



The Resilience Revolution is Here

PwC's Global Crisis and Resilience Survey 2023



Business leaders face an unprecedented level of disruption and uncertainty in today's rapidly changing environment. From geopolitical instability and the lingering COVID-19 pandemic to climate crises, cyber threats and faltering supply chains – a multitude of external macro forces are converging on the market. Organisations are also facing heightened levels of internal complexity and challenges – all intensifying the frequency and scale of disruption.

This ceaseless cycle of change and disruption is the hallmark of today's global business climate.

Organisations are contending with an environment in *permacrisis* – constant movement, continuous disruption – as they attempt to undertake broader business transformations to adapt and address each challenge, emerge stronger from unplanned events, and thrive.

Against this backdrop, resilience has become one of the most vital strategic priorities in the corporate world.

What is Enterprise resilience?

Enterprise resilience requires your business to evolve continuously, protected from shocks, while at the same time being able to adapt, create value and maintain a competitive edge. However, tension can exist between being resilient versus being agile. Balancing these two competing demands can be challenging. The core components of enterprise resilience are:

01

Strategic resilience:
the ability to evolve and build agility into the organisation

02

Operational resilience:
the ability to maintain critical operations during disruption

03

Financial resilience:
the ability to maintain capital and cash flow during disruption



Disruptions are on the rise:

In 2019:

69%

of organisations said they **experienced a disruption in the last five years**



Recent trends continue to tick upward.

In 2023:

96%

of organisations have **experienced disruption in the past two years**

91%

have experienced **at least one disruption other than the pandemic**

PwC's Global Crisis and Resilience Survey 2023 is focused on understanding today's threats and how organisations focus their resources, efforts and investments to become more resilient.

Data from nearly 2,000 respondents worldwide provides insights into how business leaders are preparing for and responding to this new world. And what has emerged from the voices of global business leaders is that a resilience revolution is here.

Long-relegated to the halls of compliance exercises and checklists, resilience has evolved from a capability designed merely to mitigate potential losses or meet regulatory obligations.

Today, true resilience is a core competitive advantage and a prerequisite for any successful business strategy.

As the revolution moves ahead, intentional resilience by design is critical – and our respondents agree: 89% noted that resilience is one of their most important strategic organisational priorities. Yet many also report that their organisations have not taken the steps needed to implement an integrated enterprise resilience programme or even identified the steps to move forward on that journey.

Business leaders express confidence in their ability to recover from a crisis. But the data is clear: Too many organisations are lacking the foundational elements of resilience needed to be successful.

Besides the pandemic, what are organisations concerned about in the next two years?

01

Cyberattack

02

Supply chain
disruption

03

Employee retention
and recruitment

It is with these insights in mind, and amid the current state of constant disruption, that we believe all organisations should be asking these key questions to rethink their approach to resilience:



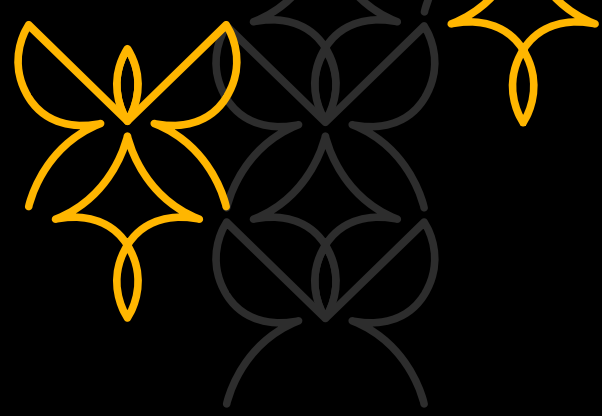
Why do we need to build
resilience – and for whom?



What do we care most
about protecting in our
organisation, and what is
our strategy to preserve
those critical business
services?

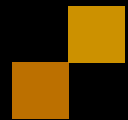


Have we embedded the
right mindset and culture
to drive the necessary
investment in resilience?



Three takeaways

So, if building a resilient organisation by design has become a strategic imperative, what are today's business leaders doing to make it happen? And what are the key components of an effective resilience programme?



The survey data revealed three key takeaways:



Integration

An integrated resilience programme is essential – and if you aren't developing a strategy to move in that direction, you are falling behind.



