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Responding to Disaster: Leadership in Times of Crisis

By Michael Canic, President of Bridgeway Leadership, and Brett Reagan, Executive Vice President and General Manager of Point Eight Power

Hurricane Katrina had a devastating impact on many levels -- human, material and economic. Like most companies, we had no contingency plan to deal with the prospect of a major hurricane. When it became apparent that Katrina was likely to be such an event, almost all of our employees at Point Eight Power evacuated the New Orleans area.

As the hurricane struck, we recognized the urgent need to develop and aggressively implement a disaster response plan. Within 72 hours of landfall, we had developed such a plan and implementation was well under way.

Five Pillars

We based our plan on five pillars of crisis management:

1. People First. The first responsibility of leaders is to their people. Our primary objective was to account for our employees and their families. Were they alive? Were they safe and unharmed? A related issue involved how to attend to their needs. At least some were likely to need shelter, food, water, medicine or money. Anticipating this, we established a needs-response protocol and began to coordinate a relief effort.

2. Communication is King. We knew that a comprehensive and aggressive communications effort would be critical to our success. Yet the obstacles were formidable. Landlines and cell phones in Southern Louisiana were inoperable. Our Web site and e-mail were down and the status of our servers unknown. We had no Web mail alternative.

Through the efforts of our IT partner, Rockin' Media in Colorado, we were able to secure third parties to temporarily move our Web domain to new hosting, establish webmail access, and redirect our 1-800 number. We then created daily messages on the Web site, including a General Manager's update as well as dedicated sections for employees, clients, and suppliers. Employees were urged to fill in a template with contact and status information. We also wanted to reassure our clients and suppliers that not only had we survived,

but were aggressively managing a disaster response plan with the intention of meeting all our commitments.

It quickly became clear that to establish a viable control center for communications we needed a physical presence outside of Louisiana. We secured temporary office facilities in Houston after receiving numerous offers from both clients and strategic partners. Almost immediately we were able to convene daily leadership team meetings by phone. A prime focus was to develop and implement plans for direct contact with employees, clients, prospective clients and suppliers. The seven-days-a-week meetings

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ensured the leadership team stayed current and on task. Every meeting began with an update of how many employees had been located and their status.

Regular employee phone meetings were then established. We recognized that real-time contact would provide much needed emotional support as well as critical information. We dealt with many questions regarding the state of our facilities and the business as well as their employment and pay. Contacting our business support network was also a priority. We stayed

in close contact with our parent company to address needs with respect to banking, insurance claims and legal advice.

3. Gather Intelligence. In the days immediately following the hurricane, uncertainty reigned. Did our facilities still exist? Were they accessible? Were our work-sites safe and secure? Was our equipment in working condition? Was work-in-progress undamaged? We decided to pursue a joint strategy -- organize a reconnaissance mission of our facilities and concurrently research and secure access to alternate production facilities.

Without access to our server and e-documents, we needed to piece together the status of our current contracts -- production versus commitments. We also needed to determine the status of our leads and proposals. Our explicit goal was to meet every one of our existing commitments and not miss a beat with our business development efforts. To accomplish this we engaged our employees, clients, prospective clients and suppliers.

Intelligence was also required to ensure the controlled flow of money. What was the status of our bank's operations? Could deposits, payables, payroll and taxes all be processed? Again, an unrelenting contact effort helped us ascertain the answers and make adjustments as necessary.

4. Manage Morale. For many, relief came in the form of finding others or being found. However, after the feelings of relief subsided, the enormity and uncertainty of the recovery effort loomed large on people's minds. Would we survive as a company? Would everyone get paid? Would layoffs be necessary? Morale was understandably fragile.

People needed to see a light at the end of the tunnel. Consequently we developed a vision and enlisted everyone in our efforts to achieve it: A handful of success stories will emerge in the aftermath of Hurricane Katrina; a handful of companies who with focus, alignment and commitment will overcome the obstacles, survive and thrive. We will be one of those stories.

