



BCI

Continuity Forum

Resilience Maturity Model Analysis

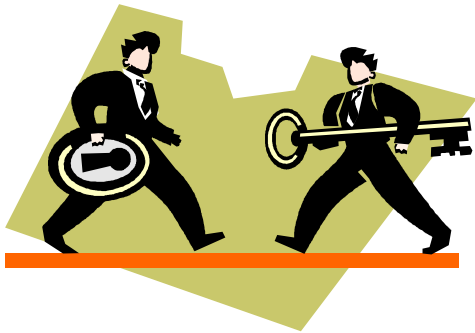
Peter Brouggy

Member of the Resilience Community of Interest

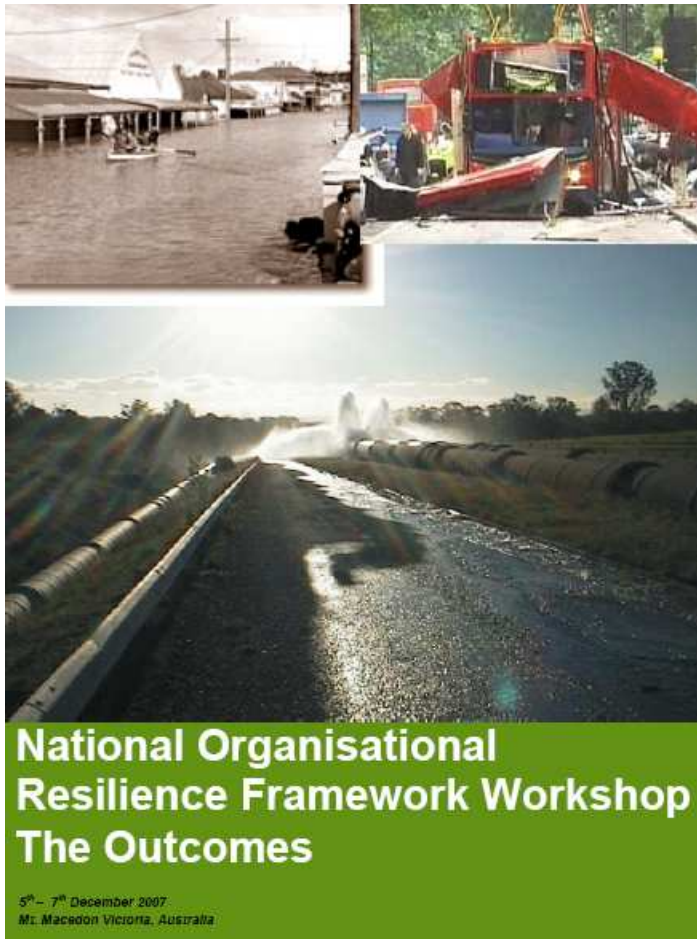
Sydney, Australia

Presentation Outline

1. Setting the Resilience Context
2. The Resilience Maturity Model as a diagnostic
3. The Resilience Maturity Model in practice
4. Conclusion

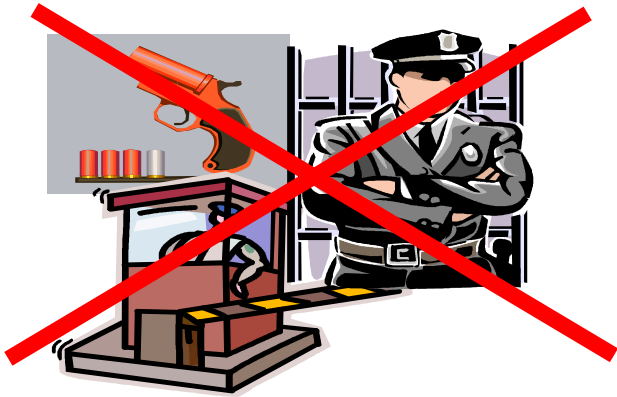


Resilience Community of Interest



- Peter Whelan, Alinta
- Alex Webling, Attorney-General's Dept
- Peter Brouggy, Banking and Finance IAAG
- Robbie Sinclair, Country Energy
- David Harris, Dept of Infrastructure (VIC)
- Dianne Cooper, EMA
- Michael Tarrant, EMA
- Peter Shepherd, Sydney Ports
- Bruce Angus, Sydney Water
- David Parsons, Sydney Water
- Kellie Phillips, Telstra
- Robert Oldfield, QBE Insurance Group

How do you make your organisation resilient to a major disruption?



