Getting Started with Business Resilience

**BREAK DOWN SILOS TO IMPROVE
READINESS AND RESPONSE**

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Your Guide to Effective Business Resilience

Many executives are confident in their ability to manage one crisis at a time. But it's a different story when there are multiple issues occurring simultaneously, like supply-chain disruptions on top of a ransomware attack.

Dealing with cascading challenges requires a more nimble, holistic, agile approach than is possible with traditional event-based resilience planning. A forward-looking, integrated approach prepares the entire organization for response and recovery when several disruptions happen at once. To be successful, you must have a keen understanding of your organization—internally and externally.

What is Business Resilience?
Business resilience refers to an organization's ability to minimize the frequency of disruption, as well as the impact on the market, customers, and internal stakeholders. It is achieved by removing unnecessary boundaries between crisis management, operational resilience, and business continuity to successfully integrate both readiness and response capabilities. This objective is best achieved through influence flowing down from your leadership team to the rest of the organization.

A recent McKinsey survey found:

Nearly two-thirds of companies consider resilience central to their organizations' strategic process.	Foresight capabilities – scenario and stress testing – are core areas for improvement.	Risk functions and executive teams play leading roles in building a resilient organization.	A better risk governance model is key for efficient and effective decision-making and crisis management.
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Prepare Now for Inevitable Disruption

Business as usual is being tested every day. From cyberattacks to severe weather events and ongoing supply-chain disruptions, the threat landscape is expanding and evolving. Blind spots and hidden vulnerabilities can increase the frequency or impact of a crisis, adding to the difficulty of managing coinciding disruptions.

If you view preparedness in pieces – by department, location, business unit, etc. – it can be difficult to understand your collective resilience as an organization. To get an accurate picture, remove boundaries between crisis management, operational resilience, and business continuity.

Taking a holistic and integrated approach to managing risk will help you achieve a level of resilience that ensures you can confidently mitigate and manage risk and effectively prepare to respond and recover from disruptions. When done right, business resilience enables you to replace that nagging feeling of uncertainty with confidence.

And that's important because it's no longer about if disruption will occur; it's when it will occur.

This guide contains a five-step framework to achieve business resilience.

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STEP 1:
UNDERSTAND CONTEXT

Business resilience demands that you understand your organization and its surroundings. This concept is considered best practices for both business continuity and operational resilience.

By gathering context, you gain better insight into:

• The end-to-end business capabilities your organization maintains to deliver products and services

• The impact your organization has on the marketplace in the event of a disruption

• The level of pain your customers may feel in the event you are disrupted

• The consequences if certain crisis situations materialize and remain uncontrolled for long periods of time

• The severe, yet plausible, scenarios that can trip up your ability to execute business strategy.

In short, context enables you to lay a solid foundation for your business resilience program – a foundation from which you can confidently make informed decisions before, during, and after a crisis.

You'll need to have many in-depth conversations internally and externally about the key areas noted above. While you can use a checklist to gather contextual information, build partnerships to have conversations that go beyond the traditional thinking that usually exists within siloed operations.

STEP 2:
DEVELOP A DIGITAL MODEL

The volatile environment over the past few years exposed how often interdependencies are overlooked. Developing and maintaining a digital model of your organization and business processes will help you transform resources within value-added product or service-delivery channels – with your customers and throughout your supply chain.

Your digital model can give you an end-to-end perspective on your operations, which is invaluable for assessing vulnerabilities, addressing change management, and making better business decisions.

Your digital model will empower your organization to:

- Define end-to-end business processes that align to your organization's most important products and services.
- Build processes to mine information when needed.
- Use the information to respond and plan ahead.

STEP 3:
EMPLOY VULNERABILITY MANAGEMENT

Business resilience isn't just about your organization's ability to respond to and recover from disruptions. It's also about architecting your organization to prevent disruption in the first place.

While you can't predict every possibility, you can work to decrease the frequency of disruption by minimizing single points of failure and controlling the impact through recovery strategies and substitutes.

When looking at your vulnerability management approach, consider:

• Setting expectations where change-related decisions are made

• Implementing plans to mitigate where a business case presents itself

• Building timely response and recoverability

With vulnerability management, intention is key:

• Have you set standards?

• Are you able to uncover single points of failure?

• Can you build a use case for redundancy and recoverability?

