Improving Organisational Resilience: The EPC Approach

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At the EPC we use Position Papers to define, for the guidance and information of the practitioners we train, our institutional standpoint on good practice in the various disciplines of resilience, emergency and crisis management. These are evolving documents, which will be adapted and updated in accordance with the latest developments and emerging practice. As such, they are a way of identifying what the EPC’s current position on a particular aspect of good practice is. This might range from relatively simple issues of nomenclature, where we feel the need to standardise terminology in our training materials, to more developed papers that lay out our particular approach to a specific discipline or function in resilience, emergency or crisis management. They are documents in various forms and formats. They are free downloads from the Knowledge Centre on the college website. As such they are a part of our Public Programme and a pro bono service to the resilience community.
The aim of this EPC Position Paper is to describe our approach to organisational resilience (OR) and to identify the capabilities that we can bring to bear to help organisations improve their resilience in a coherently managed, integrated and systematic way.

We do not see OR as a “product” as such. Instead, we see it as a guided journey that begins with an assessment and then a planned programme of development and continuous improvement, which can move forward, at a pace and with priorities decided by the organisation.

There are many different types of organisational activity that contribute to its overall resilience. Many of these activities have their own professional narratives, disciplines, standards and, perhaps, regulatory and legislative drivers. Each has the potential to contribute an element to the organisation’s overall resilience. However, we believe that these various activities are often carried out, if not in isolation from each other, at least in “silos”. The main thrust of BS 65000: 2014 Organizational Resilience is to describe the benefits of breaking down these silos and building an approach that aligns these parallel activities. This is so that resilience is seen, understood and managed as a strategically integrated programme. We acknowledge this standard and, in fact, helped produce it. This paper is informed by it, but focuses on how we can help organisations by the application of our specific capabilities.

The benefits of an effectively managed OR programme will be identified and
discussed. The key point to note at this stage is that OR is not Business Continuity Management (BCM) writ large. BCM is an element of an organisation’s resilience; it is an important one but only one of several. OR goes beyond any single professional discipline. It advocates an approach that is multi-disciplinary, holistic and integrated. In other words, it invites organisations to treat their resilience as a multi-facetted and strategic issue that is managed at a senior level and is part of the top team agenda.

We do not offer expert capability in every component element of OR. This paper will identify the specific capabilities in which we are experts and we see these as the primary resilience disciplines. They are:

- The development and validation of crisis management arrangements;
- Robust Business Continuity (BC) arrangements;
- The integration of business disruption risks in the organisation’s wider risk management framework;
- Leadership, that promotes integration of resilience activities;
- A resilience culture and an adaptive, open and learning ethos.

We use a bespoke methodology called a Base-Line Review (BLR) to assess where an organisation is now, in terms of overall resilience on a defined scale. This is accompanied by recommendations and a “route map” of activities that will take the organisation to the next level or higher on the resilience scale. We do not, for commercial reasons, publish our BLR methodology. For a discussion about it, please contact us.
We use the definition of OR found in BS 6500: 2014, as shown on this graphic.

The “survive and prosper” element of this definition is the key part. This prefigures a later discussion of how OR is not just a protective discipline. It adds value and represents a shift in paradigm from “continuity” to “adaptation”. Anecdotally, this has been called moving from a “bounce back” mentality to one that seeks to “bounce forward” – implying rapid adaptation to changed situations and the new normality. The business advantages are self-evident.

Please note that the British Standards Institute’s house style is to use “organization”, whereas the EPC uses “organisation”. We use the latter unless we are quoting directly from the Standard.
This graphic identifies what we believe to be the 5 most fundamental key ideas, which begin and underpin a proper understanding of OR.

In the first place, it is necessary to understand resilience as a dynamic and relative condition – rather than as an end-state. Thus, the organisation may be able to consider itself more resilient than before, following some improvement of its adaptive capability, but never as fully resilient.

This might sound like a charter for a training and consultancy provider, but it is a pragmatic and realistic truth. The risk landscapes and markets within which organisations work are more-or-less volatile. None of them are static. Therefore, any assessment of resilience is a snap-shot. It follows that the more resilient an organisation is, the more adaptive it will be and so the easier it will be for it to respond to changes in the risk landscape. So, whilst the argument in the preceding paragraph is true, it by no means negates the purpose of continuous improvement. In fact, it strengthens it.

