

Insurance Times: Terror Attacks Invite Renewed Emphasis On Disaster Planning

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World Trade Center Experience of Frenkel & Co. Shows How Planning Improves Ability To Act Quickly in Crisis; Others Reviewing Their Disaster Plans

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When the first plane smashed into New York's World Trade Center tower 1, Bob Wolf was working right next door. Wolf, executive vice president and general counsel for the insurance broker Frenkel & Co., heard the explosions from the 36th floor of Tower 2. He and other company officials looked outside, saw debris flying and immediately decided to evacuate.

"We got people out," he said. "We didn't listen when it was suggested that our building was fine."

Luckily, the 170 Frenkel employees evacuated safely from two floors of the tower, most heading to safety nearly an hour before the building collapsed.

In a tragedy that has understandably knocked a number of companies out of commission, Frenkel & Co. was able to recover relatively quickly – getting back into business within a week of the Sept. 11 tragedy.

A disaster plan outline and some quick thinking helped make it all possible, Wolf said in an InsuranceTimes telephone interview from temporary offices in New Jersey.

"It gave us a line to start with and a direction to go," Wolf said. "Then we could make the decisions we needed to, given the actual circumstances that we were in."

Frenkel & Co., Inc. has offices in California and a total of 220 employees in New York City and New Jersey alone.

After everyone evacuated, some managers got on the phones and tracked down principal owners of the company in Europe. Wolf said they became "a hub for communications" to help relay information about how the company should proceed.

California played a big role in Frenkel & Co.'s disaster plan because offices there housed a backup computer system.

Frenkel lost electronic records from the last week before the disaster but preserved everything else, Wolf said.

The disaster plan called for the company to move its people to California as a backup. But managers, under the unique circumstances of the WTC disaster, quickly decided that shifting staff and operations to existing space in New Jersey would work better.

Wolf and other managers, meanwhile, set up operations at the company's Englewood Cliffs, N.J. subsidiary to coordinate recovery efforts.

Though the plan covered backup computer files, other actions by quick thinking Frenkel staff helped the company address its immediate needs after the disaster.

For example, employees already had access to replacement computers because a Frenkel supervisor based in New Jersey made a quick decision to order new machines from a supplier after the first plane hit the Twin Towers.

"He decided that he could always cancel orders, and it was a prudent thing to do," Wolf said. "In retrospect it was a key event in getting us back as quickly as we were."

Managers also used telephone trees to keep communication open between supervisors and employees in the company's different business segments to keep track of efforts to return to full operations.

The day after the tragedy, Wolf and Chief Financial Officer Michael Glazer met with employees in New Jersey and talked to the company principals again, after which they made arrangements to lease space next to their existing Englewood Cliffs, NJ subsidiary offices.

Other senior people found temporary office space elsewhere in Manhattan. The company also updated its office Web site and rerouted its New York number to New Jersey, allowing customers a quick way to contact Frenkel & Co. as needed.

Wolf maintains a New York apartment but he and his family still keep their home in Charleston, S.C. Wolf said a client tracked him down there to find out "how his account executive was.

"It shows you," he said, "what lengths people went to try and get in touch, not that they needed service. They were interested in the well being of the people they worked with.

"We didn't have very many clients that suffered losses ... Clients that were in the area and suffered losses were in the same boat we are so (they) certainly understood."

Within a week, however, employees were split between their temporary New York and New Jersey offices, computers were operational and employees could get online to check files, send and receive emails and conduct business. Employees who hadn't had to commute to New Jersey before even found that potential problem taken care of. Frenkel & Co. set up a livery service to help ferry employees either to mass transit or directly to work. The service, Wolf said, will run as long as the company continues in its temporary locations.

Frenkel & Co.'s insurer, the St. Paul companies, has been helpful throughout, Wolf said.

Aside from a few bugs, Wolf said, the disaster plan outline and subsequent actions by company officials helped minimize any disruption Frenkel is facing.

That aside, Frenkel & Co. also made permanent plans for a new home. The company recently rented new permanent space in Midtown Manhattan and a new small office in Jersey City, with plans to occupy the areas by early December. Of 170 Frenkel employees from the World Trade Center, 110 will move to the Midtown office, 40 will move to the Jersey City office and 20 will stay in the Frenkel subsidiary office in Englewood Cliffs.

In the end, Wolf said, the company looked at its recovery efforts as a chance to reevaluate how it does business from top to bottom.

"We used it as an opportunity to look at how we conducted operations, what would be the best space, and so we reformulated where we would conduct our operations," he said.

The disaster plan, he said, worked like "a road map, like a strategic plan or any other plan."

The basics of the outline helped the company cope, he said, even though "there were things we hadn't thought about that we had to deal with."

Other elements helped, Wolf said, like cooperation from both employees and clients.

The first few days were "hard and frustrating," he said, as employees struggled without phone numbers or up to date files.

"But people worked their way through, slowly but surely," he said.

Throughout the recovery, Wolf said, Frenkel & Co. principals have also tried to help employees recover emotionally by being sensitive to their needs.

The new Midtown Manhattan space will be on the fifth floor of a new building, he said, rather than on a higher floor that could create anxiety.

"They avoided high floors and avoided going into the downtown area where people may be exposed to unpleasant reminders," he said.

"They were very conscious ... of making sure that people felt comfortable where they'd be working," he said.