RESILIENCE

Putting the "How-To" in Resilience

WELCOME

RESILIENCE

Putting the "How-To" in Resilience

Donald H. Sebastian

President

NJ Innovation Institute



Deborah K. Smarth

COO/Assistant State Director

New Jersey Small Business Development Centers



Session 1

Linking Preparedness to Prosperity

Moderator Deborah K. Smarth

COO/Assistant State Director

New Jersey Small Business Development Centers



Snap Poll What's Your Risk Management

Strategy?

Jessica Legnos

Executive Director

The Travelers Institute



How Resilience Can Boost Your Bottom Line

Don Wirth

VP Operational Excellence and Global Supply Chain (Retired)

DuPont

Resilience the Future Competitive Edge for Supply Chain Leadership

- Building Capability from Sustainability

Don Wirth Retired VP Global Operations SC and Excellence - El Dupont

Summary

With Global Operations becoming Regional and Global focused, Our Businesses must shift thinking on how to deliver technology and products to Global Customers. The notion of World scale Plants gives way to world scaled Supply Chain design and execution. Location of key production components is determined by many Geopolitical considerations. Leading to a process of Supply Chain Resilience as the mantra for safe, low cost and capital effective delivery to Customers

Today's Outline

- Challenges, and Responses
- Choices
- Methodologies
- Summary

"Industry is dependent on its ability to operate and deliver products reliably, safely, securely and in a sustainable manner — so terms like risk management and resilience are more than industry buzz words, they are truly business and supply chain imperatives,"

Supply Chain Challenges

- Lean Business Processes and Higher Inventory Velocity
 - Increasing complexity especially associated with Asset Light Business Strategy
 - Visibility and Control of Supply Chain
 - IT infrastructure and reliability
- The Changing Nature of Potential Threats
 - Either Human or Nature derived
- Emerging Public Policy Issues
 - Societal Risk aversion
 - Environmental demands and expectations
- Intellectual Property Protection and Security
- Availability of Effectively Educated Workforce
 - Stability and/or Turnover of Skilled resources
- Logistics Performance and infrastructure
 - Escalating Energy and Freight Costs
 - Capacity constraints, congestion and captive lanes





Resilience

Wikipedia definition: The ability of a company or entity to recover from an catastrophic event. To preserve corporate continuity and financial performance.

Our Focus: Respond, Preempt and Mitigate.

Respond: Crisis Management Processes

Preempt: Product Stewardship Processes

Mitigate: Supply Chain Design Processes

Supply Chain Resilience...Balancing Vulnerabilities' and Capability

Sourcing and Inbound **Manufacturing** Outbound Logistics Capacity Allocation Logistics Supply Supply Communication Continuity Carrier Capacity Outsourcing options · Escalating cost to Strategy Infrastructure 47 constraints · Asset Utilization serve Low Cost Country Increasing Border Demands Increase in 3PL Contract Port Security regulations switching costs Sustainability Manufacturing Issues Requirements RM Price Volatility Capital/ facility Planning Productivity/technology integration · Contract Manufacturing Contract Geopolitical Risk Manufacture Customer Service and Collaboration Rising Customer Environmental Product and Customer Expectations **Demand and Supply Planning** Regulations Service Seamentation Increasing · Divergent Assumptions on future demand Innovation Pressure to · Increasing inventory driven costs Shrinking Product compress Order life cycles to Cash Cycles M & A **Quality Assurance** Proliferating times Activities **Service Options** Capability of Outsourcing Partners **Technology** New Technology Varying Customer Definitions of Quality Ownership Supply Chain Components

External issues

Resilience - a Continuing Choice

Responsive

Methodology

Leading

Current Sustainability approach is to set achievable goals, respond to regulatory or customer requirements and needs Lead competitive market needs

Create capability to measure & manage for internal operations, contract mfg, and supply base & logistics

Live within the standards established by Governemnt

Green Environment requirements

industry & gov't standards

Establish Membership and drive in Industry forums

No end to end, no integration into current or developing managing processes

Integrate IT into SC Development

Build Capability & Std Processes

End to End Modeling and Decision Making Capability to inform and influence Supply Chain Network Design

Product Process capability focus - not linked to supply chains

Product Leadership

Products defined by their sustainability segments across supply chains

Leadership in performance metrics

Continuously Improved Leadership

Moving into a clear leadership position for managing processes

Transitions SC Resilience Leadership Summary

As the Leaders your Challenges Ahead

- Understand Risk / Opportunity by Supply Chain
- Continue Building Standardized Capability Across the Supply Chains
- An capable and engaged workforce
- Understanding and Clarity around clear KPI accountabilities
- Integrated / Reliable IT systems and Infrastructure
- Improvement resources dedicated to facilitate / lead improvement activities
- Establish a profitable response to Global Dynamics



Thank You 14

RESILIENCE

Putting the "How-To" in Resilience

Q&A





Session 2

Putting the How-To in Resilience

Moderator
Chip Hallock

President and CEO

Newark Regional Business Partnership



Snap Poll

Test Your "RQ" (Resilience Quotient)

Jessica Legnos

Executive Director

The Travelers Institute



Beyond Insurance: The Resilience Imperative

Scott Humphrey

Director of Service

Travelers Insurance



Beyond Insurance – The Resilience Imperative

Scott Humphrey, Technical Director, CSP, ARM, Travelers

September 16th, 2014 – US Resilience Project Workshop, Newark, NJ



ABC GO!

