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One size
doesn't fit all
Four postures
toward resilience



In a vacuum, the goal of resilience is clear: Rapidly and successfully cycle through three phases—Respond, Recover, and Thrive—for any disruption.ⁱ Yet, the path to accomplishing that goal can vary considerably depending on the nature of the disruption. How a business marshals resources to help address a tsunami that just flooded a plant is decidedly different than how it might redesign its innovation strategies to flourish in a world of greater climate- and privacy-related regulations. For resilience, context matters, and a “one-size-fits-all” approach will likely fall short.

This sentiment is shared in conversations with 20 global executives (see the sidebar, “Report background” to learn more). These executives recognize that different disruptions require different resilience postures (it’s unlikely they will put product innovation at the top of the agenda when frantically addressing a flooded plant). The challenge is to quickly assess the context of the disruption, and effectively apply the resilience posture which is most appropriate to that context.

Defining resilience

“Organizational resilience is the capability of an organization to be prepared for disruption, and to adapt and thrive in a changing environment. It isn’t purely defensive in orientation. It is also proactive, building the capacity for agility, adaptation, learning, and regeneration to ensure that organizations are able to deal with more complex and severe events, and be fit for the future.”

Read the [Global Resilience Report](#) to learn more.

This requires a well-defined and coordinated resilience strategy—and that’s not always easy (or inexpensive). In fact, evidence from the [Global Resilience Report](#), authored by Deloitte Global, (the Global Resilience Report) shows that relatively few have that infrastructure in place today as only one-third of leaders describe resilience within their business as “a strategic priority with executive sponsorship and end-to-end capabilities.”ⁱⁱ

To help executives more dynamically integrate resilience into their business, we analyzed the responses of each interview, uncovering four primary postures businesses take depending on the context of disruptions. And while each of these postures have a place in the resilience system, we explore the opportunities and challenges of activating each one—along with the potential risks of limiting resilience to solely being a short-term, crisis response tool.

Report background

In late 2022, we conducted 20 interviews with global executives to understand how leaders are activating resilience within their business. Each interviewee held a c-suite or executive VP position at a multi-billion-dollar company (minimum US\$4 billion in annual revenues), with representation from business-to-business (B2B) and business-to-customer (B2C) offerings. Specifically, executives were in the following regions: North America (7), the United Kingdom/European Union (6), or Asia-Pacific (7), and spanned a broad range of industries (including consumer products, telecommunications, technology, automotive, retail, manufacturing, life sciences and health care, and financial services).

Analysis methodology

Interview responses were coded to understand the following:

- Scope of resilience strategy (i.e., operational or organizational/enterprise-wide)
- Position of resilience responses (i.e., defensive or offensive/opportunistic)
- Resilience vulnerabilities and gaps (e.g., impacts of future regulations, climate events, supply chain)
- Resilience challenges and barriers (e.g., lack of governance, need for more technical skills)
- Resilience tactics and KPIs (e.g., risk frameworks used, scenario planning, measurements of success/progress)



i Punit Renjen, “[The journey of resilient leadership](#),” Deloitte Insights, 2 December 2020.

ii Nathan Spitse, Eddie Chiu, Tim Johnson, et al, “Deloitte’s Global Resilience Report,” Deloitte, October 2022.

Mapping resilience: An interplay between scope and position

It's clear through our interviews that businesses interpret and activate resilience in a variety of ways. And while there are nuances across each business, two overarching dimensions regularly underly each resilience posture:

Dimension 1: The scope of resilience

The scope of resilience often ranges from an **operational** exercise that helps address a small portion of the business (9 responses) to a coordinated **organizational** strategy that infuses resilience across the enterprise (11 responses).

