
Leveraging Business Resilience for Your Competitive Advantage



Featuring:

FORRESTER®



Speakers



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Housekeeping

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Business resiliency is the ability of an organization to deliver on its **vision and brand promise, no matter the crisis**

40% say risk is increasing

Base: 800 enterprise risk management (ERM) decision-makers
Source: Forrester's Business Risk Survey, 2021

72% experienced a discrete critical risk event
19% experienced six or more

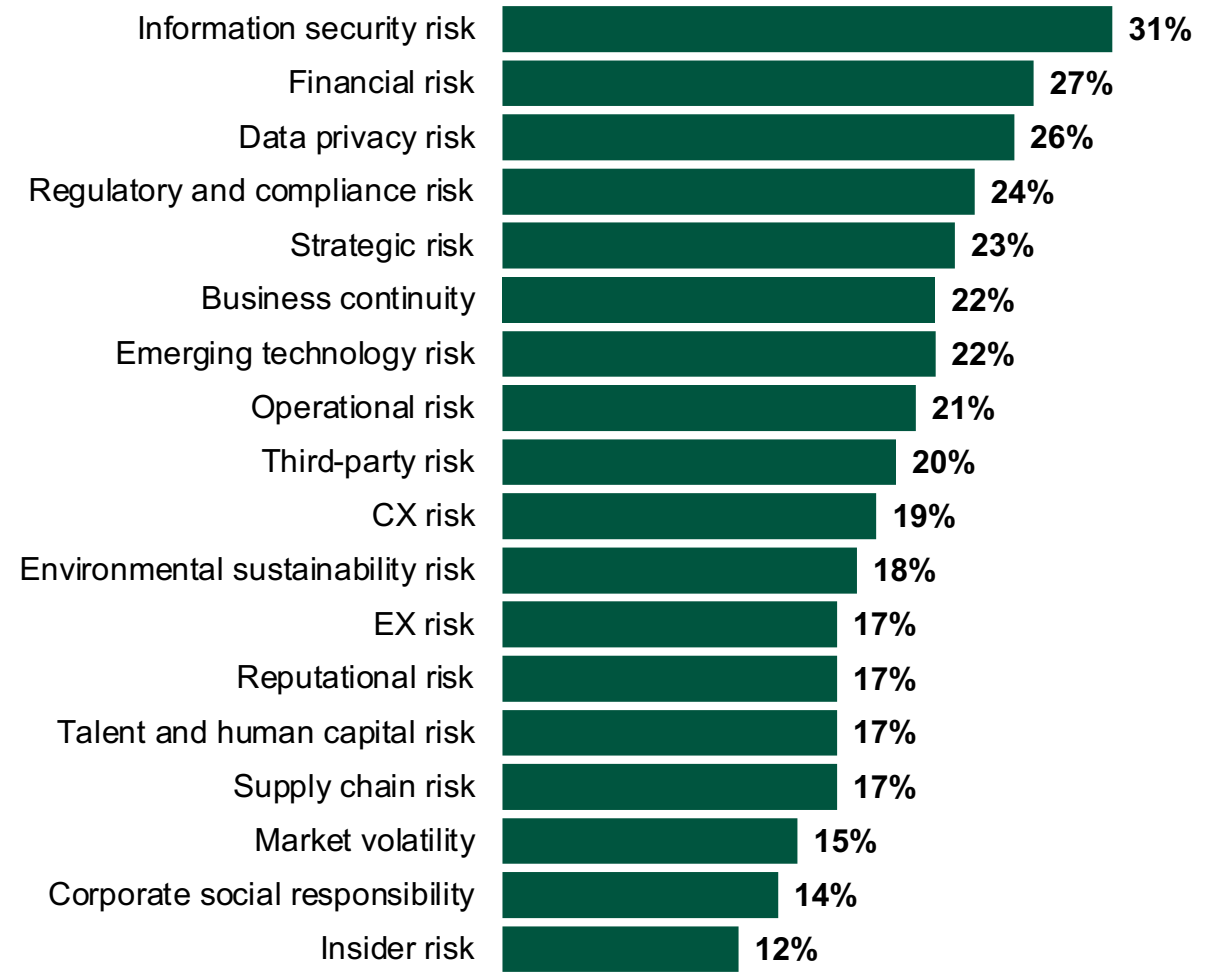
*By discrete critical risk events, we mean those where significant business, financial, or reputational impacts or disruptions were felt by your organization

