

CORPORATE RESILIENCE, INSTRUCTIONS FOR USE



The Covid crisis has highlighted resilience as a key intangible asset for businesses. It is now an ability to cultivate to be ready to sail by large grains.

As early as 2007, Nassim Taleb (Fooled by Randomness, Antifragile, The Black Swan) has painted a future submitted to rare major events, extremely difficult to predict, beyond normal expectations and significantly changing the continuity of our activities. Facing an increasingly unpredictable environment, it is necessary for executives to devote energy to work on the resilience of their company. Because resilience is one of the key intangible assets that will play a decisive role in the tomorrow's world. This world of tomorrow which, with the Covid-19 crisis, can be glimpsed and is somehow a tangible reality.

From the "chaos" caused by the crisis - and soon all sort of crises - a "new order" may emerge, more inspiring for all, with a new course, a new *raison d'être* or a stronger need for anchoring and belonging. It will no longer be enough to go through a crisis, it will also be necessary to know how to overcome and survive it.

While the Covid-19 crisis has amplified interest in the phenomenon of resilience, it appears that behind this term various meanings are crystallizing. Applied to companies, this concept deserves to be developed and nurtured, in order to better arm ourselves in the face of economic, health, cybernetic crises, etc. in perspective. Beyond an ability to withstand shocks, resilience enhances the experience, by providing the necessary armour to approach the next ordeal with more serenity and confidence.

Going through the ordeal is already building resilience. However, considering each ordeal as a resource to be exploited increases ability for resilience. Taking advantage of it needs that you question yourself, not to dodge the changes to be driven and not to sink into denial by obliterating what happened for the teams and the organisation.

Resilience is certainly not the miracle solution. A resilient organisation is not able to withstand all shocks and all types of crisis. Nevertheless, increasing this capacity maximizes chances of facing it. At the end of the day, it is an intangible asset to be cultivated in anticipation to be ready to sail by large grain.

In this article, we propose to clarify this notion and to draft a "program" for developing resilience capacity before, during and after a crisis.

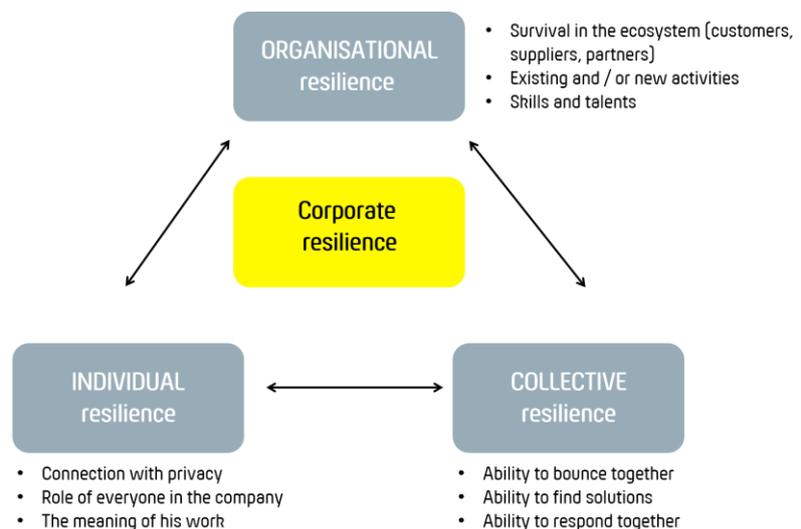
A KEY CONCEPT FOR A COMPANY TO BE CONSIDERED IN 3 DIMENSIONS

In physics of materials, resilience is a property that characterizes the energy absorbed by a body during deformation. In psychology, it describes a “resumption of development after trauma or agony” (B. Cyrulnik). By analogy, biology, economics, computers, arts and armament as well use this term to describe situations of intense mobilisation of the capacity to cope and get back into motion. In business, resilience is often an observation made in the aftermath, a result, a statement: “*we survived*”.

However, it would be more mobilizing to consider it as a resource process, as a meta-process that puts into coherence three sub-processes:

- > **organisational resilience** (ecosystem and supply chain survival, business model, skills and talents, etc.),
- > **collective resilience** (operating modes, behaviours, corporate culture, shared values, etc.),
- > **individual resilience** (autonomy, personal situation and values, meaning given to work, etc.).