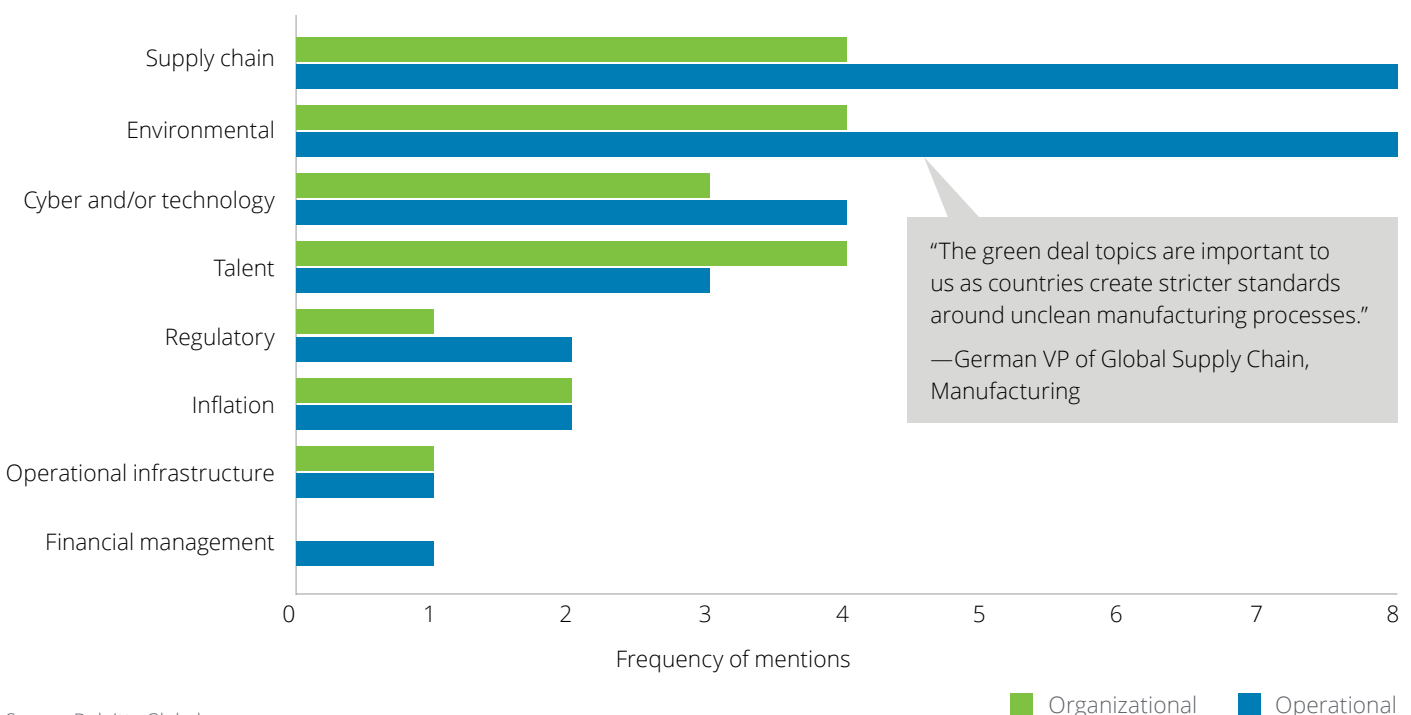
Naturally, one may wonder if resilience truly needs to be an enterprise-wide strategy? After all, it's not the worst thing to focus on being really good at agilely responding to isolated crises.

Further, there is the very real concern of resource scarcity and the power of focus. As one CFO of a North American

technology company explains, "It ties back to the execution part. If you keep it too broad, then it could get lost and fall between the cracks. But if you do it at a more containable part of the organization, then it's easier to manage and to keep track of [the resilience activities]."

However, when we asked executives what upcoming threats and disruptions they're worried about, those more operationally-focused cite fewer vulnerabilities on the horizon—perhaps signaling a more myopic lens to resilience. This is especially true in terms of supply chain and environmental disruptions (see figure 1), as only four of the nine with more of an operational scope called them out as being concerns; in contrast to their organizationally-focused peers, where eight out of eleven cited the same issues. And in general, those citing operational scopes regularly identify fewer threats at a time when resilience is encompassing multiple facets of the business.

Figure 1: Resilience vulnerabilities and gaps cited



Source: Deloitte Global

Dimension 2: The position of resilience activities

When leaders discuss how they activate resilience, *positions* vary from short-term **defensive** objectives (11 responses), like maintaining the status quo, to longer-term, **offensive** approaches that look for the opportunity behind the disruption (9 responses).

