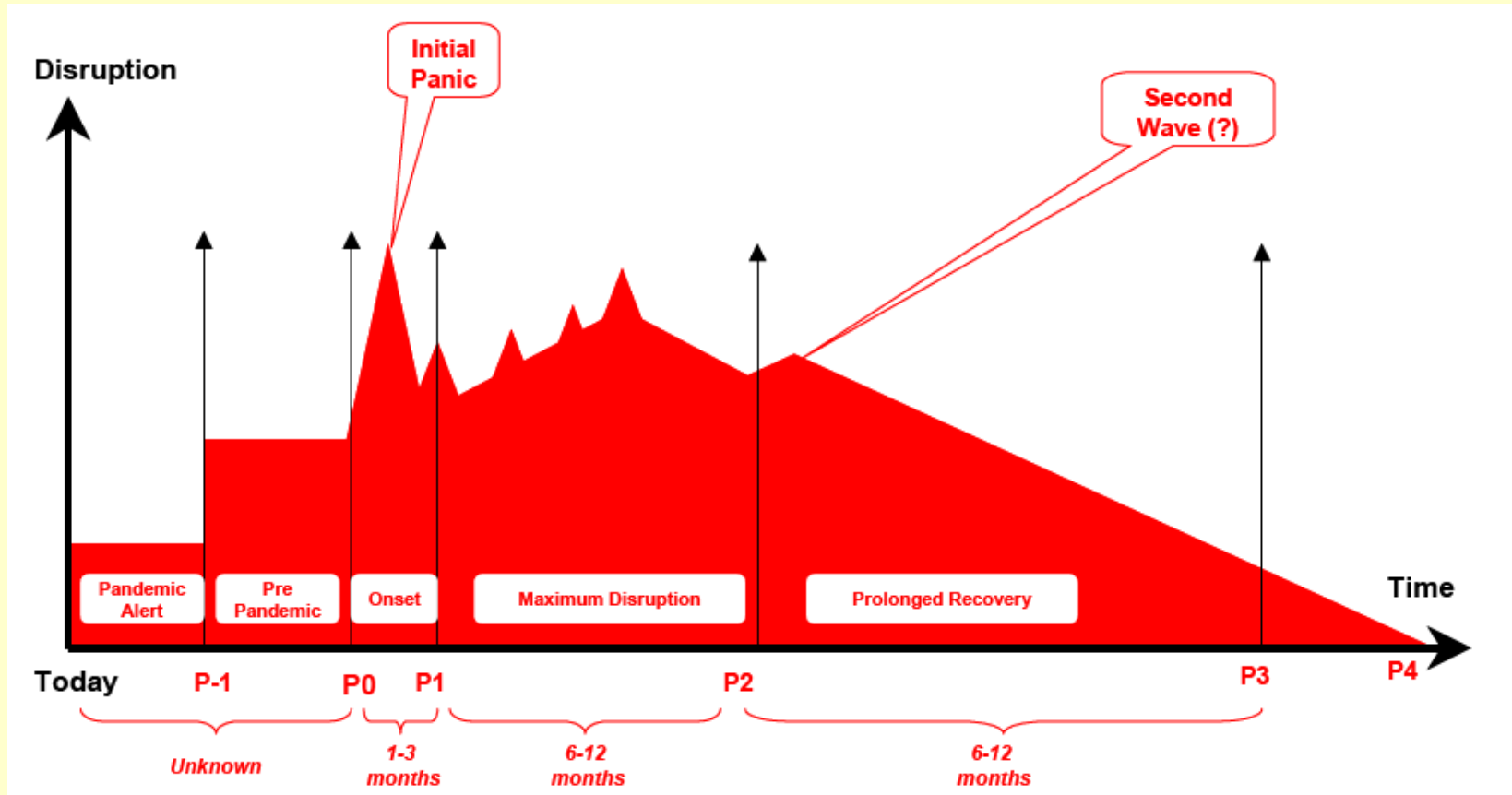
Source: James Young, M.D., O.Ont. Special Advisor to the Deputy Minister
Public Safety and Emergency Preparedness Canada

Influenza differs from SARS

- Avian flu compared to Severe Acute Respiratory Syndrome (SARS) and seasonal flu:

