Guidance for Business Communities on Improving Resilience and Productivity

**Learning from Airport Business Communities**

Airports are key economic enablers for the UK economy. They are communities of businesses aligned around the interface between ground and air transport. The continued competitiveness and growth of airports is essential to the UK’s future prosperity, but they are very complex operations and work within a challenging environment.

Resilience helps set the conditions to allow strategic ambitions to be met through the protection of critical resources, and also creating and sustaining opportunities for businesses to thrive.

It promotes business stability - a pre-requisite for improving productivity.

Resilience First commissioned a study of several airports and their business partners to identify best practice and areas for improvement in resilience and specifically around improving agility.

The study included data reviews, interviews and an agility survey. Agility indicators such as leadership, governance, corporate memory, culture, empowerment, learning, innovation and information sharing within business communities were all included.

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In January 2019 Resilience First commissioned a study on the resilience of airport communities in support of its mission to build and strengthen resilience in business communities. The aim was to assist urban communities such as those around airports to become more agile and adaptable to overcome future challenges and to deal with unforeseen shocks.

**Partner Organisations**

The following organisations supported the project in a number of ways including staff and management time to complete interviews, surveys, resources and data:

- Resilience First
- Manchester Airport Group:
  - Stansted Airport
  - East Midlands Airport
- Manchester Airport
- UK Power Networks
- Affinity Water
- Intel
- Jearni
- Thornton Tomasetti
- Ryanair
- NATS

Airport business communities are made up of a wide range to partners, customers, communities and other stakeholders including airlines, staff and infrastructure providers. They are, in effect, small cities. It is vital that these partners work effectively together to ensure common outcomes are delivered.

The aviation industry supports 29 million jobs globally (directly and indirectly), amounting to a global economic impact of US$2.960 billion. Therefore, when this sector is disrupted the economic impact is significant and wide ranging.

This was evident through incidents such as the volcanic eruption back in 2010 which caused an estimated impact of £1.1 billion to the airline industry. More recently, the drone incident at Gatwick caused cancellation of 400 flights over a particularly busy period with an estimated cost of £50-70 million.

In the UK, for every £1 of value created at an airport, £25 is created within the wider economy. This means that disruption at airports has an amplified impact on the wider economy and society.

**What is Agility**

*Agility is the ability of an organization to renew itself, adapt, change quickly, and succeed in a rapidly changing, ambiguous, turbulent environment. Agility is not incompatible with stability—quite the contrary. Agility requires stability for most companies.* (Aaron De Smet – McKinsey & Company)

This is why resilience and agility are intrinsic to each other. Agility provides the means to adapt and resilience provides the stability within which that agility can be managed.

The study used a survey of 31 questions to poll the views of stakeholders from across the airports’ business communities. Over 120 stakeholders responded to the survey with nearly half of responders coming from senior levels within their organisations. Figure 1 shows all responses to the survey. The colour coding indicates how positively respondents collectively viewed the performance of their business community. The responses have been sorted into six framework areas. These results were aligned with the output from interviews and performance against collected data to generate an overall picture of each business community.

It was found that there was a strong correlation between agility and organisational productivity.
Findings

The organisation with the most positive survey scores had very strong leadership that drove increased resilience capacity, making resilience a key organisational policy objective. This leadership was coupled with high levels of employee empowerment and alignment.

Some organisations had made more progress by engaging the whole organisation and adopting effective change-management techniques to deliver cultural change.

Company values and resilience cultures were not necessarily understood or aligned within the rest of the airport communities which created strains between partners and reduced performance.

Regulatory and legislative requirements placed on many of the organisations, promoted well-defined processes around learning from incidents and exercises to improve emergency plans. In a majority of cases, organisational learning was limited to contingency planning and incident response.

In general, risk management had well-defined processes but with varying degrees of integration within the organisations. Most risk registers focused on shocks with no inclusion of stresses, trends or opportunities.

In certain key areas such as security, many of these organisations were open to adopting new technology to improve the customer experience. However, plans for other just over-the-horizon challenges such as future changes to mobility were less well-developed.

Key Learning:

Link resilience to business outcomes

- Use consistent measures to assess resilience benefits and the impact of disruptions. Link departmental business impact assessments to business goals using a systems approach.

Including resilience in policy, strategies and new developments

- Make sure resilience objectives are included in strategic plans and systems are adaptable to future needs.

Looking further ahead

- Use horizon scanning and scenario planning to look forward and understand threats and opportunities, specifically new technologies such as automated vehicles and electric aircraft since these will disrupt current business models and infrastructure provision.

Harnessing technology

- Utilising and sharing real time data as well as harnessing new technologies such as AI in control systems, automated vehicles, electric aeroplanes and security systems.

A community/systems approach

- Resilience cannot be managed by operating in silos - use a systems approach to understand all partners that contribute to business delivery and engage in resilience planning.
Resilience First is a not-for-profit business organisation that aims to improve business resilience in communities in urban areas. It was launched in June 2018 and since then has gained a range of international supporters (‘Champions’) and associates who all believe that resilience can be better delivered by collaborative working through communities.

Behind the concept, there are four principal drivers – advocacy, alliances, communication, and tools & services – which steer the various work streams that deliver practical advice and best practices to business communities. This report addresses one of these work streams, namely the communities around the landside of airports. The Resilience First website can be found at:

www.resilience.co.uk

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Resilience Consulting
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