Base: 800 ERM decision-makers

Source: Forrester's Business Risk Survey, 2021

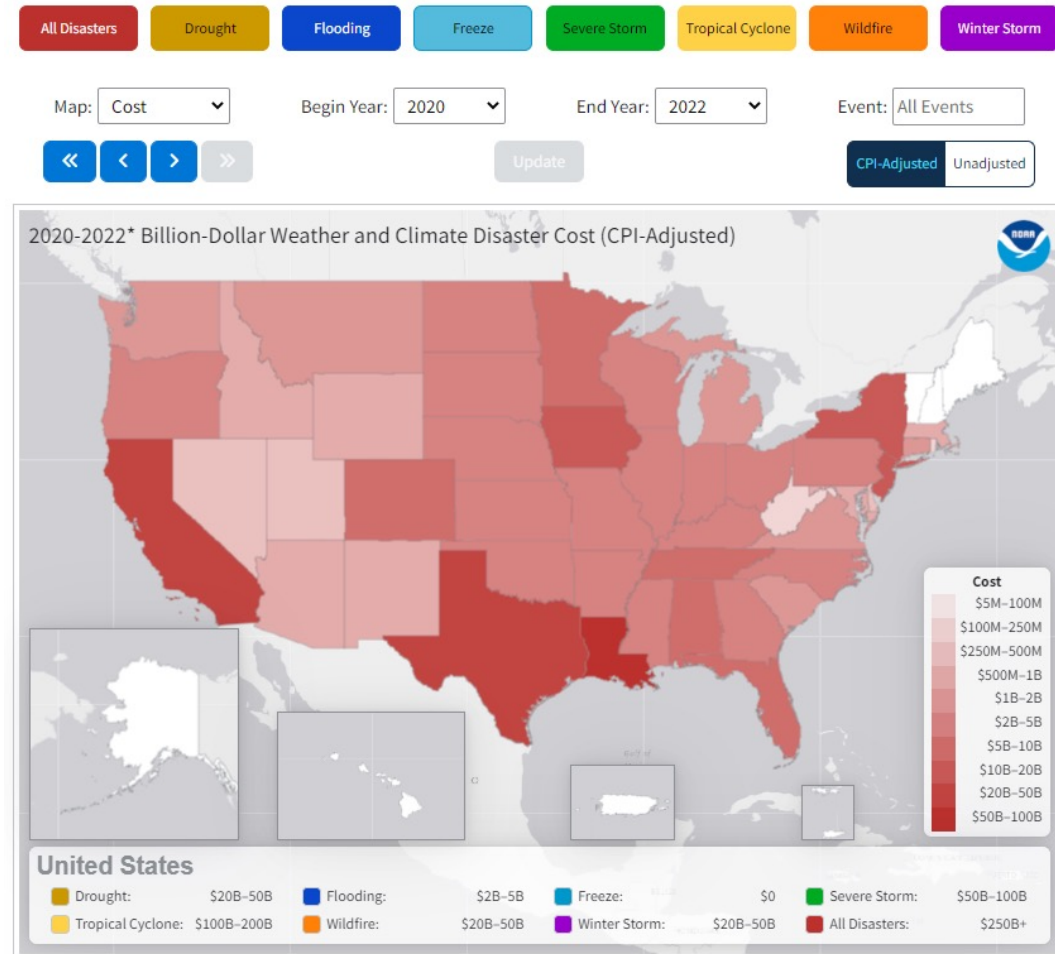
There are diverse risk concerns

“Considering the potential impact on your organization for each of the following types of enterprise risk, which are your primary concerns?”



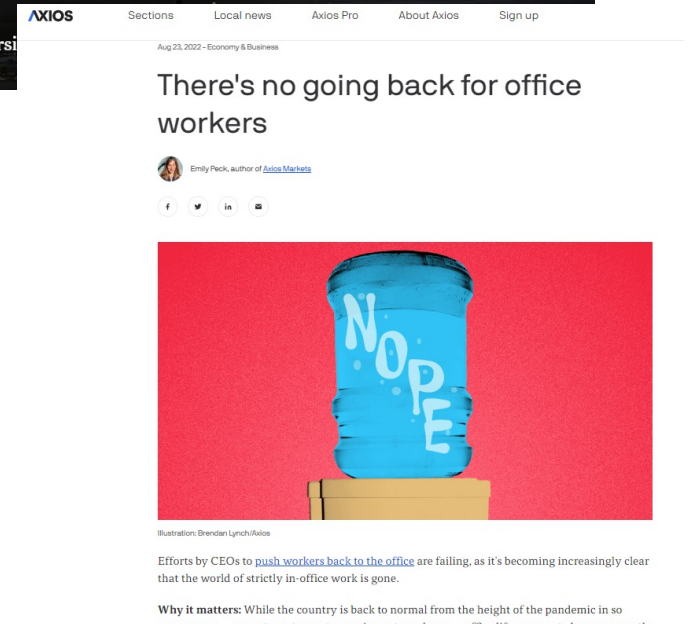
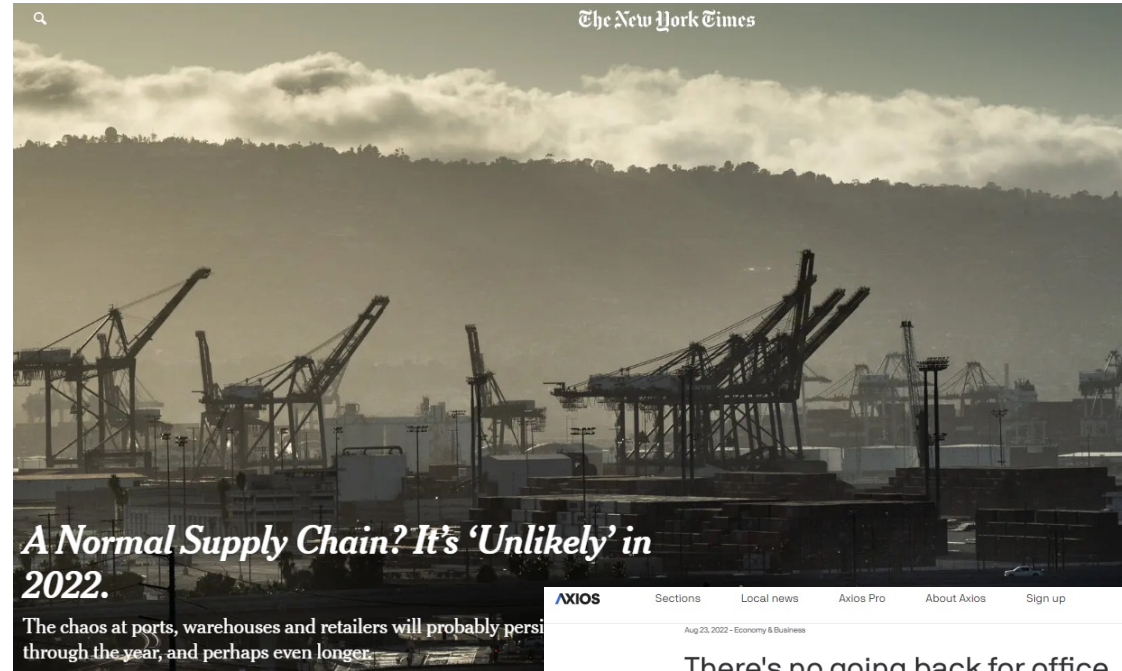
The New Normal

