

McKesson Medical-Surgical Disaster Recovery and Business Continuity Planning

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McKesson Medical-Surgical (MMS) implements and maintains processes and solutions designed to protect our people, workplaces and the continuity of critical business processes from natural disasters, operational incidents, accidents and human-caused threats. MMS's program objectives include contributing to the health and safety of MMS employees as well as its customers.

This document is intended as an overview of our procedures and provides information about MMS's disaster planning and business continuity processes as they relate to a computer systems' disaster and a distribution center or corporate headquarters disaster.



Disaster and Business Continuity Procedures

MMS establishes maximum downtime expectations for each process, product or service in order to drive the assignment of recovery objectives for its business processes and technologies. These MMS processes include its top five mission critical areas:

Five Mission Critical Areas

1. Sales Order Management Process: Meeting MMS's customer supply needs on time
2. Inventory Management Process: Procuring and receiving supplier inventory
3. Order Fulfillment Process: Picking/packing/shipping customer orders
4. Personal Customer Navigation: High availability of customer service
5. Logistics: Transportation and routing

Specific Roles and Responsibilities for Business Continuity and Disaster Recovery

MMS employee's, in conjunction with McKesson Corporation, have a variety of responsibilities within our business continuity and disaster recovery plans.

Some of these roles include:

Disaster Recovery Coordinator(s): DRC

- Confirms all appropriate IT business processes and technologies are included in the IT service continuity program.
- Develops, documents and implements strategies to effectively recover critical IT business processes, technologies and associated products and services.
- Completes appropriate IT business continuity and disaster recovery plan maintenance activities.

Emergency Response Team: ERT

- Reviews the emergency response plan to help ensure familiarity with response-related roles and responsibilities.
- Leads and/or participates in the response effort during an MMS disruption.

Procurement:

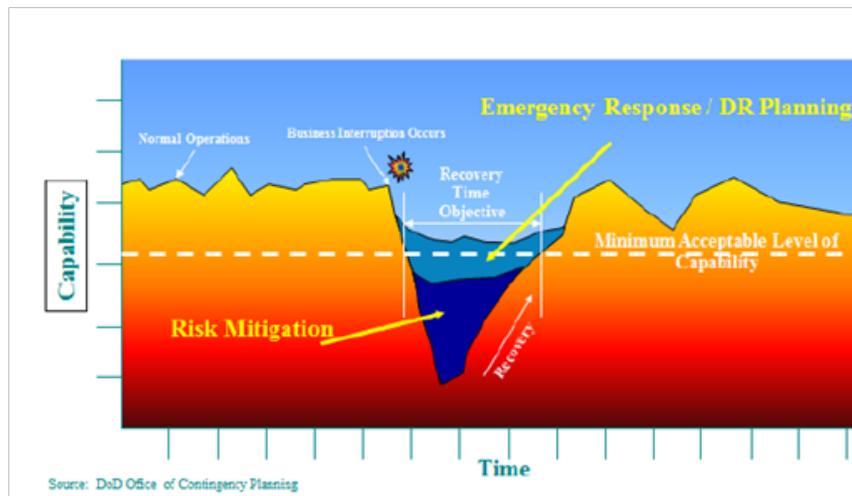
- Responsible for acquiring necessary resources and services in support of business continuity and disaster recovery strategies.

In the Event of a Systems Failure

MMS Disaster Recovery Plan covers both the corporate and field data centers. This plan outlines procedures to be followed in the event of:

- (1) loss of a data center; and/or
- (2) loss of distribution center (DC).

The disaster plan procedures, when fully executed, allow MMS to provide continuity in system operations and availability. This plan takes advantage of the autonomous DC's and customer service facilities and their redundant capabilities. MMS's down-time procedures also capture how all points of contact work together, from communications to field sales personnel, customer service and operations to minimize disruption to MMS distribution services in the event of a system disaster.



Systems Disaster Recovery Services

MMS has contracted with SunGard Recovery Services (<http://www.sungard.com/>). SunGard is a world leader providing disaster recovery solutions. Services provided to MMS include:

1. Alternate Site Recovery – In the event of a declared disaster, MMS' computing environment would be restored and recovered at a geographically disparate location.
2. Comparable Computing Equipment – SunGard provides computing hardware comparable to the devices MMS uses in its production environment.
3. Management Recovery Services – SunGard provides experienced recovery technicians knowledgeable in operating system platforms.
4. Consulting Services – SunGard provides continuous consulting services to help address changing requirements. SunGard consulting services also provides a project lead who maintains the planning and execution timelines as well as document retention.
5. Annual Testing – MMS prepares and performs an annual disaster recovery exercise at the Philadelphia SunGard facility to test and prove recovery procedures.

Business and Customer Technologies

MMS main corporate systems are located in a state-of-the-art data center in Rancho Cordova, California. MMS helps ensure that all customer technologies and applications have the ability to sustain a failure in one or more components of the application infrastructure without a disruption in service. For example, MMS employs server clustering technology in the database tier to protect against a service outage should a database server encounter a hardware failure. This extra level of protection helps ensure that customers using MMS technology experience minimal, if any, impact to their software or technology.



In addition, each DC has a dedicated server that, while linked to the corporate systems, can operate independently, allowing one or more DC's to drop off-line without affecting the others. To help ensure customer data protection, all DC computers are backed up daily. One set of back-up tapes is moved to an offsite location to provide another layer of protection.

MMS Online Ordering Systems Failure

In the unlikely event that MMS's customer online order systems fail (e.g. McKesson SupplyManagerSM), we have an alternate plan for taking manual orders through its customer service departments. Each agent can take orders via fax, email or by phone. They will then transmit the orders to our DC's for processing. If MMS experiences problems with an ordering system, the system will display a message to users asking them to contact MMS customer service.

