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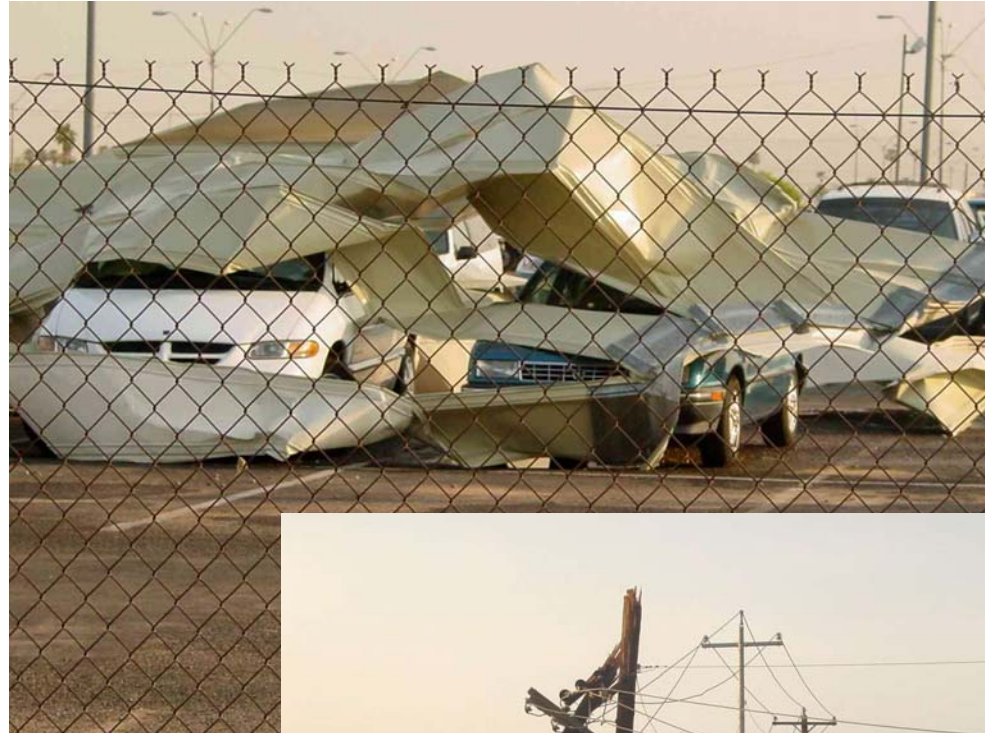
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Heroic Measures - Corporate Card as Crisis Management Tool

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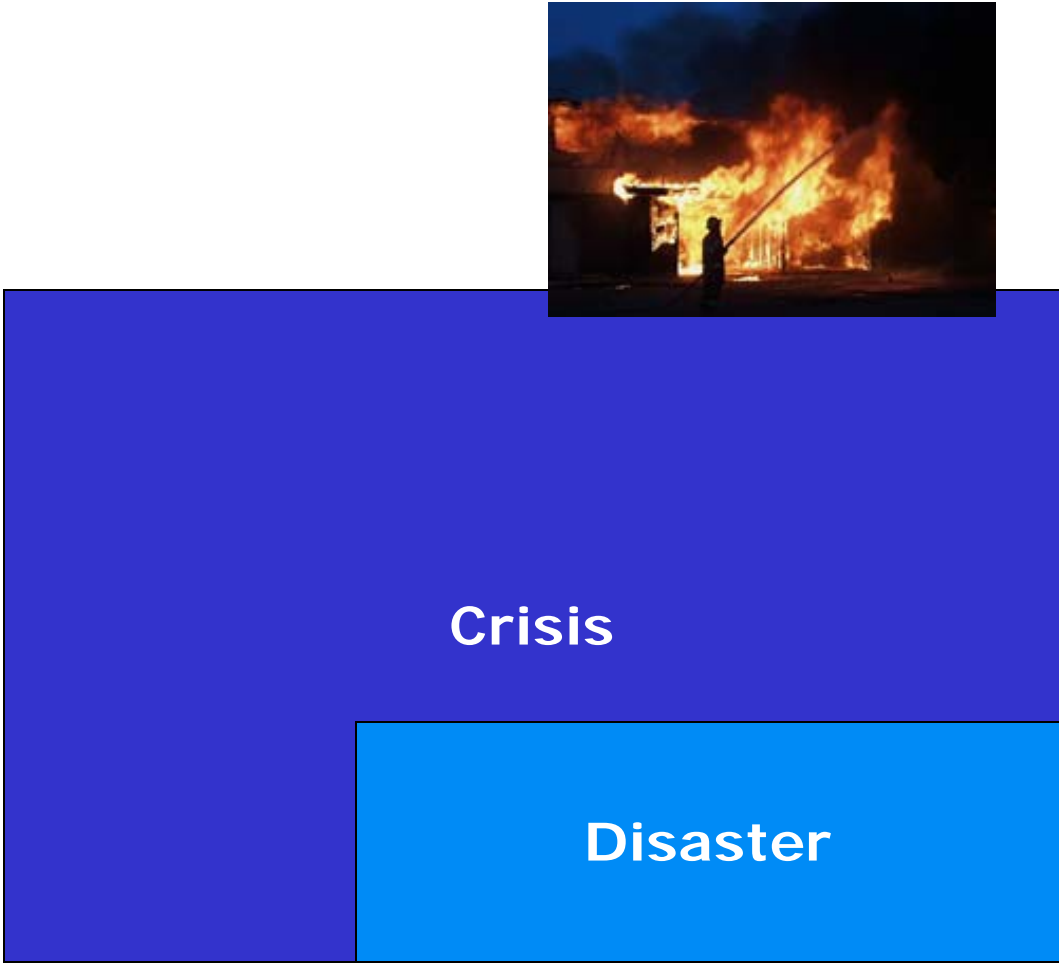
Agenda



