

RESILIENCE FIRST

SURVIVE & THRIVE

A RESILIENCE GUIDE FOR OUR NEW WORLD

Resilience First is an initiative to improve urban resilience for business communities in the UK and beyond.

May 2020

FOREWORD

With the arrival of Covid-19 we are facing unprecedented challenges to our economic prosperity and societal wellbeing. The challenges demand and are receiving equally unprecedented responses. The measures can be expected to be long running and generate radical changes in the ways we do business and our patterns of behaviour around the workplace. How radical only time will tell but the crisis will surely test our personal, organisational, communal and national resilience.

Resilience in all its guises is much talked about yet frequently misunderstood. We all desire it but often don't know how to grasp the elements and nurture them for future challenges. It is certainly not a one-time friend but rather an invaluable attribute that helps overcome a range of difficulties. Hence, we should use the lessons coming from Covid-19 to top up our resilience well and conserve it in readiness to meet other systemic risks such as climate change, area power disruptions, major resource shortages, etc.

This guide is designed to offer some insights on tackling major crises like the pandemic under the familiar labels of 'Now-Next-Beyond' and 'People-Place-Process'. It is also meant as a practical guide for businesses, large and small, on some of the factors to consider and the solutions that may be applied: it explores both adaptive changes and mitigating

measures. The guide is not meant to be a comprehensive package but rather a prompt to improve resilience for the current crisis and the inevitable next one.

I commend the guide as a contribution to the overall approach to building resilience in businesses and the very communities who constitute their customers, employees and income. We are all in this together and better resilience will enable us to bounce forward to the new normal, not back to traditional ways.



Lord Harris of Haringey

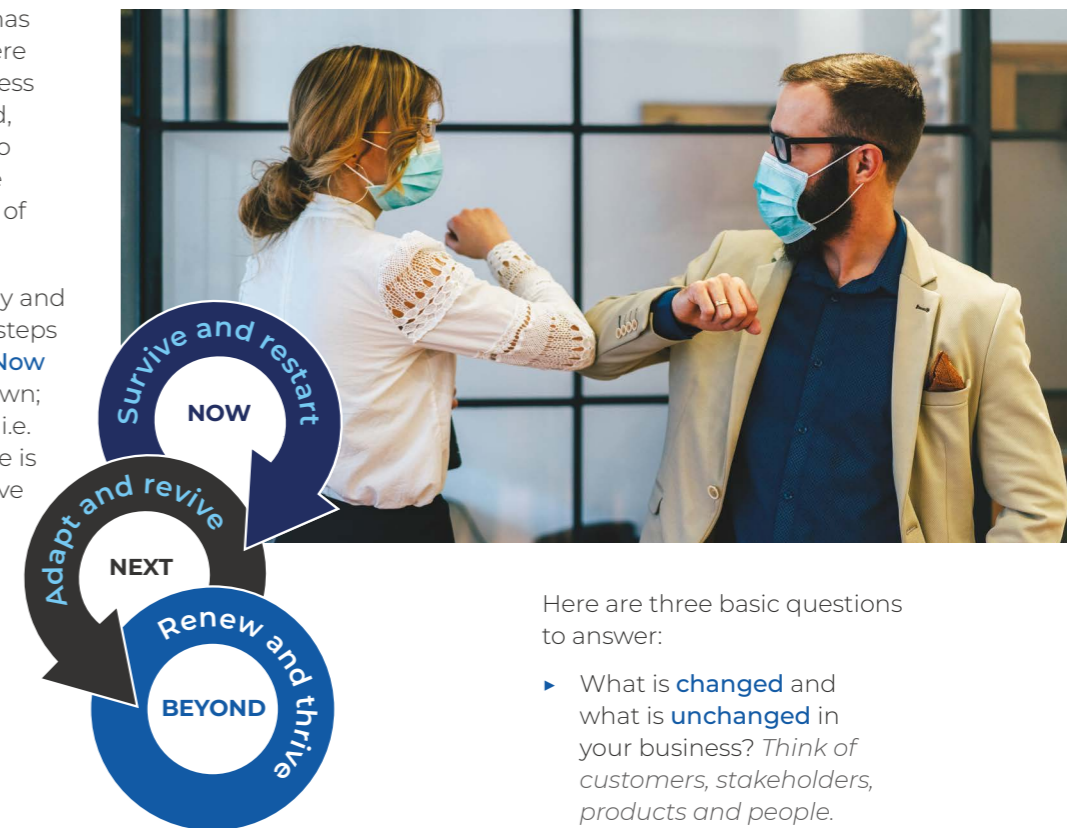
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WHAT ARE THE PRIORITIES?

