



TreasuryPulse

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Planning and Partnering with Your Bank Are Keys to Recovering from Disasters like Sandy

By

Stephen Freeman

Director, Head of Implementation & Service, Americas
stephen.freeman@db.com

And

Pradeep Chaturvedi

Director, Head of US Cash Operations
pradeep.chaturvedi@db.com

Corporate treasury managers everywhere can learn some valuable lessons from their peers in the Northeast United States who recently lived — and worked — through the devastation of Superstorm Sandy.

One of these lessons is a reminder that business continuity planning in treasury needs to focus on the issue of access — access to buildings, to systems and applications, and perhaps most importantly, to people.

With the onslaught of water and wind, and the resulting loss of power and often means of communication and transportation, Sandy made access to all of these resources extremely problematic. As a result, a treasury manager had to be well prepared to maintain continuous operations.

Critical CSO Connection

It sounds simple, but one of the most important things Deutsche Bank clients did to recover successfully was to have their Client Service Officer's mobile phone number or e-mail address handy. Once the storm hit, and access to workplaces and treasury systems became a challenge, clients found the best way to maintain treasury operations was to contact their CSOs, who used their Bank systems to report client cash positions and provide actionable information.

When battery power waned, some clients couldn't use their laptops to remotely access their proprietary applications. If they couldn't get back into their buildings, their only way to maintain operations was contacting their CSOs, who were able to review clients' presentments, confirm completion of certain transactions (i.e., payroll) and report when the clients needed to act (i.e., initiate a funds transfer).

Sandy offered an important reminder to always maintain up-to-date contact cards for all bank contacts — including CSOs and backup contacts — with business and mobile phone numbers.

Tokens: Active and Handy

Security tokens played a huge role in enabling clients to respond to what they learned from their CSOs. By ensuring that their tokens were active and had not "expired" before the storm hit, and by having them on hand, treasury managers were able to authenticate remote access to their proprietary treasury applications through their virtual desktops.

Another strategy that helped some clients was using fax procedures for communicating wire transfer instructions to the Bank, when they were unable to communicate those instructions online.

Some clients were also able to lean on colleagues at their global locations for support. For multinational companies, it's vital to plan for the possibility that you might need to offload time-sensitive transaction initiation and other activities to treasury colleagues in non-US locations who aren't impacted by the disaster.

Include Bank in Planning

Testing business continuity plans regularly is an important recovery success factor, as is working closely with the Bank on planning. We recommend sharing your business continuity plans with your Deutsche Bank CSO, talking with your CSO about any special challenges you faced during Sandy (if applicable), and discussing with your CSO how the Bank can support your disaster preparedness efforts.

Is Your Bank Ready?

The other component of treasury management disaster planning is making sure you have a bank with a strong business continuity plan — and proven recovery capabilities — processing your critical payment transactions.

When you initiate time-sensitive payments each day, you expect them to be executed in a timely fashion, no matter the circumstances. The big question: Is your bank up to that challenge?

Sandy, one of the largest hurricanes on record, certainly presented a major operations challenge — over several weeks time — to banks processing in the New York/New Jersey area. Both of Deutsche Bank's Cash Operations facilities in the area — our Jersey City, NJ, facility, which stands 100 feet from the Hudson River and the Atlantic Ocean, and our Wall Street facility in Manhattan — were impacted by the hurricane. Like most area buildings, these Deutsche Bank locations experienced flooding, lost power for days, and were difficult for employees to reach, due to mass transit stoppages, downed trees and power lines, and government-imposed curfews.

These conditions notwithstanding, Deutsche Bank was able to offer its Global Cash Management clients uninterrupted transaction processing services during the course of the disaster, with no impact to service.

A Resilient Operating Model

The foundation for Deutsche Bank's disaster readiness is a resilient operating model. The Bank has Cash Operations facilities around the world, including Ireland and India, with the staffing and technology to take on additional transaction volume if processing is ever disrupted at any of its global locations.

In addition, the Bank participates in extensive business continuity planning that, in most disaster scenarios, allows it to maintain uninterrupted operations locally, without extensively tapping into global resources. In US Cash Operations, the plans distribute employees across both primary processing facilities and a backup facility about 30 miles from the Jersey City location, and position some employees to work from home. There are also provisions for alternate power supplies and communications providers.

Deutsche Bank activated those plans several days before Sandy hit. On Sunday, October 28, a full day before the storm arrived, the Bank positioned key Cash Operations staff at hotels near its primary facilities and its local backup facility.

Even as their families were typically at home without power and in many cases without phone service, Cash Operations staff worked tirelessly for the next two weeks under the business continuity plan to maintain the Bank's 22-hour daily processing cycle.