

First interstate bank experienced research paper sample

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On May 4, 1988 The First Interstate Bank witnessed a severe fire damage which wiped out 5 floors of the building from 12 to 16. The whole building needed to be closed immediately because of the rapid fire (Coleman, 1999). The room of securities trading which was located at 12th floor, where generally \$3-\$5 billion of transactions took place in a day, it was completely abolished. In the bond trading segment the mini computers and micro computers were destroyed completely because of the rise in temperature which was around 2000 degrees Fahrenheit. The securities vault which was on the 11th floor was also fully damaged because of the water. Almost 2000 Employees were removed from their offices. At the ground floor, the main branch of the downtown Los Angeles was also heavily damaged due to the water (Coleman, 1999).

Before the event of the fire, First Interstate Bank had a recovery plan which was established two years back from the fire. The plan was well practiced and had a devoted team of business resumption. The business resumption plan was a million dollar investment by the bank. Six staff members were included in the business resumption plan and their responsibility was to help the administering personnel of the bank, based on the needs of every individual create their own business resumption plan. The plan included presumptions which were made in gathering the plan, the vital functions of the business and operations which were in the plan (Coleman, 1999).

The critical units took the ownership of their own plans of business resumption; this was the advantage that First interstate bank had, because every unit knew their role and could apply it flourishingly at the time of the crisis. There were two functions, one was the business resumption and the

other was emergency preparedness function. On May 4, 1988, the issue of life safety was dissolved. When the fire took place the business resumption plan immediately captured the EOC control to face the fire crisis (Till, 2007). Meetings were concluded in the business resumption planning program between the professional staff and critical units. Teams of recovery plan gathered up at the time of fire and at 4. 30 am on May 5 the hot lines were in place in the Emergency operations Center for the incoming calls. One line was setup for the customers or employees, second line was for the media and the third line was for the EOC (Coleman, 1999).

EOC's first step was to take into the consideration the important management personnel. Every unit which was affected by the fire, general damages which took place that were reported by the media and the damage by floor which was reported by the department of Los Angeles and by bank security to the EOC were all on the list of the charts of the EOC. EOC utilized the Business Resumption Plan by moving the vital units in to the process of the burning fire in the Tower. Main target of EOC and Business Resumption Plan was to make sure that the First Interstate Bank do not lack in giving the services to its customers. The Business Resumption Planning had a strategy to accommodate the movement of every First Interstate bank's department which was in the tower. It included around 2000 employees who were moved to the other First Interstate Bank facilities located in Los Angeles. The security was strengthened in the EOC after the fire due to which employees were relocated at that place. Some of these employees were moved to other buildings of First Interstate bank and some were moved to the other buildings. The key functions which the Business Resumption Planning was:

- Phones and communication were organized for the units which were relocated.
- In order to run the business units fluently without disturbance the supplies and equipment were prioritized and ordered.
- Hot lines were setup to handle thousands of numbers of phone calls coming from employees, customers and from other stakeholders.
- Regulated ways and means to help critical enterprises.
- Necessary equipments for communications, television, backup power supplies, radios, water, food, medical aid were reserved in EOC.

The Bank was still working efficiently though, despite being damaged by the fire. Although the trading securities were destroyed but the securities traders worked at their normal pace on the next day, every night traders needed to take the transactions to their home and with the help of wire all data was directed to Minneapolis. Fireproof vault was not affected, despite the fact that 11th floor which was sheltering the vault was completely destroyed. Critical units were operating well and under 24 hours all the relocated employees returned to their work under some days. The main branch of downtown restarted to operate after two days. After the fire phones from the tower were again routed. The business was at functioning normally after the fire thanks to the Business Resumption Planning (Coleman, 1999).

Many organizations and firms helped The First Interstate Bank in this crisis. Forty percent of the whole fire department was utilized to overcome the fire. Los Angeles played a big role in saving the building from the fire. First Interstate bank was gifted with spaces by many organizations. The telephonic companies such as Pacific Bell and AT&T also worked effectively

and efficiently to make the system of the communications to operate well in a minimum time. After two days, the units which were moved installed around 800 telephones to use. IBM and other equipment merchants also played an important role in aiding. Employees of First Interstate Bank truly worked hard and made sacrifices and contributed in order to recover. Teamwork from different stakeholders including both internal as well as external made the recovery successful.

The Business Resumption Plan although performed well in the crisis but there are some areas of improvements. For example there could have been a better communication network for emergency, which the fire illustrated. It would have been difficult for the telephone system to work smoothly and frequently in Los Angeles if the event would have been a regional one such as an earthquake.

This totally shows the value of an effective disaster recovery plan and how it can help in better managing such situations. The plan should be developed before the crisis and there should be a target for that plan. The functional and the managing units should be given the responsibility. Plan should have a test; practice makes a man perfect so practice of the plan before the crisis is very important. Employees should be given a rehearsal and they should be informed completely while the crisis has taken place (Coppola, 2006).

Updating the valuable customers and keeping them intact is also necessary.

References

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