The business landscape has changed irrevocably - there will be no return to business as usual. In our new world, organisations need first to survive and then to thrive again. This is the essence of **resilience**.

In planning, think logically and progressively in terms of steps to: (i) survive and restart **Now** i.e. in full or partial lockdown; (ii) adapt and revive **Next** i.e. transition before a vaccine is found; (iii) renew and thrive **Beyond** i.e. a post- and inter-pandemic phase.



Here are three basic questions to answer:

- ▶ What is **changed** and what is **unchanged** in your business? *Think of customers, stakeholders, products and people.*
- ▶ What is **temporary** (for any lockdown) and what is **permanent** (the new order)? *Think of the short-, medium- and long-term impacts. See table opposite.*
- ▶ What is **desired** and what is **undesired**? *Think of the new opportunities to grasp as well as opportunities to abolish outdated practices.*

Permanent	Adapt existing good practices and solutions to give a long-term, value opportunity.	Strategic focus to create new market opening and solutions that can be delivered at scale.
	High Capability	Low Capability
Temporary	Modify existing good practices and solutions to give short-to-medium term impact and return.	Operational focus to generate quick fixes in existing markets that can make an impact at scale.
	High Capability	Low Capability



The new landscape is a unique opportunity to change the business for the better and become more resilient to present and future shocks and stresses. This process should be **transformational** but it requires a deliberate process of **change management through good leadership and effective communication**, no matter how large or small the business.

THE LONG ROAD TO RECOVERY

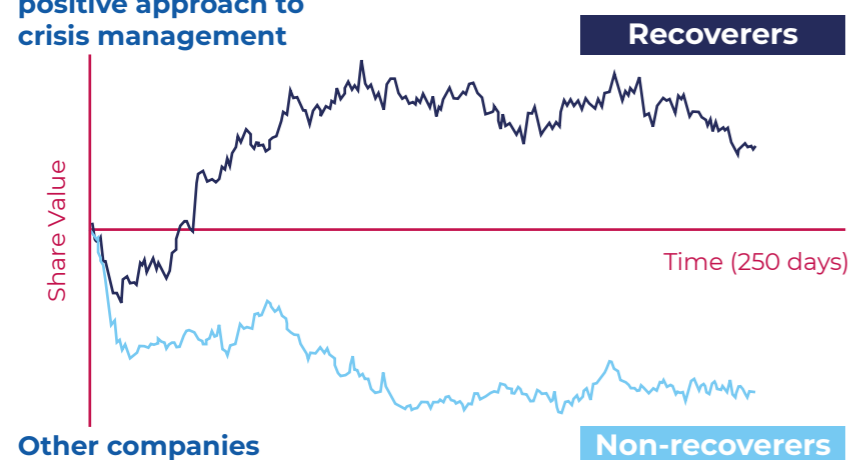
This graph shows the impact of major corporate catastrophes on the share price of 25 companies.

Firms appear to fall into two relatively distinct groups – **Recoverers** and **Non-Recoverers**. The initial loss of stock value after a crisis is approximately 3% on average for Recoverers and about 12% for Non-Recoverers.