Strategic coherence is the key benefit. We suggest this is unlikely to be the overall result of disjointed, incremental tinkering with different protective capabilities. To get optimal benefit, resilience needs to be a strategic objective focused on overcoming disruption quickly, and coming back in shape for the new environment. This goes beyond the old paradigms of continuity and recovery.

Hence the focus on the strategic ownership of resilience, unity of purpose and the
need to achieve combined effect from a range of activities and disciplines; because no single one has the whole answer. Organisations will always be more resilient in some areas than others and there is nothing intrinsically wrong with that condition. This is providing it is the product of deliberate choices knowingly made, and not the product of an unknown vulnerability lurking at the bottom of an activity silo.
From **Continuity** to **Resilience**: Combined value from coherent management of all resilience activities

**RESILIENCE**
The ability of an organisation to anticipate, prepare for and respond to incremental change and sudden disruptions in order to survive and prosper

**Organizational Resilience** *(BS 85000)*

**RESILIENCE ACTIVITIES**
- Risk Management
- Crisis Management
- BCM & Incident Management
- Supply Chain Management
- Resilience
- Quality Management
- Security Management
- Cyber Security
- Supply Chain Security
- Health & Safety

**ATTRIBUTES**
- Positive organisational culture
- Strategic insight
- Acceptance of risk as dynamic & imprecise
- Informed decision-making
- Learning lessons
- Adaptability
- Strong leadership

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**Acknowledgement: Dr Robert MacFarlane (CCS) for the above graphic**

The point of this graphic is to reinforce the ideas discussed above, and identify some of the component resilience activities that can contribute to OR – if they are managed coherently.

Note that each of the activities identified in the “spine” of the graphic has its own professional narrative, standards, practices and, in some cases, legislation. We suggest that most organisations do most of these, most of time and mostly quite well! The key point is the extent to which they are managed coherently or exist and operate in silos. If they exist in silos, then worthy and possibly expensive effort will be invested in disjointed incrementalism. The outcome will quite possibly be, in strategic terms, sub-optimal.

A key question at this stage might be: at what level of authority and influence in the organisation (if any) does someone have oversight of all of these, so that synergies can be exploited, unnecessary redundancies eliminated and duplication avoided?

Another might be: how and how often do the managers of these disciplines in your organisation talk to each other about the combined contribution of their separate programmes to organisational resilience?

Critically, who is facilitating that dialogue and representing it at senior level – so
that a properly nuanced, informed and shared understanding of your overall resilience exists at the most senior level?

If the answers to these questions cause you any concern, we would suggest that a professional analysis of your organisational resilience would be a good idea.

This graphic also pre-figures a later one, by introducing the cycle shown in the small box on the left headed Capabilities. The purpose of this is to provide an intellectual framework that relates preparatory activities (planning, training and exercising), responding and recovery to the anticipation and assessment of risk. This supports a cyclical and ongoing discipline, which is consistent with our understanding of OR as an evolution, not a “fix”.
Capability has become a very common term in the language of resilience, but often without much understanding of what it really means – beyond its literal definition as the “condition of being able to do something”. Our understanding is presented in this graphic.

Disaggregating the concept in this way actually mirrors our way of understanding OR; it is based on identifying its separate components in order to identify their emergent properties – those that stem from their effective combination so that the result is greater than the sum of the parts.

**Thought power** implies a shared understanding of the concept, meaning and application of OR, and the way its separate components can be combined for effect. It is about intellectual “buy-in” at all levels.

**Organisational power** implies the means to make the strategy work. This involves the structures, processes and mechanisms that people will use to translate the OR policy into effective change and improvement.

**Cultural power** is about commitment and motivation across the workforce to support change and improvement in the name of OR. It also requires the discipline and habit of thinking in terms of resilience, and evaluating decisions and policy in terms of their implications for resilience.

**Logistic power** is the application of resources. It implies giving people the time
and the physical resources to deliver the OR strategy.

This is not meant to be an exhaustive or definitive list of what comprises capability. For example, it also requires vision, will, empowerment, authority, leadership, professionalism and discipline. These might straddle one or more of the above categories. Also, creating a blame-free culture of sharing and learning (which is a requirement of OR ultimately) is about how to think, as much as it is about what to think about. So this may straddle the categories of thought power and cultural power. We could go on.