Disaster Cost and Frequency



Please note that the map reflects a summation of billion-dollar events for each state affected (i.e., it does not mean that each state shown suffered at least \$1 billion in losses for each event).

*as of October 11, 2022



“Which of the following initiatives are likely to be your organization’s BC priorities over the next 12 months?”



(4 or 5 on a scale of 1 [not on our agenda] to 5 [critical priority])

Base: 360 ERM decision-makers at enterprise organizations
Source: Forrester’s Business Risk Survey, 2021

Business Resilience Advantages

- Increase the emotional bond to existing customers - Anheuser-Busch
- Serve customers when other's can't -Bobbie
- Serve customers securely while ensuring their privacy - Apple
- Gain supply chain advantages to get what they need and deliver to customers - New Balance
- Capitalize on new market opportunities - American Eagle and GAP
- Win the war for talent - Strixus





Water bears can survive ...

- In boiling water
- In arctic ice
- 30 days without water
- In outer space!

Crisis reveals character

Business resiliency



On-par practices help firms survive.



Advanced practices enable firms to respond quickly and more flexibly.



Differentiated practices help companies pivot to new opportunities.

Seven pillars of business resiliency



Business impact analysis and continuity plan



Systemic risk



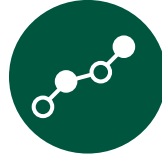
Dependable IT



Automation



Employee experience and workforce contingency planning



Supply chain



Crisis management

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Create And Maintain A Risk Based Business Impact Analysis And Continuity Plan