- Assessment of Risk
- **Business Impact Analysis**
- Controls: Prevention & Mitigation



Implement, Test and Adjust



Natural Hazards

Man-made Threats

Technology-caused

Terrorism Power Outages Fire Transportation Accident Equipment Breakdown Vandalism Software Corruption Financial Internet Disruptions Data Loss Industrial Accident

CRITICAL



COMPLIMENTARY









Controls

- Prevention: Eliminate the hazard, reduce the probability of it occurring
- Mitigation: Manage the hazard, reduce its severity
- Transfer: Minimize the financial impact of a hazard by transferring the risk
- Know your actions before, during and after an event





"At the onset of an emergency, everyone's IQ goes immediately to 0."

Winston Scott, Director of Florida Space Port







Energy Resilience: What Businesses Can Do To Prepare

Ed Zazzali

Regional Manager-Large Customer Support

PSE&G



RELIABILITY & RESILIENCY IN NEW JERSEY

Edward Zazzali

Regional Manager Large Customer Support

September 16th, 2014

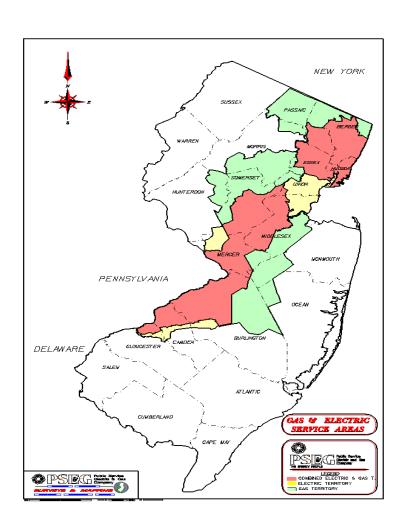
U.S. Resilience Forum, NJIT



Today's Discussion

- PSE&G Prep for Storm
- The Perfect Storm
- Damage and Aftermath
- PSE&G Energy Strong Proposal
- Future Vision

PSE&G Background



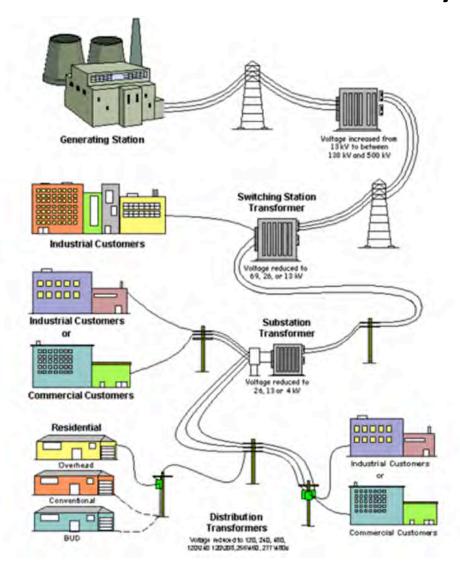
Utility Overview

- New Jersey Based
 - Total Assets ~ \$17 Billion
- Total Revenue ~ \$8 Billion

Service Territory

- Over 300 electric and/or gas municipalities
- Three-quarters of New Jersey's population
- 2.2 million electric customers
- 1.8 million gas customers
- 2,600 Square Miles

Overview of the Electrical System



How PSE&G Prepares for Storms

When a storm threatens our service territory, PSE&G begins preparing days in advance. We follow a well-rehearsed plan to prepare our system for severe weather and to respond to widespread outages.

When a storm is approaching, we:

Ensure that all available personnel are ready to respond.

Arrange for contractors, including tree crews, to assist the utility's own skilled workforce.

Ensure that additional supplies, such as poles, transformers and other pole-top equipment, are on hand.

Prepare staging areas for extra crews and supplies.

Ensure that all vehicles are fueled and ready to go.

Test generators at utility locations.

- •Check locations for potential flooding and taking precautions, such as using sandbags to help divert water from substation equipment.
- •Coordinate with county OEMs to keep them updated on outages and restoration efforts.

Conducting proactive maintenance on the computer systems we rely on to perform our work.

Holding training sessions for additional lookup crews and making sure employees know their storm roles.

Reach out to critical customers such as hospitals and airports.

Using many avenues to get important messages out to customers – sports venues, social media, print and online media, and relationships with stakeholders in state and municipal government.

Partnering with other utilities and state agencies via the Regional Operations Center.

- •New PSE&G Outage Maps Can Assist Commercial Customers Navigate Stormy Weather
- •With summer storm season in full swing, Public Service Electric and Gas Co. (PSE&G) has made it easier for customers to track the status of power outages using its online Outage Map.
- PSE&G recently adopted new technology to enhance the mobile-friendly map,
 providing more detailed information about outages and when power will be restored.
- •When the lights go out, customers can now log on to see:
- •The location of the outage at the neighborhood level.
- •The number of customers affected by the outage.
- •When the outage was reported, and the time PSE&G expects service to be restored.
- •The cause of the outage, if available, such as equipment failure or animal contact.
- •During storms, the status of the job in the restoration process whether crews are assessing the outage, making repairs or removing a tree.