With the answers in hand, you can begin building resilience into your business model.
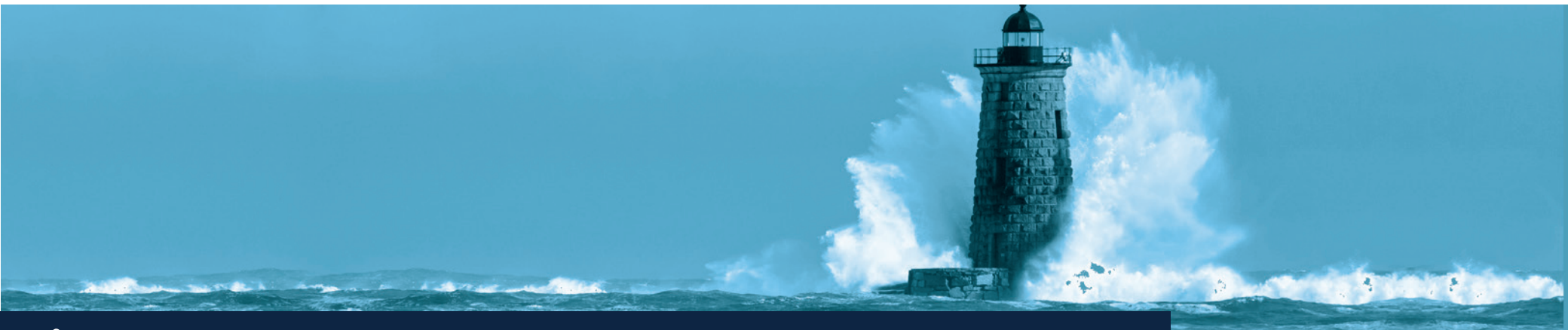
STEP 4:
GAIN SITUATIONAL AWARENESS

In terms of business resilience, situational awareness is about evaluating all available sources of information to gain insight into something bad that might happen and what its impact may be. Identifying a potential crisis and the impact requires sifting through mountains of information as efficiently as possible to give you the greatest advanced notice.

Fast and accurate alerts can then get the right information to the right people. Your team members can make decisions, take appropriate actions – and see the downstream impacts of a disruption. This takes modeling, planning, and testing to make sure the process goes smoothly when faced with real-world circumstances.

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STEP 5:
BUILDING RESPONSE COMPETENCE

When talking about building response competence as part of business resilience, it isn't just about putting a crisis management plan on paper and hoping it works in real life. Response competence is about building a cross-functional team that ensures the right people with the right skills and experience can make effective and informed decisions quickly.

Your response competence depends on:

- Your team
- Engagement
- Communications
- Practice, practice, practice
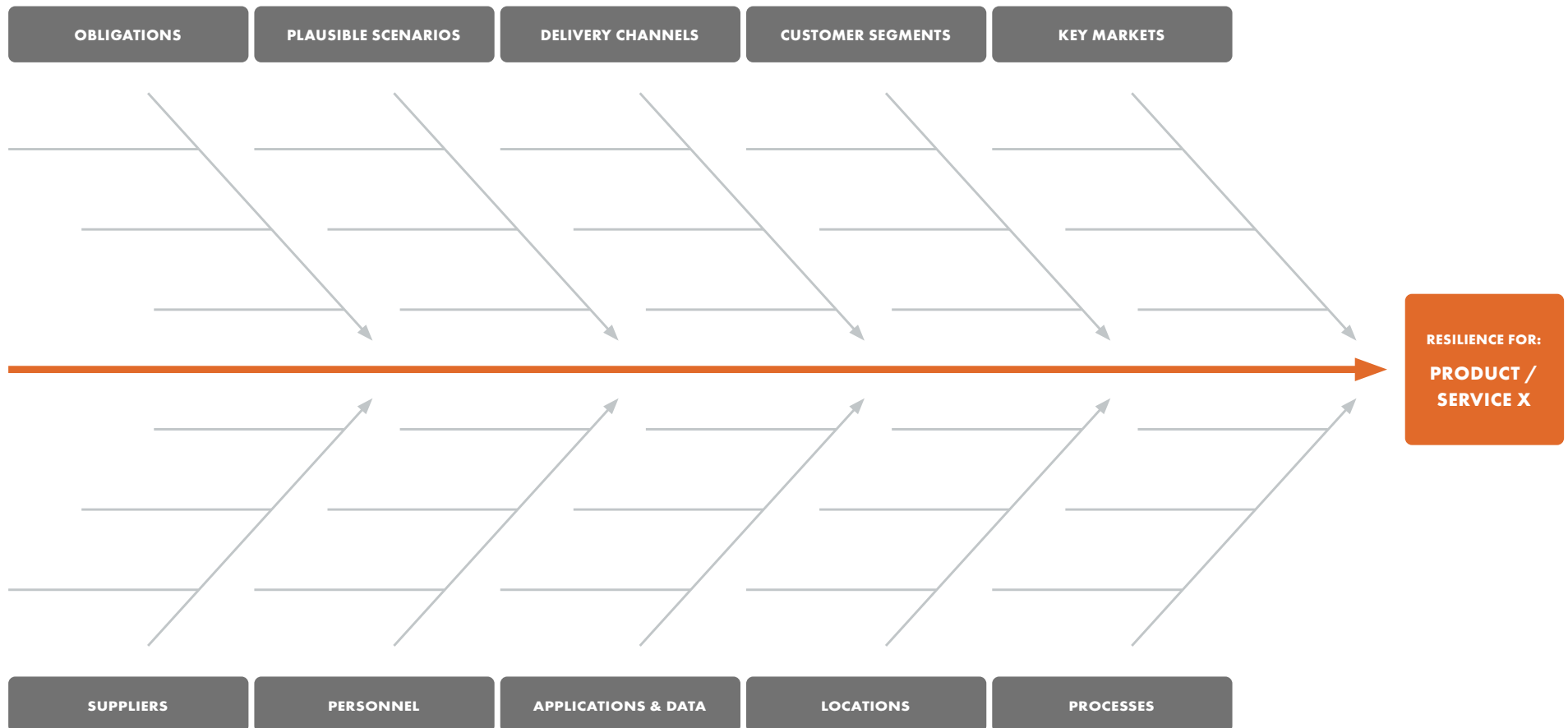- Corrective actions
- Case study reviews