In figure 2, those in more defensive positions regularly call out more barriers to effectively activate their resilience strategies (possibly signaling a barrier to playing more offense). Thematically, it's clear people are at the heart of the biggest needs of those predominantly playing defense, rather than technical and operational infrastructure.

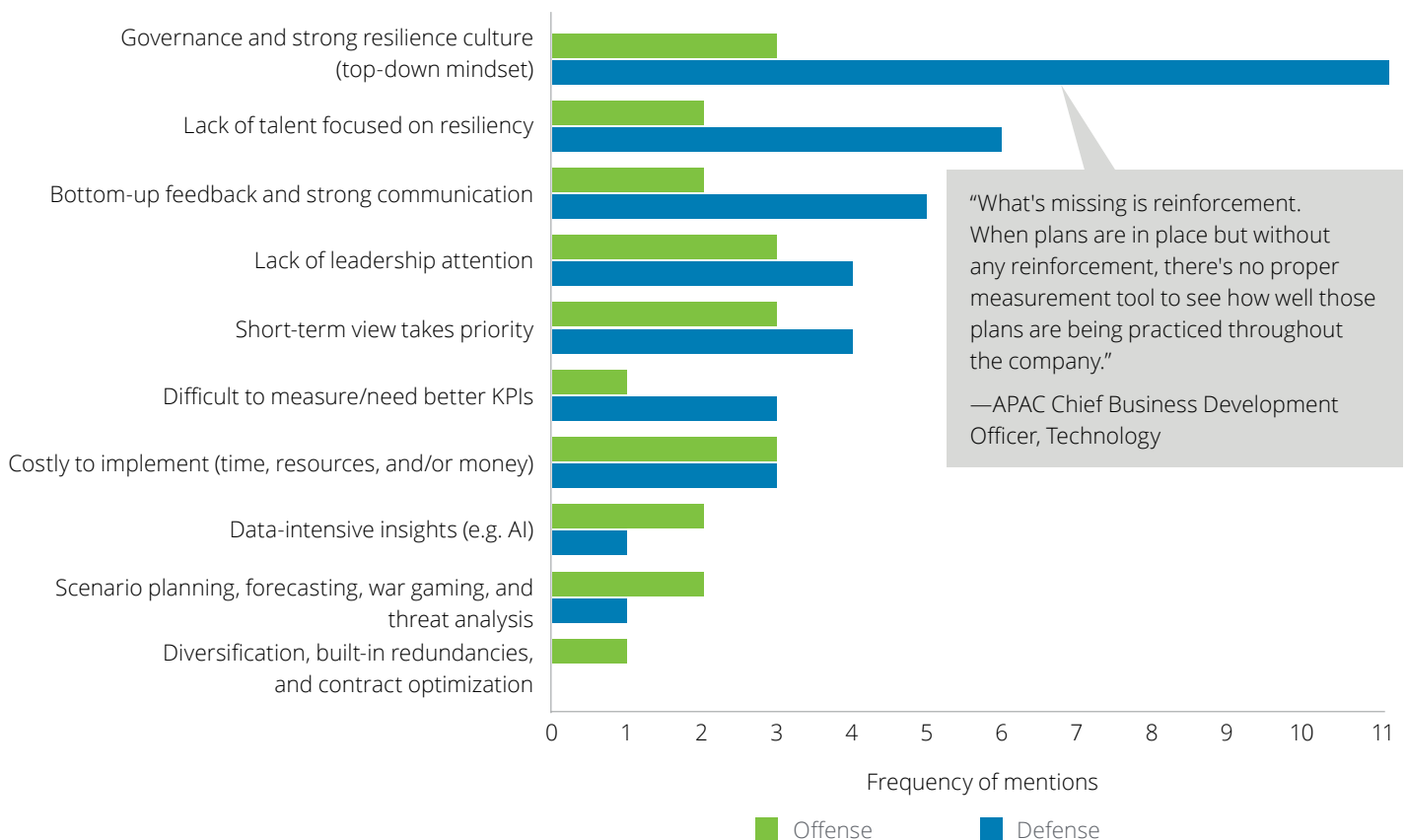
Consider the top two needs:

- **Governance and/or stronger resilience culture.** Every executive interviewed whose businesses play more defense cite a need for better governance and/or a stronger resilience culture. "They just don't have a culture of innovation and planning for the future," explains a General Manager of a German telecommunications company. The executive goes on to point out, "Firms are very myopic. It really takes special leadership at the top to have a long-term point of view and to say, 'Hey, here's our long-term plan and should this not work, then we can pivot here.' So, a lot of those pivoting strategies are not really built in inherently."