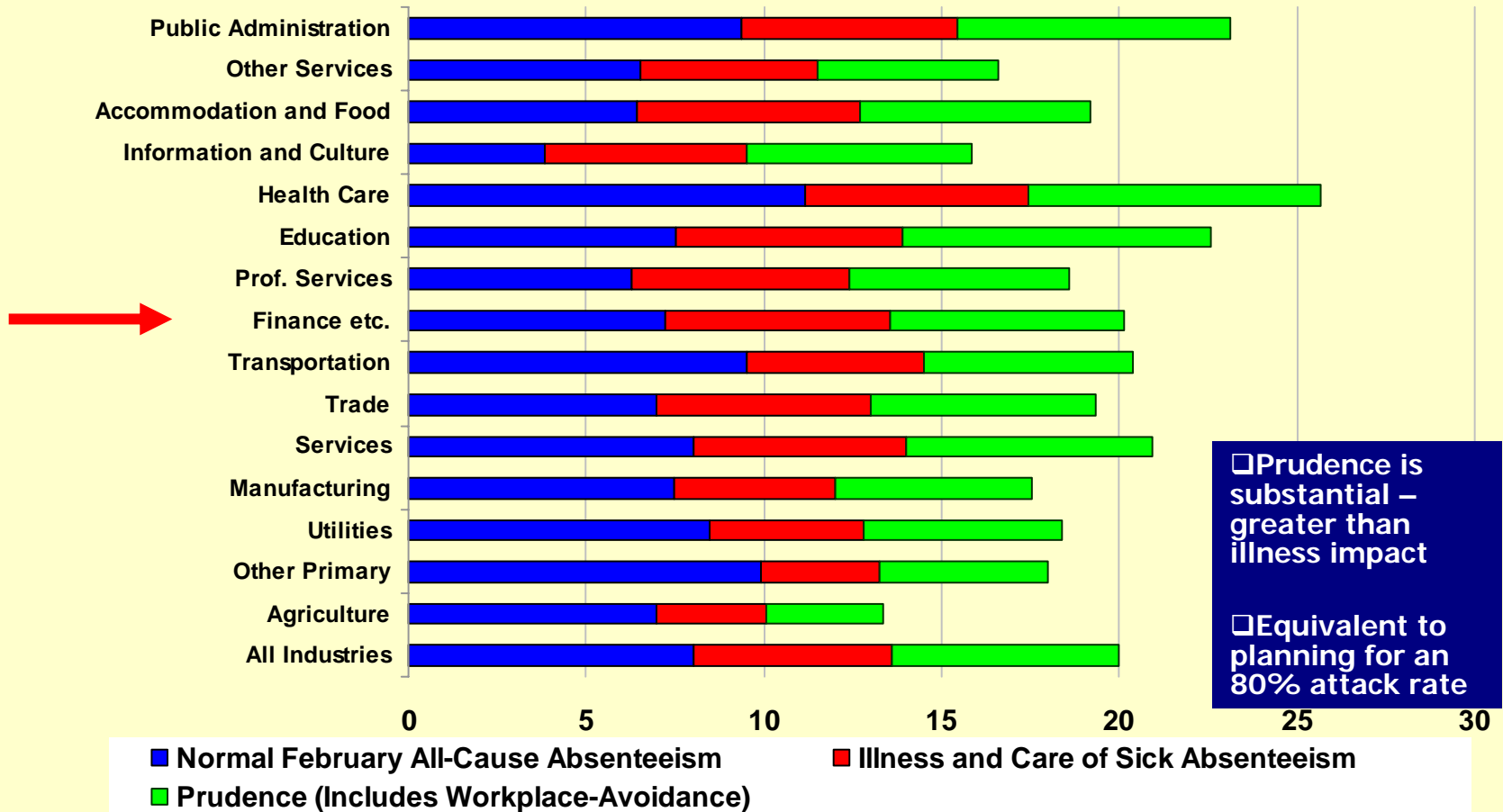
	Avian Flu	SARS	Seasonal Flu
Virus Type	Influenza Type A	Corona virus	Various strains (A/B/C)
Previously known	Yes	No	Yes (estimated)
Source	Avian (Birds)	Wild animals (Civet)	Human
Pathology	Viral Pneumonia	Viral Pneumonia	Respiratory infection
Vaccine	No (in development)	No (in development)	Yes (renewed yearly)
Transmission	Droplets	Droplets ?	Droplets
Human to Human	No	Yes	Yes
Incubation	3 to 7 days	~ 6 days	3 to 7 days
Pathogenic	High	Medium	Medium
Fatality case rate	< 20%	5-15%	~ 1%
Contained	No	Yes	No
Pandemic potential	High	Low	Low