The real point is that these different dimensions of capability are considered, thought about and worked on. They are a useful guide and reminder that if you are designing an OR strategy there must be some background development to enable it and to help and equip people for the challenge. In that sense, it is useful to analyse capability in this way.
The capability an organisation develops to deal with threats and disruptions must be managed dynamically – subject to review, periodic validation and adaptation as the market and the risk landscape evolves. We believe this model brings useful rigour to managing and integrating the component parts and separate disciplines of an OR strategy.

It applies in principle to all the incremental threat response strategies applied under the overall approach to OR, but will – if coherently managed – help to prevent that incrementalism being disjointed.

**Anticipate** implies “horizon scanning”. That is, looking for emerging changes to the risk and operating landscape at or over the horizon - and not just examination of the immediate and proximate context of one’s business. This is partly about looking for emerging risks before they become a direct threat, which can buy time and reduce surprises. But it also has another key benefit. Many crises that challenge an organisation’s resilience have a “trail”, a series of related smaller errors and problems that escalate into a crisis. Horizon scanning can help the organisation interrupt that chain of causation and prevent that escalation. There is no particular methodology or science involved; we suggest that it is a matter of the discipline and the habit of looking for potential problems. We do, however, suggest that it should be a shared responsibility of the whole senior management team and that it should work within a culture of willingness to share bad news and problems fully and early.
Assess deals with the analysis and evaluation of those risks. A key OR issue here is the extent to which practitioners of an organisation’s various risk assessment regimes “talk” to each other, perhaps in the literal sense but mainly in the sense of using compatible methodologies that allow direct comparison. Or, as is often the case, do the separate protective and resilience disciplines in your organisation identify, assess and evaluate risks in various ways that are not amenable to collation and comparison?

Prevent & Prepare is the stage wherein risks are treated by avoiding them, accepting them, transferring them or mitigating them by preparation and planning. The latter usually involves plans or what might be better called “arrangements”. A plan is, to use an obsolescent metaphor, only worth the paper it is written on – unless it is tested and validated (which includes training those responsible for its implementation). Once the plan, its associated structures, processes and implementers have all been validated (and are subject to an auditable regime of review and maintenance) it is safe to describe the whole as a set of arrangements.

Adapt & Review: note that the iterative learning and review process does not require an incident, crisis or disruptive event. It can be triggered by vicarious experience, near misses, exercises, change to risk assessments and the organisation’s risk appetite.

Respond, Recover & Stabilise are largely self-evident as stages in the cycle. However, we would recommend that the organisation’s BC/incident and crisis management plans and arrangements are not conflated. There is a superficially compelling argument that says the BC incident plan should be scalable to accommodate a crisis management tier, or to manage a crisis within incident management arrangements. We believe this is wrong. Crises are not “enlarged incidents”. They are typically more complex, challenging and volatile than incidents and the differences are ones of character and not merely scale. They require different (albeit complementary) arrangements. For more details and a developed rationale, please see BS 11200: 2014 Crisis Management: Guidance and good practice.
This graphic is about the EPC’s mechanisms for delivering OR with a partner organisation. It draws on the content of BS 65000: 20914, which is acknowledged, but adapts it and defines our college approach to the discipline.

We do not expect many organisations to opt for an “OR solution” in the first case. The commitment is considerable and the level of trust and partnership required militates in favour of a pre-existing relationship. Most organisations will favour a controlled, incremental approach to improving their resilience by working on the effectiveness of the separate components of OR. At the very least, this paper should help them appreciate that these developments should not be locked down in silos and that some strategic oversight of resilience will pay dividends. That, in itself, would form the initial basis of a reasonable OR programme.
The key point about this graphic is the argument that OR matters to all managers, and not just the specialists who manage the different resilience activities taking place in the organisation. This is because the benefits are generic; they help the organisation in general and in very general ways.

Clearly, recovering quickly from a disruption or a sudden change will improve your competitiveness. It means you will be back in business when competitors are still struggling to get back into the market or cope with the ways in which it has changed. Resilience also means the shock effect of the disruption or change will be reduced, its impact will be mitigated and your associated losses reduced.

By driving down silos and increasing cross-organisational coherence you will achieve better alignment between your strategic aims and your operational activities. You’ll know how the business really runs at the operational level and precisely how activities contribute to or detract from resilience. This is because implementing an OR strategy should drive senior managers into breaking down the barriers that often insulate them from the operational and day-to-day realities of the business.

