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By Les R. Nettleton

*[This is part of a [special Disaster Planning section](#) from the November 2006 issue.]*

It

has been just over a year since Hurricane Katrina hit New Orleans, and not much has changed in the metropolitan area since that fateful day on August 29, 2005. Over 80 percent of homes and businesses in New Orleans are still uninhabitable.

There is a shortage of workers in the area, and, accordingly, service industries such as restaurants are open only for reduced hours. Of the 15 staff members of Bourgeois Bennett who lost everything in the ensuing flood, none have been able to totally rebuild, and most are still living in rental units.

I state that Hurricane Katrina missed the city because she passed just east of New Orleans as a Category 3 hurricane with winds of 125 mph. For years, those of us living in the metropolitan area have been warned about “The Big One” that would fill the city with flood waters, taking years to recover. However, the worst case scenario was to have the strongest of all hurricanes, a Category 5 storm, pass to the west of the city. In fact, to be totally correct, New Orleans was spared the brunt of Katrina. This leads us to a huge lesson learned: In Southeast Louisiana, we live in a very fragile environment.

Due to the fact that the worst may be lurking in the future, we have added the word Catastrophic to our Disaster Recovery Plan. We now know that disaster recovery planning must include the possibility of relocating the firm to an entirely new city for over two months. We also recognize that a real disaster

recovery plan addresses much more than just technology or business continuity;

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the 17th Street Canal (this canal was one of those that breached, flooding the city during the storm).

In baseball, a good fastball sets up a curveball. For years, New Orleans has been thrown fastballs by our local media, warning of the catastrophic flooding that could occur if a Category 5 hurricane slammed into the city. In September 2004, Hurricane Ivan approached the city with a 25 percent chance of being “The Big One.” Local government called for an evacuation, and over 600,000 people left the metropolitan area. Our disaster recovery plan was put in effect just as Ivan turned north and hit Gulf Shores, Alabama. Although the evacuation was painful, the recovery plan implementation went smoothly.

On Thursday, August 25, 2005, Katrina hit Florida as a Category 1 storm. Since it was the eleventh named storm of the season and the eighth storm of the year to hit the Gulf of Mexico, not much attention was paid to Katrina. Weather forecast computer models all pointed to a curve to the North and a second landfall in the Florida panhandle.

By Friday afternoon, computer models had concentrated on New Orleans. Our disaster recovery plan mandates that laptop computers, which make up 50 percent of our inventory, are evacuated with staff. This gives us a good start in case we need to rebuild our practice in a new location with no access to our existing offices. Unfortunately, a good many of our staff had already taken off early to enjoy the summer weekend, leaving some laptops at the office.

However, the other parts of our plan were put into effect. According to our plan, three full tape backups of our system are evacuated with our Managing Member, Senior IT Staff and me. On Saturday morning, as citywide evacuations began, I initiated a full system backup. Our plan also calls for us to shut down our servers as late as possible, to unplug and remove all electronics from

exterior windows and to download a listing of all staff cellular phone numbers.

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On Monday, August 29, at 8:00 a.m., Katrina passed just east of New Orleans with winds of 125 mph. Tidal flooding of 12 feet occurred in St. Bernard Parish, just east of New Orleans with 35,000 homes and businesses destroyed. The surge in Lake Pontchartrain, located to the north of the city, reached over 10 feet and breached the levee system in three places, pouring the lake into New Orleans. Eighty percent of the city would flood while the water poured in for the next three days. (For those of you unfamiliar with the geography of New Orleans, the city lies in a bowl, surrounded by water that is kept out by a large series of levees. All water, whether it is from rain or flood, must be pumped out of the city by large pumps located on canals that run throughout the city. It was these canals that breached, leaving the pumping systems virtually useless since the pumps would only pump the floodwaters back into the already breached canals.)

On Tuesday morning, the news coverage showed the total devastation of the city. It would be weeks before the floodwaters could be pumped out, there was no electricity or water, and government officials were saying it could be up to a month before residents would be allowed to return home. My main concern was for my property. My next-door neighbor stayed for the storm and was able to relay information regarding my house for two days via landline phones (they never went down). Although I had three feet of water surrounding my house, it did not flood because it is built three and a half feet off the ground.

My next concern was for my friends. I knew that many of my coworkers lived in areas that were under 12 feet of water. I pulled out my cell phone list and tried to make calls, but all cells were dead. The cellular towers in the New Orleans area code were in floodwaters, and the generators running them during the power failure had not been refueled with diesel. Any attempt at cellular communication was in vain. This was our first lesson learned from Katrina. Although

we had created a listing of key staff cell phone numbers, this listing became

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away from the house. Although our escape was successful, we had failed to come up with a meeting place in case communications became unfeasible.