Phases of a Pandemic



Source: Dr Patrick McConnel Risk Trading Technology

Industry Planning Estimates

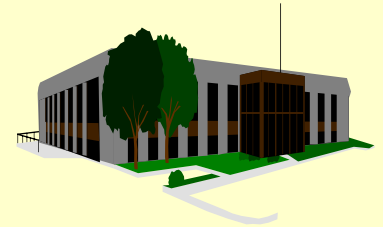


Source: James Young, M.D., O.Ont. Special Advisor to the Deputy Minister
Public Safety and Emergency Preparedness Canada

Differences (BCM & Pandemic)

- **Business Continuity Management (BCM) depends on:**

- Building unavailability,
- IT or Telecom unavailability
- Short time to return to normal business
- Local disruption



- **Flu Pandemic depends mainly on:**

- Human Resources unavailability
- Building and IT are usually available
- Long time to return to normal business
- Global scale – worldwide disruption



Approach in preparing for Pandemic

- According to our survey/benchmark, organizations take advantage of their Business Continuity Plans and adapt them for specific events like pandemic influenza
- Typically for a large organization, it **takes 12 months to adapt** the Business Continuity Plans for pandemic influenza



Pandemic Plan Preparation

- Vital and critical functions
- People availability
- Human Resource Policies
- Home Working
- Administration



Pandemic Plan Preparation . . .

- Supply Chain
- Communications
- Facilities
- Litigation and insurance
- Change in behaviour



Economic Impact (general)

- Threat on global economy's inertia
- Complex structure
- Consumers and suppliers perturbed simultaneously: absence of purchases
- Interdependency of various countries
- Local economy is impacted in same manner as global economy (domino effect)
- Economic impacts will last (after social impacts)
- Capital market (opportunities for any crisis or a Great Depression ?)
- Could inflict pain across sectors and around the globe