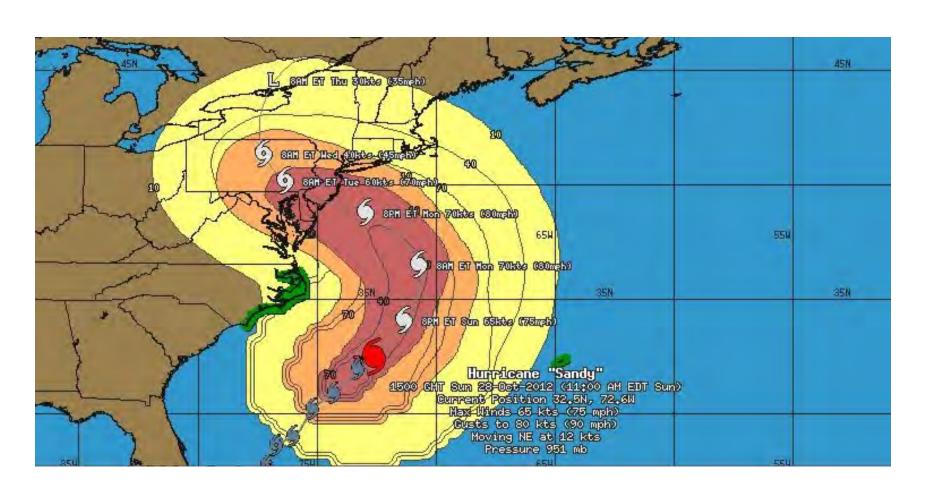
•Customers can navigate the Outage Map either by using their cursor to scroll or by typing their address into the search bar. Color-coded triangles indicate the location of power outages and the number of customers affected. When the cursor is placed over a triangle, a dialogue box pops up with additional information about the outage. The information on the map is updated every 15 minutes.

The Outage Map is part of PSE&G's Storm Center, an online portal for customers to get information about how they should prepare before, during and after severe weather. The Outage Map will be updated during storms with special alerts and highlight the location of mobile Customer Service Centers.

To report power outages, customers should call PSE&G's Customer Service line at 1-800-436-PSEG or log in to My Account on www.pseg.com. Customers also can register for text and email alerts at www.pseg.com/myaccount.

The Outage Map can be found online at http://outagecenter.pseg.com.

Sandy – "The Perfect Storm"



Pre-Storm Preparations

- Station Preparation
 - Block walls, Jersey barriers, concrete blocks and sandbags were deployed at 15 higher-risk switching and substation locations to prevent flooding
 - Diesel pumps were installed at high-risk locations that have flooded in the last two storms
 - Other actions included removing and de-energizing equipment at risk and pumping manholes and transformer pits to alleviate flooding



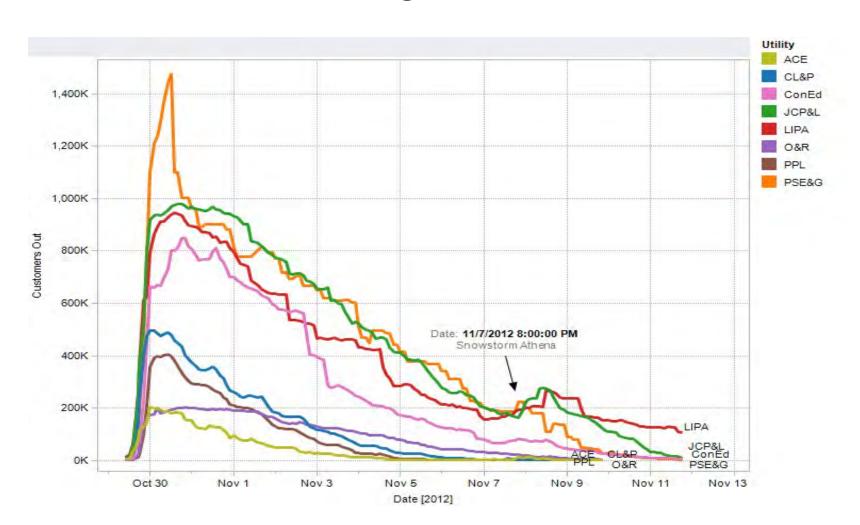
Damage to Inside Plant – Sewaren





Total Customers Out – Total event

Regional view



Cost of Inaction is TOO High...

...for businesses and families to bear.

- Hundreds of millions of dollars in lost revenue
 grocery stores, restaurants etc. will never
 be recovered.
- If several switching stations hadn't been flooded, Newark Airport would have had the power needed to operate.
- If our Sewaren substation hadn't been impacted by the storm surge, the refineries could have run.
- If Hoboken substation wasn't under water, hundreds of small businesses wouldn't still be trying to recover from the loss of business.
- And it goes on from there.