It's not just Planning, Preparing
and Responding

or Guns Gates and Guards

Its: -



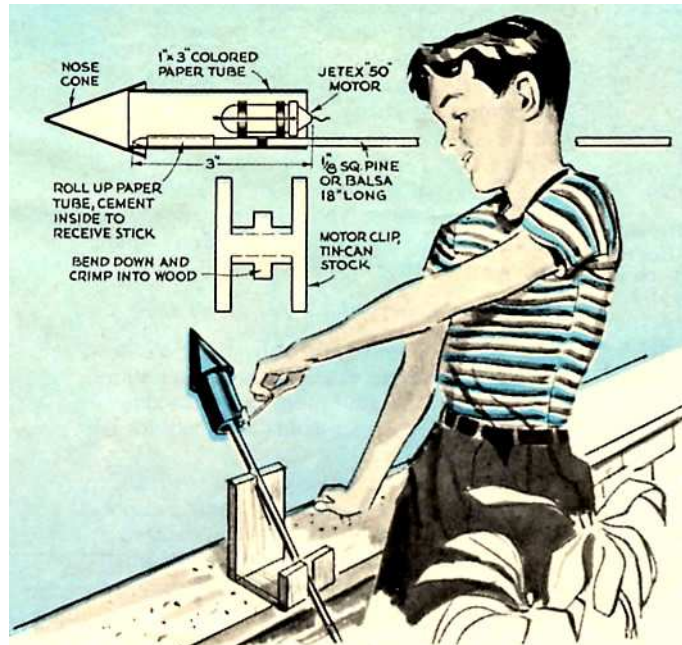
Communication

Cooperation

Collaboration

Organisational Resilience – What it is and isn't

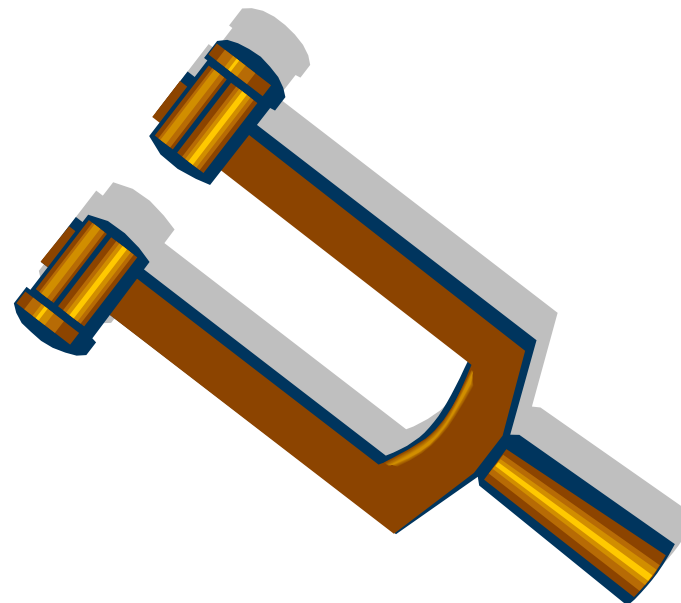
It's not Rocket Science



Its helps become more in tune by considering different ways about how we do things

