

Corporate Pandemic Preparedness from Multiple Perspectives:

Insights from National Surveys of Chief Financial, Human Resource and Risk Officers

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What Do the HR Execs Say?

Question	Dec 2005	Dec 2006
Company believe pandemic influenza presents a real threat to the U.S.	57%	73%
Company was very concerned about pandemic influenza	43%	68%
Company has adequately planned ways to protect itself from the effects of pandemic influenza	14%	52%
Company feels confident they are prepared to manage a pandemic influenza outbreak should it occur	18%	45%

From an HR perspective, the trend is positive

What Do the Risk Execs Say?

- 69% of respondents believe that a pandemic is fairly or highly likely to occur in the next 10 years
- 74% of respondents believe HR will be very or severely affected; 87% believe they are only somewhat prepared to cope with HR effects of a pandemic
- 53% of respondents believe their supply chain will be very or severely affected; 10% believe they are well prepared to cope with supply chain effects of a pandemic
- Finance and infrastructure/facilities are most prepared

Risk executives see the threat, but are not confident of their company's preparedness

What Do the Finance Execs Say?

- 51% agree that pandemic influenza presents a real threat to their business
- 33% believe that preparing for a pandemic is a top priority
- 21% believe that their company has adequately prepared
- 12% are aware of critical supplier's preparedness plans; only 6% are confident that their critical suppliers will be able to serve them
- 42% understand the financial implications of a pandemic
- 36% have been an active participant in preparedness planning; 36% are aware of a dedicated planning team
- 30% state that pandemic preparation is a concern of senior management; 67% believe it should be
- Only one countermeasure, tele-work, was identified by more than 50% of the respondents as a way to mitigate the impact

Finance execs are simply not involved in preparedness planning

So What Does It Mean?

Human Resource executives appear to understand the threat, have been involved in the preparedness process and believe that their organizations have made significant progress in preparedness

Risk Management executives also understand the threat, have been involved in the preparedness process, but don't believe their companies are well prepared

Finance executives have some understanding of the threat, aren't involved in the preparedness process, don't believe their companies are well prepared, and believe pandemic preparedness should be a higher priority issue

So What Does It Mean?

- Corporate preparedness planning appears to be done in different ways with different stakeholder groups
- Corporate preparedness does not appear to be an C-suite or Board-level issue
- Funding for corporate preparedness is likely not at levels it needs to be
- Reading between the lines, most companies have pandemic employee wellness and communications programs in place that could be of some use in a pandemic
- Also reading between the lines, most companies likely haven't planned for ways to mitigate risk in their supply chains and core operations

So What Does It Mean?

- CEOs, COOs and Boards will become more concerned when:
 - Media attention of pandemic influenza increases
 - Legislation/regulation requires a high level of preparedness
 - Shareholders/investors require a high level of preparedness
 - The corporate level financial impacts of a pandemic are understood

Only when one or more of these items are met will pandemic preparedness be given equal billing to other potential disruptions in a company's risk portfolio