71% are adopting BCM technology in the next 12 months



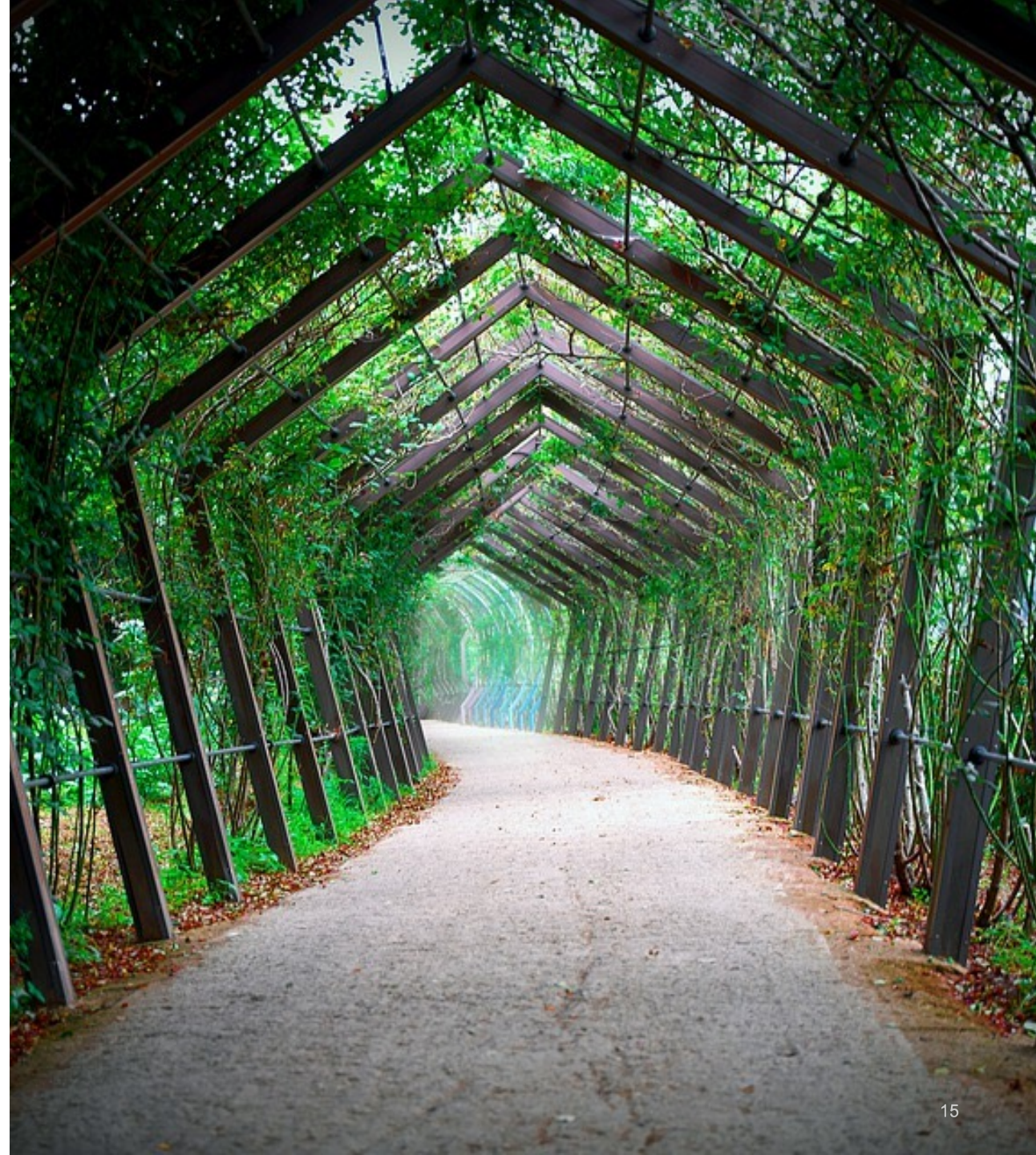
Have critical services plans



Partially automate plans, run simulations, analyze plans for improvements

Source: Forrester's Business Risk Survey, 2021

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33%

create or improve business continuity plans

Base: 553 Business and technology professionals who indicate that increasing operational resilience is a priority for their organization
Source: Forrester's Priorities Survey, 2022

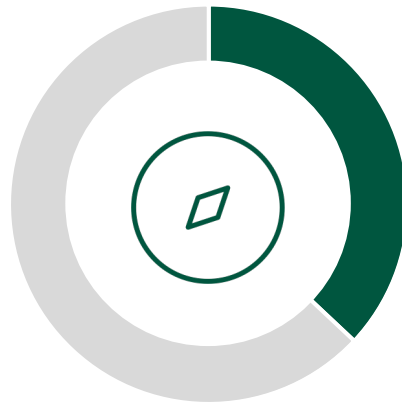
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More Mature Business Continuity Programs Experience Better ERM Program Benefits

“Which of the following are the primary benefits of your organization's risk management program (ERM)?”

(multiple responses accepted)

37%
Make faster day-to-day risk-based decisions



13 points
higher than rate of total respondents

34%
Get defined risk management policies, procedures, and governance



15 points
higher than rate of total respondents

Base: 76 Enterprise risk management (ERM) decision-makers who have concerns about the potential impact on their organization for business continuity risk and report their business continuity maturity as Measured or Optimized (4 or 5).

Source: Forrester's Business Risk Survey, 2021

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More Mature Business Continuity Programs Experience Better ERM Program Benefits

“How much do you agree or disagree with the following statements about your organization's ERM program?”

(Respondents answering 4 or 5 on a scale of 1[Strongly disagree] to 5 [Strongly agree])

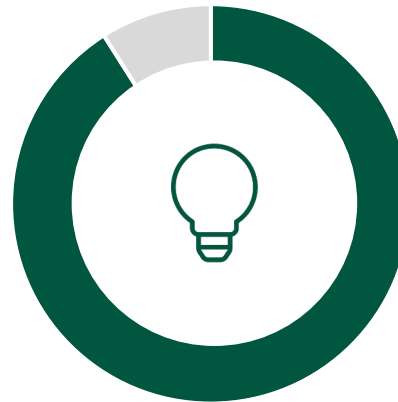
91%
Improve employee experience



12 points

higher than all respondents

91%
Innovate quicker



13 points

higher than all respondents

90%
Differentiate in core markets



14 points

higher than all respondents

Base: 58 Enterprise risk management (ERM) decision-makers whose organization measures the success of their ERM program by impact on employee experience, customer experience or brand reputation, have concerns about the potential impact on their organization for business continuity risk, and report their business continuity maturity as Measured or Optimized (4 or 5).

Source: Forrester's Business Risk Survey, 2021

Seven pillars of business resiliency



Business impact analysis and continuity plan



Systemic risk



Dependable IT



Automation




Employee experience and workforce contingency planning



Supply chain



Crisis management



Adapt the business to a broad range of systemic risks with risk management

Only 40% rate themselves as mature when it comes to measuring strategic and reputational risks



Focus on enterprise risks with inconsistent risk practices



Review most likely and damaging systemic risks in relation to their strategic and reputational risks.