Its what we already do

It's tool to manage adversity



Organisational Resilience – Where it fits



Organisational Resilience – Where it fits

Efficiency

- Business Excellence Framework
- Organisational Sustainability
- TQM

Adversity

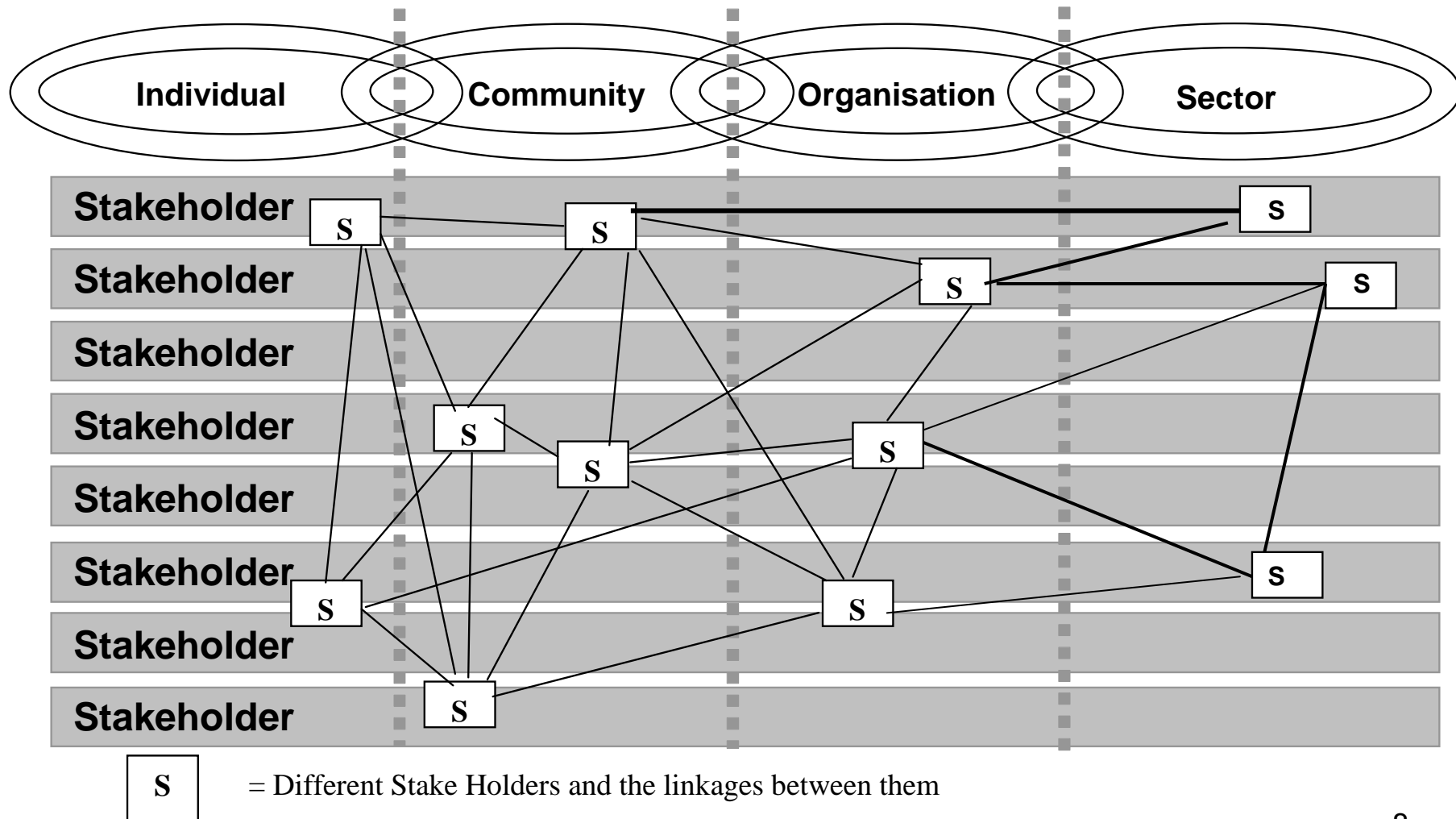
- Business Continuity
- Crisis Management
- Disaster Recovery

Organisational Resilience



Resilience Strategy – Stakeholder Engagement

Societal Resilience



Organisational Resilience - Context

Resilience capability is strongest in an organisation that:

- anticipates and understands emerging threats
- understands the impact of threats on the business, supply chain, the community in which they operate and upon employees lives
- develops and maintains supportive partnerships with critical stakeholders in their supply chain, sector and community
- responds to and recovers from disruptions as a unified whole of organisation team
- adapts to disruptions and reacts flexibly to restore routine functioning and strengthen the organisation
- ensures staff are willing and able to support the organisation to achieve objectives in times of adversity
- leads with clear direction while enabling devolved problem solving.

Resilience Col

Organisational Resilience - Context

Being resilient can provide organisations with a competitive advantage. Following a disruption an organisation with a higher degree of resiliency may:

- return to pre disruption profits faster
- use the event as an opportunity to improve its effectiveness
- reduce the cost of its disruption to insurers resulting in reduced insurance premiums
- reduce exposure to uninsured losses
- negate the requirement for increased regulation to meet community expectations
- enhance its reputation, and
- increase staff morale.

Organisational Resilience - Context

Which Characteristics ?