After the fiftieth trading day, the average cumulative impact on stock returns for the Recoverers is 5%. The Non-Recoverers remained more or less unchanged between Days 5-50 but suffered a net negative impact of over 15% up to one year after the catastrophe.

As the fall-out from the Covid-19 pandemic is likely to last well over a year, with no recent historical parallels, then one can expect the initial economic decline to be steeper, the recovery more U- or L-shaped than VV-shaped, and the timeline to be stretched. Nonetheless, the division between Recoverers and Non-recoverers will be as marked.

Companies with a positive approach to crisis management



Recoverers

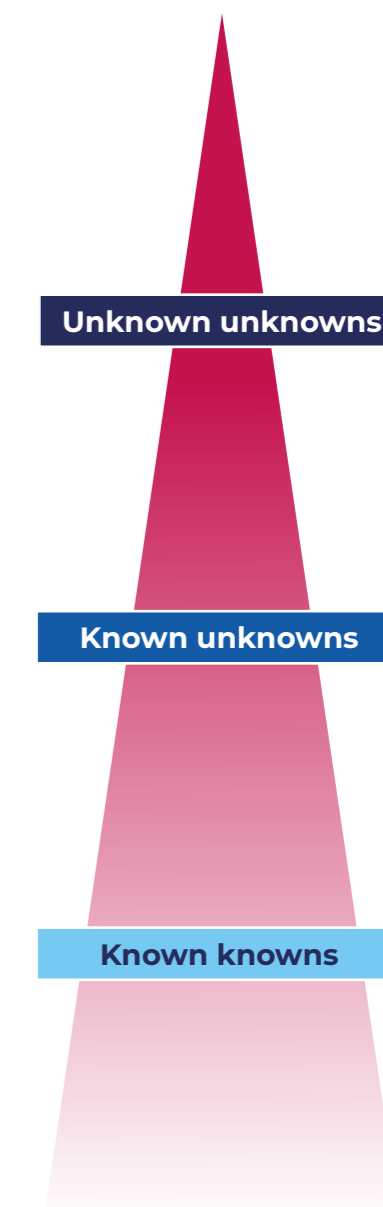
Non-recoverers

Knight & Pretty, 2001

WHAT ARE THE CHALLENGES?

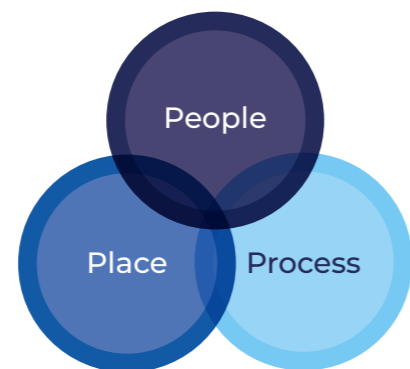
New working conditions and team structures	Need for greater social and societal engagement by companies
Consolidation of processes and reduction in silos	Consolidation of assets and increased mergers
Fewer guards, receptionists, etc. to maintain offices	Less demand for office space
Increased stockpiling and warehousing capacity	Unwind challenges in getting staff back to work
Supply-chain diversification and self-sufficiency	More people working from home
Increased use of automation, robotics, VR and AI	Reduced services from local facilities
Revised utilisation of office space to ensure social distancing	More on-line security needed with remote access
Social unrest from large-scale unemployment	Reduced business travel
Need for better connectivity for on-line services	Quicker adoption of new technologies
Demands for a green resilient recovery	Retrain staff after prolonged absence
Remote monitoring of people and assets	Focus on staff and families' health awareness
Need for better community engagement	Enhanced cleaning regimes in offices

Rumsfeld's hierarchy of risks



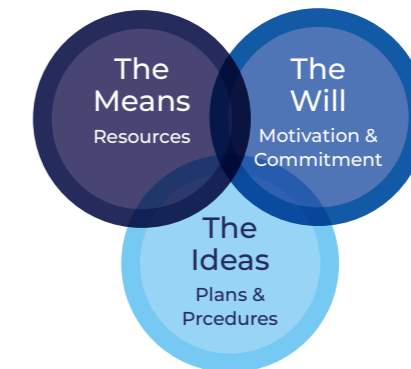
WHAT ARE THE POTENTIAL SOLUTIONS?