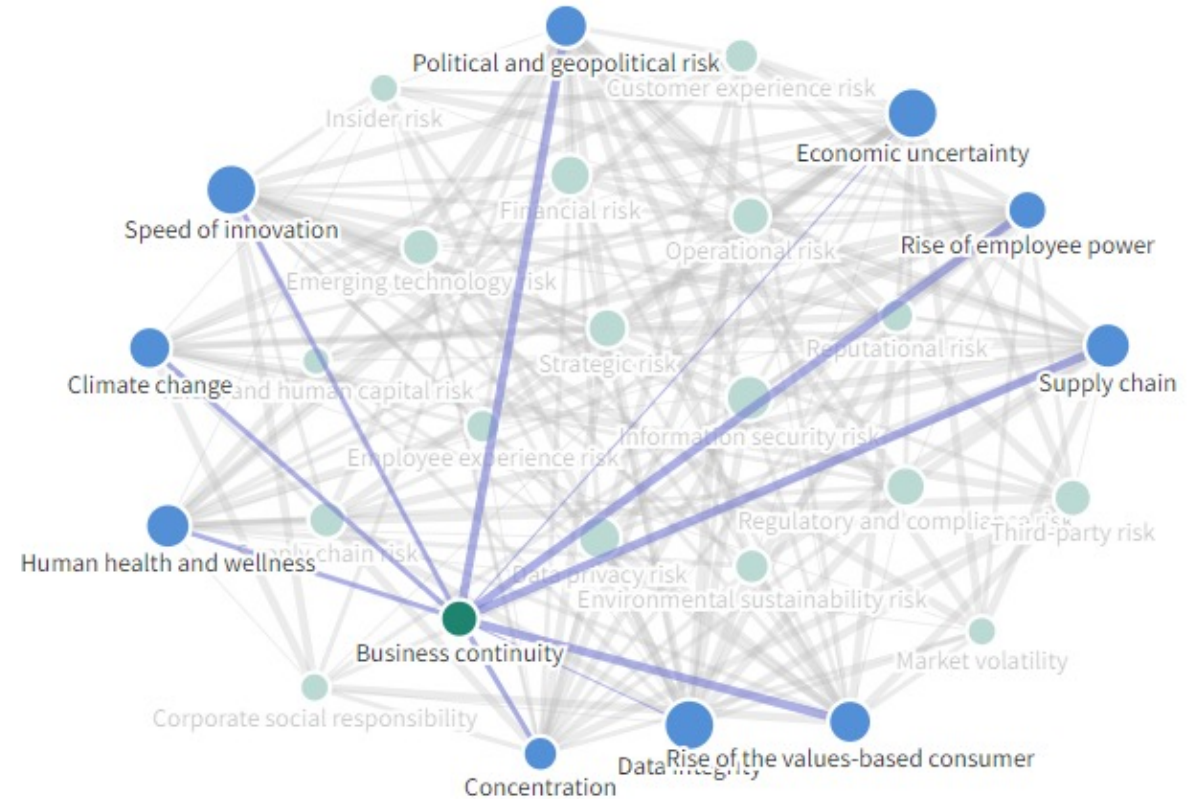
24%

create or improve a risk-based business impact analysis

Systemic Risks Are Interconnected To BC Risk

Interconnected Risk Map, 2022

- Enterprise risk
- Systemic risk



Note: Line weightings represent the level of associated risk: low, medium, or high. Bubble sizes represent the level of criticality of each type of risk. Base: 360 Enterprise risk management (ERM) decision-makers at Enterprise organizations (1,000 or more employees).

Source: Forrester Research, Inc. Unauthorized reproduction, citation, or distribution prohibited.

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Crisis management

#1 Discrete Risk Event

IT failure of a business-critical system or application

Invest In Dependable Technology Services

Only 19% of business and technology professionals who prioritize increasing operational resilience indicate that implementing chaos engineering is a key action for operational business resilience, the lowest response in Forrester's Priorities Survey, 2022.



Focus on technology risk, specifically infrastructure



Find potential causes of failure to test

Source: "Break Down Chaos Engineering Myths For More Resilient Operations" Forrester report.



