

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 proactively deal with these impacts? How do we 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.

A Tata Consulting Services COVID-19 Business Impact Survey revealed that most organizations were caught off guard and ill-prepared to adapt their operational model to continue serving their customers

An aerial view of a city at sunset, with a network of white icons connected by lines overlaid on the image. The icons include a puzzle piece, a key, a Wi-Fi symbol, a telephone handset, a pencil, a person, a question mark, a classical building, a speech bubble, a smartphone, a cloud with an upload arrow, a dollar sign, a flag, and a speech bubble with three dots. The background shows a cityscape with a river and bridges under a warm, orange sky.

# The Rising Tide of Resiliency Regulation

Regulatory bodies around the world are searching for ways to help their industries become more resilient. Financial Services regulators 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



## Step 1: Identify Important Business Services

Building resilience starts with identifying what's most important – including the products and services you offer that are most important to your customers, your business and the market. A business impact analysis (BIA) helps you understand their criticality, as well as your tolerance to impacts and resiliency objectives.

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



## Step 2: Know Your Risks and Threats

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 and the impacts are often unpredictable.

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 a compliance violation, cyber threats, risk to your reputation 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.

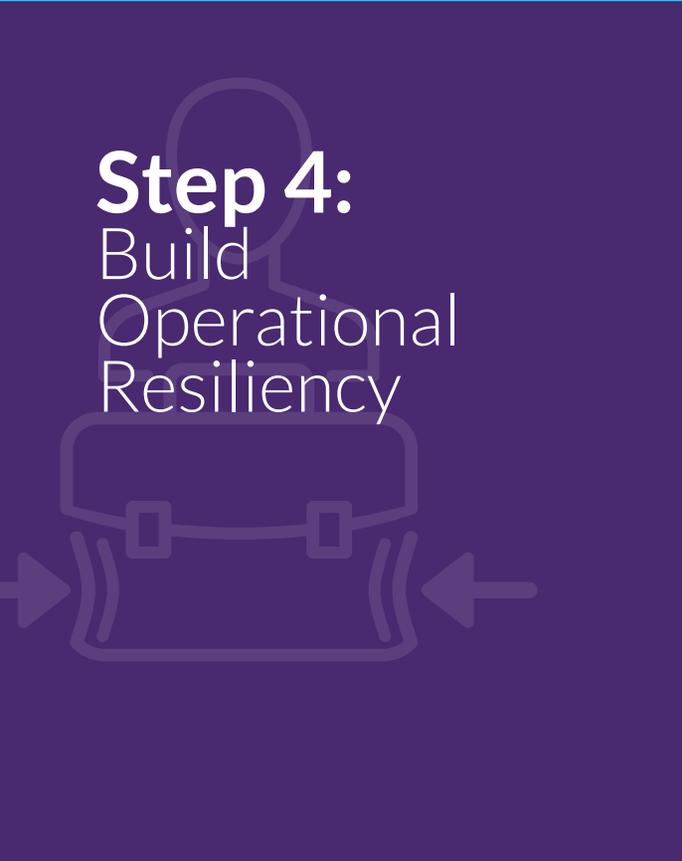
The graphic for Step 3 features a blue background with a white gear icon at the top left and a white hand icon at the bottom left. The text 'Step 3: Mitigate and Respond' is written in white, with 'Step 3:' in a larger font size than 'Mitigate and Respond'.

## Step 3: Mitigate and Respond

Addressing threats and risks needs to occur on a regular 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’ brewing requires the ability to manage the crisis from growing, respond in appropriate ways, recover disrupted areas of the organization and deal effectively with the fallout. Preventive and organized steps are vital to managing the threats, risks and scenarios and reducing the impact to the organization.

The graphic for Step 4 features a dark purple background with a white silhouette of a person carrying a briefcase at the top left and a white briefcase icon at the bottom left. The text 'Step 4: Build Operational Resiliency' is written in white, with 'Step 4:' in a larger font size than 'Build Operational Resiliency'.

## Step 4: Build Operational Resiliency

Resilient organizations are adaptable, agile, risk-driven. They’re not only able to recover from different types of disruption; they also build resilience into the way they do business and into their business processes, systems and infrastructure.

Successful businesses build resilience across the organization by integrating risk management, business resilience planning, response activities, and crisis management with and into their business strategies and operations, and across all three lines of defense. Resilient organizations self-assess to 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 Resilience at [www.ArcherIRM.com](http://www.ArcherIRM.com)

### About Archer

Archer is a leader in providing integrated risk management solutions that enable customers to improve strategic decision making and operational resilience. 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.



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