These three dimensions, all intertwined, leverage the company's overall resilience capacity.



CORPORATE RESILIENCE: 6 KEY CHARACTERISTICS

#01 RESILIENCE IS NOT RESISTANCE

Resistance is more useful to contain a force of adversity than moving beyond it. Moreover, resistance actions can have a negative effect on corporate resilience. They can generate a state of sideration, the opposite effect of the mobilization one wishes to arouse.

Let us mention here by way of example the many “forced” leave or lockdown of employees without preparation, very quickly (too much?) after the first government announcements, raising among them a number of questions: “*am I going to lose my job? What am I useful for? Etc.*”

Resilience is a building force, more proactive than reactive. It solicits resistance but goes far beyond. At the same time, the capacity to resist, to bounce back and to rebuild calls for leaving the framework: rethinking short-term operating modes by giving more freedom of action at the operational levels, reactivating a sales channel hitherto unused, accelerating the customer claims processing... to get started.

#02 RESILIENCE CANNOT BE DECREED

It is a capacity that must be developed and nurtured. A business may have more natural predispositions than others during a crisis: a history, a culture, shared values, trust, ways of working encouraging initiative and proactivity. However, this capability can only be deployed if the company has been prepared for it.

Preparation is not limited to establishing procedures to be applied in time of crisis: early feedback shows that business continuity plans (BCPs) – resistance plans rather than resilience and, by nature, limited to the risks identified – are not sufficient to capture all the issues raised by an unforeseen and major crisis such as the Covid pandemic. Preparing for it requires cultivating resilience skills, pillar skills that are based on the company’s history (roots), past and overcome trials (self-confidence), meaning (projection), agility (adaptability) and autonomy (mobilization and initiative) and, finally, on an organisation on alert (anticipation and listening to weak signals).

#03 RESILIENCE IS A PROCESS TO BE ACTIVATED IN SITUATIONS OF SHOCK AND CRISIS

... making the building of a new balance easier.

Crisis mode is not sustainable in the long run and can exhaust people. Since any system is uncomfortable with a lasting imbalance, there is a natural tendency to regain a balance, which will not necessarily be that of pre-crisis.

A crisis period is interesting because it allows us to measure the company’s ability for resilience and to take advantage of it: thus many leaders and entrepreneurs, during the COVID-19 crisis, experienced more agility, risk-taking, experimentation, collective intelligence, solidarity and new connections between services. These business adjustments will not all be long-lasting, but some will impact the organisation. It will be then necessary to move from experimentation forced by the situation to sustainable implementation.

#04 AN ORGANISATION IN CRISIS FEEDS ON THE RESILIENCE OF EACH EMPLOYEE AND RECIPROCALLY

An organisation can proactively find beneficial and ad hoc adjustments to its operating model: a new service, a dematerialized process, a new application, etc. But that does not mean that people will become resilient: fear of losing their job, loss of meaning, lack of information, loss of responsibility due to a more top-down management, physical distance, feeling of being neglected and more “zeros” than “heroes” for those who are not at the “front line”.

Resilience does not stop at the gates of the management board. If leaders don't have a comprehensive approach – both collective and individual –, the effects of resilience can be annihilated and lost in the short term (endanger the rebound) and in the long term as well (not being ready for the next shock). And this is due to a lack of commitment of employees, resignations in mass, declining productivity, difficulties in getting back on track...

#05 RESILIENCE IS TO BE DESIGNED AT SCALE OF THE ECOSYSTEM AND CORPORATE VALUE CHAIN

Depending on the type of crisis and depending on the business industry, the impact on the ecosystem in our ultra-connected economies can be such that the restart and the rebound must be managed with a global approach: suppliers and service providers in trouble, stricken supply chain, new consumer expectations, peaks of demand, periods of lockdown / unlockdown in several points of the planet, etc. Even a leader company cannot ensure the restart on its own. It will need to co-construct solutions to cope with the problems of today and tomorrow, with a good dose of cooperation.

