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## **WILL BUSINESS RESILIENCE DELIVER TANGIBLE BENEFITS?**

*Endemic volatility in financial markets, as well as political unrest in various regions, will keep firms globally at risk. Most firms depend on business partners, resources, and supplies that may become unavailable unexpectedly. Such external factors may compound the challenges to integrate the full spectrum of risks (e.g., credit, market, operational). Firms must heed the holistic dimension of risk proactively and protect critical people, information, technology, and business resources. Resilience will bear fruit in mitigating disruptions. It will also help firms reap the positive side of risk: Opportunity.*

- 1. Disruptive events:** *Natural disasters and other catastrophes put business continuity to the test. External events affecting the business supply chain of a firm may compromise its entire operations.*  
→ **Actions:** Firms must ponder risk scenarios and possible “burning platforms.” Synergistic readiness for top threats will also prepare firms to confront unexpected events. A holistic alignment to set up and mobilize resources should bring extra benefits by breaking down silos both at the firm and its suppliers.
- 2. Operational opportunities:** *Business operations are increasingly dependent on information technology. Operations and technology resilience will augment the effectiveness of risk management.*  
→ **Actions:** As IT plays a greater role in overall risk management, firms may tap integrated and more resilient technology platforms (e.g., enterprise solutions, hybrid clouds.) Besides protecting data, firm-wide integration will give wider, faster, and more dependable access to critical business information.
- 3. Financial value:** *A global study by IBM and the Economist Intelligence Unit revealed that in 2011, over 60% of the organizations surveyed would increase their spending on business resilience and risk.*  
→ **Actions:** Rather than taking robust risk management capabilities as sunk costs, firms should value them as avenues for business growth. The ability to understand risks more broadly and prepare resources accordingly should improve the overall growth, profitability, and sustainability of the firm.
- 4. Competitive opportunities:** *Turbulent waters may benefit savvy fishermen. Resilient firms may take advantage of widespread financial or operational disruptions that catch competitors unprepared.*  
→ **Actions:** As electronic interconnectivity proliferates, technology innovation could give firms a potentially disruptive edge. Boards of directors and C-suite executives should ensure that their firms are better set than competitors to swiftly curb exposures and also capitalize on high-impact innovations.
- 5. The value of trust:** *Stakeholders will hold the leadership of a firm accountable for a consistent and sustained delivery (meeting or exceeding expectations) of products, services, and financial results.*  
→ **Actions:** Ascribing blame or fixing past issues may fail to mitigate the exposure to future disruptions. Firms must bolster business resilience as an avenue to reaffirm trust and brand equity. To provide proper focus, firms should assign a senior executive to lead resilience and risk integration initiatives.