- Introduction and expectations
- What is a crisis? What's a Crisis Management Team?
- Crisis Management from card program viewpoint
- Adding card management elements to plan
 - How Purchasing and Travel can support Crisis Management Team
 - How Purchasing and Travel can work with issuer
- Customer case studies

What Constitutes a Crisis?

**Every disaster
is a crisis but
not every crisis**



What Constitutes a Crisis?

- Employee or employees seriously harmed or at risk
- Organization can't function or is threatened
- Weather-related emergency, earthquake or other natural event
- Workplace violence
- Terrorist threat
- News media inquiry or major government attention about a serious matter
- Significant threat or harm to organization's reputation



What Constitutes a Crisis?

- Unforeseeable
 - Ex. Terrorist attack, earthquake
- Foreseeable but unavoidable
 - Extrinsic circumstances, such as defective parts, plant closure, plane crash
- Foreseeable and avoidable
 - Caused by employees and management
 - Could be avoided with proper training



What is a Crisis Management Team?

Cross-functional team develops and tests recovery procedures

- Supply chain
- IT and customer data
- Human resources
- Facilities
- Communication
- Operations



Crisis Management Team (CMT) determines course of action in actual emergency

- Investigates situation
- Activates plan
- Develops messages
- Communicates

Takes action in emergency – Approach varies

- Medical vs. non-medical incident
- Scale of incident
- Duration of crisis

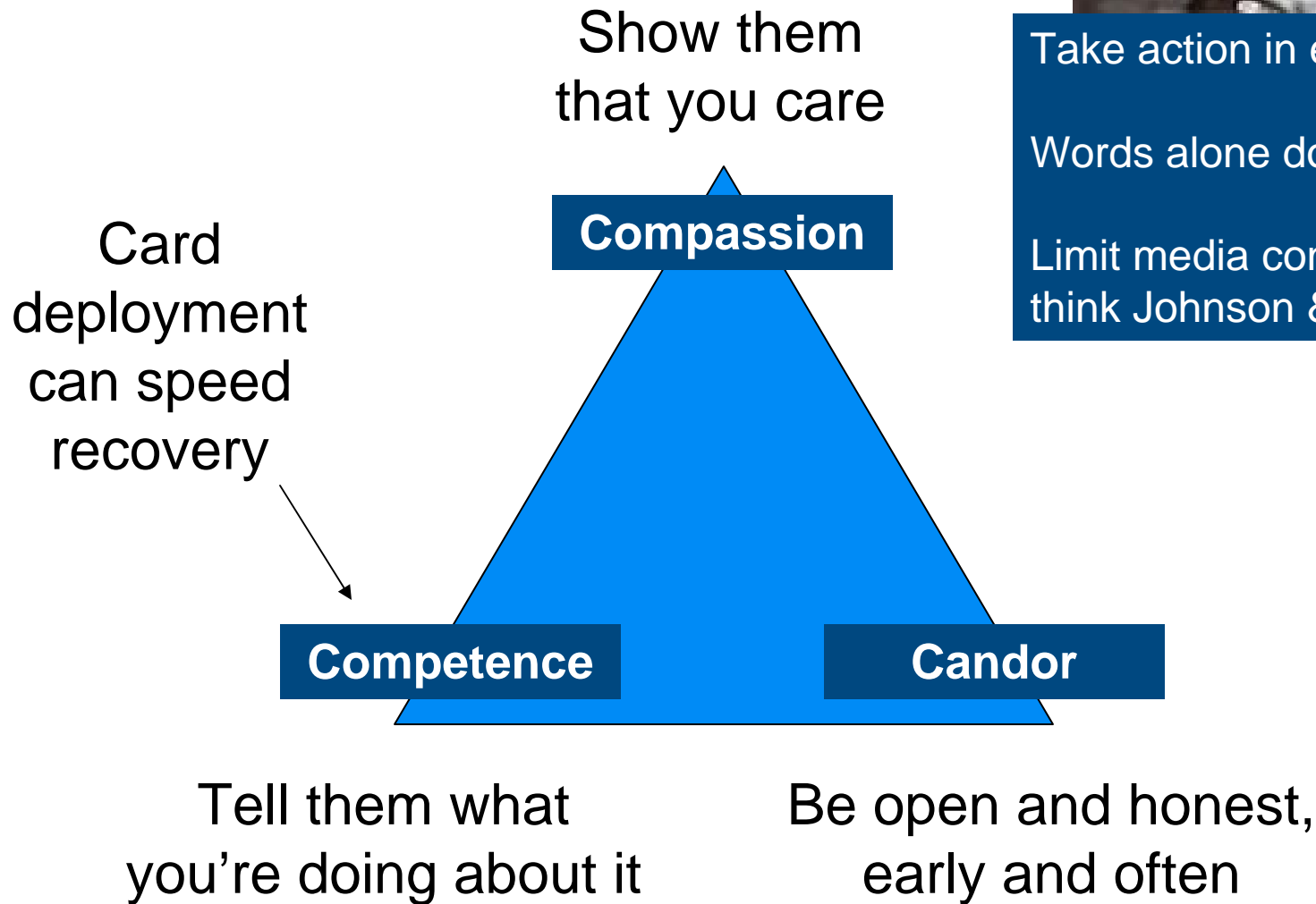
Crisis Communication

- **What** – Alerting and updating key stakeholders
- **Who** – Senior leaders and response team communicating to employees, customers, suppliers, regulators, media et al.
- **When** – Initial and ongoing
- **Where** – Phone, email, web, and media
- **Why** – Support recovery efforts, minimize confusion and anxiety, and protect your brand
- **How** – Coordinated team approach

Document,
test and
document



Crisis Management – The 3 C’s



Take action in each area.
Words alone don't cut it.
Limit media contacts and think Johnson & Johnson

