

BANCO REAL

Continuity Plan and Incident Management for Pandemics

One of the bank's concerns is avian influenza. The institution has set up actions to protect its employees, in case of a pandemic in Brazil

To reduce the impact on business and ensure a quick resuming of activities in case of an incident, Banco Real has just restructured its Business Continuity Plan (BCP) now focusing on life, communication and recovery.

This project provides measures to cope with a blackout, a pandemic of avian influenza or even a bomb attack.

Well before being taken over by ABN Amro Bank, Banco Real already had a Business Continuity Plan (BCP) in place as of 1992. Listing a number of strategic actions, the BCP was put together to respond to incidents that might affect the bank's operations. It is under the responsibility of the business continuity department and, in case of a crisis, it will be managed by the Crisis Response Team (CRT).

The project has had Modulo's consultancy and started off with a risk analysis aiming to raise the possible threats to which the bank's operations are exposed. The survey's findings pointed out the need for preventive measures to handle a variety of events, which were grouped together, giving rise to seven plans. Each event was rated and assessed allowing for the reality of Brazil, a country where companies' operations are not likely to

be interrupted by hurricanes, earthquakes, tsunamis or wars, but other conditions.

Mirian Bortoloto, the coordinator of Banco Real's business continuity division, says the institution assessed 52 different kinds of threats. These threats were then classified and grouped together into 21 events that could jeopardize the bank's business, which generated the seven plans listed in the following box. Among them is the biological disease plan that includes avian influenza, a current world risk. "The whole group is concerned with this issue", says Mirian.

The bank's BCP lists a number of measures aiming to ensure that employees can work in case they are contaminated by such a virus. The plan foresaw the need to provide employees with an infrastructure to work from their homes, as well as provide them and their family with psychological assistance.

PEOPLE'S LIFE

According to Mirian, BCPs are often too much focused on IT and infrastructure. Banco Real's new plan, however, is focused on life, communication and recovery. "We have designed a matrix setting out the role of each department in the management of a crisis, including preventive measures (before it),

contingency measures (during it) and recovery measures (after it)," explains the businesswoman.

Adolpho Costa Neto, Banco Real's contingency analyst, says the bank needed a plan to deal with particular situations. "The previous BCP we had in place for years did not include multiple scenarios. It was an umbrella plan that encompassed all kinds of crisis.

BCP began being drawn up in April 2006 and was only completed last December. "The seven scenarios were the very beginning of our current plan. It is a living plan that must be tested regularly and always updated with the names and telephone numbers of all employees who should be contacted in case of an incident," continues Mirian.

AWARENESS

To disseminate the plan internally, Banco Real launched an awareness campaign named Business Continuity Week. We used several communication channels to show the employees working in major buildings how important the subject is, in order to make each of them aware of the role they play in the project and what they should do in a crisis situation.

The campaign included a number of activities such as attaching banners on the elevator hall, e-mails and intranet messages focused on business continuity. Also, a conference was held for business continuity coordinators in Brazil and in Latin America, which was attended by 278 people.

An online training course was made up, granting a certificate to those who completed all phases. This training course's goal was to attract at a first moment the eight thousand employees working in the bank's branches in São Paulo and Rio de Janeiro. The following step will be to train the employees working in other branches throughout the country. Today Banco Real employs 30 thousand professionals in Brazil.

"The training course is not compulsory. It aims to arouse people's curiosity for the Business Continuity Management of their department in order to have them know what to do in case of a crisis," said Costa Neto, who estimates that so far 400 employees have taken the course.

After setting all actions on paper, Banco Real now plans to carry out a test to prove their effectiveness in practice in three different moments: before, during and after a crisis.

The plan will also be constantly updated. Mirian believes this program will allow the bank to provide their clients with greater confidence in a crisis situation. "It is essential that, during a crisis, our clients can go on using our services smoothly, as if nothing were going on," says the executive.

Seven threats to Banco Real

- 1 – Biological diseases (avian influenza, tuberculosis and meningitis)
- 2 – Civil disorders (civil disorder and bomb attack)
- 3 – Natural disaster (flood)
- 4 – Physical disaster (fire)
- 5 – Blackouts
- 6 – Trade union demonstrations (strike)
- 7 – Contamination