

## **EMBRACING RESILIENCY...**

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Recent world events have challenged us to prepare and manage previously unthinkable situations that may threaten an organization's future. This new challenge goes beyond the mere emergency response plan or disaster management activities that were previously employed. Today's threats require the creation of an ongoing, interactive process that serves to assure the continuation of an organization's core activities before, during, and most importantly, after a major crisis event.

Regardless of the organization, its leadership has a duty to stakeholders to plan for its survival. It is almost mortal to make wrong assumptions...an assumption that history will NOT repeat itself. Not everything should be considered and stereotyped as "Act of God" as through appropriate and sincerely implemented contingency strategies, those can be either avoided or minimized.

Resiliency can aptly and efficiently address contingency concerns by enhancing business resilience as well as identifying business improvement opportunities. "Resiliency" recently, seemed to have struck like a lightning amongst BC professionals. One of the greatest differences between business in the past and present now, is that the world is riskier than it used to be and there is an imperative need for high availability and having an embedded resiliency into the strategic processes. Enhanced risk exposures, stringent regulation, supply chain disruptions and heightened impact of business disruptions have surely underlined the true need for resiliency.

Strictly speaking, "resiliency" in its narrowest approach, is used with regard to IT systems but in its broadest sense, it is not just confined to IT systems but is a term that should be applied to all business components to achieve the real value of resiliency. Business resiliency provides immediate value and unlike traditional BCP, business resiliency provides a compelling value proposition, making it a lot easier to gain management support.

Today's businesses are operating full time: Both customers and employees expect business services and technologies to be available 24 hours a day, 7 days a week, 365 days a year, with no exceptions and no excuses. Modern businesses and organizations are becoming increasingly less tolerant of failure, downtime and service unavailability. Every aspect of today's businesses is expected to be available continuously without interruption, regardless of the circumstances. When disaster strikes---whether a natural disaster or technological failure---business services and technologies are expected to be available.

Customers in today's marketplace have more choices than ever. Few businesses operate in a marketplace in which they are the only player, and businesses are---for obvious competitive reasons---making it easier for customers to switch. Customers tend to take their business to companies in which they have the most confidence. Customer confidence is increasingly fickle, and becoming much less tolerant.

For example, while customers were once tolerant of, and accustomed to, working with financial institutions only during their business hours, today's customers are accustomed to online access, phone based services and other capabilities that are available around the clock. A failure of their institution to provide all of these services, all of the time, shakes customer confidence.

Businesses have embraced technology as a way to perform humdrum, redundant tasks more cheaply and effectively than could be done with human labor. As a result, today's workforce is engaged less and less in easily replaceable work, and instead is performing more and more labor that's based on their unique skills. Today's workers are, however, just as reliant on mundane and redundant tasks being properly completed in order to do their own jobs. In other words, today's workforce relies more and more on the continuous, proper operation of technology. When technology fails, the workforce stops working. Imagine, for example, a hospital whose

computerized recordkeeping system becomes unavailable. With paper records becoming increasingly rare---and with individuals trained to file and find those records also becoming increasingly rare---patients could quite literally die if the right records aren't available at the right time. This extra work leads to additional frustration, which impacts the entire business: Frustrated employees are more likely to seek employment with a more stable company, resulting in a drain of intellectual capital; frustrated employees provide less than exceptional service to customers, increasing customer dissatisfaction and pushing customers toward the competition; frustrated employees can also damage outside confidence in the company.

Two decades ago, the biggest threats to organizations were natural---fires, floods, hurricanes, earthquakes, tornadoes and other problems categorized as "Acts of God". To a lesser degree, outside services presented a risk: A loss of utility power, for example, could put multiple businesses out of commission for hours, or even days. While those natural and utility problems still present risks to today's businesses, there is now a vast array of additional risks that threaten the organization. For example, the political climate in various parts of the world presents the very real risk of physical attack and significant damage by terrorists, military activity and more. Even businesses in traditionally peaceful countries like the United States and the United Kingdom have experienced significant physical damage resulting in major interruptions to business.

Ironically, some of the very technologies that help enable resiliency in one form---e mail, robust computer networks and so forth --- are also enabling new forms of threats to the very continuity they helped enable to begin with. So at a time when businesses' employees and customers have increasingly high expectations, companies are faced with mounting threats, making the entire concept of business resiliency more complex and more intricate to accomplish. The biggest benefit out of business resiliency is that it not only supports the organization in case of any disruption but also provides benefits in day to day operations thus; enhancing business operational efficiencies.

This is good news, as it is only through the engagement of the senior leadership team that the appropriate resources, processes and controls can be put in place. As external stakeholders, including regulators, investors and customers, become more vocal in their calls for greater levels of resilience, there is a pressing need for companies to maintain their focus in this area. The potential for loss that can ensue from failure to protect the company, in terms of damage to assets, lost revenue and tarnished reputation, is simply too immense.

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