Remember, business resilience is not about the possibility of a disruption. It's about planning for disruption when it occurs. Although you can't predict every threat source, you can develop a response capability that can become more agile over time.
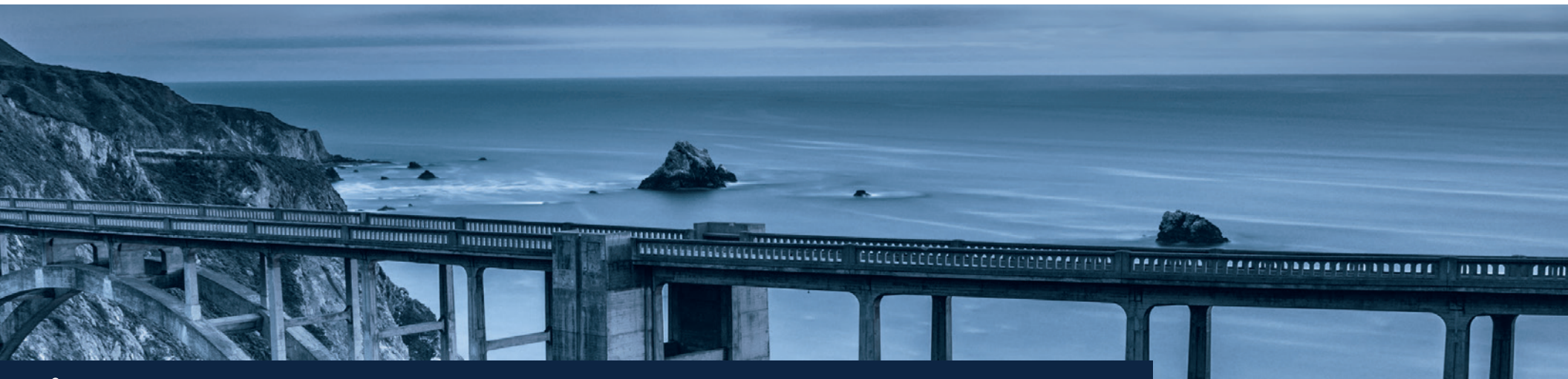
WORKSHEET

Start your business resilience journey by mapping an end-to-end view of your organization for each product or service, from suppliers to customers. Complete the fishbone diagram to document each of your most important products and services. Highlight single points of failure in red and the lack of recovery strategies in yellow. Focus your actions on the highlighted areas.

OBLIGATIONS	PLAUSIBLE SCENARIOS	DELIVERY CHANNELS	CUSTOMER SEGMENTS	KEY MARKETS

RESILIENCE FOR:

PRODUCT / SERVICE X

SUPPLIERS	PERSONNEL	APPLICATIONS & DATA	LOCATIONS	PROCESSES

ABOUT RISKONNECT

Riskonnect is the leading integrated risk management software solution provider. Our technology empowers organizations with the ability to anticipate, manage, and respond in real-time to strategic and operational risks across the extended enterprise.

More than 2,000 customers across six continents use our unique risk-correlation technology to gain previously unattainable insights that deliver better business outcomes. Riskonnect has more than 800 risk management experts in the Americas, Europe, and Asia.

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