• Lack of resilience-focused talent.

Across the business, leaders see the need for more resilience-focused talent. For instance, a German manufacturing executive points to a need for more analysts whose primary responsibility is assessing the risks for each geography. This sentiment aligns to findings from the Global Resilience Report as 'scarcity of resilience talent' is recognized as the top barrier to properly activating resilience strategies (59%).ⁱⁱⁱ Further, the lack of resilience talent isn't limited to specific skills as others note the need for more dedicated resilience leadership. One executive suggests that just as companies have identified ESG and DEI leads, resilience needs the same focus with a chief disruption or resilience officer.

Figure 2: The barriers to resilience



Source: Deloitte Global

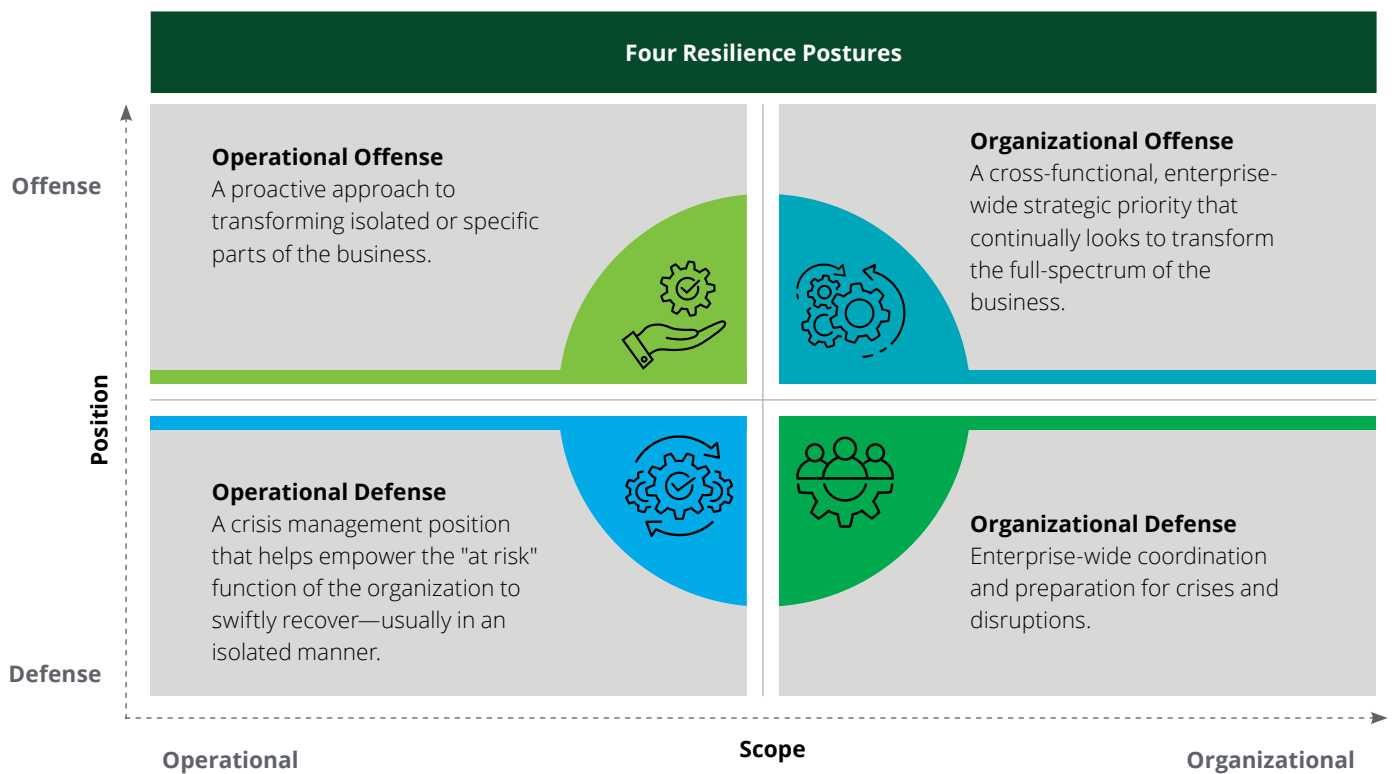
ⁱⁱⁱ Ibid.