Emerging

- Fragile
- Vulnerable to major consequences resulting from incidents / disruptions
- Lack of depth / experience
- Ad hoc plans in place
- Reactive
- Key man centric
- Inward focus
- Managing norms by good luck rather than good management
- Dependent on external assistance
- Limited experience in concepts / disciplines of BCM / CM / RM
- No skill base in areas that deal with risk management
- Focus is on the present not the future
- Corporate strategy not linked to business resilience

Exploring

- Recognised limitations
- Change being initiated
- Willingness to learn
- Management engagement but not embedded at all levels
- BCM / CM / RM plans in place but not integrated
- Controls not linked
- Does not consider all hazards
- Appreciation of external environment but limited monitoring and forecasting
- Events are catalysts for change

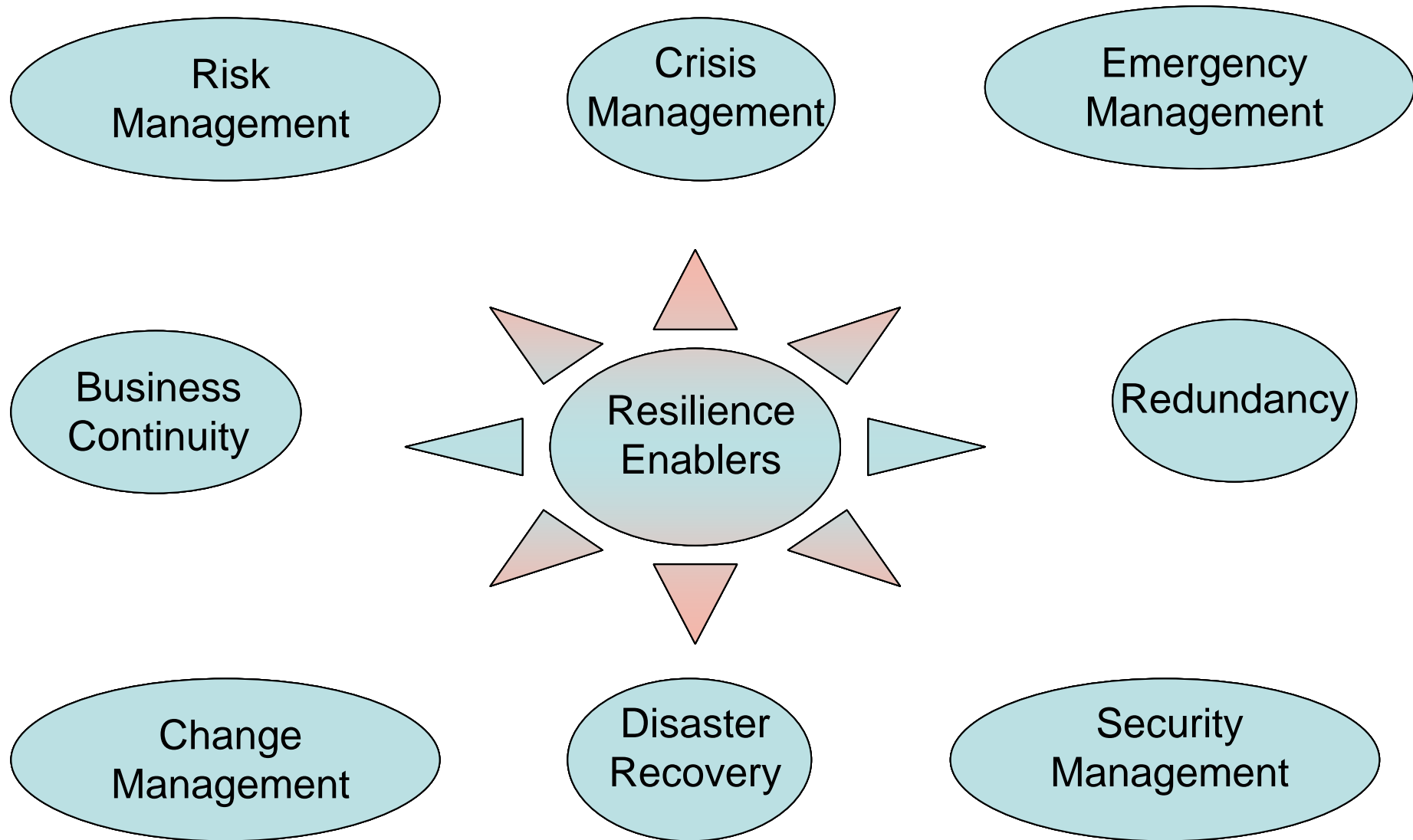
Exploiting

- Robust
- Recovers and capitalises
- Driven by established vision, culture and values
- Leverages internal & external experience
- Integrated strategies & plans
- Actively engaged with external environment – anticipates issues / events
- Exercise culture
- Senior management buy in
- All staff know what to do during an event
- Forward looking
- Demonstrates a resilience culture – walks the talk
- Business strategy is Resilience