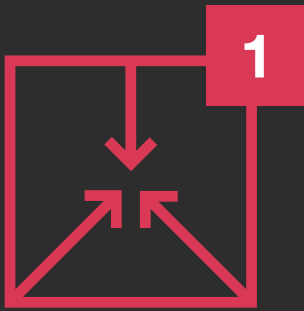
Leadership

Thriving in permacrisis requires a senior leader, executive sponsorship and upskilled teams.



Operational Resilience

Leading organisations are adopting an operational resilience (OpRes) approach and leveraging technology to enable a panoramic view of their risk and resilience landscape.



An integrated resilience programme is essential.



Resilience programmes are too often siloed, with little coordination across functions. It is no longer sufficient for organisations to be in silos as they address today's complex and interconnected risks. Enterprises are actively moving to an integrated approach to resilience, centrally governing and aligning multiple resilience competencies around what matters most to the business, and embedding the programme into operations and the corporate culture (ie crisis management, business continuity, disaster recovery, emergency management, cyber resilience, etc.)

To start, leaders should consider the roles, responsibilities, governance, objectives, strategy and other key elements – and design a programme that extends across the enterprise and into every facet of the business.

Organisations with a resilience strategy driving an integrated programme not only can identify and manage risks better, but can identify opportunities amid disruption. This allows business leaders to take appropriate risks in a way that's aligned with the overall business plan. Prioritising investment based on what is critical to the organisation and stakeholders also enables senior leaders to coordinate their response to disruption and execute a faster and more effective recovery.

The result:

Improved risk management, better financial performance, competitive advantage in the marketplace, a protected reputation and stakeholder trust.

Almost two thirds of organisations have moved toward an integrated resilience programme – but only one in five is fully integrated. Among the fully integrated:

91%

have a dedicated resource

They have
5.3

resilience competencies
(on average)

61%

have had a programme in place for at least 5 years



Thriving in permacrisis requires an executive leader and upskilled teams.

We often refer to resilience as the enterprise's immune system. Building immunity requires layers of resilience – from employees to leadership and the board. A successful resilience strategy and programme needs (1) executive sponsorship from the C-suite, (2) a programme leader with clear responsibility, and (3) a skilled team to do the day-to-day work.

33%

of enterprise resilience programmes are **sponsored by the organisation's CEO**

57%

of organisations cite upskilling future leaders as one of their **top three most important elements** of future-proofing resilience



What does the data show?

1

Accountability:

We are seeing real progress on executive sponsorship of resilience. In 2021, 61% of our [Global Crisis Survey](#) respondents said their head of crisis or resilience was accountable (at that time, data was related to the pandemic). Today, 93% of organisations with a resilience programme in place have established a C-level sponsor. In fact, 33% of respondents have named their CEO as the executive sponsor for resilience, demonstrating the role's criticality to the success of the organisation. Executive sponsors are accountable for establishing the target maturity for the resilience programme and making sure it is appropriately funded and staffed, and ensuring it meets expectations.

2

Responsibility:

On the other hand, we are not seeing organisations coalesce around a single role that is responsible for managing the implementation of an enterprise resilience programme – a Chief Resilience Officer, for instance, was named by only 10% of our survey respondents. Appointing a Chief Resilience Officer might not be the answer for every industry, but this lack of clear enterprise-wide responsibility undermines focus and direction. Absent a dedicated role with responsibility for the programme, organisations are unlikely to fully integrate resilience into operations and culture.

3

Upskilling:

Resilience expertise constraints present another challenge: 31% of our respondents said building a team with the right skills is a major hurdle in establishing a resilience programme. To date, the field lacks a pool of talented resilience professionals with the experience and skills to execute on a strategic, integrated programme and to respond effectively during a crisis. To build resilience, senior resilience leaders must be clear about how the organisation works, how to deliver on the right priorities, and the role they play as leaders. So how do we get there if the expertise pool is shallow? By providing the right investment in training and professional development, organisations can overcome this challenge and develop the team they need.

Emotional resilience, leadership upskilling and thriving through disruption

A standout stat in our [PwC Global Crisis Survey 2021](#) was health-related: 80% of organisations reported an investment in employee well-being as the single-most important action they'd taken that year. Considering the pandemic, economic turmoil, profound cultural changes and other challenges of the time, mental health was top of mind in the corporate world and in personal lives.

That focus on well-being hasn't waned. In fact, more and more organisations have embedded well-being programmes into their culture over the past few years, recognising the need to support employees and encourage balance and wellness in all parts of their lives.

And resilient leaders grow resilient organisations. That's the message at the heart of the [PwC Crisis Leadership Centre](#), where professional training focuses on attributes like emotional intelligence, adaptability and flexibility – all central to a business leader's ability to thrive, personally and professionally, through disruption.

