

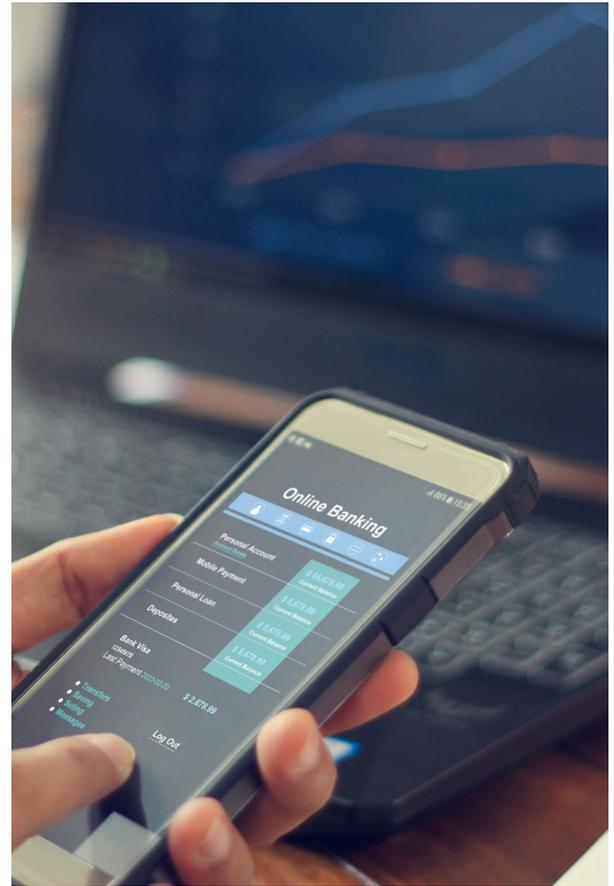
Crisis Management - Banking/ Payments

DOUG SCHUPP

Insights to help you prepare and sustain your business during a business interruption.

SynFiny Advisors has developed a series of Crisis Management Insights to help you strengthen and grow your business after having faced a major business interruption. Our objective is to provide a framework that allows any business (*no matter how big or small*) to maintain focus while dealing with the multitude of distractions that take you away from your core business. Our advisors' share their seasoned experiences and "been there, done that" practical advice to not only survive but thrive in a crisis situation.

This Insight will address actions to ensure your banking and payment transactions will continue to be processed during a period of business interruption. Receivables and payments represent critical cash flow to the organization and careful transaction management is necessary to sustain your operations.



Mobilizing A Plan

You have 3 key partners with whom to share and mutually exchange your continuity plans:

- **Third party banks and/or payment processors** -For security reasons, your banking partners may not willing to share the details of their plans. In this case, share your critical activity service expectations so that they can confirm their "Recovery Time Objective" (RTO), the target amount of time for their systems to be restored, is compatible with your expected service requirement.
- **Key Suppliers** – These suppliers provide your key ingredients and/or services to maintain your operations. Limited cash may require extension of payment terms or other arrangements to ensure uninterrupted supply.
- **Key Customers** – Your ability to produce may be impacted and in some cases, as with the current COVID-19 event, result in demands far exceeding supply and empty store shelves. Your customers' ability to remit payments on time may require temporary extended payment terms and/or factoring.

TYPE OF LOSS	ACTION
<p>Loss of location – An event has disrupted the operation of your physical site.</p>	<p>Work-from-home element and/or an offsite location (hotel). Ensure employees have required equipment and secure access to maintain the automated workflow. Address expected working hours to meet banking and payment cut-offs. Communicate changes to impacted stakeholders.</p>
<p>Loss of Infrastructure – An event has disrupted the operation of your financial information system, your email communication tool, your phone system.</p>	<p>Plan dependent on (1) which infrastructure type has been impacted and (2) alternative solutions available. Typically requires advance testing and alternatives. Definitely requires understanding and communication of return to reduced and/or normal accounting operations. Impacts can be very broad, internally and externally.</p>
<p>Loss of People – An event (typically local or regional disaster) disables your staff from executing business processes or functions.</p>	<p>Plan is typically the more complex as this involves ensuring your alternate resources have the business knowledge, training, and in many cases assets and access to perform the required business process. Where possible, consider alternate locations to support impacted locations, but be sure legal requirements (i.e., payment approvals, local government requirements) are adhered.</p>

Since today’s banking transactions and payments are heavily reliant upon automated processes and systems, the actions to be taken will be dependent upon the type of business interruption.

The table above briefly summarizes the most common type and possible action.

Key Takeaways

- Managing receivables and payments (cash) is one of the most critical activities during a time of crisis.
- The type of loss experienced during a crisis will impact how you respond to the crisis.
- Early engagement with your critical third parties and understanding their response capabilities will enable a more seamless end-to-end solution.

Conclusion

SynFinny Advisors exists to bring talented “been there, done that” experience to bear on solving client problems. Each engagement results in measurable,

pragmatic, and actionable recommendations. We can assist you in developing Banking and Payment continuity solutions to minimize the disruption to your organization and business partners. These approaches may involve reviewing communication plans, identification of critical payments, determining business interruption limits, reviewing current work processes and system’s capabilities, developing and implementing testing plans, and documenting/modifying plans for possible future interruptions. Our approach is very simple, we Define, Design and Transform. And in doing so, transform your business from ‘existing’ to ‘exceeding’.

For more information, contact Doug Schupp (dvschupp@synfinny.com)

Other contributing authors to the “Crisis Management” series include the following:

- Jose A. Alonso - jaalonso@synfinny.com
- Jet Antonio - jantonio@synfinny.com
- Natalia Beketova - nvbeketova@synfinny.com
- Susan E. Thomas - sethomas@synfinny.com
- Natalia Vinogradova - nyvinogradova@synfinny.com