#06 RESILIENCE IS ALSO A REFLEXIVE PROCESS

This requires a day to day work on people awareness and commitment, which will highlight the effects of resilience.

Resilience mainly develops through feedback loops: firstly thanks to the energy of “revolt” (*why did this happen to us?*) and secondly thanks to an effort of memory and storytelling (*what happened to us, how did we do?*). This work feeds the myth that allows us to accept vulnerability (*we cannot protect ourselves from everything, we will experience other shocks*), to anchor resilience (*we learned it*) and to capitalize on the confidence so gained.

According to Boris Cyrulnik: “To give meaning to a tragic ordeal is to put a Shepherd's Star in one's soul which indicates the direction.”

It would be a mistake to believe that this reflexivity is taken for granted. We must build on the many actions carried out in times of crisis, those which consolidate the social body and give it the necessary impetus to write a new page of history. This story must be shared to nurture teams, managers and leadership, to enrich the collective memory and strengthen the resilience capacity for the next shocks (second wave of the epidemic or other crises).

HOW TO CULTIVATE RESILIENCE?

From the 3 phases of a crisis (before, during and after), the 3 dimensions of the corporate resilience (organisational, collective, individual) and the 8 processes as described below, it is possible to build resilience with a development program which is inspiring for leaders.

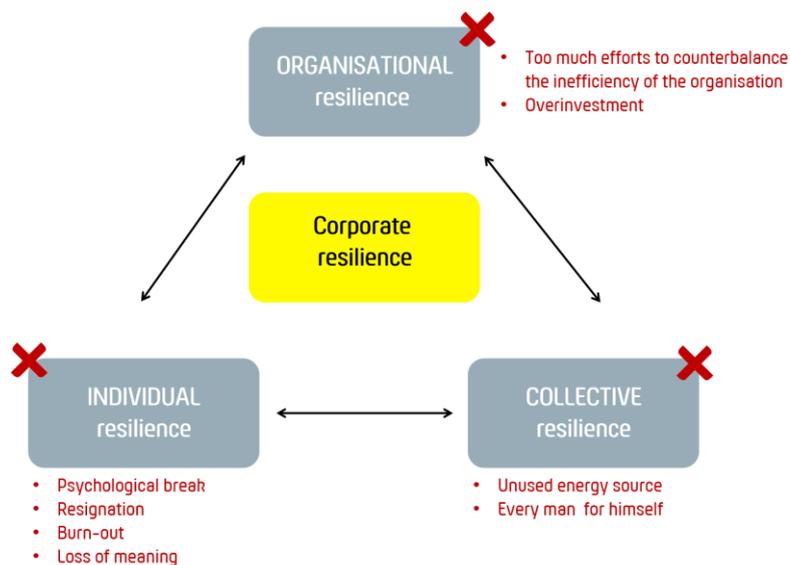
WORK ON THE THREE PHASES OF THE CRISIS TO DESIGN A SUSTAINABLE PATH OF RESILIENCE

- > **DURING**: it is during a crisis that the corporate resilience operates.
- > **POST-CRISIS**: post-crisis work is necessary in order to capitalize and be strengthened by experience.
- > **BEFORE**: less intuitively because we do not know in advance when the next crisis could happen, the pre-crisis is a period of maintenance of the resilience capacity. We share the story and knowledge, we nurture the “myth” that celebrates the way people have overcome the shocks, we train to be ready to cope with unprecedented crisis situations.

TAKE CARE OF THE BALANCE BETWEEN ORGANISATIONAL, COLLECTIVE AND INDIVIDUAL RESILIENCE

It is a crucial issue, especially in times of crisis. Taking these three dimensions into account makes the whole company stronger after the crisis. Let one of them be overlooked and the resilience of the business is compromised.

THE RISKS IF WE DON'T TAKE INTO ACCOUNT THE 3 DIMENSIONS:



DEVELOP AND ANCHOR THE RESILIENCE THROUGH EIGHT PROCESSES

These eight non-sequential processes or steps enrich each other: defense-protection, balance in the face of tensions, commitment-challenge, recovery, assessment, meaning-assessment, positivity and, finally, creativity.

