Resilience First Webinar Summary

'Resilience Reimagined: a practical guide for organisations'

in partnership with the National Preparedness Commission

Chair:
Lord Toby Harris, Chairman, National Preparedness Commission.

Speakers:
Professor David Denyer, Professor of Leadership and Organisational Change, Cranfield University.
Mike Sutliff, Project Director, Resilience Grand Challenge, Cranfield University.
Discussants:
Rick Cudworth, Partner, Deloitte.
Mike Butler, Chief Resilience & Control Officer, Santander UK.

Key Opening Remarks:
- This paper was prepared for National Preparedness Commission by Cranfield University with the support of Deloitte. The National Preparedness Commission brings together 45 leading figures across business, academia, public and civil society, with the purpose of promoting better preparedness in the UK for a major crisis or incident.
- A 'whole-of-society' approach to resilience, where all levels of life are considered, will leave the UK in a better state of preparedness.

Introducing the Report:
- The report looks at how organisations can prepare for disruptive events, taking a perspective from Covid-19 and the 2008 financial crisis. Leaders were interviewed from a variety of sectors and the learnings were consolidated into a practical guide for organisations.
- It is worth noting that a lot of good work has been done in recent years within the protective and preventative areas of enterprise risk management, business continuity planning and disaster recovery. However, resilience is considered to be much more than a defensive tool.

Key Findings:
- There are seven practical steps that can be learned from organisations that demonstrated more mature levels of resilience to the crisis. The organisations which performed best saw risk and resilience as strategic leadership issues which were lived and breathed throughout the organisations and existed as part of their genetic makeup.
- The seven practices are:
  - 1 – Organisations that were more resilient were comfortable in discussing future failure and they felt psychologically safe in posing the questions of what if and what next. This was a clear differentiator.
  - 2 – Strong organisations would look at the whole system or ecosystem within which they operate. They would see this system through five capitals: financial, operational, reputational, human/people/wellbeing, and natural/environmental capital. This helped organisations to understand and appreciate their inputs and impacts on the wider system.
  - 3 – High-performing organisations understood what was important to their end users and considered what their essential outcomes or key deliverables were by both end user and industry.
  - 4 – The mature organisations would then define what a tolerable impact threshold was on their ability to deliver their essential outcomes to their end users. For example, they would set standards on what they considered an acceptable or

unacceptable level of downtime between crisis, and their ability to deliver their service to the end users. It is possible to set impact thresholds for all five capitals.

- o 5 – Organisations have strategic choices on how to build resilience. Traditionally, organisations would opt for a first solution of introducing more controls. However, stronger organisations would go beyond this by asking themselves: What are the delivery alternatives? How do we optimise? What we are currently doing and can get better at? Can we innovate and do something completely different? The importance of this line of questioning is that it encourages organisations to think of what changes can be made now in order to be the best fit for the future.
- o 6 – Organisations that stress tested their systems with plausible severity performed well. One of the big lessons is that the more severe and implausible the scenario is, the less likely it is for anything valuable to be gained from testing an organisation against it. Rather, it was important to consider how one would address key deliverables, outcomes and tolerance thresholds in a diminished resource scenario, such as 20% staff being unavailable. This makes the scenario more real and also prepares one to respond to a more diverse set of crises, not just hurricanes.
- o 7 – The role of leadership in building resilience is paramount. It is driven by the board and distributed throughout the whole organisation. Mature organisations showed direction, alignment and commitment in building resilience.

Discussion Points:
- The seven themes developed in this report are also highlighted in other recent work. This is an indicator that there is an appetite to move in a more resilient direction.
- The report contained a recognition of the shift we have to take away from the traditional and more reactive business continuity planning and towards a forward-focussed, horizon-scanning resilience model. Resilience should require us to think beyond agility, beyond survival, and towards thriving and flourishing in good times and in spite of crisis.
- Resilience has transitioned to a business-as-usual activity. As the world changes, organisations must stay on top of these changes for their own sustainability and longevity. Resilience is no longer just a project for the Chief Risk Officer but the owner or CEO for the organisation as a whole. It was also considered that strong organisations were those that thought about the resilience of their sector or industry, and not just themselves.
- For resilience to be adopted widely, it needs to come with both a push and a pull. The push is how it can be used as a strategic advantage but the pull could also be provided through government such as requiring organisations to produce a resilience statement or through other forms of regulation or policy development.
- On the topic of whether resilience differs when handling rising-tide events (e.g. climate change) or sudden shock events (e.g. terror attacks), it was mentioned that across the crises spectrum there are very few that are actually sudden shocks. Most incidents have a longish run-up period where interventions could have been made. However, their severity may be small enough to mean that the points of intervention become hard to recognise. Resilience is therefore less about the severity or plausibility of a crisis and more about acknowledging that something could happen, and we should be prepared.
- When asked how to get C-suite managers to take resilience seriously, some key points were raised. First, that resilient leaders saw resilience as a social contract and as part of their legacy. Secondly, it was pointed out that thinking through an outcomes-based resilience lens is just good business. Resilience shouldn't be divorced from everyday good management.
- In order to consider resilience as a social contract from executive-level leadership, the question was raised about with whom that social contract resided? It was considered broadly speaking as an organisation's key stakeholders. However, stakeholders were to be viewed through the five capitals in order for executive leadership to consider which perspective they were viewing their delivery of essential outcomes. This would provide a holistic base to consider their social contract.