Responding to context: The four postures

Taken together, we see an interplay between scope (i.e., whether the business deploys resilience more *operationally* or across the entire *organization*) and position (i.e., whether the business plays *offense* or *defense*). In that spirit, we interact these two dimensions to identify four resilience postures (figure 3):

- **Operational Defense** focuses on more immediate and isolated disruptions. The goal is to help the at-risk portion of the business to quickly address the concern to “survive another day” (seven executives described this as their business’ primary posture).
- **Organizational Defense** makes resilience an enterprise-wide, coordinated strategy to help ensure the business can quickly recover from a variety of disruptions (five executives described this as their business’ primary posture).
- **Operational Offense** takes a more proactive approach to resilience but limits the focus to a subset of the business—usually the area most at risk of disruption. These businesses go beyond simply trying to survive a disruption, but instead view the disruption as an opportunity for entering new markets, growing the business, and/or increasing performance (two executives described this as their business’ primary posture).
- **Organizational Offense** turns resilience into the enterprise-wide strategic priority that proactively transforms the business in anticipation of disruption. These businesses, over a longer-term horizon, turn disruptions into opportunity (six executives described this as their business’ primary posture).

Figure 3: Four resilience postures





Interestingly, most executives spoke in terms that primarily anchored their view in a single posture. However, as resilience isn't a "one-size-fits-all" strategy, even those primarily gravitating toward Organizational Offense should play a little defense on occasion.

One executive, a Chief Digital Officer for a French consumer package goods company, explains the importance of addressing the full spectrum of resilience:

"Resilience should, of course, be short-term —finding mitigations, turnarounds and so on. That's very important, and that's part of the job and what companies should do; but, resilience will mean that we also define it in a longer-term fashion...Resilience is not something passive. It's not, 'Bad news. Let's cope with it.' It's an opportunity, or it should be. The winners are going to see resilience as an opportunity to reinvent the business model and invent new revenue lines."

Building a multi-faceted resilience response system

To aid leaders in designing their own strategies, we explore insights from executives across each of the four postures, providing specific actions—and needs—to successfully assume each posture.

Operational Defense: Setting the table stakes

For Operational Defense, executives discuss the importance of implementing strong scenario planning capabilities and metrics that focus on recovery.

Consider two examples of how businesses are bringing these ideas to life:

- **Scenario planning and war gaming.**

From the highly quantitative to more qualitative exercises, leaders recognize the need to prepare for the most likely, upcoming disruptions. An automotive VP of Business and Digital Strategy shares how his teams regularly conduct a war gaming exercise called "Seeing Around Corners." This exercise involves trying to look ahead at the disruptions that may affect the business and developing preparation plans in case the crisis comes to fruition.

- **Resilience effectiveness metrics.**

Financial, operational, and stakeholder sentiment metrics are most often cited as a means to measuring resilience strategy effectiveness. Starting with the financial element, one industrial manufacturer CFO from Asia-Pacific noted how the business anchors its financial metrics in the status quo, "We are always measured by how much money we are making versus what we used to before the crisis." Further, several executives pointed to the need to measure stakeholder sentiment during a crisis. Ideas ranged from reviewing customer and employee pulse surveys to analyzing employee turnover data.

Operational Defense

Solely focuses on a subset of the business

Shorter-term horizon

"Just hunker down, keep your eye on the customer, preserve the customer experience. That's all that matters. If you don't have the customer, you won't have the business. Do what you can and what you have to for the short-term to extend the runway, to keep the business running.