In this year's survey, 31% of businesses report that they plan to invest in personal and emotional resilience over the next two years. And the larger the company, the more likely they are to make the investment. The number climbs to 41% for organisations with a revenue of \$5B to \$10B.

Building operational resilience is the future.

As more organisations move to integrate their resilience programmes, there is a clear trend toward adopting core principles of an operational resilience (OpRes) approach that allows organisations to manage risks with high reliability and to drive efficiency.

OpRes focuses on establishing and continuously maintaining core elements of non-financial resilience, informed by a strategic view of what is most important to the organisation and its stakeholders. What is most important should determine business service outcomes — not just systems that deliver them, as conventional business continuity approaches generally dictate. So Step 1 is identifying the Critical Business Services for the organisation.

From there, organisations should carefully map them, end-to-end; clearly understand the impact and priority of systems, applications, third parties, people, physical property and data; and establish mature exercise and testing capabilities based on arduous — but plausible — scenarios. Existing risk appetite can help determine the degree of resilience required, but leaders should also consider setting tolerances based on external impacts to customers and the wider system or market in which the organisation operates.

In addition to the shift toward OpRes, organisations are looking to technology as a driving enabler. Almost 60% of business leaders understand the need to underpin resilience strategies with technology that allows them to mine actionable intelligence from data across a business. The goal is to provide an integrated, insight-driven single pane of glass and to enable greater agility in times of crisis. Business leaders are also looking to use technology to create a living resilience programme they can continually test and evolve.

76%

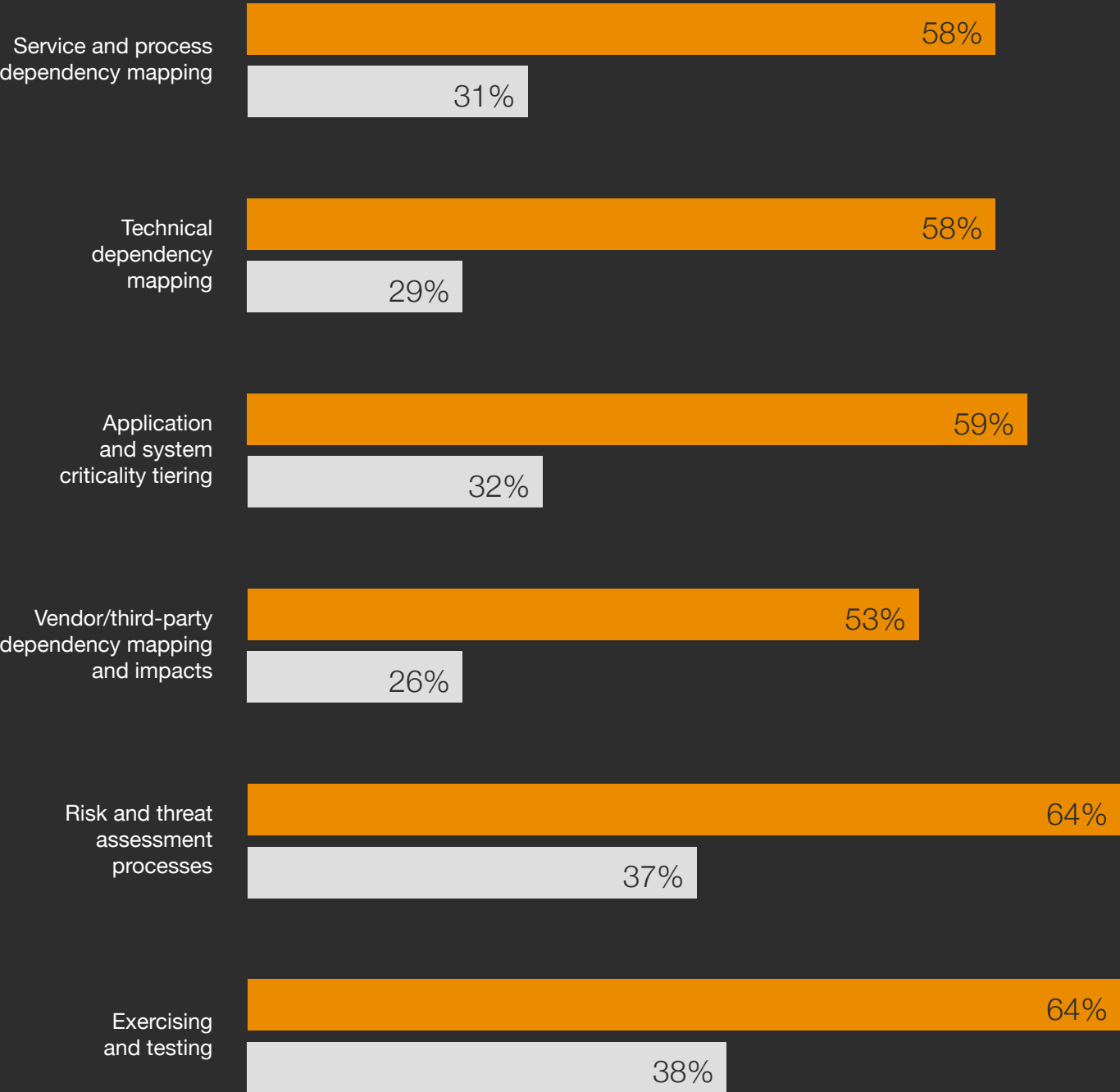
of organisations said their most serious crisis **had a medium-to-high impact on operations** – disrupting critical business processes and services

```
elif_operation == "MIRROR_Y":
    mirror_mod.use_x = False
    mirror_mod.use_y = True
    mirror_mod.use_z = False
elif_operation == "MIRROR_Z":
    mirror_mod.use_x = False
    mirror_mod.use_y = False
    mirror_mod.use_z = True

#selection at the end -add back the deselected mirror modifier object
mirror_ob.select= 1
modifier_ob.select=1
bpy.context.scene.objects.active = modifier_ob
print("Selected" + str(modifier_ob)) # modifier ob is the active ob
mirror_ob.select = 0
done = bpy.context.selected_objects[0]
bpy.data.objects[mirror_name].select = 1
```