- An important point was raised on communication during a crisis, or during downtime, that an organisation's resilience solution may not have to cost that much. However, the impact of communicating that solution to the end user or customer could be incredibly valuable. Resilience solutions do not always need to be overly technical and can sometimes be quite simple.

Key Takeaway:

- When considering a disaster, in order not to get caught up in catastrophic events, it is important to consider what is a tolerable level of failure within the wider system and for the future. A case was given within the education sector when discussing what a disaster would mean for them, one head teacher said a child leaving their school unable to read, write or add up represented an intolerable level of failure, over and above a school closure for example. This highlighted, within an organisational setting, the importance of leadership.

A full recording of the webinar can be accessed here with a downloadable version of the report found here.

Speakers' Biographies:

Lord Toby Harris was made a Life Peer in June 1998 and has been Chair of the Labour Peers since 2012. He was until recently Vice Chair of the UK Parliament's Joint Committee on National Security, having been a member for most of the last decade. He is a member of the House of Lords' Select Committee on Life Beyond COVID and was a member of the Committee on Democracy and Digital Technologies, which reported in summer 2020. Outside Parliament, he chairs the National Preparedness Commission, whose mission is to promote better preparedness for a major crisis or incident, and is President of the Institute of Strategic Risk Management. He has also been Chair of National Trading Standards (which is responsible for delivering national and cross-boundary consumer protection enforcement activity) since May 2013, and Chair of the Fundraising Regulator (overseeing charitable fundraising) since January 2019. In addition, he chairs the Independent Advisory Group on Ethics for the National Crime Agency. In 2016, he conducted an Independent Review for the Mayor of London on London's Preparedness to Respond to a Major Terrorist Incident.

David Denyer is Professor of Leadership and Organizational Change and Commercial and Development Director at Cranfield School of Management. He has published a large number of important and highly cited articles and book chapters. He is strongly committed to, and has a significant track record of, developing the next generation of researchers. David is a founding member of the International Evidence-based Management Collaborative. In 2009 he obtained a prestigious Advanced Institute of Management Research Fellowship. David has a significant track record of successfully delivering research projects funded by the Economic and Social Research Council and Engineering and Physical Sciences Research Council, the National Institute for Health Research Service Delivery and Organization and the private sector. David works with organizations to build capabilities of change, leadership, resilience and high reliability. He helps senior leaders in a wide range of organizations to establish strategic direction and deliver sustained performance improvement. David designs, facilitates and delivers compelling learning events for senior executives. He was voted HR magazine's 2012 'Most Influential UK Thinker'. In October 2016, David became a Fellow of the Academy of Social Sciences.

Mike Sutliff is Project Director of the Resilience Grand Challenge at Cranfield University. The Grand Challenge seeks to connect and amplify the impact of the critical mass of academic work taking place at Cranfield across a diverse range of sectors; defence and security, energy and power, environment and agri-food, manufacturing, transport systems, water and management. Mike has worked at Board and executive level with individuals, groups and teams helping them apply a design thinking approach to a range of strategic, organizational and customer facing innovation challenges.

Rick Cudworth has over 25 years' industry-leading experience in Crisis Management and Resilience. He has been interim Group Head of Resilience for two global banks has supported and facilitated executive leadership in responding to crisis events. He is a recognised industry leader in his field and Chair of the British Standards Institution Technical Committee for Continuity and Resilience.

Mike Butler is a senior leader in global financial services with significant C-suite and regulatory engagement on multiple matters including Risk, Control, Strategy, Change and Operations. He has successfully led multiple transformation programmes including creating Risk Management Frameworks (Operational, Reputational & Conduct Risk), large organisational transformation programmes and building & operating global Service Management functions. Managing multi-million Pound, Dollar and Euro budgets in large, international organisations, managing large global teams, influencing large virtual teams. He has a strong track record of delivery and is able to quickly and effectively immerse himself into an organisation, identify the key challenges, formulate a strategic response and successfully deliver against them. Mike is passionate about people development, participating heavily in talent management, graduate recruitment, people development, mentoring/coaching, lecturing university students and leadership training. When he is not working, he is a school governor, raises money for prostate cancer, mental health and other men's health issues and has co-founded a campaign to lobby for changes that lead to increased motorcycle safety in London.