Looking to maintain the status quo

—German VP and GM of a Telecommunications company

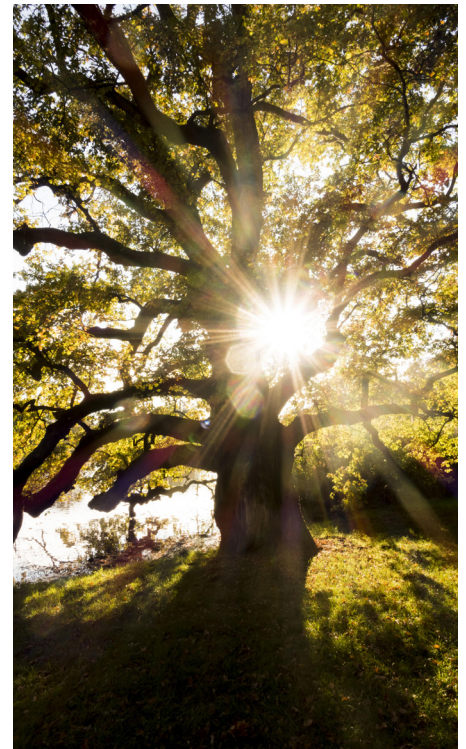


Organizational Defense: Designing the framework

For Organizational Defense, executives repeatedly highlight the need to start with a strong resilience framework. Consider these two ways businesses are expanding the scope of resilience:

- **A flexible enterprise-wide framework.** While executives describe various risk frameworks (e.g., business continuity plans, disaster recovery plans), some highlight the need to infuse flexibility within those plans to account for functional and regional nuances. "The risk management process should be broken down by function and franchise," emphasizes a life sciences CFO in India, "And then when it rolls up to the organization, the organization would have the top 10 [risks identified], but each of the functions would have their own top 10."

- **Placing a premium on talent redundancy.** Beyond supply chain and technology, executives are now emphasizing the need to expand the purview of their redundancy efforts—and talent is a focus area. This is especially true in terms of developing "sister centers." One European CFO for a technology company describes an organizational structure within their finance department where they created "sister financial centers" that are responsible for not only developing their own business continuity plans, but also work with the "parent financial center" to step in and maintain all the processes if extra capacity is needed during a disruption.



Organizational Defense

"You might have many micro-risks as well, such as the competition or the accidents in your organization, like a flood, which is not global, but very local.

You have to build a plan to identify as many risks as possible and build a plan to mitigate them as fast as possible...Strategic

resilience is to make our business continuity plan as robust as possible"

—APAC CFO of an Industrial Manufacturing company

Plans integrate multiple threat possibilities

A focus on mitigation rather than growth

Strategic resilience

Operational Offense: Investing in insights

Leaders frequently mention the difficulty in spending significant resources on a potential disruption that may never come to fruition. However, some executives are calling out the need to bolster their planning function with better insights. Here are two ways businesses are upping their game:

- **A more sophisticated insights function.** An expanded insights function is helping leaders play more offense.

"New levels of sophistication and the use of artificial intelligence in sales and operations planning is an area of investment," suggests a Chief Strategy Officer for a US consumer package goods company. The executive also deploys these insights in a more proactive manner by "tapping into social media to be able to mine much more subtle, much more segmented insights between different demographic groups."

- **Integrating the long-term into short-term planning.** Navigating volatility can make planning for the future exceptionally difficult. A CFO for a North American technology company highlights the need for balancing long-term and short-term plans, "With a very volatile situation or one in which there's no clarity, then I think the organization tends to be a lot more adaptable and more agile to catch-up with the situation."

Operational Offense

Opportunistic mindset

"The old adage applies where they say, 'Don't waste a good crisis.' If we can flex our muscles and we're very resilient, then we may want to swallow some cost inflation, allow profit margins to decline a little bit for a year or two, and use that as a moment to consolidate our leadership of an industry so that we come out even stronger at the back end of the crisis."