1: Defense-protection or how to develop resistance and ability to immediately contain the crisis. In this process, the BPCs (if tested, reviewed and enriched) have their place.

2: Balance in the face of tensions (internal and external) or how to shape the ecosystem and keep it afloat in a disrupted and upsetting environment with exacerbated tensions. Here, the work of leadership and management to make the ecosystem viable in all weather is key.

3: Commitment-challenge or how to empower the entire ecosystem through common objectives and shared “destiny”. Here, you have to make sure that everyone has a role to play and a clear vision of its contribution.

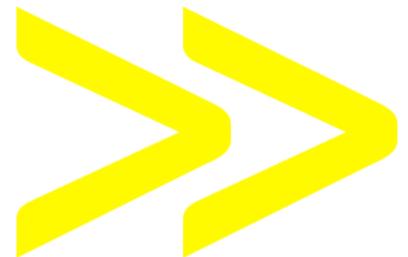
4: The recovery or how to prepare and support a way out of the crisis.

5: Assessment or how to measure your capacity for resilience before, during and after a crisis.

6: Meaning-assessment or how to share a common story of the past crisis, integrating people experience and lessons learned for the organisation.

7: Positivity or how, at the level of an organisation, to recognize the efforts made and the results obtained and to make them an object of pride.

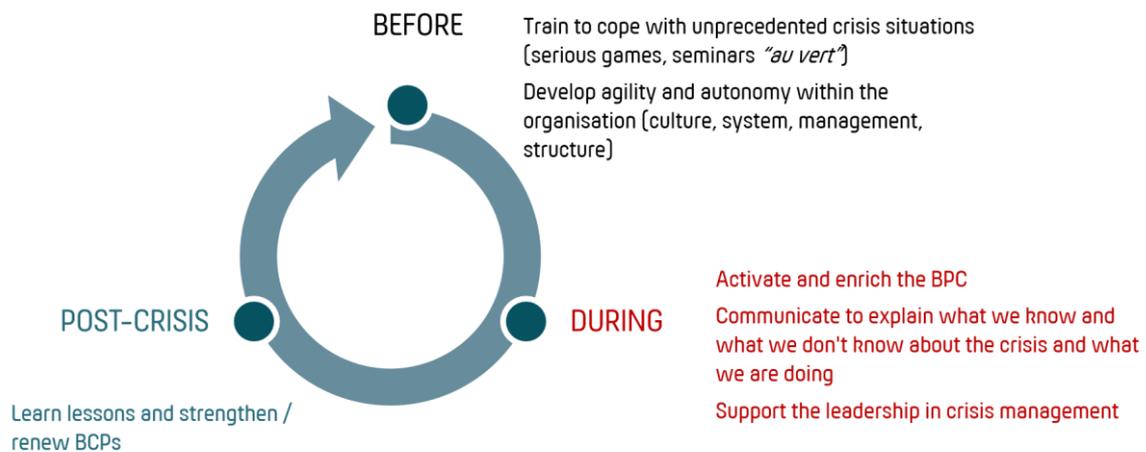
8: Creativity or how the culture and practice of innovation allow people to bounce back and (re) build on new foundations