Reliability Isn't Enough Anymore

- PSE&G is proud of being named the most reliable electric utility in the country 5 of the past 9 years, including 2012.
 - Also named most reliable in the region for the past 12 years.
- Sandy, Irene and the October 2011 ice storm show that extreme weather may become commonplace.
- So reliability is no longer enough: We need resiliency against storms and other natural disasters.
- These recent weather patterns, along with an increased dependency on energy, led PSE&G to propose a re-thinking of the energy infrastructure and systems even though current investments provide recognized, award winning reliable service – We decided to "harden our systems" and make them *Energy Strong*.

Key Definitions

"Hardening": Physically changing the infrastructure to make it less susceptible to damage from extreme wind, flooding, or flying debris. Hardening improves the durability and stability of energy infrastructure, making it better able to withstand the impacts of hurricanes and weather events without sustaining major damage.

"Resiliency": Ability of an energy facility to recover quickly from damage to any of its components or to any of the external systems on which it depends. Resiliency measures do not prevent damage; but rather they enable energy systems to continue operating despite damage and/or promote a rapid return to normal operations when damages/outages do occur.



"Energy Strong" Proposal

•Filed on February 20, 2013 with NJ BPU:

 Infrastructure investment program to make distribution systems more resilient to natural disasters

Original Proposal:

-\$3.9B investment over 10 years (\$2.6B for the first 5 years; optional \$1.3B for the following 5 years)

•Approved Program:

- -\$1.22B investment, generally contemplated over 3 years (option for gas main work to be complete in 2 years, while electrical and gas station work may take up to 5 years)
- -\$1B on accelerated recovery mechanism; \$220M to be recovered in rate case no later than November 2017

Energy Strong Investments

- •\$620M to raise, relocate, and replace 29 switching and substations damaged by recent storms
- •\$350M to replace and modernize 250 miles of low-pressure cast iron gas mains in or near flood areas (FEMA flood zone maps)
- •\$100M to deploy smart grid technologies to better monitor system operations to increase our ability to swiftly make repairs.
- •\$100M to create redundancy in the system, reducing outages when damage occurs.
- •\$50M to protect 5 natural gas metering stations and a liquefied natural gas station affected by Sandy or located in flood zones

Benefits of the Energy Strong Program

- Job creation. PSE&G estimates that the Energy Strong program will create more than 2,000 jobs to bolster the state's economy.
- Little impact on customer bills. The impact of the \$1.22 billion investment on the typical residential combined electric/gas customer bill is expected to be approximately 2 percent in 2018 which will be more than offset by transitional charges stemming from deregulation that are expiring in the same timeframe.





Businesses were key supporters

Supporters

A growing number of communities, business groups and labor organizations across the Garden State have endorsed PSE&G's Energy Strong investment proposal. Energy Strong would make the utility's electric and gas systems more resilient and better protect New Jersey against future Sandy-like storms.



Businesses & Organizations

- ACME Development
- Alliance for Action
- American Gas Association
- · Bayonne Chamber of Commerce
- Bridgewater Commons
- Buckeye Partners
- · Burger Stop International
- . Camden Iron and Metal
- · Chamber of Commerce of Southern New Jersey
- Commerce and Industry Association of New Jersey
- · Cooper's Ferry Development Association
- Corrib Biofnels
- · Covanta Energy · Federal Business Centers
- Ferreira Construction
- Gateway Regional Chamber
- of Commerce
- Gellert Global Group
- Greater Elizabeth Chamber of Commerce
- GTS Consultants
- · Hackensack Regional Chamber of Commerce
- Hillside Plastics
- . Housing Authority of the City of Elizabeth
- · Hudson County Chamber of Commerce
- J. Fletcher Creamer & Son.
- J.F. Kiely Construction Co.
- Jordache Enterprises
- Lakeland Bank (continued on back)

Communities

- Bogota
- Cliffside Park

- · Fnglewood
- · Fair Lawn
- . Fairciau
- · Fort Lee - Garfield
- Hackensack
- Hasbrouck Heights
- · Hillsdale
- Leonia
- Little Ferry
- + Lodi
- Lyndhurst . New Milford
- · Park Ridge
- Ridgefield - River Vale
- Rutherford · Teaneck
- · Tenafly · Wallington
- Westwood « Wood-Ridge
- Burlington

· Burlington (Township)

- Camden · Freeholder Ian
- Leonard Camden
- Gloucester City

Bergen

- . County of Bergen
- · Closter
- Edgewater
- · Cedar Grove · Elmwood Park
 - · Essex Fells
 - · Glen Ridge - Irvington
 - · Livingston · Montclair.

