

KLINK & CO., INC.

A Global Leader in Risk Consulting

Communiqué

CORPORATE SECURITY : ITS TIME TO GET PROACTIVE

The following is the second in a series of Klink & Co., Inc. Communiqués addressing responses to the recent developments in the world.

This communiqué discusses the security issues facing corporations in light of the recent terrorist attacks in the United States.

In light of the tragic events of September 11, 2001, corporate security and safety have taken on new importance. No longer can management take a wait and see attitude and react to situations as they arise. Instead, corporations must be proactive to ensure the safety of their employees and property.

Now more than ever, corporations, large and small, need to take an aggressive position and re-evaluate their approach to corporate security and responses to critical situations. Failure to act now, may result in catastrophic losses in the future.

1. Physical Security

The first area of concern for most corporations is the

physical safety or protection of their employees and physical assets.

At first blush, physical security seems to be an easy issue to address. But, in this day and age, restricting access may not be adequate. Rather, every corporation needs to develop and/or refine a comprehensive plan, addressing both strengths and weaknesses, to secure its human and physical assets. In doing so, the following factors should be considered:

- Hiring procedures and screening;
- Access to property, including a thorough investigation of weaknesses in the current and in the proposed system;
- Executive protection;
- Policies and procedures;
- Protocol for breaches; and
- Training and implementation.

Many other issues peculiar to each company must also be addressed to ensure the completeness of the program.

2. Travel Security & Employees Overseas

Traveling and living outside of the United States poses

serious risks and concerns for companies. The well being of every employee is a priority. Before employees travel or live outside of the U.S., every company should:

- Obtain travel bulletins and alerts that provide up-to-date analysis of the current state of affairs in that particular country;
- Consider security and protection before leaving the U.S.;
- Develop guidelines for travel; and
- Develop a Critical Response Program to aid in dealing with situations when they arise.

3. Response Policy to Critical Situations

While companies may have elaborate policies and procedures, many fail to establish important protocol for reacting to and handling critical situations.

Every company should have a written manual that directs employees and management in the manner in which to respond to a crisis. The Response Policy serves two purposes:

- Develop a concise and uniform response to crisis situations; and

- Provide documentation for governmental agencies or counsel that become involved in a situation.

This Response Policy should include:

- A chain of command for each situation;
- Names and contact numbers for key command personnel;
- Steps that should be implemented for each specific incident;
- Information that needs to be recorded; and
- Any outside agencies that need to be contacted and who should make the contact.

The Response Policy should be periodically updated to reflect changes in personnel, telephone numbers and changes in philosophy regarding the handling of these incidents.

The Response Policy should, at a minimum, address the following potential incidents:

- Terrorist acts, e.g. bomb threats, kidnapping, attacks and explosions, etc.;
- Medical emergencies;
- Power outages;
- Hazardous material releases;
- Domestic Relations situations;

- Serious weather conditions; and
- Death and suicide (attempts or actual).

4. Training

Policies and procedures without a comprehensive training program will be ineffective, at best, and catastrophic, at worst. Employees must be educated to the existence of policies and procedure, as well as to what the policies and procedures entail.

Training ensures uniform response to situations that arise, and increases the ability to protect lives and assets. Furthermore, documentation of training will help insulate a corporation from lawsuits, penalties and fines resulting from critical situations.

Train, teach, document, and update are the four solid cornerstones to employee knowledge.

5. Conclusion

Strong security and safety practices are musts in today's environment. When properly implemented, they do not need to "eat" away at profits, nor impede the conducting of day-to-day operations.

Instead, having a solid set of policies and procedures can help a corporation run smoother, safer and more efficiently when difficult situations arise. A small investment of time and resources can create a solid foundation for a safe and secure work environment.

This Klink & Co., Inc. Communiqué is prepared in summary form and is not to be construed as legal advice or an opinion on any specific fact or circumstance.

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