THE ESSENTIAL INGREDIENTS OF RESILIENCE



People	Place	Process
<p>People are your most important asset. They may be stressed and anxious. They will need reassurance and encouragement i.e. motivation. Any major period of change will be treated with suspicion: trust is an important aspect of overcoming resistance.</p>	<p>Home working and social distancing may require fewer offices and/or office reconfiguration. Thought should be given to space utilization and individual staff needs e.g. public/private v alone/together.</p>	<p>Re-assess your key operations and critical functions to be able to focus on what really matters. The search for greater efficiency with fewer people may see a streamlining of processes and procedures, leading to a reduction in departmental silos and, hopefully, better cross-silo working.</p>
<p>Good leadership and effective management will be essential. This should convey a positive strategic message as well as an understanding of operational constraints. Raise awareness and understanding of resilience at all levels.</p>	<p>With a reduced need for many local facilities e.g. restaurants, coffee shops, gyms, etc, then in-house services may be in demand but spacing will require rostering of lunches, breaks, etc.</p>	<p>Greater reserves (redundancy) through better stock holdings will place an increased demand for surplus warehousing capacity. This will be reflected in a shift from just-in-time to just-in-case logistics.</p>
<p>Help with the mental wellbeing (emotional resilience) of staff should be organised and long term. Do not over-rely on HR to lead the approach but be willing to engage external professionals e.g. Samaritans.</p>	<p>As office occupancy diminishes and the need for security staff, receptionists, caterers, etc, decreases then there may be a need to increase remote monitoring and access of premises, including use of drones and robots.</p>	<p>The need to diversify supply chains may encourage working with suppliers closer to home, factories in different regions, and greater self-sufficiency.</p>
<p>Whenever possible, delegate and empower staff to take actions with an awareness of the overall mission of the business. You may not always be around to supervise. Ensure there is a known succession plan.</p>	<p>Local authority services and waste management may be limited so it may be necessary to make alternative provision if possible. This includes managing other local disasters e.g. flooding, power outages.</p>	<p>As other disrupters may occur on the road to recovery, it will be important to maintain and exercise plans and processes as part of regular crisis management.</p>

THE ESSENTIAL ENABLERS OF RESILIENCE



People	Place	Process
<p>Increase social awareness through better liaison with neighbours, local businesses, charities, voluntary groups, etc. Enhanced social capital can help the wider community and speed up recovery.</p>	<p>As on-line traffic grows, and people require better remote access and support then there may be a greater need for call centres to handle calls and couriers to deliver items to working-at-home locations and off-site hubs.</p>	<p>More on-line security will be needed as people increasingly use remote access. This will require tightened cyber security to deter on-line fraud and hacking (as advised by the NCSC).</p>
<p>Communication (up and down) will be important at all levels, and particularly for staff away from the office for long periods. Regular messaging and video calls will allow company culture to be reinforced and employee reactions to be gauged.</p>	<p>Home working will put an emphasis on a company ensuring duty of care and health and safety regimes are adhered to. Staff may request supply of office equipment and appropriate insurance cover.</p>	<p>Demands for greater connectivity will place increased emphasis on the roll out of super-fast broadband and 5G services. This may also increase energy demands and costs.</p>
<p>Staff who return after a prolonged absence or have been furloughed may experience skills fade so retraining may be necessary. Greater access to on-line, distance learning will assist in maintaining standards.</p>	<p>If it is necessary to downsize then it may be possible to reduce rental costs. Demand for shared office space and regional hub sites may increase.</p>	<p>There will be an acceleration in the digitisation of processes and payments, plus an increase in e-commerce. This will drive high-tech solutions and technological innovation. Non-touch and stand-off interfaces such as facial recognition and remote check-in may be preferred in an effort to minimize direct contact.</p>
<p>Revised staff levels may require new skills and new recruitment criteria. Team building may be important with new staff in changed circumstances.</p>	<p>Efforts to accelerate the greening of premises and reduce carbon footprints may encourage retro-fitting of energy-saving measures.</p>	<p>In moves to reduce the dependency on people, there may be an increased deployment of robotics, AI and neuroscience – all part of the fourth industrial revolution.</p>
<p>Remote monitoring of performance with off-site working may give managers oversight but trust may suffer if overused.</p>	<p>Effective ventilation and air-conditioning will help to keep staff healthy. Regular servicing will be important.</p>	<p>Climate change will remain the biggest existential challenge. Recovery from the pandemic will increase the impetus to deliver green resilient solutions and generate new ways of thinking.</p>