Our data shows that those who have moved to an integrated resilience programme are significantly further ahead in many of the core elements of OpRes.

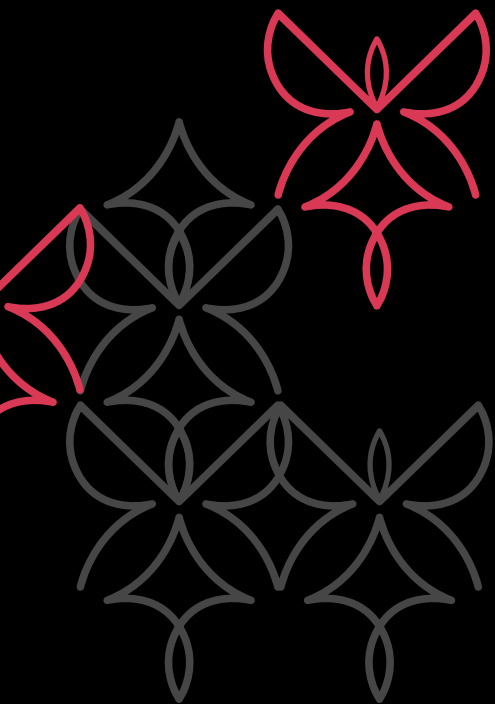
Percent of respondents with “defined” or “optimised” program elements:



Integrated programmes

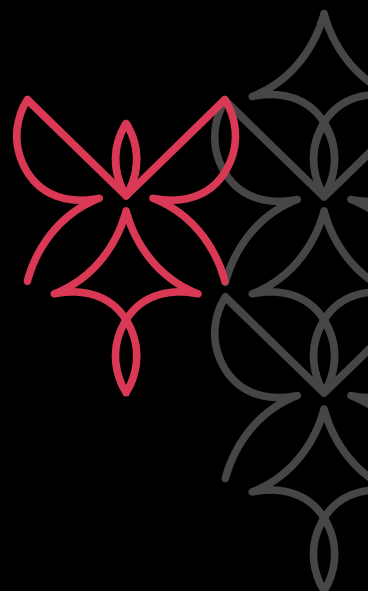


Somewhat or non-integrated programmes



The big picture

The confidence gap: Understanding the risk – and opportunity – of disruption



While our survey results confirm that business leaders recognise resilience as a strategic imperative, the data also reveals a “confidence gap” for certain organisations: Despite confidence in their ability to navigate disruption, only a third of our respondents report that they have the proper foundational elements in place to support resilience.