Busting The Top Chaos Engineering Myths

Isn't about breaking things

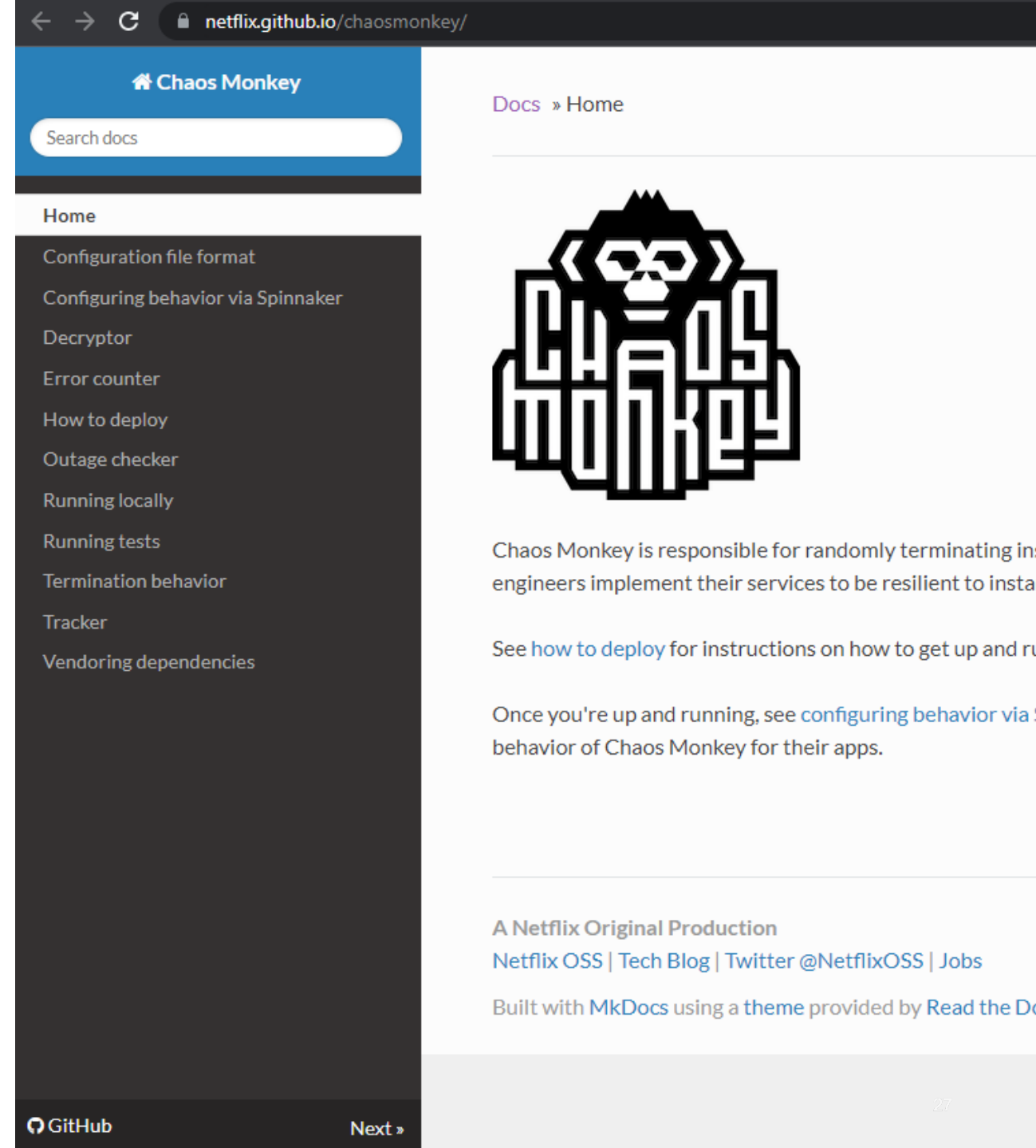
Isn't primarily focused on production

Isn't primarily about finding and fixing bugs

Chaos Monkey

<https://netflix.github.io/chaosmonkey/>

- Public cloud experienced constant outages from cloud VMs disappearing
- Netflix identified a nonfunctional requirement that all apps can survive the hit of a dropped VM
- Need to validate that apps were meeting this requirement = chaos monkey



The screenshot shows the Netflix Chaos Monkey documentation page. The browser address bar displays netflix.github.io/chaosmonkey/. The page has a blue header with the "Chaos Monkey" logo and a search bar labeled "Search docs". A dark sidebar on the left lists navigation links: Home, Configuration file format, Configuring behavior via Spinnaker, Decryptor, Error counter, How to deploy, Outage checker, Running locally, Running tests, Termination behavior, Tracker, and Vendoring dependencies. The main content area features the "Chaos Monkey" logo, a brief description of its purpose, and links to "Docs" and "Home". At the bottom, it mentions "A Netflix Original Production" and provides links to "Netflix OSS", "Tech Blog", "Twitter @NetflixOSS", and "Jobs". It also states it was "Built with MkDocs using a theme provided by Read the Docs". The footer includes the GitHub logo and a "Next" link.

netflix.github.io/chaosmonkey/

Chaos Monkey

Search docs

Docs » Home

Chaos Monkey

Chaos Monkey is responsible for randomly terminating instances in production. Engineers implement their services to be resilient to instances being terminated.

See [how to deploy](#) for instructions on how to get up and running.

Once you're up and running, see [configuring behavior via Spinnaker](#) for instructions on configuring the behavior of Chaos Monkey for their apps.

A Netflix Original Production

[Netflix OSS](#) | [Tech Blog](#) | [Twitter @NetflixOSS](#) | [Jobs](#)

Built with [MkDocs](#) using a [theme](#) provided by [Read the Docs](#)

GitHub Next »

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Automate current and new processes and business services

31% still have many or most of their processes running with dependencies on paper