RESILIENCE DEVELOPMENT PROGRAM: WHAT TO DO DURING, AFTER AND POST-CRISIS

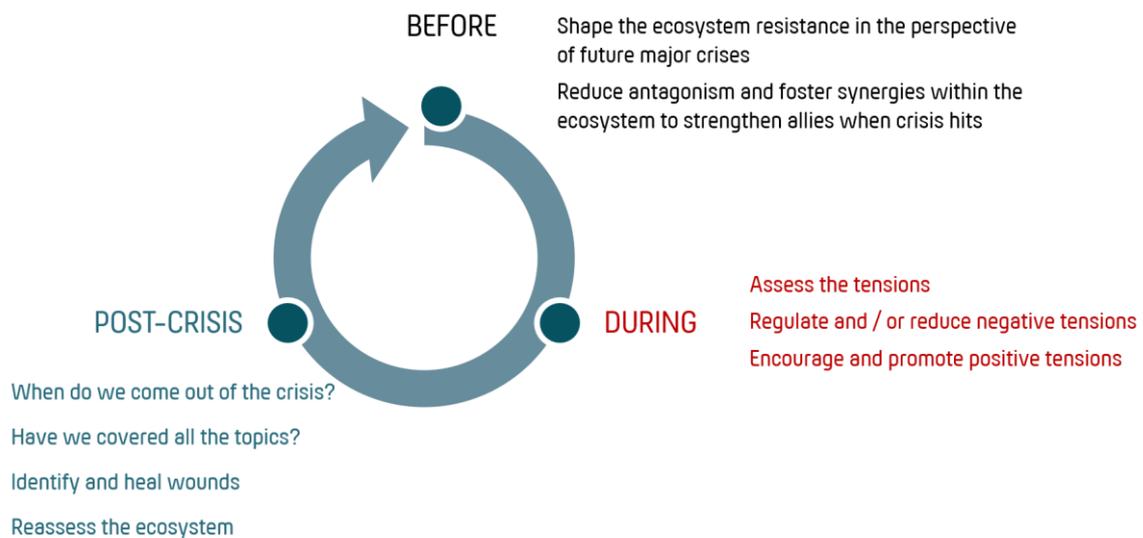
1: DEFENSE-PROTECTION

[or how to develop resistance and capacity to immediately contain the crisis. In this process, the BPCs (if tested, reviewed and enriched) have their place.]



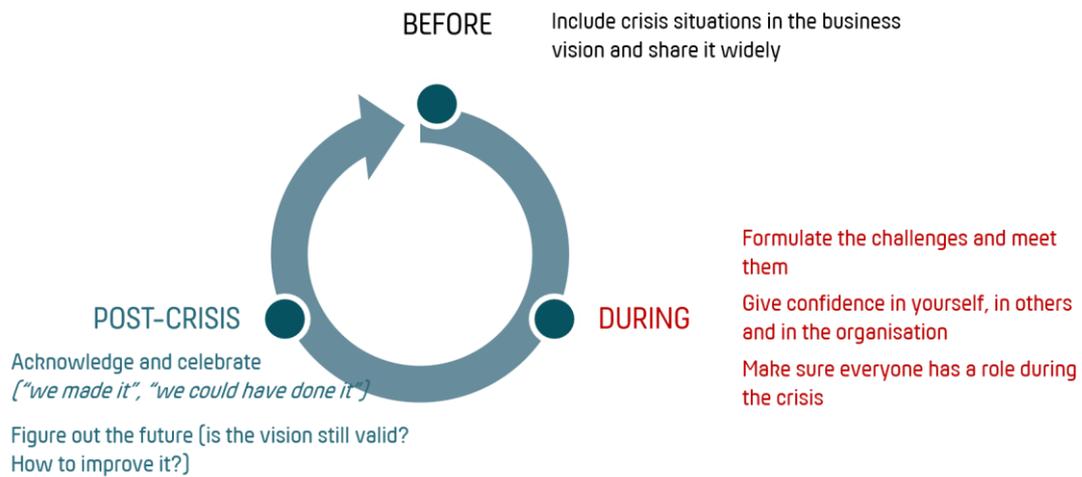
2: BALANCE IN THE FACE OF TENSIONS (INTERNAL AND EXTERNAL)

[or how to shape the ecosystem and keep it afloat in a disrupted and upsetting environment where tensions will be exacerbated. Here, the work of leadership and management to make the ecosystem viable in all weather is key.]



