

# FRONTBURNER

Welcome to the November edition of **The FrontBurner!**

As we just wrapped up our Strategic Planning Session in October, one thing is for sure...there is A LOT going on...in our shop and, undoubtedly, in yours. And, that doesn't even account for the number of plates we are all spinning in our personal lives, too. In thinking about it all, it's dizzying, isn't it? In last month's edition of **The FrontBurner**, we talked about slowing down. This month, we are going to talk about the importance of speeding up. At what speed should each plate be spinning?

Around VolCorp, our employees have heard me say many times "it is better to be right than fast". However, there are times when speed is also of the essence and we have to find that critical balance between slowing down to get it right and speeding up because the clock is ticking. In this edition of **The FrontBurner**, we address that delicate balance when it comes to **Crisis Management** and **Incident Response**.

No doubt, this topic personifies the need to slow down and get it right, but do it fast. Dizzy yet? Don't worry, it will all make sense as you keep reading.

With that, I hope you enjoy this month's edition of **The FrontBurner!**



Jeff Merry, President/CEO

***It's not how you start, but, how you finish.***

This axiom has been around, seemingly, forever. There are innumerable variations on this theme and an equal number of sources of the quote, from Michael Phelps to Aesop (of fable fame) to the Apostle Paul. Almost without exception, the lesson points to the power of perseverance and spoils to be reaped by following a performance punctuated by a strong finish.

Those who know me well know I am a strategic thinker, "all in" with regards to a marathon mentality, and non-believer of absolutes. I am convinced there are exceptions to (nearly) every rule. (See what I did there? No absolutes!) While I agree long-term vision outweighs short-term gains, I do question whether there are times where the opposite can also be true – i.e. the stronger the start, the higher probability of a successful end result.

Stay with me for a minute as we consider examples of where a false start could wreak havoc long-term:

- **First impressions.** Think first dates and introductory sales calls. It is incredibly difficult to recover from a negative first encounter. Success is possible, though, the odds are not in your favor.
- **Construction projects.** Incomplete building plans or an imperfect foundation can squash the boldest of dreams. Without either done well, a quality finished product is highly unlikely.
- **Any short distance race.** Even Usain Bolt struggles to win a 100m dash if he stumbles out of the blocks. Such races last less than ten (10) seconds, leaving no time to recover from a poor start.

For each of these instances, a strong start enhances the likelihood of a positive finish. If I may, let me suggest one

more scenario for consideration: *A botched response to an unplanned business emergency.*

With an end-state goal of minimizing downtime, financial loss, and operational impact, how can what happens during the first minutes and hours of a disaster determine organizational success? In (almost) every way. While many companies, in the midst of a crisis, bumble about and suffer extensive brand denigration – e.g. BP (Gulf oil spill), United Airlines (unruly passenger removal and subsequent viral video), and Dominos (employee food tampering) – others respond quickly and decisively, actually enhancing their reputation despite experiencing a crisis. Think Johnson & Johnson (Tylenol cyanide poisoning) and Pepsi (syringes in cans). Where would you prefer to land?

History has found, and research has proven, an organization which sets itself on the correct path quickly and transparently increases its likelihood of a desired outcome exponentially. There is no magic potion or witches spell. The answer is simple: a strong Business Continuity Management (BCM) program – specifically a well-executed **Incident Response** and **Crisis Management** process – can set the tone for an expedient response, recovery, and resumption of your business and enhance your brand and reputation.

*Continued...*



## The Way to a Solid Business Continuity Plan

What is Business Continuity?

To help level set, let me define BCM. According to the **Disaster Recovery Institute International (DRII)** – one of two governing bodies for the BCM industry globally – BCM is a holistic management process that identifies potential threats to an organization and the impacts to business operations those threats, if realized, might cause, and which provides a framework for building organizational resilience. Said another way, BCM is about being prepared for any potential negative event and having processes, in place and rehearsed, to ensure ongoing operational viability *no matter what*. The concept of contingency planning has been around a long time, serving as a basis for the **Uniform Commercial Code’s** “Prudent Man Rule,” Scouting’s international motto of “Be Prepared,” the existence of the insurance industry, and Mom’s rule about always wearing clean underwear.