Crisis Communications – Lessons of Sept. 11th

Survey of Business Travel Coalition members on how effective the first efforts to locate travelers were:

- **85% said they identified travelers' flight numbers**
- **75% located travelers' hotels**

When a travel emergency occurs

What the employee faces...

- Family or personal emergencies
- Extreme weather
- Power/communications disruptions
- Natural disasters
- Shutdown of airlines, rail, marine and vehicle transportation
- Political instability (overseas travel)
- Terrorist acts

What the employee thinks...

- Where do I go
- What do I do
- What can I do
- Whom do I contact first
- What information/resources do I need to make smart decisions
- Do I know full extent of crisis
- What are my short- and long-term options?

When a travel emergency occurs

What employers and employee loved ones worry about...

- Is the employee safe?
- Employee's exact location
- How can we reach employee?
- What does employee need from us?
- How can we assist the employee?
- When will the employee return home?
- Hint – Corporate card web self-service system can be a “Where’s Waldo” research tool



Adding card management element to the plan

Purchasing and Travel team's involvement with CMT

- Gather the facts
 - From employees involved, media, gov't sources, NBTA, ISM et al.
- Determine next steps
 - What's feasible given external conditions (suppliers etc.)
- Craft the message, support its distribution
 - Is it technically accurate?
 - Is your intranet up to date?
 - Are your staff briefed on message points?
- Stay involved as conditions change
- Develop card limit policies



**Bring
your
expertise
to the**

How Purchasing and Travel can work with your issuer



Ahead of the crisis:

- Determine likely scenarios (e.g. Friday layoff)
- Document contact process – How to during/after business hours
- Set parameters of super-user cards and develop batch list
- Determine if any new cards may be needed
- Review stranded traveler procedures re: issuer and association

During the crisis:

- Work with Account Manager and Help Desk
- Use web self-service maintenance features