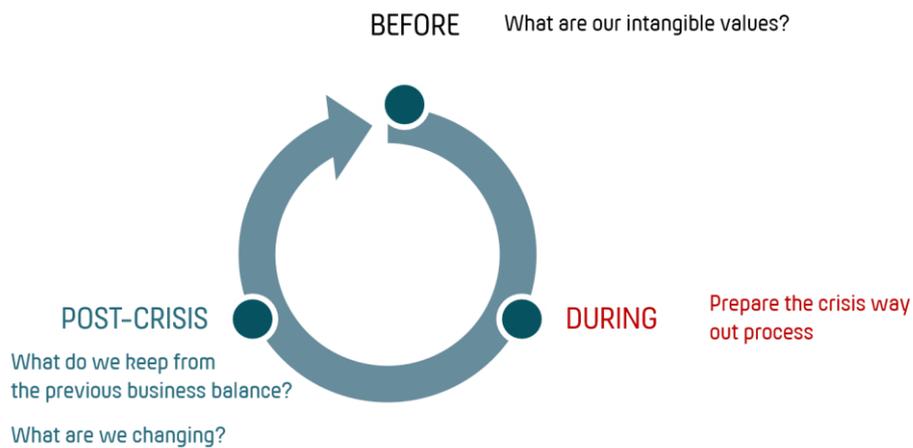
3: COMMITMENT-CHALLENGE

[or how to empower the entire ecosystem through common objectives and shared “destiny”. Here, you have to make sure that everyone has a role to play and a clear vision of their contribution.]



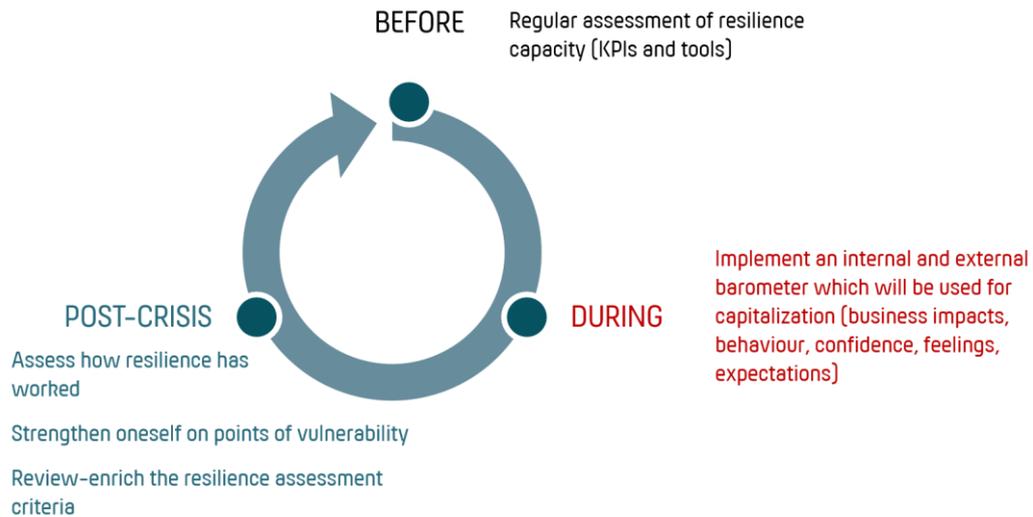
4: THE RECOVERY

[or how to prepare and support a way out of the crisis.]



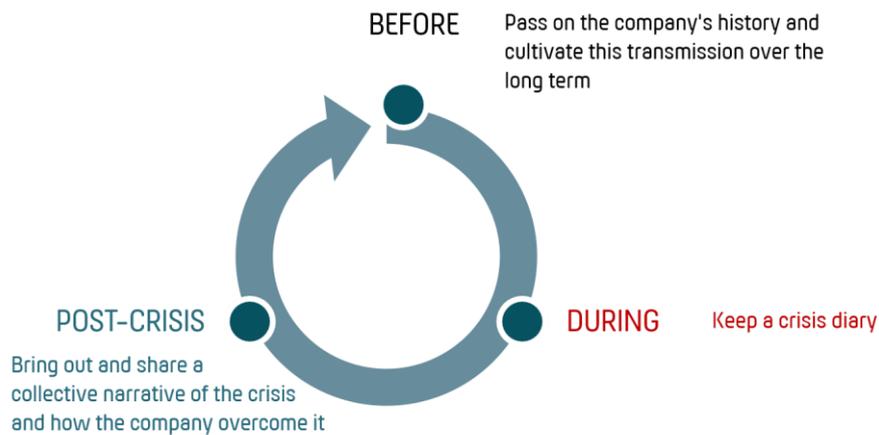
5: ASSESSMENT

[or how to measure your capacity for resilience before, during and after a crisis.]