While many organisations feel bolstered – either because they haven’t experienced many crises or because they survived those they confronted – our data shows they are leaving themselves exposed to a number of threats:

1 **Inadequate risk management:**

- Less likely to have a clear understanding of risks and vulnerabilities, and may not have a plan in place to mitigate them
- Increased risk of unexpected disruption and the costs associated with responding
- No link between Enterprise Risk Management and resilience strategy

2 **Lack of cultural resilience:**

- Less likely to have a strong culture of resilience, including a leadership team that sets the tone for the rest of the organisation
- Increased risk of workforce that’s not flexible or adaptable

3 **Inadequate technology and resources:**

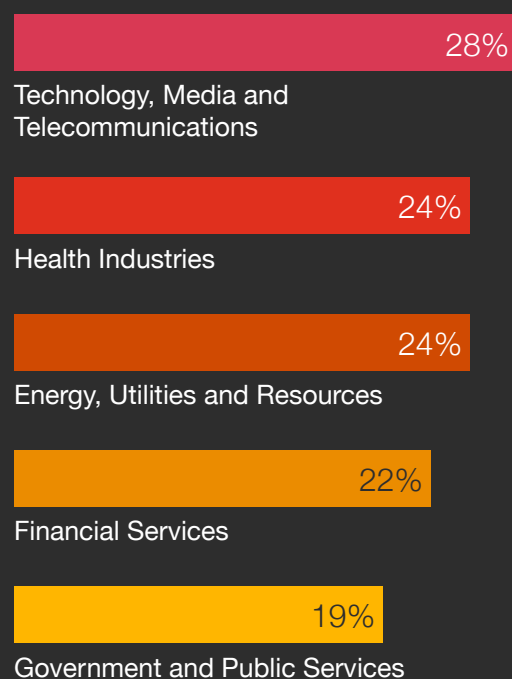
- Less likely to have the right tools in place, including the latest data and analytics, to support resilience
- Less likely to have an established network of experts to provide guidance and support when needed

4 **Increased costs and decreased competitiveness:**

- More likely to scramble to respond to disruption, rather than proactively prepare
- Likely to result in decreased competitiveness and loss of market share



Which sectors have the most-integrated resilience programmes according to our respondents?





Case study

Organisational maturity

An integrated resilience programme makes all the difference when disruption strikes. Here's what can happen:



Company A

Company B



Evaluation Criteria

A ransomware attack disabled a global manufacturer's critical business services. Lacking key strategic components needed for resilience in the face of disruption, the organisation lost several weeks of business – and close to one billion dollars.

But on the other hand, when a massive disruption dismantled a global manufacturer's shipping operations, the organisation's integrated plan kicked in and the business was able to swiftly shift its shipping routes and supply chain without interrupting service to customers. The organisation tapped into its resilience to weather the disruption – and emerged stronger.



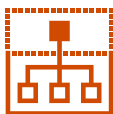
Sponsorship & Integration

The organisation went into the crisis with resilience in silos. There was no clear sponsorship nor dedicated central resources with authority over the resilience programme. The organisation lost valuable time, money and energy attempting to come to consensus on critical processes and tactics.

With an executive-level "owner" to oversee the entire resilience programme, the organisation had invested in integrating its resilience programme prior to the crisis. The integrated approach laid the foundation for holistic insight into the impact of the issue as it arose as well as clarity on who was accountable and had the authority to make decisions.

Company A

Company B



Prioritisation

Without an established agreement regarding the most important elements of the business, the crisis forced executives to waste valuable time trying to reach consensus on what to address first.

The executives had agreed on the critical business services, hammered out in resilience planning over the course of designing their overall programme. They were able to quickly execute their continuity strategies in a prioritised fashion.



Mapped end-to-end processes

Each team knew their individual process/part, but there was not a clear understanding of end-to-end business processes and associated dependencies. Individual teams trying to reduce the effects of the crisis on their process exacerbated certain processes downstream.

By mapping their entire operational capabilities, leveraging a holistic resilience software tool, executives also knew at the start of the crisis how each process would affect functions down the line and had the ability to quickly assess the broader impact of the event.

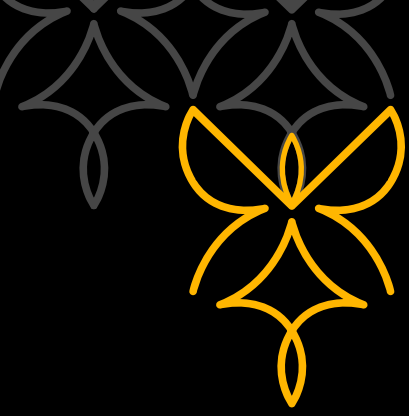


Regular testing

Executives didn't regularly test their crisis response plan, and there was a lack of awareness of broader recovery plans and strategies, so gaps that could have previously been identified and closed resulted in additional pain points. Moreover, the organisation lacked response muscle memory and essentially developed response plans and playbooks on the fly, costing valuable time.