This is likely to lead to savings and improved efficiency and, as a resilient organisation, your brand value and reputation will improve. This will confer further competitive benefits and demonstrate responsible, ethical and diligent management.
The message in this graphic is basic and straightforward. If you want to improve your OR and benefit from a managed, coherent programme of resilience activities, it implies that you must:

- Recognise that resilience is central to how you do business, and that it should be an abiding concern of senior management;
- Give senior management the means to really understand their organisation’s resilience. This implies robust communications, internal transparency, a culture of openly sharing such information and a senior responsible “owner” of resilience at a high level of governance;
- Ensure that the organisation’s leadership and culture will support the strategy actively;
- Articulate the OR strategy.

So what is an OR strategy? We believe that a strategy comprises 3 elements:

- **Ends**, or the end-state that is desired. This implies a clear, achievable aim and, more generally a statement of the overall intent;
- **Ways**, or a description of how it will be achieved;
- **Means**, or the mechanisms, approaches and activities that will be provided and used to achieve it.

This is the basis of a common vision and will support a common understanding of how it will be achieved.
This graphic situates the 3 foundations of OR and embeds them in a model of improvement that lays out 6 steps in a strategic model of OR.

It lays out the stages of the overall OR strategy. We suggest that the cyclical model described in slide 6 is employed at the level of ensuring that separate resilience developments (such as BC planning and crisis management arrangements) are dynamic processes, internally referenced to the risk landscape and not isolated interventions. In other words, the separate and constituent programmes of an OR strategy must be as dynamic and coherent as the overall strategic model. They are incremental, but not disjointed.

The 6 steps in the strategic model are:

- Be informed;
- Set direction;
- Bring coherence;
- Develop adaptive capacity;
- Strengthen the organisation;
- Validate and review.

The following graphics identify which capabilities of the EPC supports the achievement and development of each stage of the model. We acknowledge BS 65000: 2014 for the original design of this model.
Under “be informed”, the EPC’s expertise lies in:

- The use of its Base-Line Review (BLR) methodology to give an objective, expert and informed assessment of the organisation’s current state of resilience. This is evidence-based;
- An assessment of the risks of disruption facing the organisation and its vulnerabilities to them.

In this sense, being informed means having an impartial, accurate and honest appreciation of your state of organisational resilience overall, with strengths and weakness identified and understood.
Under “set direction” we:

- Identify strategies for improved resilience, including recommendations and a “route map” to improved resilience – through achievable and cost-effective change and development;
- Enable you to make informed and evidence-based choices about resilience strategy, that reflect good practice and standards.

Thus, the first stage (be informed) and the second (set direction) give you:

- Situational awareness;
- The strategic aim.

The remaining stages give you the actions you need to carry out.
Under “bring coherence”, we can assist organisations by:

- Designing and implementing strategies for plan development, learning and training, validation by exercises and the learning and application of lessons learned;
- Assisting with the effective communication of the OR agenda across the organisation, and its associated change management.

This is the stage where issues about coherence and integration of activities and plans may take place, setting the scene for the different developments and improvements dictated by the strategy.
Under “develop adaptive capacity”, we offer specific expertise and operational support in:

- The review and improvement of plans and arrangements to deal with business disruptions and contingencies;
- Training people to implement plans and arrangements and manage emergencies at all levels, through a functional approach to incident and crisis management;
- Validating plans, by designing and delivering exercises that test plans, arrangements and people in incident and crisis management;
- Identify lessons from exercises, operations and near-misses, through independent debriefing and assessment;
- Implementing lessons and making the required changes to plans and arrangements;
- Improving cyber security.
Under “strengthen the organisation” we can:

- Act as a critical friend and trusted advisor throughout the design and implementation of an OR strategy;
- Provide coherent packages of advice, training, exercising and implementation that support the strategy, and the implementation of the cycle of Integrated Resilience Management.
Under “validate and review” we can:

- Critically analyse, and objectively report on, the organisation’s progress in developing OR in policy and practice;
- Advise on the “next steps” to improved OR.
This graphic is re-introduced at this stage to allow us to reflect on what the strategic outcomes of an OR programme might look like.

It stands to reason that OR will not smooth the rough contours of your risk landscape, which is an external reality. But it will make you more resilient in the face of the challenges that emerge from it.