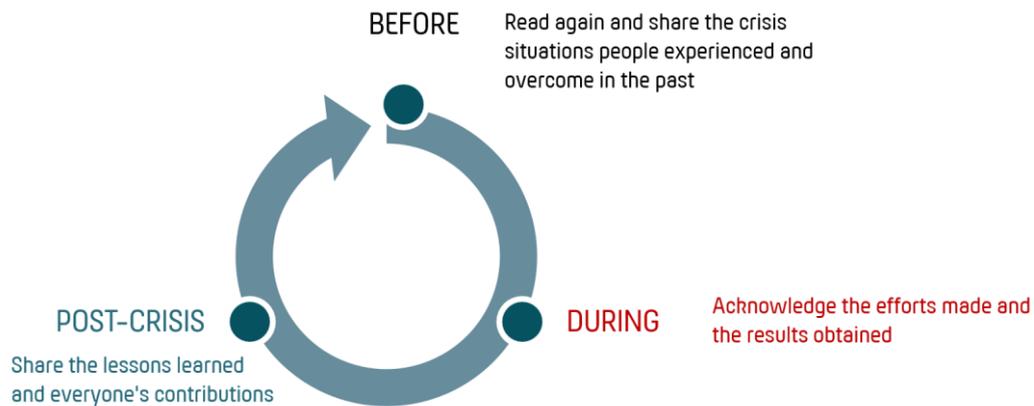
6: MEANING-ASSESSMENT

[or how to share a common story of the past crisis, integrating employees' experience and lessons learned for the organisation.]



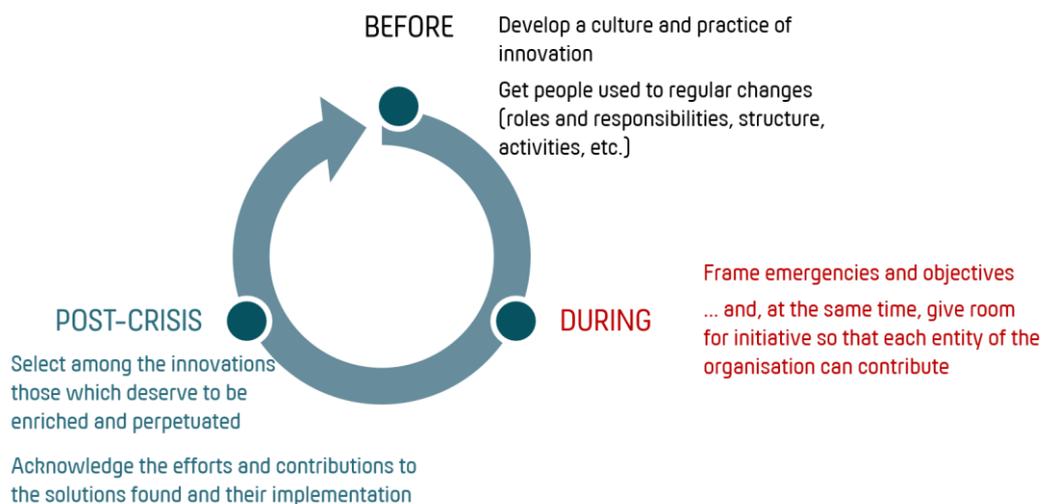
7: POSITIVITY

[or how, at the level of an organisation, to recognize the efforts made and the results obtained and to make them an object of pride.]



8: CREATIVITY

[or how the culture and practice of innovation allow people to bounce back and (re) build on new foundations.]



TO SUM UP...

We have strongly relied on corporate resilience during this global crisis that has gripped and bewildered us. We feel that this capacity must be nurtured in order to achieve sustainable development.

Until now, the concept of business resilience has been relatively underdeveloped, often limited to finding ways to resist hazards and being agile enough to know how to disrupt and seize opportunities. Schumpeter's creative destruction has gone through this.

Resilience is yet a pragmatic concept. It helps to protect the core business and make a creative reconstruction possible. The most realistic way is to tell the story of the crisis and collectively learn lessons, to take more care of customers and employees, to renew ways of working... to ensure the business sustainability, with the tools mentioned above: diagnosing resilience, healing wounds, reassessing the ecosystem, reviewing the *raison d'être*, write the collective account of the crisis and the crisis exit, etc.