Focused primarily on financial aspect of business

Willingness to "invest" in longer-term benefits

—United States Chief Strategy and Transformation Officer of a Consumer Package Goods company



Organizational Offense: Elevating innovation and communication

Building resilience takes effort and those capable of assuming an Organizational Offense posture may need the corresponding resilience culture and infrastructure to proactively transform the business and grow through disruption. Below are two areas these executives see as foundational to this posture:

- **Resilience as an innovation catalyst.** One executive describes innovation as a measure of resiliency: "How fast

the company can innovate is easy to measure. You look at the share of growth coming from new products and new service launches. If that KPI is high—or if it's growing—that's a good sign." The executive goes on to explain that innovation growth demonstrates the business' ability to proactively respond to new market and customer needs.

- **Embedding bottom-up communication.** A CEO for a German automotive company said after being disrupted a few years earlier by the

electric vehicle market, the company made communication core to their resilience strategy. A specific element was standing-up a platform to help empower employees to call out potential disruptions earlier and provide ideas for changing businesses processes to get ahead of those disruptions. "The big, big proof of the platform working was COVID-19. During COVID-19, the company not only was able to react and keep working even during the toughest months, but we were also able to report more employee benefits and profit."

Organizational Offense

Long-term horizon

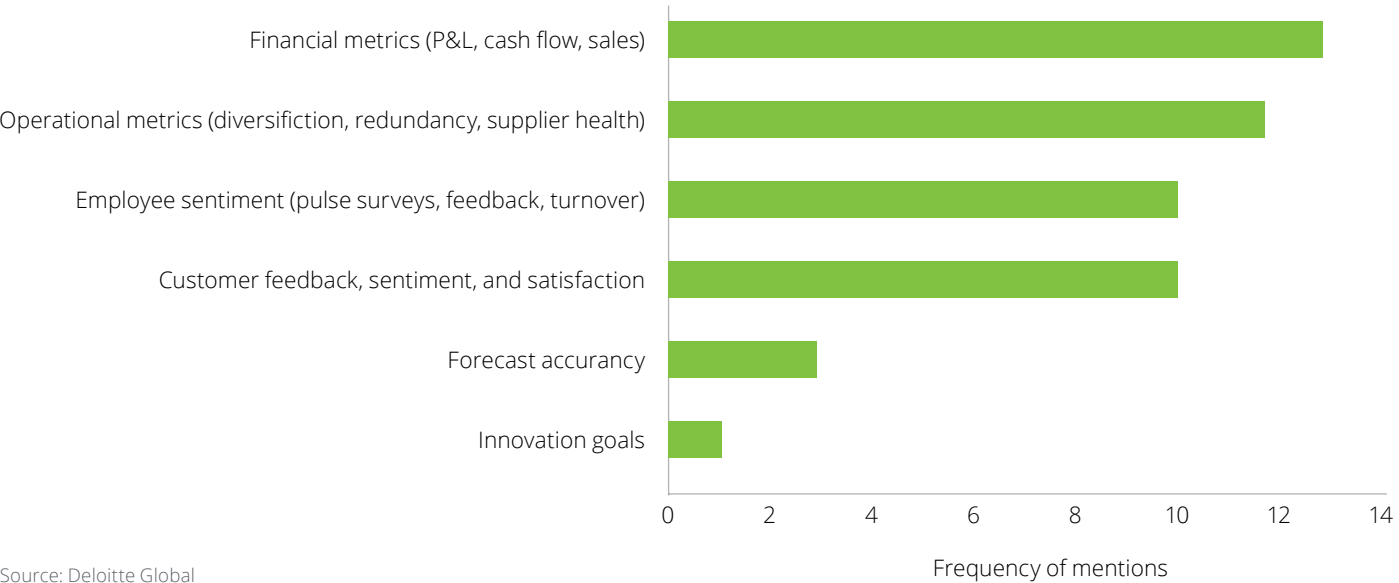
Resilience as a business transformation catalyst

"Resilience will mean that we also define it in a longer-term fashion...Resilience is not something passive. It's not, 'Oh, bad news. Let's cope with it.' It's an opportunity, or it should be. The winners are going to see resilience as an opportunity to reinvent the business model and invent new revenue lines."