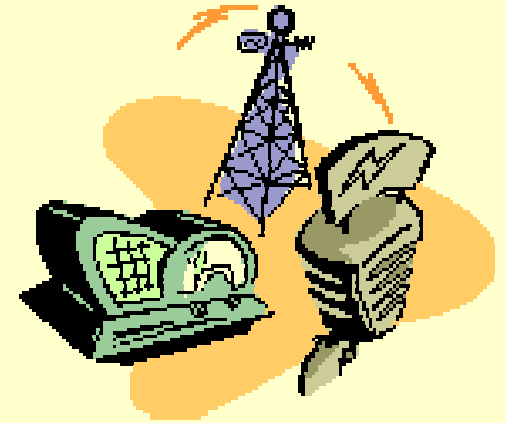


Communication Factors

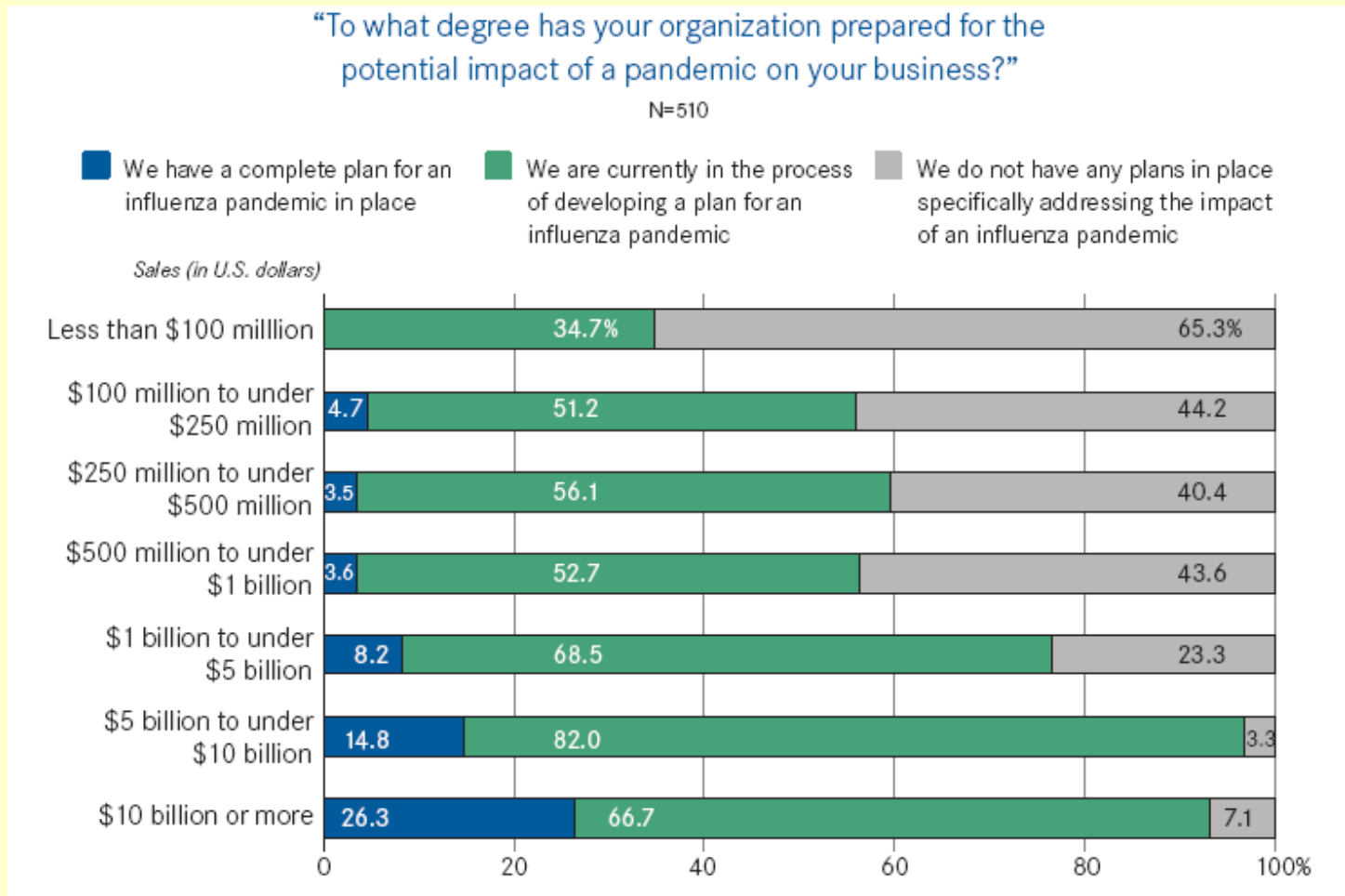
- **Initial communication** to staff sets the tone. Perception is reality.
- **Professional communication** implies full control of the situation.
- Communication during an interruption is the **most important management task**
- If possible, keep **same person** communicating with clients, vendors, partners ...
- **Scripts** should be prepared **in advance** for internal / external communication

Communication Factors

- Use appropriate **Public Affairs script**
- **Factually assess the situation** and determine if a communication response is warranted: remain honest and say no more than needed
- **Diminish rumours**
- Restore order and **confidence**



Pandemic Planning Status



Source: July 2006 (US)

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Pandemic Planning Status (Finance)

Chart 4

“To what degree has your organization prepared for the potential impact of a pandemic on your business?”

N=553

- We have a complete plan for an influenza pandemic in place
- We are currently in the process of developing a plan for an influenza pandemic
- We do not have any plans in place specifically addressing the impact of an influenza pandemic

Financial services

7.6

67.4

25.0

Source: July 2006 (US)

THE CONFERENCE BOARD



Findings of Pandemic Survey

- 40 per cent indicated that they have yet to establish **how they will communicate** with employees during an outbreak
- 80 per cent of respondents' **executive teams are concerned** about the impact of a pandemic but ...only 4 per cent of respondents have a **completed pandemic response plan**
- Almost 90 per cent of respondents have taken **measures to stop the spread** of contagion in workplace
- The average **assumed absenteeism** among respondents: 33.6 per cent

Source: June 2006 (Survey of 278 Canadian executives)

The Conference Board of Canada
Insights You Can Count On



Conclusion

*“Expect the best,
plan for the worst and
prepare to be surprised.”*

Source: Dennis Waitley





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Member's Seminar
September 6, 2006
Toronto, Ontario

Flu Pandemic

Awareness Information



10 Things about pandemic

« Ten things you need to know about pandemic influenza » by WHO:

1. Pandemic influenza is different from avian influenza.
2. Influenza pandemics are recurring events.
3. The world may be on the brink of another pandemic.
4. All countries will be affected.
5. Widespread illness will occur.
6. Medical supplies will be inadequate.
7. Large numbers of deaths will occur.
8. Economic and social disruption will be great.
9. Every country must be prepared.
10. WHO will alert the world when the pandemic threat increases.