Automate tactically



Encourage low-code

Humans, Digital Workers, And Robots



Humans for creative output



Robots to augment human agility



Digital workers for repetitive tasks

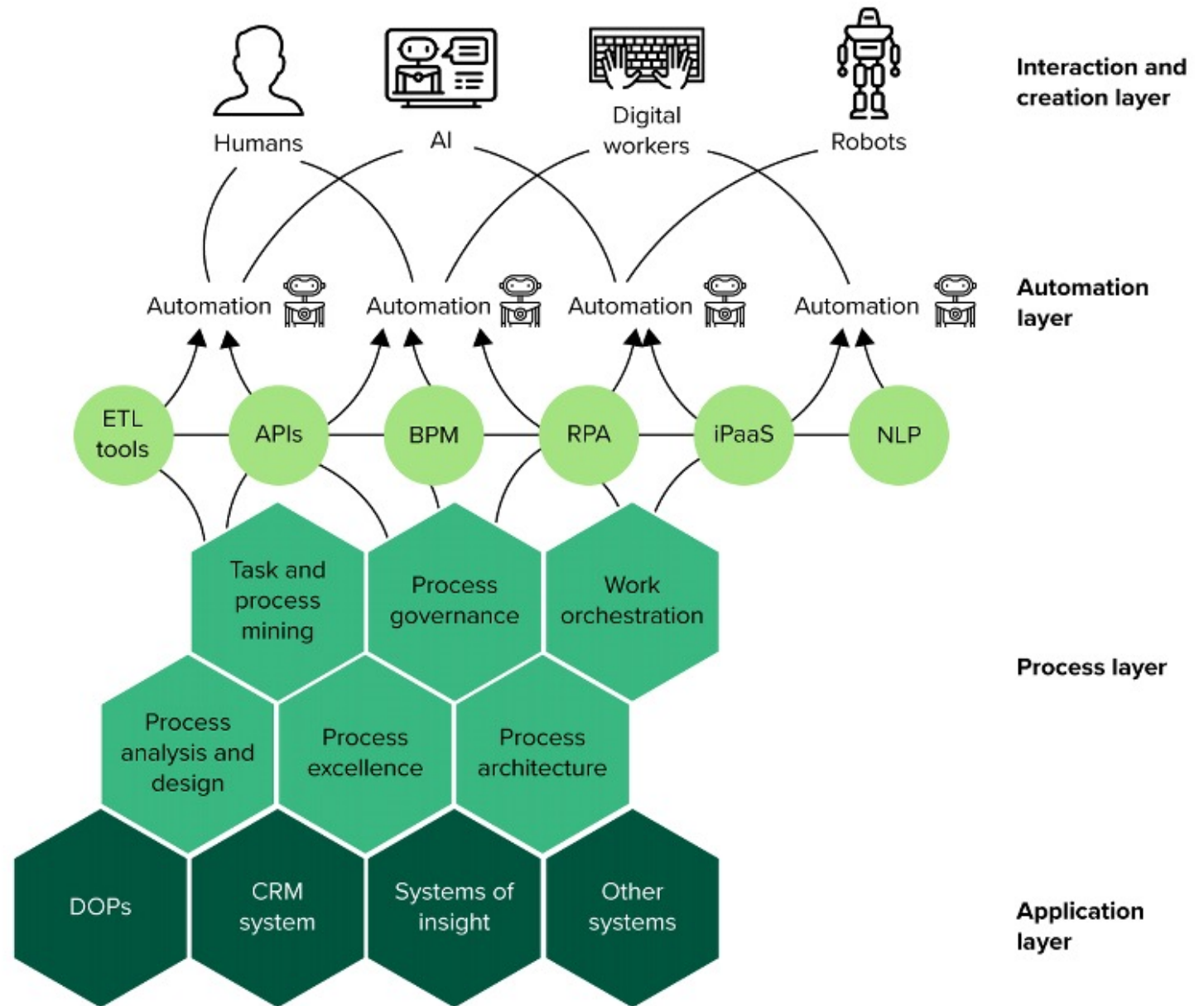
Build Your Automation Fabric On A Bedrock of Process Excellence