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Frequent management contact was also central to maintaining morale. We needed to convey messages that were positive but grounded in reality. We had our managers over-communicate to continually provide focus, reassurance, support and recognition.

5. Honor the Heroic Efforts. Crisis provides the opportunity for heroic efforts, and we witnessed many such efforts at Point Eight Power. Dave Motto, our production manager, realized the impact of monitoring the facility in real-time. Dave decided to ride out the hurricane *at the facility*, which enabled him to react to events that would otherwise have proven devastating. For example, he discovered the large bay-doors to the facility had blown off their tracks. Reacting quickly, he backed up service trucks against the doors, preventing them from breaking away and avoiding a huge inflow of water.

David Doell, the facilities manager, spent many long hours securing our servers and relocating them to Houston. Without this equipment, estimating, engineering and accounting functions would have been severely impacted. His efforts allowed the temporary operations in Houston to quickly go live with minimal disruption.

While many employees were selfless in acting to protect the company, a large number reached out to those outside of the Point Eight Power family. These employees focused on the less fortunate members of the community and provided shelter, food and support in many forms. There was no shortage of heroic efforts.

Six weeks after the hurricane we decided the dust had settled enough to hold an all-employee appreciation party. It signified that our collective efforts had succeeded in guiding us through the first phase of recovery. Additionally, employees who voluntarily reported for work in the weeks immediately following the hurricane received full pay and compensatory vacation time. Those whose efforts were truly exceptional received travel vacations with their spouses.

Outcomes

Within two weeks of the hurricane we verified the safety of the areas surrounding our facility and obtained access passes for employees. A contingent of volunteer employees returned to work. Subsequent to clean-up and repair activities, and with standby generation available, production

operations were quickly resumed. To help this core team be self-sustaining, we dispatched a support van filled with food, water, cookware, sleeping bags and DVDs from Houston.

Within three weeks, we had located all but one of our more than 100 employees. Thankfully, all were unharmed. Yet many suffered damage to their homes and possessions. Two individuals lost everything. Our employees pulled together, however, and provided shelter, food and clothing to those who were impacted.

Client relationships were effectively preserved. Almost all of our commitments were met. For the few that weren't, we pre-negotiated modest schedule adjustments. Several customers expressed amazement at the speed of our recovery after the hurricane. Supplier relationships were similarly preserved.

Point Eight Power was effectively up and running while many other companies were just beginning to assess their situation.

Lessons Learned

Of the many lessons we learned, a handful stood out:

1. Invest in contingency planning. Although very few hurricanes have made landfall with the force of Katrina, it is clear in retrospect that even skeletal contingency planning could have mitigated our difficulties and those of many companies.

2. Respond quickly and aggressively. It would have been easy to spend days wondering what hit us and what to do. The "five pillars" gave us a template for action. Our leadership team provided the impetus.

3. Anticipate the emotional roller coaster. The first two months after Ka-

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trina produced a number of highs and lows. From the severity of the hurricane (low) to locating our people (high), to realizing the extent of the destruction (low) to the successful initial response (high), the roller coaster of emotions was stressful for all. We are now exploring support mechanisms to deal with the longer-term effects of post-traumatic stress.

4. Stay strong to be strong. In times of crisis a leader carries many burdens, conscious or not. We believed that a focal mantra—"Stay strong to be strong"—would help Brett Reagan, Executive Vice President and General Manager of Point Eight Power, deal with these burdens.

To be strong for others, a leader must stay strong both physically and emotionally. To stay physically strong we demanded a regimen of sleep, nutrition and exercise. To stay emotionally strong we insisted on scheduled down time to recover and reconnect with family.

5. Don't prematurely declare victory.

The recovery process is still in its infancy. New Orleans and the surrounding areas will require a massive reconstruction effort. Many people who were affected may not return. We made it through the first phase of recovery but have much work ahead.

Dealing with crisis made us hold a mirror to ourselves. We anticipated poorly but to date have responded well. At least now we are still in the game. ■

About the Authors

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