The cumulative effect of a well-managed OR programme can be to make the organisation genuinely “mindful” of resilience. Weick and Sutcliffe (2007) built on earlier research into what were called “high reliability organisations”, and noted that such organisations have 5 characteristics. These are paraphrased here as:

**Alertness to the risk and consequences of failure.** This is not as negative as it sounds. It advocates being alert to the possibility of failure and continuously working to anticipate risks and pre-empt them or contain them. It is the active antithesis of complacency or trusting to luck and good fortune.

**Willingness to recognise and manage complexity.** Organisations that are mindful of resilience recognise the innate complexity of their operating environment. They are culturally not content with simplistic explanations of issues and phenomena that affect their business. They look for nuance and actively try to understand the complexity of their environment so that they can understand their risk landscape. This presupposes a willingness to accept divergent thinking and a habit of welcoming a sceptical treatment of received
Managers understand the front-line realities. Such organisations really understand the dynamics of their front line, where the work gets done. There are no organisational or cultural barriers between managers and the “shop floor” and people are empowered to think in terms of resilience when they sense a threat emerging and act or at least “speak up”.

Resilience is the goal. This implies a recognition that threats will occur. The focus is on mitigating them, as early and as quickly as possible, to prevent them escalating to the point of becoming a serious issue. Resilience is a shared responsibility and a shared authority.

Operational expertise is respected. Local or specialised knowledge and expertise is valued and respected, irrespective of where it comes from in the hierarchy of formal authority. Authority tends to be pushed “down and around” with an emphasis on expertise rather than rank in critical situations. In fact, organisations which are mindful of resilience tend to be able to flatten their hierarchies very effectively and quickly when facing a threat – empowering the front-line and circumventing the potential for hierarchical organisations to be slow to respond. It promotes agility, which is a key requirement of OR.


To us, these are the cultural results of a really vigorous programme of organisational resilience.
As mentioned earlier we do not - for commercial reasons - publicise our BLR methodology. However, this graphic gives an overview of how it works. It explains the aim, method, outcome and the opportunity for further development it offers.

The BLR will require embedding a resilience analyst in the organisation for a period of time and giving him/her access to managers, staff, plans, policies and records – in so far as these are needed to complete the review.

It analyses OR in terms of five thematic areas:

- Risk;
- Crisis management;
- BC and incident management;
- Leadership and culture;
- Governance and process.

Each is then allocated a score against a given scale. This gives the organisation a “dashboard” read-out of its current state of resilience, supported by an explanatory narrative and the evidence upon which it is based. It then goes on to make recommendations and identify a “route map” to the next or higher levels of OR on the EPC Resilience Scale.
So, by way of a conclusion to this brief paper, the key note is that OR arises from the strategic and integrated management of a range of disciplines, activities and organisational behaviours that, without deliberate intervention to the contrary, can come to be managed separately and incrementally. Sometimes they are managed introspectively and non-coherently.

The risk is that individual streams of activity become driven by the needs of the particular discipline and its attendant processes, rather than the benefit to the organisation without sufficient reference to the other resilience-related protective activities going on in the organisation. Earlier in this paper, we discussed the characteristics of organisations that are “mindful of resilience”. Not surprisingly, they tend to be the organisations which demonstrate high levels of resilience. The introspective approach we have just described above is, to some extent the antithesis of this because it helps create and reinforce silos, disaggregates the organisation’s resilience efforts, serves operational process rather than strategic benefit and misses opportunities for integration and its associated benefits.

Aspects of OR also tend to be managed at different levels in the larger organisation. In our experience the “recognised” resilience disciplines – the ones that offer an obvious, if at times disaggregated, resilience benefit to the organisation – tend to be delegated. They might be managed very well, and they usually are - because they are in the domain of subject-matter experts. But they don’t feature on the agenda very much or very often at senior level. BCM, supply chain resilience and information security are possible examples. Conversely,
issues such as macro-environmental risks, strategy, leadership, culture and brand value tend to dominate those top team agendas. These are fundamentally strategic issues and entirely appropriate for the top team. However, the top team do not necessarily see these activities in terms of a strategic resilience benefit. They are usually acutely aware of them and their business significance, but are less likely to consciously and explicitly consider them as elements of an OR strategy. For that reason, two out of five thematic areas in our base-line review methodology focus on these “softer” (but more obviously strategic) areas.

OR is, therefore, ultimately about widening the understanding of resilience, integrating the things that contribute to it, dealing with the things that degrade it, understanding the benefits of a strategic and integrated approach and then, most importantly, making it happen.
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