Don't try to automate bad processes *

Your business needs a high "Robotics Quotient" **

* See the "The State Of The Process Optimization Market" Forrester report

** See the "RQ 2.0: Assess Your Readiness For Artificial Intelligence, Automation, And Robotics" Forrester report



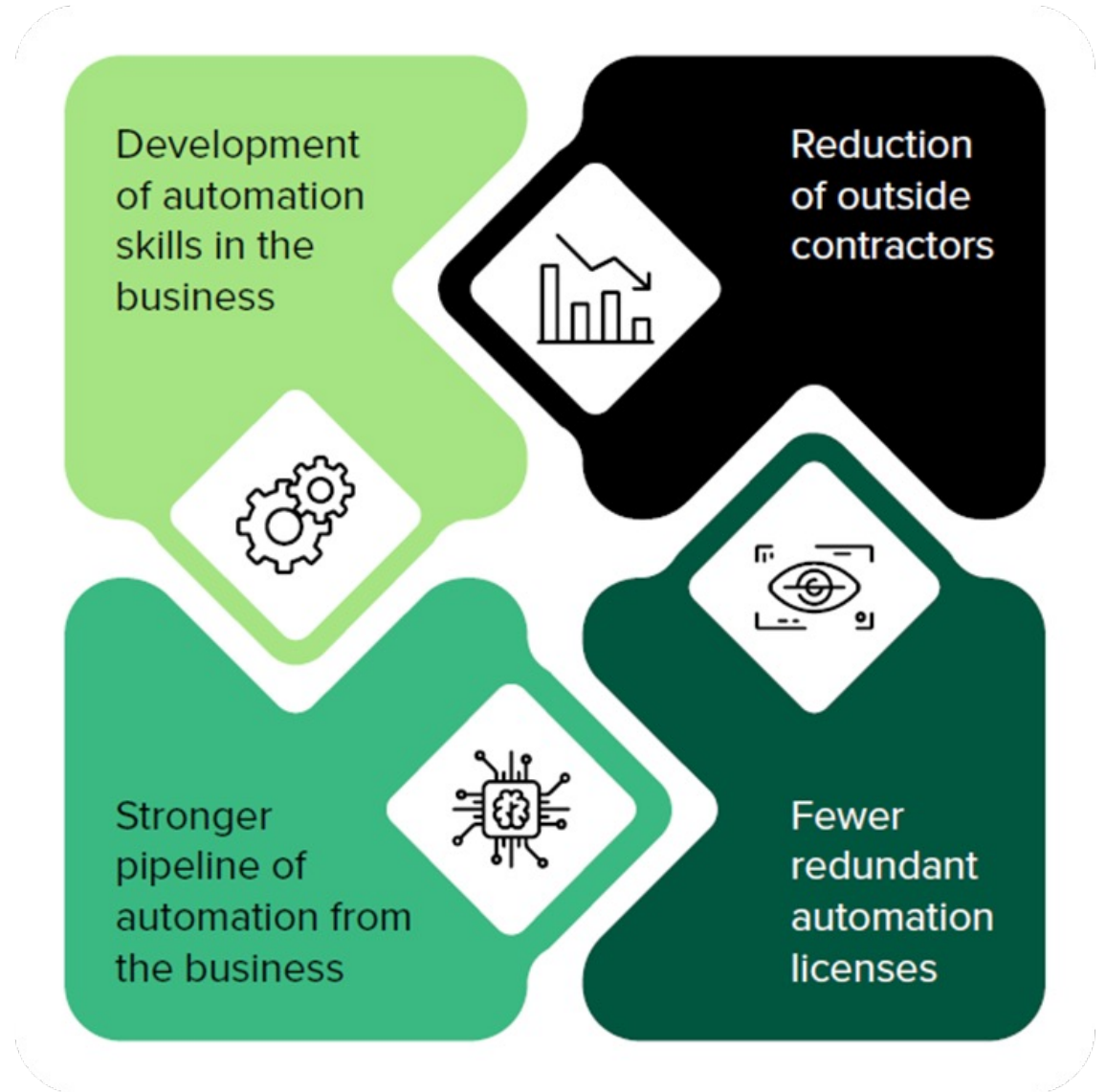
Form and empower an automation COE

A well-run automation COE
saves 5% to 10% of investment

Prevents duplication
and incompatibilities

Centralize automation policies

Democratize development



Seven pillars of business resiliency



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Employee experience and workforce contingency planning



Supply chain



Crisis management

70%

consider improving the resiliency of their workforce to be a high/critical priority

Establish A Contingency For Your Workforce

23% work from home versus a previous “normal” of 5%.



Easily transition to work at home



Run simulations and embrace cutting edge technology

Base: 10662 Respondents employed full time/ part time
Source: Forrester's Workforce Survey, 2022
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77%

Communicate or collaborate with colleagues as part of their day-to-day job in different locations

24%

Invest in new technologies to help employees with their day-to-day job functions (#3)

16%

Adopt design thinking approaches to employee tasks (#15)

DBS Hong Kong Success Story



- Post-COVID-19
- DBS Hong Kong rolled out its future of work strategy in 2021
- Included training to stay current with skills for today
- Personalized (using AI) learning and growth recommendations based on an employee's profile to match future demand and supply for internal opportunities

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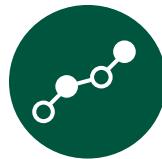
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Crisis management



Become agile with your supply chain and who you supply

Only 30% evaluate 50% or more of their 3rd party relationships



Cut costs and simplify supply chains



Pivot to new customer outlets

Toyota Success Story



- Demand for cars increased in 2021
- Toyota kept producing cars despite the chip shortage
- After its inability to respond to the Tōhoku earthquake 10 years ago, Toyota implemented a process to collect detailed information on obscure parts and materials providers; as a result, the automaker knew early on to stockpile chips.

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Crisis management

Prepare your flexible crisis management

66% adopted/expanding crisis communications software.



Implement targeted communication for employees



Combine metrics, forecast, and implement fine grain communications

Source: [Business Resilience As A Competitive Advantage](#) Forrester report

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Work Arounds And Data Reconciliation

- Manual work arounds to support critical services
- Support the volume of incoming requests
- Training and support (assume NO connection)
- Defined data reconciliation process once services are restored
- Critical services affected by time gap between service restoration and data reconciliation



Secure Communication

- WHAT secure communications
- WHEN you switch to secure communications
- WHO should have secure communications

Common solutions include satellite phones, workspace/mobile-first/purpose-built secure communications, alternate messaging (e.g. Signal)



Be The Water Bear





Q&A

Thank You.

Amy DeMartine

VP, Research Director

BOLD
AT
WORK