West Caldwell

· County of Hudson

Hudson

Guttenberg

Jersey City

- Hoboken

· Kearny

Mercer

· Ewing

- Hamilton

Robbinsville

Secaucus

- Union City

· West New York

· County of Mercer

(continued on back)

· County of Essex

- Belleville

· Caldwell

- Bloomfield

- North Caldwell Roseland
- Office and Professional · Verona
 - Operating Engineers
 - and Pipefitters
 - · Utility Workers Union of America (UWUA)

- Education
- Capital Health
- Continuum Health Partners
- · Deborah Heart and Lung Center
- Health Network

- Princeton HealthCare System (continued on back)

Labor Unions &

- Organizations Associated Construction
- Contractors of New Jersey
- · International Brotherhood of Electrical Workers (IBEW)
- . Laborers' International Union of
- North America (LIUNA)
- · New Jersey Building and Construction Trade Council
- New Jersey Pine Trades
- · New Jersey State AFL-CIO
- · Northeast Regional Council of
- Carpenters Employees International Union
- (OPEIU)
- United Association of Plumbers

Healthcare &

- Children's Specialized Hospital
- · Christian Health Care Center
- Cooper Health System
- Englewood Hospital
- Hackensack University
- · NJ Hospital Association
- Passaic County Community

Supporters



Businesses & Business Organizations

(continued from front)

- · Latino Leadership Alliance of New Jersey
- · Matrix New World
- Engineering · Meadowlands Regional
- Chamber of Commerce Mid-Jersey Chamber
- of Commerce Morris County Chamber
- Newark Regional
- · New Jersey Concrete and
- Aggregate Association
- New Jersey Petroleum Council
- · New Jersey State
- · Park Ridge Board of
- · Rock Entertainment Manage-
- RTL Services
- Shops at Riverside (continued next column)

Communities

- · County of Middlesex
- · Perth Amboy
- of Command
- Business Partnership
- · New Jersey Energy Coalition
- Okonite Company
- Parsons Brinckerhoff · Princeton Marriott at Forrestal
- · Sea Box. Inc. · Seajet Warehousing and

(continued from front)

- Piscataway

- Passaic

- Distribution

- · County of Passaic
- North Haledon

- ment (Prudential Center)

- - Raritan
- South Plainfield

- Totowa
- Chamber of Commerce

- New Brunswick
- · Woodbridge
- · Cliffon
- Haledon
- · Paterson
 - Wayne Woodland Park
 - · County of Salem
 - Somerset · County of Somerset · Bound Brook
 - · Franklin (Township) · Green Brook · Hillsborough Manville
 - Montgomery (continued next column)

- Rocky Hill

Somerville

• Warren

· Clark

· Cranford

· Fanwood

Garwood

Kenilworth

Mountainside

Plainfield

- Rahway

· Roselle

· Roselle Park

Westfield

. Winfield

Scotch Plains

. Union (Township)

Hillside

- Linden

Watching

. South Bound Brook

· County of Union

- Somerset (cont'd) (continued from previous · North Plainfield
 - column) Somerset County
 - Business Partnership Southern New Jersey

Businesses &

Organizations

Business

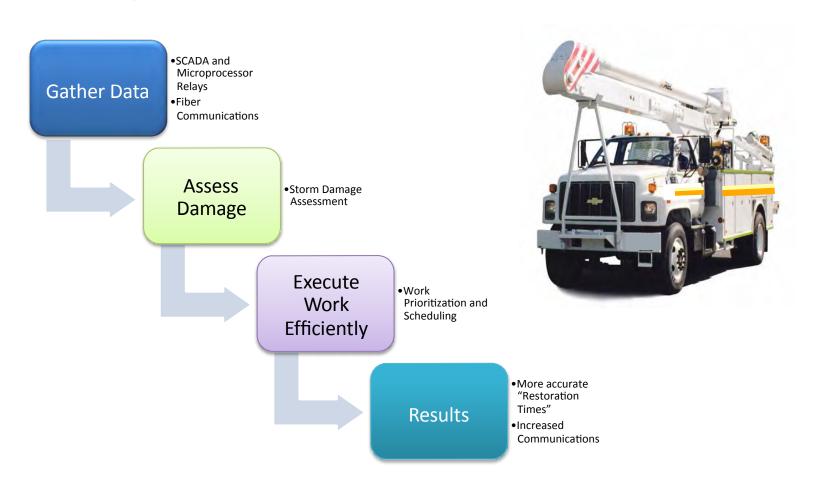
- Development Council · Stony Brook Regional Sewage Authority
- Trap Rock Industries . Union Township Chamber

of Commerce Weldon Materials

- Healthcare &
- Education (continued from front)
- Somerset Medical Center Springpoint Senior Living St. Joseph's Regional Medical
- Center St. Peter's Healthcare System
- . Stevens Institute of Technology · Trinitas Health and Regional Union County College

Medical Center

Improved Storm Assessment



Customer Communications

- One of our key principles:
 - "Improve Estimated Restoration Times and our Communications with Customers, Regulators and Municipalities"
- The Energy Strong proposal goes beyond today's utility standards and envisions a more robust and integrated customer communication experience ahead of current industry trends.
- In addition:
 - My Alerts- 2 way communications
 - Storm Center and Outage Map website