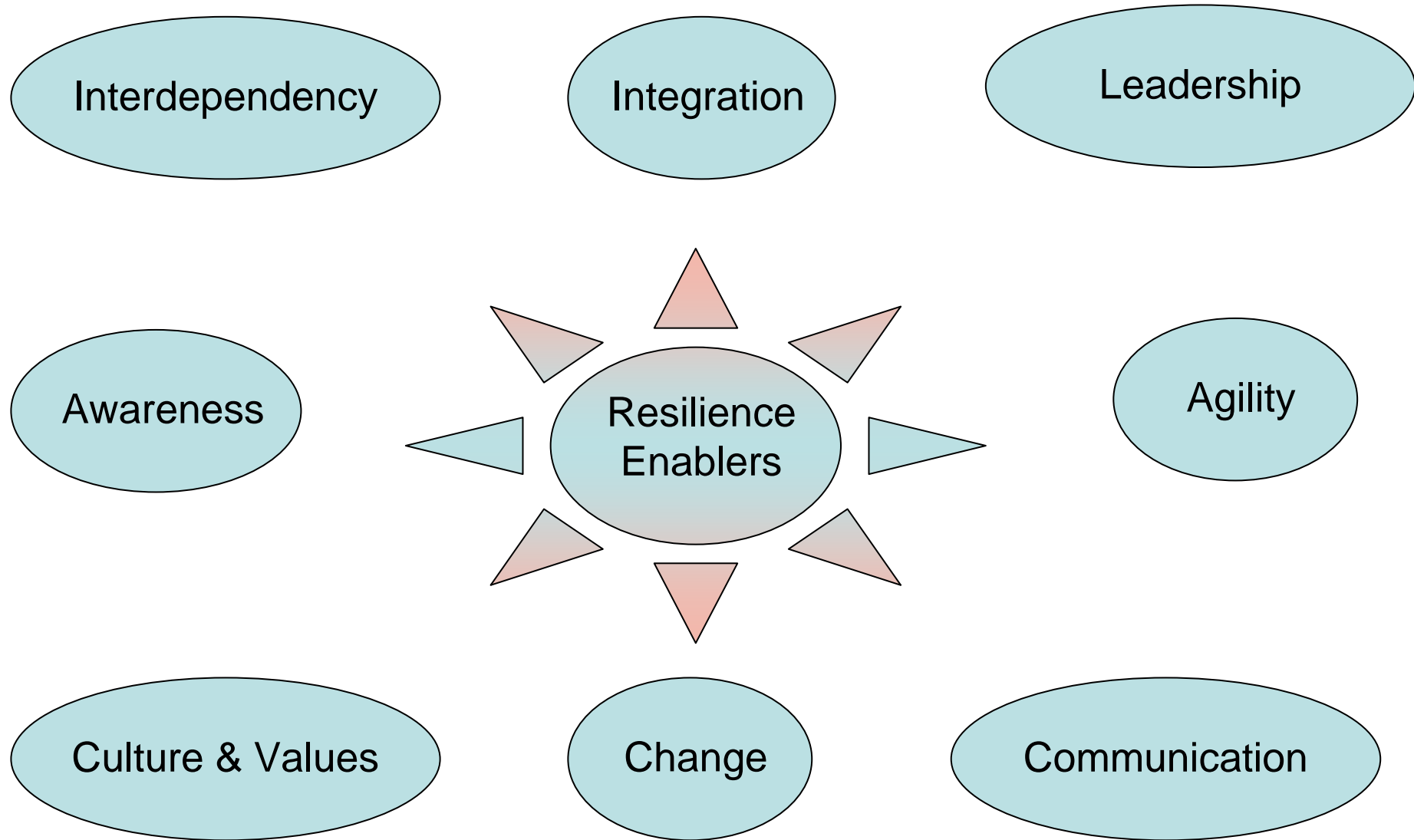
Organisational Resilience – Structure combined with Behaviour