ERP System Failure

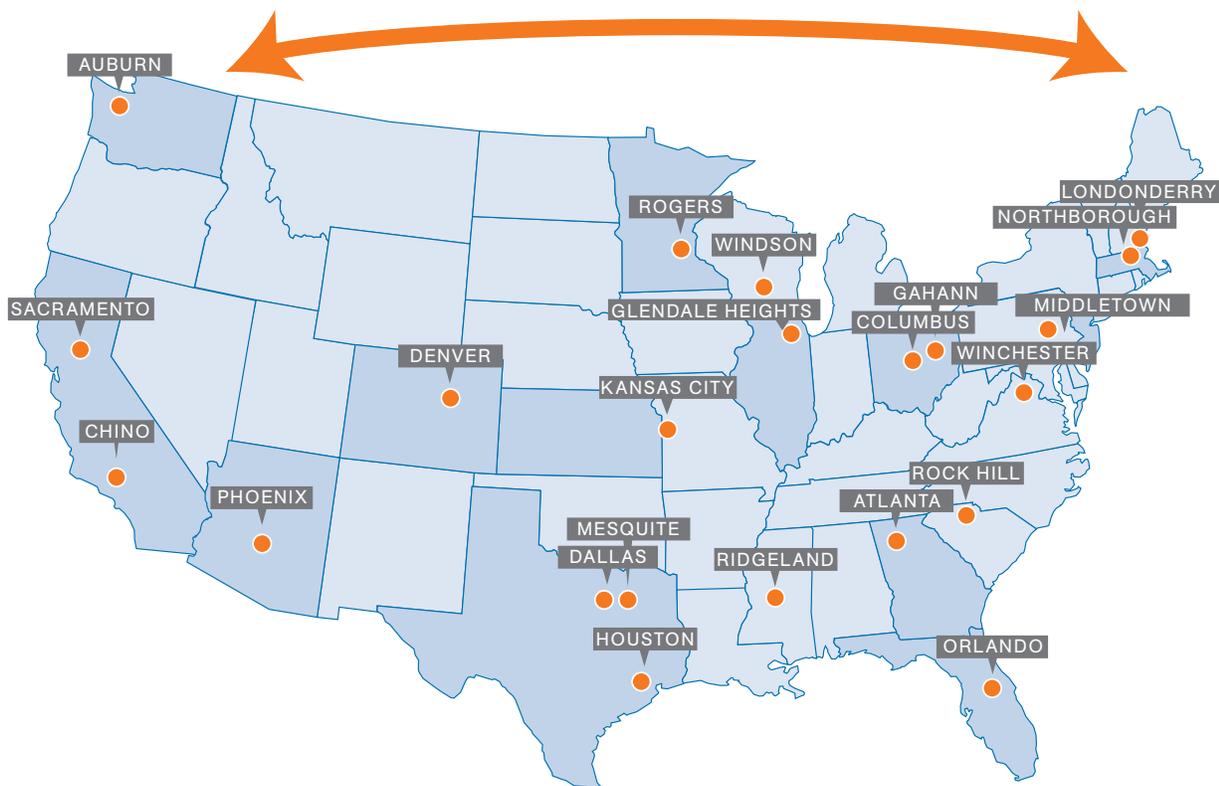
In the unlikely event that MMS's Enterprise Resource Planning (ERP) system experiences an outage, MMS's IT teams have built an order processing application to capture customer orders from its online systems, which will then feed into its DC's for processing.

Distribution Center Planning

MMS has many DC's located across the continental United States. Each of the MMS DC's has a business continuity plan which includes key objectives and responsibilities for disasters and systems disruptions. The goal of these plans is to provide a minimal disruption of service to MMS customers while helping to ensure the safety of its employees. In the event that a DC is not able to operate normally, these plans allow for the transfer of operations to a redundant DC. In the event a DC becomes unable to provide services, orders can be sent to the closest alternate facility not impacted by the event.

MMS's plans also keep our sales force and customer service staff informed in the event of a disaster or system disruption so that these groups can communicate the latest updates to customers.

Failover sites for all locations across the U.S.



Helping Customers During Man-Made or Natural Disasters

MMS also has disaster plans in place in the event of a natural (e.g. hurricane, pandemic) or man-made disaster (e.g. terror threat). MMS is prepared to act quickly and efficiently in a crisis. MMS will prioritize and allocate the delivery of critical customer shipments utilizing all transportation resources available (helicopters, emergency vehicles, etc.). MMS relies on the capabilities and cohesiveness of its sales teams, customer service departments and DC's to provide excellent service to our customers. The local DC's inventory can be supported by expediting products from any of MMS 3,800 suppliers, or from any of MMS other DC's.

Additional Resources

Situation Name	Agency/Organization of Authority	Website
PANDEMIC HEALTH OUTBREAK	CDC, WHO	http://www.cdc.gov/ http://www.who.int/en/
TERRORISM	Home Land Security	http://www.dhs.gov/index.shtm
TORNADO	FEMA, NOAA	http://www.noaa.gov/
HURRICANE	FEMA, NOAA	http://www.noaa.gov/
FLOOD	FEMA, NOAA	http://www.noaa.gov/
CHEMICAL/HAZMAT	Home Land Security	http://www.dhs.gov/index.shtm
EARTHQUAKE	FEMA, NOAA	http://www.noaa.gov/
SEVERE WEATHER	FEMA, NOAA	http://www.noaa.gov/