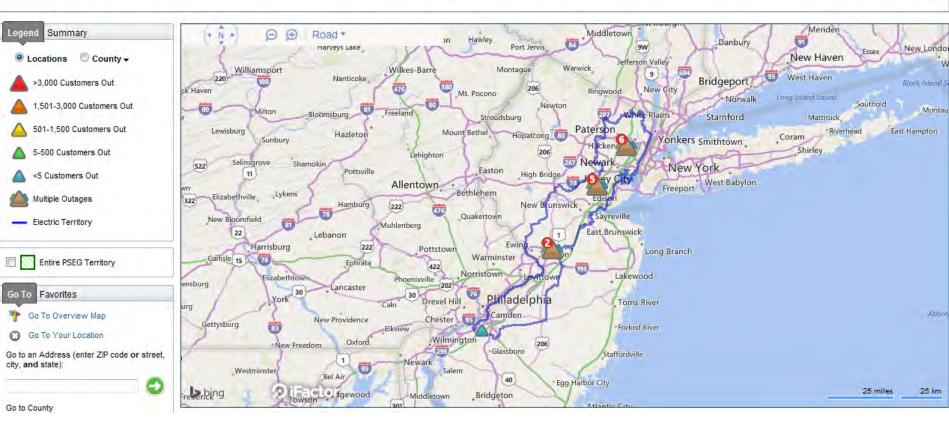
A Storm Center















Questions?



Putting the "How-To" in Resilience

Assuring Resilient Data and Communications

Bob Klemme

Associate Director of Business Continuity/ Disaster Recovery

Verizon Wireless



Keep the Lines Open: Assuring Resilient Data and Communications

Bob Klemme

September 16, 2014

Numerous Crisis Events

Blackouts

Hurricanes

Earthquakes

Wildfires

Tornados

Terrorism

Floods



Verizon Wireless as an Example

Crisis Management Teams:

44 teams, ~1500 executives and key employees trained annually.

- Respond to 15+ crisis events per year, incl. community outreach
- Recovery Plans and Tests:

Annually we update >250 plans and conduct >350 tests.

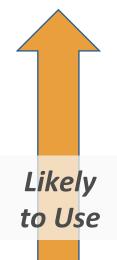
Over \$80 Billion invested in Wireless Network: Built for Reliability

Geographic and system diversity

Backup power: Batteries and Generators

Capabilities built into normal operations

Tips for you to maintain Communications



Just Do It!

- Power: Car & Portable charger
- Laptop / Tablet for remote work
- Jetpack / MiFi device
- Texting and Mobile email
- Program key contacts

Consider

- Data Backups: Tech & process
- Use Smartphone / Tablet to access your company info
- Diversify company locations

Easy Options

- Wireless Priority Service (check availability)
- Wireless Backup Router
- · Mobile credit card processing
- Network Extender (mini cell-site)

Maybe

- Diverse circuits
- Diverse carriers
- Diverse technology

Cost / Complexity

Your Next Steps

Before Crisis:

- Create Crisis Management Team
 - > Leader, key employees, alternates, roles, and contact info
 - > Permanent conference bridge # and emergency meeting location
- Conduct exercise: 2-hour "tabletop" discussion of response steps
- Data Backups: confirm technology and process is solid
- Identify and reduce primary disaster risks to your business.

During Crisis:

- Employee safety
- Open communication
- CMT calls: consistent and quick
- Engage customers, partners



Thank You

Bob Klemme Verizon Wireless 908-559-7380 bob.klemme@verizonwireless.com



www.verizonwireless.com/emergencypreparedness

RESILIENCE

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Q&A





Putting the "How-To" in Resilience

RFP Watch:Creating Economic Resilience

Michael Winter

Chief Administration Officer

Choose NJ



Choose New Jersey, Inc. Mission

Choose New Jersey, Inc. is an independently funded and operated nonprofit organization whose mission is to encourage and nurture economic growth throughout the state of New Jersey, including a focus on making New Jersey's most distressed cities engines for growth and opportunity.





Coca Cola Enterprises













Honeywell

From Fortune 500 firms to small and mid-sized businesses, the Partnership for Action has worked to retain and attract 296 companies that have committed to generate and retain over 76, 000 jobs and spur a total of \$11.9 billion in public-private investment.





















An Award Winning Partnership

- A Highly Recognized Economic Development Organization
 - "Excellence in Economic Development" (Site Selectors Guild 2014)
 - "Top Performing Economic Development Organization" (Atlas Advertising 2013)
 - Achievement in Business Retention and Achievement in Reorganization of Economic Development (Business Facilities 2012 & 2013)
 - Gold Excellence in Economic Development Award, Jersey Byte (IEDC 2013)











Choose New Jersey Team

- Our professional staff represents more than 140 years combined experience in marketing and economic development
- Fully funded by more than 49 sponsors who employ nearly one-fourth of the state's private-sector workforce
- Fortune 500 Companies
 - Privately Held Ventures
 - Labor Organizations
 - Business Associations
 - Non-Profit Community Organizations
 - Higher Education Institutions



RFP Watch

- RFP Watch is a robust business intelligence and procurement database that gives subscribers up-to-date information on business opportunities throughout the Tri-State Area.
- Powered by Choose New Jersey, RFP Watch delivers bids, Request for Proposals (RFPs), Requests for Information (RFI), Requests for Quotations (RFQs) and other business opportunities in the public and private sectors at an affordable cost.