Resilience Maturity Model – Enablers



Resilience Maturity Model – Enablers



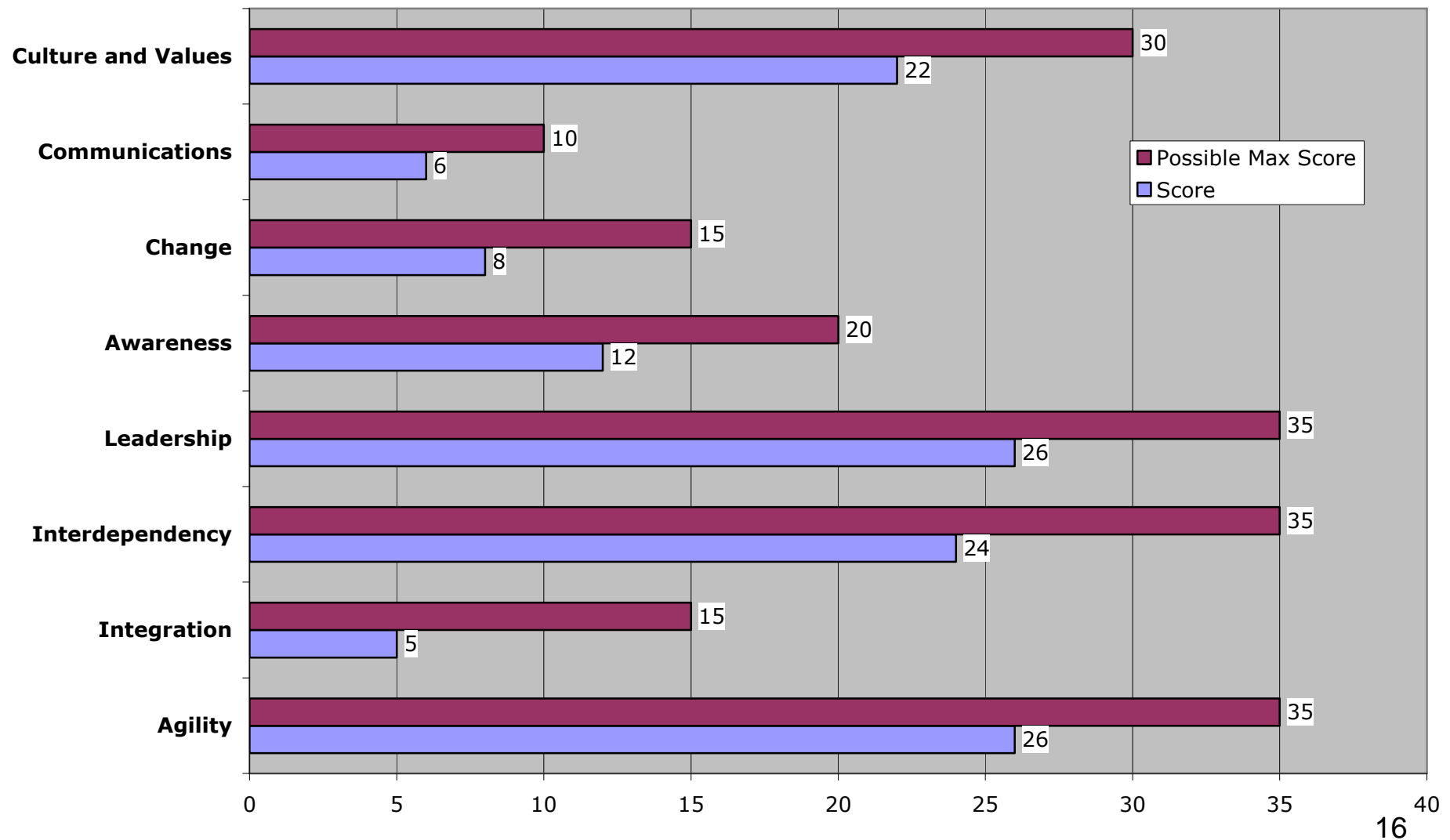
Resilience Maturity Model - Diagnostic

Resilience Maturity Model Quick Assessment Tool

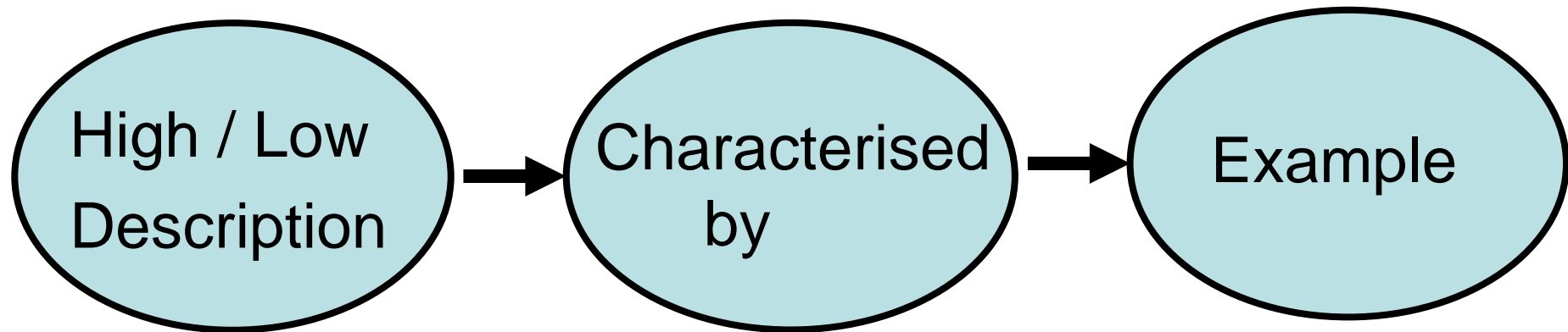
Behaviour	Low Resilience Descriptors	Low					High	High Resilience Descriptors
		1	2	3	4	5		
Agility	Reactive, maintains status quo, does not recognise need for change to normal management structures during response and recovery operations		2	3	4	5	Builds active, flexible, agile, adaptive thinking and actions during response and recovery operations	
	Top down decision making					5	Solutions to problems encouraged at all levels in the organisation. Rapid adaptive behaviour	
	Does not identify opportunity in adversity				4		Seeks opportunity during adversity	
	Preparation for adversity seen as a waste of effort					5	Preparation for adversity is a priority	
	Rigid teams around disciplines					5	Utilises teams with diverse skill sets	
	Regrets and hides incidents			3			Capitalises on incidents	
	Quickly deletes failure from corporate memory		2				Retains lessons from past failures for future learning	
Integration	Separate silo based risk management functions		2				Aligned risk management objectives across functional groups	
	Resilience Governance silo based	1					Resilience governance strongly integrated	
	Governance process focused		2				Governance outcome focused	

Resilience Maturity Model - Diagnostic

Resilience Maturity Assessment



Resilience Maturity Model Diagnostic



Resilience Maturity Diagnostic - Agility

Diagnostic
High Agility
Solutions to problems encouraged at all levels in the organisation. Rapid adaptive behaviour
Preparation for adversity is a priority
Seeks opportunity during adversity
Low Agility
Top down decision making
Preparation for adversity seen as a waste of effort
Does not identify opportunity in adversity

Pandemic Situation - Agility

Resilience Characteristics

- Plans fully developed, tested regularly and become “second nature, intuitive”
- Staff skilled and empowered to adapt plans and implement workarounds to cope with evolving situations
- No barriers to change