We may go further: many top executive already begun to consider that the purpose of a company is not only to satisfy a shareholder but also, in a much broader way, to serve society, deal with well-being of people and contribute to the planet preservation.

What we are experiencing in this exceptional time opens our eyes to the world we should build. An observation panel of 100 companies revealed that we could act and behave differently with more meaning for employees and stakeholders, more solidarity and more cooperation... in record time. We experimented a giant laboratory on global scale, where the impossible has become reality!

Of course, not everything was dealt with, because of the emergency. We need to heal the wounds, take care of those who have not been able to participate in the movement and put them back in the game, find a new stability. But during this crisis, we have looked at the world differently and have planted the seeds of a more sustainable and empowering way of working.

We were thus able to understand what the resilience factors are. A new management field must be explored by leaders and researchers: "describing in detail what is the corporate resilience and identifying the ways to develop this ability in order to face the next shocks".

Obviously, this resilience capacity must be continuously worked on, after a shock or a crisis: learn the lessons before the next one, train and assess oneself, be ready to cope with in a better way in the future. It is therefore crucial to start working on and avoid settling back into old habits.

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SYNOPTIC TABLE

	BEFORE	DURING	POST-CRISIS
# 1: Defense-protection	<p>Train to cope with unprecedented crisis situations (serious games, seminars "au vert")</p> <p>Develop agility and autonomy within the organisation (culture, system, management, structure)</p>	<p>Activate and enrich the BPC</p> <p>Communicate to explain what we know and what we don't know about the crisis and what we are doing</p> <p>Support the leadership in crisis management</p>	<p>Learn lessons and strengthen / renew BCPs</p>
# 2: Balance in the face of tensions (internal and external)	<p>Shape the ecosystem resistance in the perspective of future major crises</p> <p>Reduce antagonism and foster synergies within the ecosystem to strengthen allies when crisis hits</p>	<p>Assess the tensions</p> <p>Regulate and / or reduce negative tensions</p> <p>Encourage and promote positive tensions</p>	<p>When do we come out of the crisis?</p> <p>Have we covered all the topics?</p> <p>Identify and heal wounds</p> <p>Reassess the ecosystem</p>
# 3: Commitment-challenge	<p>Include crisis situations in the business vision and share it widely</p>	<p>Formulate the challenges and meet them</p> <p>Give confidence in yourself, in others and in the organisation</p> <p>Make sure everyone has a role during the crisis</p>	<p>Acknowledge and celebrate ("we made it", "we could have done it")</p> <p>Figure out the future (is the vision still valid? How to improve it?)</p>
# 4: The recovery	<p>What are our intangible values?</p>	<p>Prepare the crisis way out process</p>	<p>What do we keep from the previous business balance?</p> <p>What are we changing?</p>
# 5: Assessment	<p>Regular assessment of resilience capacity (KPIs and tools)</p>	<p>Implement an internal and external barometer which will be used for capitalization (business impacts, behaviour, confidence, feelings, expectations)</p>	<p>Assess how resilience has worked</p> <p>Strengthen oneself on points of vulnerability</p> <p>Review-enrich the resilience assessment criteria</p>
# 6: Meaning-assessment	<p>Pass on the company's history and cultivate this transmission over the long term</p>	<p>Keep a crisis diary</p>	<p>Bring out and share a collective narrative of the crisis and how the company overcome it</p>
# 7: Positivity	<p>Read again and share the crisis situations people experienced and overcome in the past</p>	<p>Acknowledge the efforts made and the results obtained</p>	<p>Share the lessons learned and everyone's contributions</p>
# 8: Creativity	<p>Develop a culture and practice of innovation</p> <p>Get people used to regular changes (roles and responsibilities, structure, activities, etc.)</p>	<p>Frame emergencies and objectives</p> <p>... and, at the same time, give room for initiative so that each entity of the organisation can contribute</p>	<p>Select among the innovations those which deserve to be enriched and perpetuated</p> <p>Acknowledge the efforts and contributions to the solutions found and their implementation</p>