Opportunity Borne from Disaster

- In the aftermath of Superstorm Sandy, billions of dollars of recovery contracts became available.
- A central portal for businesses to find those opportunities was needed



RFP Watch

- Provides information for contracting activity in the New Jersey multi-state area (NY, NJ, CT, PA, DE, and Northern MD).
- Sources opportunities from federal, state, cities, municipalities, counties, special district agencies, and some private businesses.
- Aggregates procurement data from over 30,000 sources.



RFP Watch - Intelligence

- Subscribers get daily and customized access to:
 - State and Local Agency Bids
 - Federal Agency Bids
 - RFPs, RFIs, and RFQs
 - Contract awards and bidders
 - Provides timely and accurate notification of public sector bid/contract opportunities
- Create and save searches by:
 - Keyword
 - GSA categories (535)
 - Type (Bid, Award, RFI, RFP, RFQ etc.)
 - Sector (Federal, State/Municipal, etc.)
- ECONOMY OF SCALE SAVINGS...
 - Same metropolitan area product would cost a business thousands of dollars or more if purchased at market value



RFP Watch - Demo

https://rfpwatch.choosenj.com/



Benefits to Members

- Members can receive the following benefits
 - Unlimited saved searches
 - Clients business customers will get access to RFP Watch for a discounted annual fee of \$25
 - Save time doing research on bid opportunities and gather competitive intelligence on contract awards
 - Average contract amounts range from \$5,000 to \$50 Million



Choose New Jersey, Inc.

For more information or if interested in subscribing visit: http://rfpwatch.choosenj.com/subscribe-rfp-watch or

Contact

- Michael Winter, Chief Administrative Officer
 - MWinter@choosenj.com
- Courtney Bergtold, Development Assistant
 - <u>cbergtold@choosenj.com</u>





Putting the "How-To" in Resilience

Networking Break





Putting the "How-To" in Resilience

Session 3

Leading with Resilience

Moderator RADM Steve Smith USN(Ret.)

Director, Office of Disaster

U. S. Small Business Administration



Preparing Your Organization for Resilience

R. David Paulison

Global Emergency Solutions LLC



Agenda

- 1. How should you and your Organization define "Resilience"?
- 2. Essential Characteristics of Resilient Leaders
- 3. Preparing you and your Organization for Resilience

Introducing David Paulison

- Former FEMA Administrator ('05-'09)
- Nationally and internationally recognized leader in emergency and disaster preparedness, response and recovery



- Former Administrator of the United States Fire Administration
- Former Director of Preparedness at FEMA
- Served on Transition Team during formation of Department of Homeland Security
- Mr. Paulison holds a Bachelor of Arts and completed the John F. Kennedy School of Government Program for Senior Executives at Harvard University

The definition of *Resiliency*

The ability to respond and recover effectively to disruptive events.



The Basics:

- Grounded in self-awareness
- Accurate perception of reality
- Realistic optimism for the future

Essential Characteristics of a Resilient Leader

- Self-Awareness
- Confidence
- Prioritization
- Focus
- Discipline
- Trust
- Flexibility
- Compassion



Self-Awareness

- Accurate perception of reality
- Knowledge of your business plan
- Knowledge of capabilities
- Knowledge of limitations
- Access to and knowledge of available resources
- Properly manage emotions



Confidence

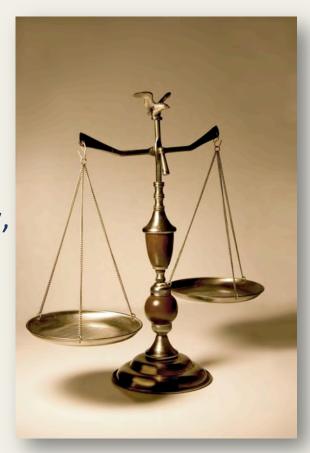
- Often a function of the extent to which you've planned
 - Having a Plan is not enough
 - Knowledge of plan is the key
 - Confidence is built through exercising your plan



Assemble a capable team, and thoroughly train

Prioritization

- Understand your Critical Business Functions, Systems & Processes
- Understand the implications of your decisions to Stakeholders
 - Clients/residents
 - Employees
 - Owners/Investors/political leaders
 - Supply Chain
 - Community at Large
- Factor in Legal, Moral, Financial, Regulatory, Health & Safety concerns
- Be aware of potential complications and cascading effects
 - Crises frequently beget other crises



Focus

KEY: Ability to maintain Self-Awareness despite inevitable turmoil

- Concentrate on that which you can control
- Refer back to the Plan
- Refocus the effort and attention of your staff
- Reinforce the positives
- Temper your own emotions
- Manage your own expectations



Discipline

Coupled with a well established & rehearsed business plan, Discipline can reduce stress and enhance decision-making ability.

- Adhere to the standards set forth in your plan, no matter what
 - Contingencies are there for a reason
 - Cannot rely on information sources during disaster
- Rely on the structure and processes in place
- Allows for cohesive, synchronized approach by all involved
- Allows for coordinated adaptation to new information and changing circumstances

Trust

During the height of a crisis, it is nearly impossible, and certainly inefficient, for ONE individual to bear the brunt of responsibility.