The organisation updated its programme periodically in response to external pressures and internal changes – enhanced technology, for instance, alerted the testing team to needed adaptations in several key processes. Gaps that could have haunted them with this crisis had been previously addressed as a result.





Where are businesses investing?

Despite market conditions, organisations aren't reducing their investment in resilience – further testament to business leaders' recognition that it is critically important.





Almost 87% of our respondents plan to invest in cyber resilience, reflecting concern over the rise in ransomware and other cyber attacks. Crisis management and emergency management follow closely to round out the top three areas of investment, with 86% and 85% of respondents, respectively, planning to invest during the next two years.

Given the volatility of the past few years, we're surprised to see that some respondents are not planning any investment whatsoever in a number of areas foundational to resilience: 11% are not investing in threat monitoring; 10% in supply chain resilience; and 9% in disaster recovery.

The lack of investment isn't just a potential threat in the event of disruption. These organisations are putting themselves at a disadvantage in day-to-day operations.

Businesses making the greatest overall investment in resilience are characterised by a few key traits that deliver results over the long term. For starters, they consider investment a strategic move, rather than a tactic motivated by compliance needs or fear.

Organisations that invest in resilience are more likely to:



View resilience as “very important” compared to other priorities



Incorporate 5.7 resilience competencies, on average, as part of their integrated resilience programme



Have a dedicated resource(s) managing day-to-day operations



Have faced financial crises in the past



Have spent \$50 million or more on their most serious disruption

What motivates organisations to invest in resilience?

No. 1 answer



48% Strategy

37% Fear

14% Regulation

After a catastrophic event, most organisations will move quickly to invest in building resilience. That's no surprise; even moderate disruption can be a prime motivator for change, so taking steps to avoid repeating the past is understandable.

But leaders who view investing in resilience as a strategic imperative – and approach that strategy with greater urgency than fear or regulatory requirements – invariably emerge from crisis with better results.

Bottom line: Rethink your investment reasoning. Fortify your resilience programme – not just in the wake of disruption, but before it happens.

Join the resilience revolution

How to thrive in permacrisis



Establish executive sponsorship for your resilience programme

Identify a visible senior leader responsible and accountable for the programme



Identify and map your critical business services

Identify your critical business services, map their dependencies, and integrate your resilience capabilities around those services



Build an integrated enterprise resilience programme of cross-functional teams

Align your programme with your strategy, values and investment priorities across the organisation



Establish a panoramic view of your unique risk landscape

Go beyond traditional risk management and leverage technology to highlight weak signals and other key indicators for resilience; organisations most able to mitigate, withstand and recover stronger from a crisis all have a panoramic view of their risk landscape, allowing them to better anticipate risk and act with confidence



Fortify your resilience strategy with technology and regular testing

Underpin strategies with technology and mine actionable intelligence from data to help you anticipate, prevent, prepare for, simulate and learn from risks and disruption; assess your capabilities regularly for relevance, alignment and preparation

Being resilient by design is critical both for survival and for strategic advantage in an era of disruption as the norm. It's an imperative for leading organisations. The ability to adapt and respond to disruption is vital to maintaining the trust built with stakeholders and protecting shareholder value and reputation – all at a time when the expectations for resilience of businesses and government have never been higher.

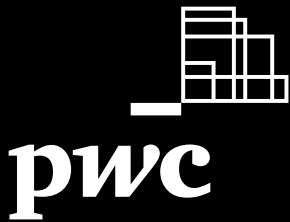
Resilient organisations build and maintain trusted relationships across their stakeholders: Customers know they can count on consistency and results. This, in turn, preserves and enhances the reputation of the enterprise.

To build a trusted and agile organisation, it is vital to invest in resilience across functions and people, and to focus on an integrated approach.

This includes aligning resilience goals with business and strategy, embedding resilience into key critical services, and fostering a culture of resilience.

Communicate the value of resilience throughout your organisation; embrace resilience as a strategic imperative and an opportunity to strengthen your organisation as you prepare for disruption, manage crises, recover, and thrive.

Be resilient by design.



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