RESILIENCE NEEDS OF THE COMMUNITY



SIX QUESTIONS TO ASK ABOUT YOUR DEGREE OF COMMUNITY RESILIENCE:

1

Identity

How strongly do you connect with your community and neighbours, whether at home or in the office?

2

Maturity

How strongly would you rate your own organisation's capacity to cope with local disruption?

3

Resources

How effective will be your internal resources (including staff and deputies) that are allocated to recovery?

4

Effectiveness

How effective is your communication system in messaging to the wider community during a serious disruption?

5

People

How prepared are your employees/colleagues to deal with traumatic events involving loss of life or serious injury?

6

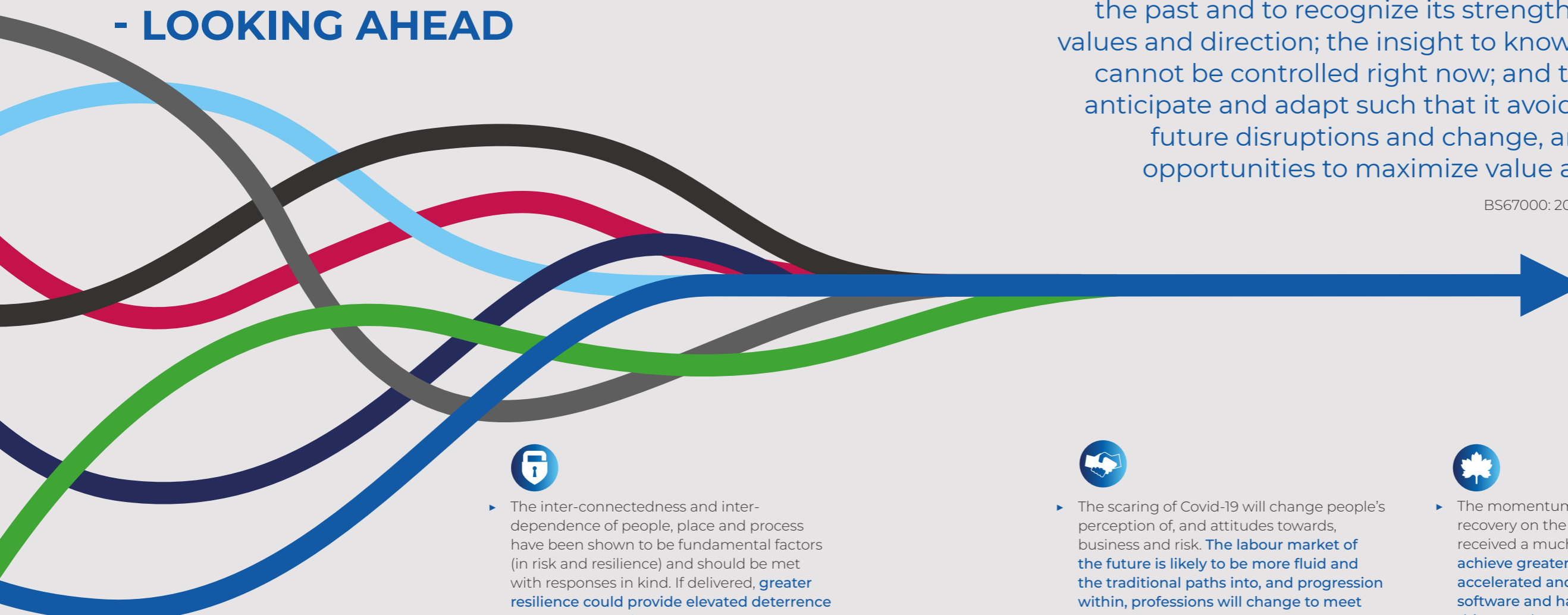
Agility

How committed are you to learning lessons and continuous learning of those outside your own organisation?

RESILIENCE IN THE ROUND - LOOKING AHEAD

‘A highly resilient city has the hindsight to learn from the past and to recognize its strengths, weaknesses, values and direction; the insight to know what can and cannot be controlled right now; and the foresight to anticipate and adapt such that it avoids or addresses future disruptions and change, and exploits the opportunities to maximize value and prosperity.’

BS67000: 2019 City resilience – a guide



- ▶ The inter-connectedness and inter-dependence of people, place and process have been shown to be fundamental factors (in risk and resilience) and should be met with responses in kind. If delivered, **greater resilience could provide elevated deterrence and hence security.**



- ▶ The scaring of Covid-19 will change people's perception of, and attitudes towards, business and risk. **The labour market of the future is likely to be more fluid and the traditional paths into, and progression within, professions will change to meet new demands.** Technical developments may quickly out-date competencies gained in qualifications that seemed cutting edge at the time: re-education is crucial.



- ▶ The momentum to deliver a green resilient recovery on the back of the pandemic has received a much-needed boost. **The drive to achieve greater decarbonisation has been accelerated and future investments in both software and hardware will be steered by this agenda.**



- ▶ The Covid-19 pandemic has provided a stimulus – an enforced reset button – that should allow global, national and regional systemic risk to be recalibrated and responses to be reformulated. **The unique opportunity for enhancing resilience in the round could be lost if not realised and actioned now.**



- ▶ Most companies and industries can expect to rework their business models and have to restructure, probably with fewer people and a sizeable reallocation of capital. If done wisely, **reconfiguration will enable businesses to be more agile and adaptable to future challenges**, especially the existential threat of climate change.