- Trust in your Plan
- Trust in your staff
 - Avoid burnout
- Trust in your resources & assets
- Trust in your partners
- Trust in yourself
 - Avoid burnout



Flexibility

- While the Plan is paramount to a successful recovery, flexibility in application is critical during tumultuous situations
- Embrace adaptation, innovation and creative problem solving
- Exhibit a willingness and the confidence to grow, change & adapt given the most appropriate and accurate information available

Compassion

- Be aware of and have compassion for the experiences & emotions of those affected by the crisis
- Publicly express compassion for those involved
- Respect the greater good

Preparing You and Your Organization for Resilience

- 1. Assess Risks
- 2. Plan
- 3. Test/Exercise Plan
- 4. Appropriately Manage Expectations

1. Assess Your Risks

- What types of emergencies have occurred in the past?
- What could happen as a result of your office/city location(s)?
- What types of emergencies could result from the design or construction of your facility?
- What could result from a process or system failure?
- Will you be affected if your neighbor is hit by a disaster?

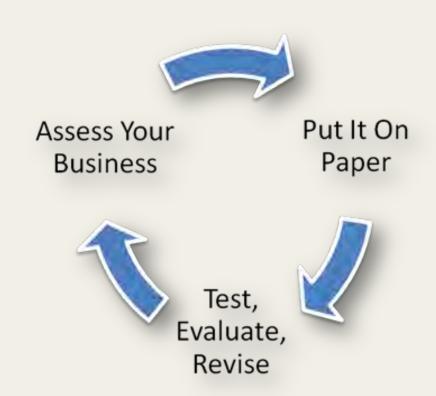


2. Plan for the Unexpected

- Minimizes the impact, protects and re-assures stakeholders, and prepares for recovery.
- Know the limitations of your plan, your staff, your partners and the governmental response efforts, and incorporate those limitations into plan
- Facilitates transition between normal business operations and a catastrophe response.
- Includes the notification and management of employees, clients, vendors, partners and the media.

3. Exercise Your Plan Regularly

- Do an annual exercise and update the plan as necessary
- There is no pass or fail
- The PURPOSE is to find flaws in the system
- Make sure to re-educate employees when any changes to the plan are made
- Testing is a process not a project
- Don't be afraid to go to EXTREMES during exercises



4. Appropriately Manage Expectations

- Establish early and often the goals for recovery
- Plan for the worst throughout
- Establish a communications plan, both for internal & external audiences

IN SUMMARY...

The MacArthur Maxim:

When asked why he remained in dangerous circumstances instead of seeking cover:

"If I do it, the colonels will do it. If the colonels do it, the captains will do it, and so on."

- What you do sets the example for the people who work for you
- Make sure that your actions and your words deliver the same message



Partnering for Resilience

Carroll A. Thomas

Associate Administrator

U. S. Small Business Administration

THINKING BIG ABOUT SMALL BUSINESS

- Small Business drives the U.S. Economy (GDP & Employment!)
- Disaster disproportionately affects Small Business
 - "Risk" vs. "Resources" - - (Small Biz: Enable not just Incentivize)
- Disaster Recovery <u>IS</u> Economic Recovery
 - Restoration of Small Business / Restoral of Commerce / Cash Flow!
- National Disaster Recovery Framework (NDRF) "PPD-8"
 - Prevention Protection
 - Mitigation Response
 - Recovery

"The continuum of disaster"

- Whole of Community = Recovery & Resilience
 - Federal / State / Local Government / Private Sector: Big & Small Business / Non-Profits / Volunteers / Entrepreneurs / Donors / "Clusters" Community Effort!

SBA Office of Entrepreneurial Development &

National Disaster Recovery Framework (NDRF)

"Long Term Disaster Recovery IS Economic Development"

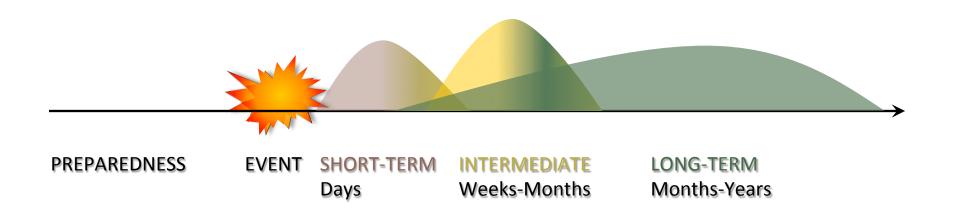
- Loans
- Capital
- Credit
- Counseling
- Contracting
- Collaboration / Coordination
- •ODA / OED / OFO/ GCBD / OCA INVESTMENTS

Office of Entrepreneurial Development

- SBDC
- •SCORE
- •WBC
- •CLUSTERS

CONFIDENCE = ECONOMIC DEVELOPMENT & RECOVERY

Disaster Continuum



National Response Framework

National Disaster Recovery Framework



Breakout Sessions

Defining a Roadmap for Business Resilience

Working Lunch



Breakout sessions





Where We Agree Key Findings/Next Steps

Michael Chumer

Board of Directors

Business Emergency Operations Center Alliance