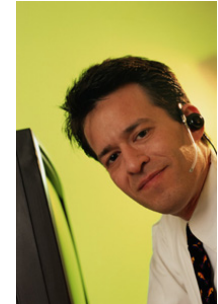
After the crisis

- Debrief and revise plan

Crisis plans are like the Pirates' Code:

“More of a guideline than a rule”

How your issuer can help



- Change any parameters – SICs, limits etc.
- Make changes in batch or individually
 - Ahead of crisis and afterwards (returning cards to normal status)
- Provide support for parameter changes on weekends
 - Weekend/after-hours contact
- Alert Customer Service to approve any declines for your organization during crisis period
 - Emails and pop-ups on Customer Service screens
- Provide information/assistance through association tools, e.g. MasterAssist program

Examples of MasterAssist services

MasterCard provides wide range of services, with particular focus on international travelers - at no additional cost

- Assistance in locating nearest/most appropriate care
- Emergency transportation
- Access to English-speaking doctors or translators
- Monitoring progress of treatment and recovery
- Communication to family and personal physician
- Management of necessary medical evaluations
- Facilitation of hospital admissions
- Coordination of **direct payments** to health care providers
- Coordination of transfer of emergency blood, lost/stolen prescriptions
- Help get employee's unattended dependent children home
- Repatriation of mortal remains
- Legal assistance/referrals

Manufacturer/technology compar



Global corporation serving several industries, including aerospace and security

- **Crisis faced:** Microburst* at Phoenix facility. Plant closure due to damage, unsafe conditions – luckily no one was hurt!!
- **Card usage:** Facilities team already had plastic with high limits, but PA and GE teams went into “crisis mode”:
 - PA contacted account manager, who alerted GE fraud and operations teams of impending increase in spend
 - Facilities cardholders identified for fraud team
 - Operations team accommodated PA needs to increase limits quickly, issue new cards overnight, “do whatever it takes”
 - PA on call throughout crisis
 - PA, facilities manager, account manager in constant communication to gauge progress

* *A microburst occurs when two monsoon storms collide into one BIG storm*

Manufacturer/technology company



- **Card usage, cont.:** Typical purchases required included:
 - Heating, ventilation and air conditioning (offices, computer rooms)
 - Building infrastructure – roofing, electrical, lighting, windows, etc.
 - Mold abatement
 - Environmental and landscaping clean-up
 - Rentals for fencing (two miles of fencing lost in the storm)
 - Rentals for generators, power supplies, lighting towers
 - Rentals for trailers, temporary office setup
 - Office equipment replacements and rentals – computers, copiers, printers
 - Cell phones required as phone lines were repaired

Manufacturer/technology company



- Card usage, cont.:

- Repair test planes damaged due to hangar roof collapse
- Hundreds of truckloads of dirt to build road over railroad tracks to allow electric company to get in with its cranes to lift/reset fallen power poles

- Impact of card as crisis tool:

- Plant was operational again in less than three days. Saved millions of dollars for company.

- Lessons learned:

- Involve all teams immediately – everyone is eager to help if they know what's happening

Airline



- **Potential crisis:** Aircraft accident
- **Card usage:** Cards are used for deployment to crisis management “Go Team”
 - Most cards have \$900 SPL / \$10,000 monthly limit and are separate from regular cards
 - A few cards have higher limits for obtaining hotel room blocks, rental cars, computer equipment needed at crisis site, etc.
 - Cards are kept under lock and key. In an emergency, cards would be distributed to Go Team leaders, who would distribute to their sub-team members on-site.
- **Impact of card as crisis tool:** Cards are intended to help provide fast, comprehensive and caring support to families in need.
- **Lessons learned:** Cards have default codes, eliminating need for employees to reallocate transactions on their regular cards.



Utility (Southeast)

Electric Utility operating in the panhandle counties of northwest Florida

- **Crisis faced:** Hurricanes
- **Card usage:** The business has approximately 1,500 employees, of whom about 1,000 have cards. Just about all line workers carry plastic. In storm situations, the business activates a “storm center” which coordinates most buying and other expenditures. Typical purchases include:
 - Storm restoration materials plus expediting the shipping in some cases
 - Rooms and meals (particularly for out of state crews)
 - “Cleaning the local Wal-Mart out of every plastic rain suit”
 - Truckloads of ice for coolers and ice water for crews working in 90-degree or hotter weather



Utility (Southeast)

Utility operating in the panhandle counties of northwest Florida

- Card usage, cont.:** Program administrator (PA) works in storm center when it is activated, using GE's NetService and working with GE's Help Desk.
- Field crew cards typically do not need much limit adjustment, since single purchase limit of \$2,500 (standard) is usually sufficient. But individual transaction authorizations sometime need working through.
 - Marketing team typically coordinates lodging and meals for out-of-state crews. Ex. – Marketing rep at hotel at 2:00 am, paying for mass check-in. Rep's card limit usually raised temporarily to \$10,000 to \$12,000.
 - Business creates specific GL account number for a particular storm, then audits all charges in storm account. Typically there's little employee misuse, but sometimes they catch and edit some questionable purchases. Ex. – Chain saws that can be used after storm (split between storm and normal budget).