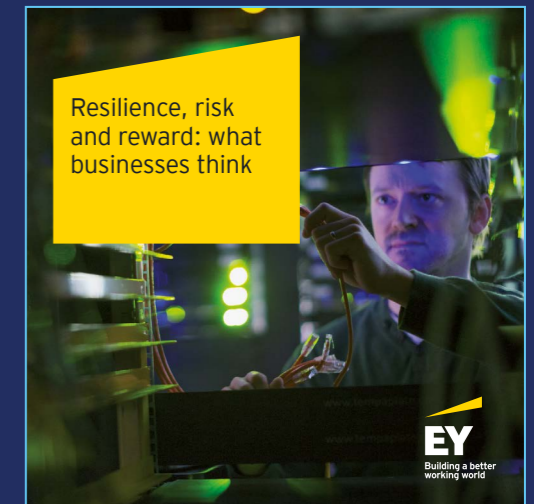
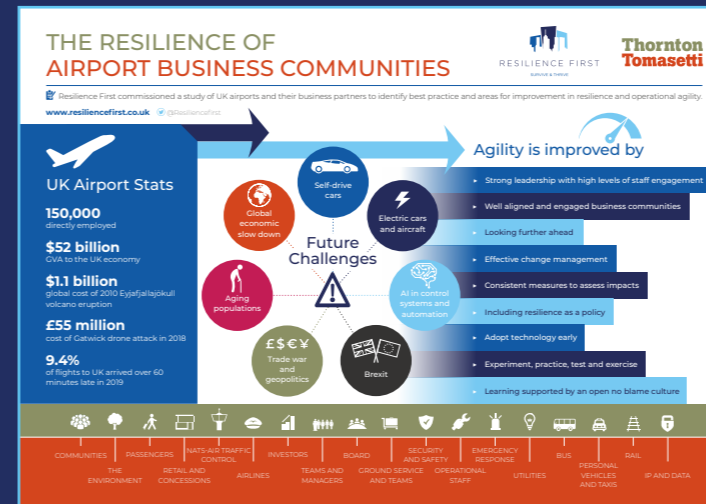
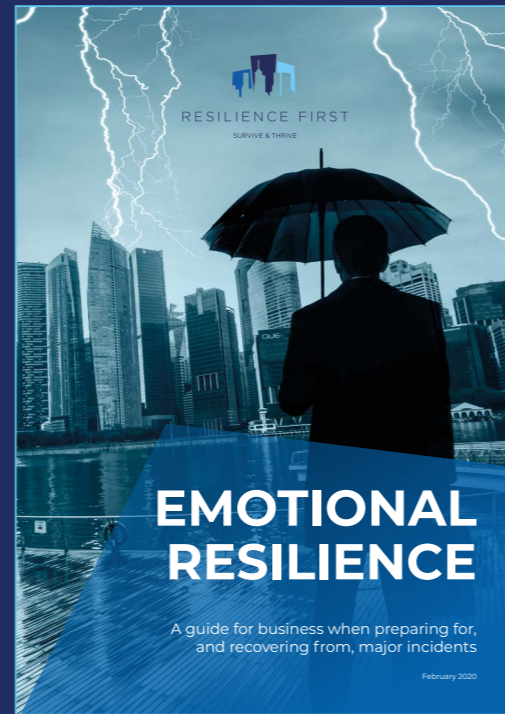
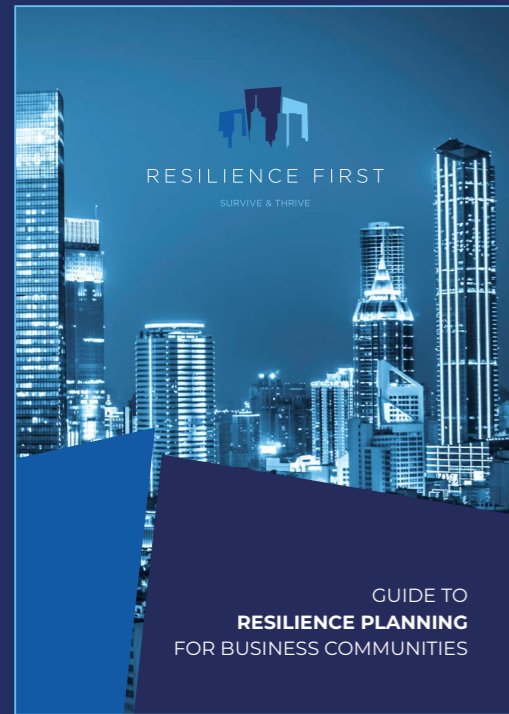


- ▶ There will be growing expectations on companies to meet new standards and performance in environmental, social and governance arenas. **Stakeholders and shareholders alike embrace the principle of stewardship with greater ethical obligations and improved levels of sustainable development** in the face of a growing range of risks.



- ▶ There will be new built and natural environments as well as resilient low-carbon infrastructures to maximise productivity and wellness. **Better mental health and community wellbeing (social capital) can expect to be as important as greater connectivity and creativity.**

OTHER PUBLICATIONS BY RESILIENCE FIRST



RESILIENCE FIRST

SURVIVE & THRIVE

Resilience First is a membership not for profit organisation with the aim of strengthening resilience in business communities.

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