The BCM industry offers professional practices, through both DRII and the **Business Continuity Institute (BCI)**, which outline expected activities an organization should undertake to be fully prepared for an unplanned business interruption. The methodology is so thorough, the **Federal Financial Institutions Examination Council (FFIEC)** Handbook – the exam Bible for federal and state examiners – is based upon them. Readers will recognize many of the steps cited therein – e.g. risk assessment, business impact analysis, recovery strategies, plan development, tests/exercises, program governance, etc. – as actions which provide the foundation and institutional knowledge needed for successful plan execution.

While assessments and “what-if” scenarios are great planning tools, the discipline is really about responding to a disaster or some other unplanned business emergency. When considering where to begin, one must plan to address all three aspects of the business – people, process, and technology:

- **Crisis Management** (Respond / “People”) – Focus is on the health and safety of **people** and outlines the overall process to manage the event through conclusion. Includes Incident Response, the initial activities immediately prior to (if emerging) and following an emergency.
- **Disaster Recovery** (Recover / “Technology”) – Focus is on the re-establishment of **technology** capability within business-driven timeframes in order to support time-sensitive business operations and regulatory requirements, to include third-party contractual obligations.
- **Business Resumption** (Resume / “Process”) – Focus is on the resumption of business **processes** as soon as possible following an event, ensuring the near-term viability of the business. This is, typically, what most folks think about when discussing the topic of Business Continuity.

Command and Control


Establishing command and control of an incident, including who to involve, where to meet, and what to do, is the cornerstone of a successful response. Both military operations and

first responders (fire, police, medical) follow this formula (a.k.a. **Incident Command Structure**) to establish order and quell panic. It is recommended businesses understand the concept and focus on achieving as flawless execution of its Crisis Management and Incident Response capabilities as possible. A key first step involves the identification, in advance, of a team which can lead the organization through any crisis.

Comprised of operational leadership and specific subject matter specialists (e.g. legal, communications, and risk management, with support from human resources, information technology, and facilities, as needed), this group – a tiger team – helps organizations achieve the aforementioned “quick start” needed for a successful recovery. Any member can activate the group as it is mercurial and iterative, contracting or expanding as the event unfolds, each person playing their role. The team ensures an appropriate and rapid response to ensure life safety and first responder engagement, communicates action items to pertinent stakeholders (e.g. staff, business partners, regulators, members), and tracks activity progress and lessons learned.

The “tiger team” concept is not new. Referring to the formation of a specialized, cross-functional team to solve or

*If you have questions regarding your credit union’s Business Continuity program and how to improve your organization’s ability to respond quickly to an unplanned business interruption, please contact Jeff Dato, Symphony Consultant, at [info@symphonycuso.org](mailto:info@symphonycuso.org) or 615-232-7992.*



investigate a specific problem or critical issue, the term has military origins and was made famous when NASA deployed its “tiger team” in response to the Apollo 13 lunar landing crisis. VolCorp, in fact, has adopted this practice – including the “Tiger Team” moniker – as part of its BCM program and leaned heavily on this team to manage its organizational response to three major crises in 2020: widespread tornado outbreaks (March), the COVID-19 pandemic (March to present), and the Christmas Day bombings in downtown Nashville. Based on feedback from our key stakeholders – the ultimate arbiters of our success – the process worked well as little to no interruption of service was experienced.

Conclusion

Like those oft-referenced absolutes of death and taxes, crises – which, according to my eldest son, are “no bueno, Dad” – may also, in retrospect, be an inevitable part of life and business. With that in mind, should we not have contingency plans – in place, ready to go, *no matter what* – for our families and businesses, ensuring our ongoing viability for those members whom rely heavily upon your credit union? If a well-designed BCM program is the highway to ensuring our long-term relevance, the disciplines of **Crisis Management** and **Incident Response** are the vehicles upon which we depend to deliver us, quickly yet safely, to our desired destination.