Pandemic Lessons Identified Survey

- *“Flexibility has been built into the plan with a grab bag of options rather than prescriptive measures instigated on a particular phase.”*

Resilience Maturity Diagnostic - Integration

Diagnostic
High Integration
Aligned risk management objectives across functional groups
Resilience governance strongly integrated
Governance is outcome focused
Low Integration
Separate silo based risk management functions
Resilience Governance silo based
Governance is process focused

Pandemic Situation - Integration

Resilience Characteristics

- Impact of absenteeism reduced by extensively cross skilled workforce that can be redeployed to meet demand
- Potential workflow disruptions identified in advance and communicated and managed across the organisation – aligned risk management

Pandemic Lessons Identified Survey

- ***“Better appreciation of the additional time and resources are required by company to address the situation”***

Resilience Maturity Diagnostic - Interdependency

Diagnostic
High Interdependency
Strong succession planning and redundancy
One in all in approach. Business unites to achieve objectives in times of adversity
Supply chain vulnerability understood and planned for
Low Interdependency
Significant key person dependency
Operates in silos hostile to each other and not used to working together
Supply chain vulnerabilities unknown

Pandemic Situation - Interdependency

Characteristics

External

- Industry forums established, includes regulators
- Mutual aid and cross industry coordination plans developed, tested and maintained

Internal

- Establish devolved decision making
- Interdependencies fully understood and factored into Risk and Business Continuity Plans

Pandemic Lessons Identified Survey

- *“Recognised need to develop and agree acceptable revised SLA’s for this type of situation (The process in doing so will lead to better mutual understandings to deal with the situation)”*

Resilience Maturity Diagnostic - Leadership

Diagnostic
High Leadership
Empowered by crisis
Clear direction in crisis
Sense of hope and optimism in response and recovery
Low Leadership
Fearful of crisis
Indecision in crisis
Sense of confusion and fear

