

Unpacking Corporate Resilience: Part I. Business Continuity and Crisis Management are Different, and Both are Essential

Devin Sirmenis, Managing Director, Corporate Resilience

Companies can build a resilience-minded culture by making leaders and teams smarter about Business Continuity (BC) and Crisis Management (CM), becoming more organized and efficient in applying that knowledge to an actual disruptive event, continually optimizing event response processes, and using learnings from each event to adapt to changing risk profiles.

Fortune 500 companies commonly invest in an in-house corporate resilience team whose role is to anticipate, prepare for, respond to and, most importantly, recover from disruptive events. These companies know that their response to a negative event, their interactions and management of third-party suppliers, the company culture, as well as community opinion – all coalesce with greater rapidity in the court of public opinion. With in-house capabilities, Fortune 500 companies are poised to act swiftly and with confidence, demonstrating decisive management, and engage stakeholders in clear and transparent communications. To these top organizations, corporate resilience is a competitive advantage.

Mid-tier companies, which often lack the resources for a dedicated corporate resilience function, like their larger industry peers, are also recognizing the importance of corporate resilience, which is wise given the ever-evolving risk landscape. Pandemics like COVID-19 and the increased frequency and severity of natural disasters and weather events, have proven that there can be serious impact across industries. In addition, mid-tier companies are acutely aware of the increasing interdependencies of the global supply chain and the hyper-speed of information flowing across the internet and, in particular, social media.

Mid-tier companies can no longer afford to ignore or try to “ride out” negative events. With the availability of new, affordable outsourced resilience offerings like Witt O'Brien's [CO:RE](#) solution, mid-tier businesses now have access to an action-oriented service that is positioned to strengthen the response capabilities of executive leadership teams and enhance stakeholder confidence in the company's ability to emerge resilient from any negative event. The following resilience overview can serve as a springboard for reviewing, and possibly refreshing, your approach to enhancing your resilience programs.

A holistic corporate resilience program – one that addresses both long-term operational continuity and all-hazards response and recovery – integrates two distinct, but interrelated resilience functions: BC and CM. BC and CM are often muddled together or perceived as synonymous functions – which can be a barrier to achieving resilience. Understanding each function's unique purpose and structure can help ensure that a company is prepared with successful planning and effective event response:

- BC provides plans and activities to recover critical business processes that were lost, interrupted or halted at the onset of an event. Continuity of operations is the lifeblood of every business, and a strong BC function helps businesses prepare effectively and respond decisively, with minimum disruption. Regular training and exercises are included as critical program elements to ensure the team is ready to respond quickly and efficiently, regardless of the nature of the business disruption.
- CM is how a company responds quickly and effectively to the consequences of a negative event. CM is focused on the strategic 'what' to do and takes into consideration how the impacts of a crisis event cascade across all business lines and operations, effecting brand, reputation and the trust that has been built up with stakeholders. An effective CM function requires a documented,

repeatable process that drives analysis of the current event, fosters development of an overarching strategy, and helps structure the workstreams and actions needed to bring the crisis to resolution. Regular training and exercises are also included in CM as critical program elements to ensure the team is ready to respond quickly and efficiently, regardless of the nature of the crisis.

BC's goal is to return to normal operations, or at the very least, sustain the bare minimum of critical processes that allow the company to operate. CM's goal is to protect the brand, reputation, license to operate, and trust built up with stakeholders. Both require risk analysis, and comprehensive planning and preparation, including training and exercises.

While the economic value of a strong corporate resilience function and culture will vary based on the company and its risk profile, resilient-minded organizations invariably experience faster and stronger recovery, while minimizing disruption and increasing strength.

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Part II of this series introduces the third critical component of corporate resilience that bridges BC and CM: Crisis Communications.