I shot off an e-mail to my technology associates at AGN International, our CPA association, informing them that I was safe. For the next few days AGN posted my messages on the front page of its website. A few of our staff, unable to make contact with anyone from the firm, went to the AGN site and found my messages.

Eventually, they made contact with me via AGN. We've now added AGN's site address to all of our emergency contact information.

On Wednesday, I received a text message on my phone from an Audit Manager friend. It seemed that, although voice activity was dead, cell phones were still able to intermittently send and receive text messages. Using this method, I was able to contact a handful of staff, acquire personal e-mail addresses and began to put together an e-mail list. Most of us had evacuated to locations where Internet access was available. However, communications regarding the firm were still irregular at best. We needed to come up with a more complete solution.

Then I remembered that a year before Katrina, we started leasing an online bulletin board system to facilitate the questions and answers that arose from the implementation of new tax preparation software. I created a section on that site specifically for the hurricane and set up topics such as "Firm Information" and "Where Am I?" We immediately sent e-mails and text messages to each of our staff, giving them the URL of the site along with their username and password. By Friday, September 2, we were in contact with 60 staff. We used the bulletin board system to develop an emergency contact listing, containing the personal e-mail, current address and phone numbers of all staff.

Our management team also used the board to call for a staff meeting in Lake

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At that time, local governments were not allowing anyone into the city or surrounding parishes, so the only other option would have been to set up shop in another city. This decision to wait and see, in my opinion, was the catalyst for the strong comeback our firm has made. Fifteen of our New Orleans staff lost everything they owned. Many more of us had suffered some damage to our property. By waiting an additional two weeks, our staff had time to get over the shock and awe of the event. Also, due to the location of our office, the east and north facing offices overlooked a flooded area of the city. My first trip into our offices two weeks after the storm was shocking. As far as the eye could see, rooftops were sticking out of the water, as if an entire city had been built in the middle of a lake.

Other local firms made more hasty decisions. Some farmed out their staff to firms in other states. Others decided to let staff go, thinking that their clients and practices would not recover. Of all the firms I am familiar with, Bourgeois Bennett was the most generous with its handling of the problem. As I said before, we're a family, and management treated us like family.

"How do you prepare for and recover from a disaster that destroys the entire city in which you do business?" I'll never forget this quote from Ralph Cox, our Managing Member. It encompassed the soul of the business community of New Orleans after Katrina. Although massive residential problems and communications issues were still brewing at the surface, our offices appeared to be in relatively good shape. Two weeks after Katrina, power had been restored to our firm, and the major damage appeared to be limited to a single office that had a shattered window. Some minor rain seepage had occurred in a few of the offices, but our servers were running and we appeared to be ready to reoccupy our space in the following week.



Unfortunately, the news came that our building had mold problems, and until

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move any of the equipment in our server room to our remote location. This also gave us the ability to allow staff to work from other remote locations through Citrix and Outlook Web Access.

Less than a year before Katrina, we purchased a document imaging system and began to scan our individual tax returns and supporting documentation. Although we could get back into our offices to retrieve manual workpapers when necessary, having the scanned documents to work from was a real timesaver. If you want to guarantee access to information in a disaster, scan it.

For the next 76 days, we worked out of the Houma office, commuting one to two hours each way. It was cramped and noisy, but our family was together. We sat next to each other, offered hugs when needed, and cried together about our losses. I have never been more honored to come to work than during that time.

In November, we finally moved back into our offices ... well, almost all of them. The north-facing offices had to be totally gutted, so it was just before Christmas when our entire floor of office space was ready to be occupied.

In response to Katrina, we have added some items to our Catastrophic Disaster Recovery Plan. Bourgeois Bennett has purchased its last desktop. All future computers purchased will be notebooks. Under our current plan, the staff will evacuate with their notebooks. Also, we now maintain a listing of everyone's personal e-mail address. If our Exchange Server is down, we can now e-mail our staff. We also maintain a listing of emergency out-of-town contact numbers, which is kept on our externally maintained Bulletin Board system and can be modified to reflect where each staff member has evacuated. Finally, we developed laminated business card-sized informational cards with key management's

personal e-mail and cell phone numbers. It also tells staff how to access our

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In spite of everything that Katrina could throw our way, business here is good. In fact, it is great. Staffing continues to be an issue, and we are always looking for senior-level staff. The tax filing deadline was extended to October 15, so we have had an extended tax season. Our clients are coming back, and we're here to help them.

We learned lots of lessons due to Katrina. Probably the most important lesson is to never say, "It can't happen here." Everyone needs to have a plan of action in case the unexpected happens. And plan for the unexpected. If you do, the lessons learned will be educational and not destructive. And remember, clients come first, but staff comes a close second. □

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Technology

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