A RESILIENCE GUIDE FOR OUR NEW WORLD

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

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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 Think of the new opportunities to grasp as well as opportunities to abolish outdated practices.

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.

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.

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

Unknown unknowns

Known unknowns

Known knowns
WHAT ARE THE POTENTIAL SOLUTIONS?

THE ESSENTIAL INGREDIENTS OF RESILIENCE

**People**

- 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.

  - 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.

  - Help with the mental wellbeing (emotional resilience) of staff should be organised and long term. Do not over-rely on HR to manage.

  - 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.

**Place**

- 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 vs alone/together.

  - 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.

  - 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.

**Process**

- 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.

  - 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.

  - The need to diversify supply chains may encourage working with suppliers closer to home, factories in different regions, and greater self-sufficiency.

THE ESSENTIAL ENABLERS OF RESILIENCE

**People**

- 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.

  - 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.

  - Revised staff levels may require new skills and new recruitment criteria. Team building may be important with new staff in changed circumstances.

**Place**

- 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.

  - 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).

  - 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.

**Process**

- 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.

  - 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.

  - Efforts to accelerate 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.

  - 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.
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?

Soft Skills:
- Leadership
- Collaboration
- Communication
- Empowerment
- Neighbourliness

Hard Skills:
- Policies
- Protocols
- Standards
- Training
- Manuals

The Right Hand Side of the Brain
- Adaptable
- Personable

The Left Hand Side of the Brain
- Directional
- Institutional

Community Resilience

The Right Hand Side of the Brain
- Soft Skills:
  - Leadership
  - Collaboration
  - Communication
  - Empowerment
  - Neighbourliness

The Left Hand Side of the Brain
- Hard Skills:
  - Policies
  - Protocols
  - Standards
  - Training
  - Manuals

Community Resilience
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.

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.

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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.

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.

‘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

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.

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.

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.

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UK Airport Stats

- **Communities**: 150,000
- **Passengers**: 3.5+ billion
- **NATS - Air Traffic Control**: 31+ billion
- **Investors**: 458 million
- **Security and Safety**: 9.4%
- **The Environment**: 9.4%
- **Retail and Concessions**: 9.4%
- **Airports**: 9.4%
- **Teams and Managers**: 9.4%
- **Ground Service and Teams**: 9.4%
- **Operational Staff**: 9.4%
- **Emergency Response**: 9.4%
- **Bus Rail**: 9.4%
- **Utilities**: 9.4%
- **Personal Vehicles and Taxis**: 9.4%
- **IP and Data**: 9.4%

**Future Challenges**

- Self-drive cars
- Electric cars and aircraft
- Aging populations
- AI in control systems and automation
- Global economic slow down
- Trade war and geopolitics
- Brexit

**Resilience First commissioned a study of UK airports and their business partners to identify best practice and areas for improvement in resilience and operational agility.**

**Agility is improved by**

- Strong leadership with high levels of staff engagement
- Well aligned and engaged business communities
- Looking further ahead
- Effective change management
- Consistent measures to assess impacts
- Including resilience as a policy
- Adopt technology early
- Experiment, practice, test and exercise
- Learning supported by an open no blame culture