Pandemic Situation - Leadership

Characteristics

- Investment in pandemic planning and preparations is seen as an investment in organisation's resilience
- Organisation has invested in a culture and processes to provide timely and accurate information to support effective decision making

Pandemic Lessons Identified Survey

- *“When we make a decision not to communicate regularly, tell this to staff and explain why we wont be communicating to them. Then explain how we are monitoring the situation and implementing a plan, and what are the triggers to change the strategy and how they can raise any concerns they might have.”*

Resilience Maturity Diagnostic - Awareness

Diagnostic
High Awareness
Anticipates and understands emerging threats
Knows organisational vulnerabilities and breaking points
Understands and mitigates staff vulnerability
Low Awareness
Disinterested in emerging threats
Little understanding of organisational vulnerabilities and breaking points
No interest in staff vulnerability

Pandemic Situation - Awareness

Characteristics

- “Reliable foresight” - established network of contacts to provide timely & accurate information about all factors that can impact the business
- Has a dialogue with Government and regulators and can provide input to decisions which may affect the organisation
- Aware of potential absenteeism impacts to supply chain partners and has plans to address them

Pandemic Lessons Identified Survey

- *“Poor and misinformed decision makers can be quick to make an inappropriate response based on media reporting rather than on fact.”*

Resilience Maturity Diagnostic Change Ready

Diagnostic
High Change Ready
Fully embraces change
Foresees changes and leverages opportunity
Commitment to the future not the past
Low Change Ready
Reactive to change
Commitment to status quo
Finds ways not to change

Pandemic Situation– Change Ready

Characteristics

- Management and staff willingness to break away from conformity and change the way processes are performed and maintain integrity / quality
- Staff can readily adapt the plan and implement workarounds to cope with evolving situations
- Relationships established with supply chain partners to leverage and accommodate flexibility in delivery of services

Pandemic Lessons Identified Survey

- *“Plans need to outline the means for implementation, communication and escalation and decision making so they can be flexible for all situations”*

Resilience Maturity Diagnostic - Communication

Diagnostic
High Communication
Diverse constant communications across organisation
Regular trusted communication with stakeholders
Extensive & established networks to acquire and refine information
Low Communication
Silos with little informal communication across the organisation
Little communication with key internal or external stakeholders
Limited networks to tap knowledge

Pandemic Situation - Communication

Characteristics

- Reliable Foresight - established network of contacts to provide insights about all factors that can impact the business
- Establish strong relationships with all key stakeholders (Customers, Regulators, Suppliers) to understand current situation and potential impacts of decisions

Pandemic Lessons Identified Survey

- *“Misinformation remained a problem as the majority of staff got their updates on the radio on the way to work. This meant accurate information was necessary from the organisation.”*

Resilience Maturity Diagnostic – Culture & Values

Diagnostic
High Culture & Values
Values are aligned, shared and believed
Strong unity of purpose
Enthusiasm for challenge
Low Culture & Values
Values are not aligned and shared
Little unity of purpose
Wary of challenge

Pandemic Situation – Culture & Values

Characteristics

- Invest in supporting staff and their families and the community
- Reinforce the organisation's values in the pandemic context (overcome adversity, teamwork etc....)
- Reinforce a culture of honest, accurate sharing of information
- Keep staff well informed and maintain equity of treatment across organisation

Pandemic Lessons Identified Survey

- *“We weren't prepared at all but we responded appropriately.”*

How to achieve Organisational Resilience

- 1. Use the Resilience Maturity Assessment Tool as a diagnostic**
- 2. Ask the question “What can I do to make each of the enablers in my area of responsibility more effective”**
 - **Awareness,**
 - **Agility,**
 - **Integration,**
 - **Interdependency,**
 - **Leadership,**
 - **Change,**
 - **Communication,**
 - **Culture & Values**
- 3. Identify just one simple action to address each of the enablers**
- 4. Build on the successful outcomes of these actions**

How to achieve Organisational Resilience

“In a crisis, culture matters”

*September 11, 2001 A CEO's Story – J Greenberg
Harvard Business Review*

Links

Resilience Community of Interest

http://www.tisn.gov.au/www/tisn/tisn.nsf/Page/AbouttheTISN_ResilienceCommunityofInterest

Resilience Maturity Model

http://www.tisn.gov.au/www/tisn/tisn.nsf/Page/AbouttheTISN_ResilienceCommunityofInterest#_The_Resilience_Maturity

Questions & Thank You !

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