Source: World Health Organization; « Ten things you need to know about pandemic influenza »

www.who.int/entity/csr/disease/influenza/pandemic10things/en

Facts about the threat – Risks

■ Potential for a pandemic influenza:

- The current outbreaks of highly pathogenic avian influenza are the largest and most severe on record; (Bird fatality case rate > 95% within 48hrs)
- H5N1 avian virus is a derivative from the Spanish flu H1N1 virus, and has a high pandemic potential;
- Based on historical patterns, pandemic influenza are recurring natural disasters, expected to occur 3 to 4 times each century:

- 1918 Spanish flu (H1N1): ~ 40M deaths
- 1957 Asian flu (H2N2): ~ 2M deaths
- 1968 Hong-Kong flu (H3N2): ~ 1M deaths



- While neither the timing nor the severity can be predicted, experts agree that a severe pandemic is a high imminent risk;
- The risk will persist as long as the virus continues to circulate among birds;
- Each human case gives the virus an opportunity to reach an adaptive level to allow for a human-to-human transmission (i.e. to reach pandemic mode).

Preparedness and Governance

- **Governments and public authorities are already making preparations and recommending preventive and reactive strategies:**
 - **International**
 - *World Health Organization: WHO Global Influenza Preparedness Plan*
 - *United Nations Organization: Avian Influenza Control and Eradication (Global Program)*
 - **Federal governments**
 - *Public Health Agency of Canada: Canadian Pandemic Influenza Plan*
 - *U.S. Homeland Security Council: National Strategy for Pandemic Influenza*
 - *U.S. - Department of Health & Human Services Activities: HHS Pandemic Planning*
 - **Provincial governments**
 - *Ontario - Ministry of Health and Long-Term Care: Health Plan for an Influenza Pandemic*
 - *Québec - Ministère de la Santé et des Services Sociaux: La Pandémie Aviaire*
 - **Municipal authorities**
 - *City of Toronto: Toronto Pandemic Influenza Plan (TPIP)*
 - *City of Montreal: Pandémie d'Influenza à Montréal (due in March 2006)*
 - *City of Ottawa: Pandemic Planning in Ottawa*





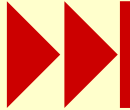


Canadian Prognosis

- **The Public Health Agency of Canada estimates that:**
 - The pandemic will probably spread in 2 or 3 waves
(6 to 12 months per wave);
 - The vaccine will not be available during the 1st wave, and it could take up to 6 months to develop from first human to human transmissions;
 - In Canada we should expect: (if vaccine is not available)
 - *5,4 to 10,6 million persons infected.*
 - *2 to 5 million requiring outpatient care.*
 - *34,000 to 138,000 hospitalized.*
 - *11,000 to 58,000 deaths. (vs 1,500 deaths for regular influenza).*
 - *\$330M to \$1.4B health care costs*
 - *\$5B to \$38B societal costs*



Specific Impacts of a Pandemic

- **Pandemic unique situation requires a particular attention because its impacts differ from those usually addressed in standard business continuity planning:**
 - Impacts people (employees, clients, suppliers, general public) as opposed to infrastructure:
 - Absenteeism (paranoia and care for employee's family)
 - Illness and fatality
 - Long timeframe duration:
 - Waves of varying severity over time (continuous disruption)
 - Will not lead immediately to a recovery phase (survival mode)
 - Global scale disruption:
 - Worldwide rapidly spreading disaster
 - Domino effect on global economy
 - State of emergency:
 - Societal disruption and emergency measures (schools, transports)
 - Compliance to restrictive measures applied by public authorities
 - Proactive response mode:
 - No assurance to mitigate impacts in reactive mode
 - Contingency plan to be activated as the virus spreads

References – Flu Pandemic

- **World Health Organization**

http://www.who.int/csr/disease/avian_influenza/en/index.html

- **Canada's Pandemic Influenza site**

www.influenza.gc.ca

- **Continuity Planning Guide for Canadian Business**

http://www.cmemec.ca/national/template_na.asp?p=22

- **United States Department of Health and Human Services**

<http://www.pandemicflu.gov/>

Documents – Flu Pandemic

- **"Are we missing the point of pandemic planning?"**
by Geary W. Sikich and John M. Stagl
- **"A new planning paradigm: Economic Consequences of a Pandemic"**
by Geary W. Sikich

Documents published with permission of the authors

Presenter



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Mr. Cowan has over thirty years experience in consulting, Information Technology Management and Business Continuity. He was president of DRIE – Montréal, promoting business continuity. He developed a business solution for Sarbanes-Oxley. He is an Investment Dealers Association BCP Assessor and a Business Continuity Maturity Model Assessor (Virtual Corp.).

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