

BUILDING BUSINESS RESILIENCE

Organizations traditionally rely on their leaders to identify blind spots and conquer challenges. However, today's uncertain and unpredictable reality demands building resilience across the organization to support the corporate strategy and vision. It fosters an appreciation that no decision is without consequence and no organization is immune.

Business resilience is rarely a consideration of traditional enterprise risk management or business continuity. Given the dynamic risk environment, virality of events, and increasing interdependencies with decreasing control, organizations must become better at identifying blind spots and taking proactive steps to manage potential outcomes.



LEADING PRACTICES

While formal business resilience programs are still evolving, more mature organizations embrace the following leading practices.

1. Invest in a resilience program that is charged with expanding the risk lens, building capability and accountability, and balancing focus between strategic and day-to-day priorities.

Resilient organizations require a dedicated and resourced program with strong leadership that can force leaders to step away from the pressures and pace of day-to-day operations and drive resilience-based conversations into important decisions. A resourced program helps the organization imagine risks and their range of potential effects more broadly, as well as the opportunities they provide. It builds confidence around the knowledge that unplanned for or unforeseen events and their consequences are more likely to happen than not but that the organization is prepared and can react.

2. Select a strong and vocal executive sponsor to own the resilience program. Reinforce via CEO and executive support.

Resilience must be an organizational priority, beginning at the top. Organization placement matters less than meaningful CEO attention. A program is more likely to thrive if it has focus, investment, and a respected executive champion with a proven history implementing programs.

3. Convene a dedicated, cross-functional group charged with achieving resilience objectives.

Resilient organizations recognize that every part of the business plays a role and offers valuable input. Diversity of perspective exposes biases and blind spots. Cross-functional dialogue captures interdependencies and minimizes siloed decision-making.

4. Reinforce the behaviors required of all employees to identify and escalate potential resilience concerns, including the identification of specific risks and cascading impacts.

Resilient organizations acknowledge employees play a critical role in identifying risks. They focus on ingraining resilience practices into how the organization operates, behaves, and decides. Employees are encouraged to question the status quo, imagine "what if," and escalate concerns to minimize the "we got it refrain."

LEADING PRACTICES CONTINUED

5. Develop a strategy for communicating and demonstrating how every employee directly contributes to the organization's resilience.

Resilient organizations invest in ongoing awareness and education efforts to drive understanding, reinforce desired behaviors, and promote continuous learning. They recognize the value of role-based education as well as individual awareness.

6. Design and execute stress tests, tabletop exercises, and scenarios that move beyond traditional operational responses to test the organization's resilience posture.

Resilient organizations prioritize an agile response over a textbook response. Exercises and tests include employees from across the organization and explore reputational, regulatory, financial, operational, and strategic impacts. After action reports are completed, improvements implemented, and quality is monitored.

7. Identify key stakeholders within your ecosystem and engage them in planning efforts and exercises.

Recognizing second and third order implications, resilient organizations engage key suppliers and vendors in resilience planning activities to enhance support and improve outcomes. Blue sky engagement and joint exercises hasten response and provide other mechanisms for identifying biases and blind spots.

8. Define resilience metrics [while allowing for evolution] and collect baseline measures. Emphasize accountability across functions by regularly measuring performance.

Resilient organizations recognize how metrics drive accountability but have found it difficult to quantify the true value of resilience. Reliability, availability, safety, security and other operational metrics and performance indicators are good baselines. Employee engagement and self reporting are emerging measures, as is sharing outcomes from resilience-based decision-making.

Resilient organizations recognize disruption is often complex, beyond direct control, and sometimes existential. They recognize the need for forward-looking and agile practices to anticipate these changes. What are you doing to prepare?

- Does your focus extend beyond compliance? What activities support this?
- What unconventional risks are you considering and planning for? Have you asked the same of your vendors and suppliers?
- How do you partner with other business units or corporate functions to address complex threats?
- Have you implemented resilience-based decision making?
- Are your employees encouraged to ask "what if"?

Contact us to conduct a **Resilience Stress Test** or to learn more information.