Anchor resilience in opportunity

—French Chief Digital Officer of a Consumer Package Goods company

Figure 4: Resilience metrics and KPIs



Source: Deloitte Global

Putting the business on the path to resilience

As each business faces its own unique set of disruptions in the pursuit of its long-term goals, it's worth considering these two points:

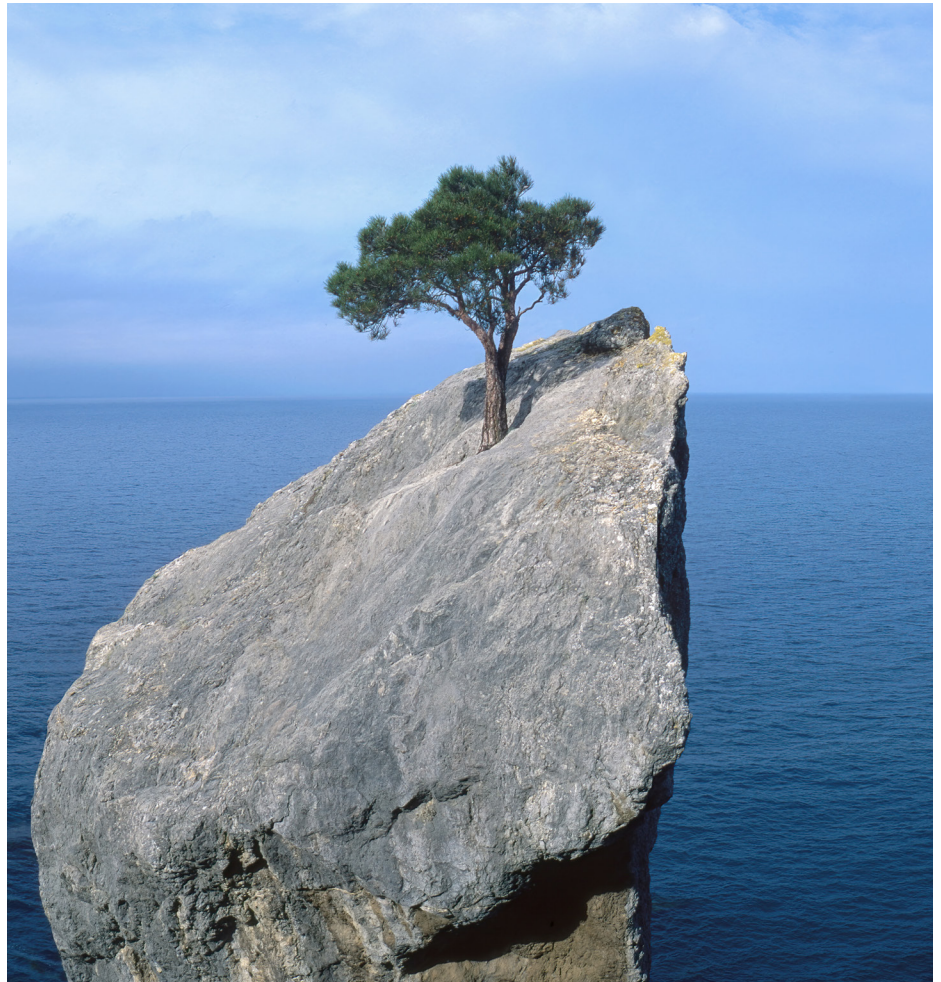
- **Know the risks of staying put.**

Resilience comes at a high cost. It takes leadership commitment, discipline, and the talent to execute. However, while the initial costs may be high, taking a narrow view to resilience may put the business at risk of not appropriately meeting the next disruption on the horizon.

- **Resilience doesn't need to transform every business.**

While there are benefits to building the infrastructure for Organizational Offense, every crisis doesn't need to be met with a transformational lens. Sometimes it's okay to respond with a quick recovery. However, it should be done with a clear sense of what barriers are holding the business back from achieving transformational resilience.

For resilience, context matters. As businesses undergo their own resilience movement, keep an eye on the horizon to help ensure the strategies built today help empower the enterprise to flourish tomorrow.



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