Utility (Southeast)

Utility operating in the panhandle counties of northwest Florida

Impact of card as crisis tool: Sped up process of getting crews needed materials and support. Streamlined the purchase of miscellaneous and other non-stores items not requiring formal purchase orders.

Lessons learned:

- Need to make preparations early. When business activates storm center 24 – 36 hours out from hurricane landfall, PA starts upping limits, setting up GL number, and sending out reminders on how to use card in storm situation. Storm GL number closed down typically two weeks after storm.
- Emphasize 100% audit (helps senior leadership accept wider use of card)
- Use web tool – “It’s the best!”

Utility (Northeast)

Utility serving Connecticut, Massachusetts and New Hampshire



- **Crisis faced:** Heavy storms, lines down.
- **Card usage:** Food, lodging, materials, cash for highway tolls, “cleaning Sears out of underwear”
 - Company has separate table for cards held by field supervisors. Typical non-emergency profile is single purchase limit – \$2,500, daily – \$5,000, monthly – \$10,000.
 - Emergency profile might go as high as SPL – \$10,000, monthly – \$100,000, depending on size of storm and anticipated duration of recovery efforts. Higher limits typically last 30 days.
 - Business usually activates second tier corporate center Food & Lodging teams 24–48 hours into outage out. Specialized support assignments, ex. – Staff with \$50,000 limit “storm cards” assigned to food and lodging. Most hotels process each transaction separately, which could be as high as 150+ person nights, so PA must watch for “burn out” of limits on cards in field.

Utility (Northeast)



Eagle Cam at <http://www.nu.com/eagles/live/default.asp>

Utility serving Connecticut, Massachusetts and New Hampshire

- **Impact of card as crisis tool:**

- Keep crews warm, fed and rolling
- Support business-wide “whatever it takes” approach to storm recovery
- More flexibility in dealing with unions (no employee cash out of pocket allowed)
- NetService is big help on limit changes vs. old “three-people-on-phone” game. Investigating reasons for decline before calling GE speeds response to need in field.

- **Lessons learned:**

- PA must be available by phone 24x7 if crews need help
- SICs that have needed opening – Rental vans, Taverns (open late for food)
- Don’t forget to bump limit on number of transactions per day...some hotels run each room charge separately

Western state

State Dept. of Natural Resources and Conservation (DNRC)

- **Crisis faced:** Hundreds of concurrent wildfires statewide, plus need to support fire-fighting efforts nationwide at height of fire season
- **Card usage:** Extensive food, supplies, equipment and lodging purchases in remote locations, including a water-scooping helicopter rental
- **Impact of card as crisis tool:** More trees saved! Pcard precludes agency from having to issue exorbitant number of emergency travel advances, ability to mobilize crews in less time and, on back end, vendors receive faster payment.
- **Lessons learned:** Strictly from PA's standpoint, DNRC ran into some problems with limits and declines...more of internal process issue than issue with card capabilities. With another drought and subsequently horrendous fire season looming this summer, pre-planning on approach to limits will help.



Telecommunications

- **Crisis faced:** Potential work stoppage as union contract neared three-year term
- **Card usage:** Administrator produced file of corporate cards held by union employees. File sent to GE CPS Help Desk and held pending notification by client. If contract walk-out took place, GE would immediately shut down all union-held cards until new contract was in place. Also, planned use of ETA function to open up management cards (particularly on retail spend). Lastly, Statement Billing File download process can speed expense processing for staff in field working long hours.
- **Impact of card as crisis tool:** Controversy, potentially fewer losses, quicker response
- **Lessons learned:** Begin coordination with NAM 90 days out from contract expiration to set up de-activation plan with Help Desk. Communicate “go/no go” notification process to all stakeholders. (Last contract date fell on a Saturday, requiring coordination with Help Desk for potential weekend support.)



Open Discussion and Q&A

Other examples from audience?

Comments?

Questions?

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