4 Steps to Build Operational Resilience
Business Ecosystems Are Complex—Disruptions Will Occur

Organizations across the world have felt disruptive impacts from the global financial crisis, COVID-19, cyber attacks and more. Most have relied on traditional business recovery, but COVID-19 has shown that disruption can be prolonged and evolving, so organizations must adapt. The paradigm has also shifted from not ‘if’ disruption will occur, but ‘when’.

Disruption takes many forms, such as business impacts from sending an entire workforce to work from home, sudden impacts from an unforeseeable cyber event, loss of market share to a stronger competitor, or a drastic change in an industry business model.

Organizations are searching for answers to questions, such as: How does our organization become more resilient? Where do we start and what are the steps needed to build resilience? There are no quick or easy answers, but there are ways and means to build resilience. Read this eBook for some ideas that can help your organization get on the right track.
Regulatory bodies around the world have issued guidance related to the need for financial services firms and the financial sector to become more operationally resilient - which is the ability to prevent, adapt, respond to, recover and learn from operational disruptions. This is sound advice for any organization.

FCA Policy Statement:
By 31 March 2022, firms must have identified their important business services, set impact tolerances for the maximum tolerant disruption and carried out mapping and testing.
Building resilience starts with identifying the products and services most important to your customers, your business and the market. A business impact analysis (BIA) helps determine their criticality, as well as their impact tolerances and recovery objectives.

The BIA is also used to identify the internal business processes, systems, data, people, locations and third parties so that you can make them a priority in your resilience planning. This focus helps prioritize your efforts and resources to build resilience in where it matters most.

Building resilience is contingent on understanding and managing the impacts of risks and threats to your organization. The events from the recent past have taught that anything can happen – and probably will.

Many of today’s risks are interrelated and can have a ‘domino effect’ on complex organizations, so risk management must be approached in an integrated way. For example, a third-party breach could impact your customer data, leaving your organization exposed to compliance risk, cyber threats, reputation risk and financial loss. Therefore, you must understand and approach the risks, threats and disruptive scenarios that could occur like they will – and mitigate the potential impacts.
Addressing threats and risks needs to occur on an ongoing basis - before, during and after the crisis. Risk and threat identification, performing scenario analysis of what could occur, and addressing gaps in resilience are proactive, mitigating steps that are vital to managing negative impacts to the organization.

However, things can still go wrong. A supply chain disruption. A customer who falls on a slippery floor. A disgruntled employee on social media – are kinds of incidents that occur often enough inside companies to merit standard procedures for handling them efficiently and effectively.

But what happens when an incident develops into a crisis? This ‘perfect storm’ can require the need to manage the crisis from growing, respond in many ways, recover disrupted areas of the organization and deal with the fallout. Preventive and reactive steps are vital to managing the threats, risks and scenarios and reducing the impact to the organization.

Resilient organizations are adaptable, integrated, risk-driven. They not only implement plans to recover from different types of disruption; they also build resilience into the fabric of their business - processes, systems and infrastructure. For example, that means identifying concentration risk - like overreliance on one customer segment, or single points of failure—such as using only one facility that manufactures a key part for your product and having alternate plans for contingencies that could occur. Then taking action to mitigate the risks.

Successful business resilience programs enable building resilience across the organization by coordinating risk management, business resilience planning, response activities, and crisis management. However, they also align these activities with business strategies and objectives, and across all three lines of defense to build resilience into the way the organization operates and does business. Resilient organizations use metrics to self-assess and ensure they are continuously improving.
How We Help

Building a resilient organization doesn’t happen overnight and it’s a long-term commitment. However, it can be done. It starts at the top with a change in mindset, and a focus on the right strategic priorities. It’s founded on the commitment to understand your business, be prepared, become adaptable and always learning. As in the case of the financial sector, it’s also understanding that your organization is part of the greater whole, and that the rising tide of resilience can lift all ships.

Learn more about Archer Operational Resiliency at www.ArcherIRM.com

About Archer

Archer, an RSA company, is a leader in providing integrated risk management solutions that enable customers to improve strategic decision making and operational resiliency. As true pioneers in GRC software, Archer remains solely dedicated to helping customers understand risk holistically by engaging stakeholders, leveraging a modern platform that spans key domains of risk and supports analysis driven by both business and IT impacts. The Archer customer base represents one of the largest pure risk management communities globally, with over 1,500 deployments including more than 90 of the Fortune 100.