

No longer confined to any siloed function, organizational resilience has risen to become a boardroom discussion, which requires a holistic approach in building this strategic business imperative.

# Enterprise Resilience: Transforming Every Crisis into an Opportunity to Emerge Stronger

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## Introduction

While there is no doubt that the COVID-19 pandemic years have been the most challenging for many organizations, the silver lining is that the crisis illuminated our inherent agility and resilience. Many organizations have emerged stronger from those massive disruptions and reinvented the way they do business and serve others. In fact, technology leaders have been praised for their efforts to provide the essential availability and resilience to maintain critical business continuity. That said, many organizations made it through the pandemic based on being forced to respond and figure things out on the fly. That approach works when a single disruption is impacting the entire business community. It does not work when crisis hits an individual business or industry. As businesses continue to face a wide array of potential disruptions, it is more imperative than ever to build true enterprise resilience to respond effectively to anything that may come.

Beyond the pandemic, there are a multitude of business risks that underscore the need for resilience. These include escalating geopolitical tensions, economic uncertainty, climate change, supply chain challenges, complex regulations, cyberattacks, misinformation, and deepfakes. Reevaluating a company's long-term resilience strategy has become paramount amid ongoing cost pressures, supply shortages, natural disasters, and socioeconomic uncertainties.

According to IDC's annual CEO sentiment research, cyberthreats and operational resilience have been seen as a top business risk since 2022, specifically one of the top 3 business risks between 2022 and 2024 (see Figure 1). It becomes critical for organizations to prioritize a model that seamlessly aligns financial, operational (including cyber-resilience), and strategic needs. Such a model is an integral part of overall resilience, aligning and integrating different resilience disciplines like business continuity, disaster recovery, crisis management, supply chain, cyber-resilience, and emergency management to enhance the ability to withstand and recover from disruption.

## AT A GLANCE

### WHAT'S IMPORTANT

- » The existence of digitally transformed organizations may depend on their capabilities to withstand a disruption and quickly restore to a viable operating status.
- » In an increasingly volatile and uncertain world, enterprise resilience and the ability to respond to crisis and disruption are critical for organizations to thrive.
- » Enterprise resilience involves a proactive, integrated approach that encompasses financial resilience, operational resilience, strategic resilience, and cyber-resilience.
- » The core components of enterprise resilience are strategic, operational, and financial.

FIGURE 1: **Top 3 Risks Impacting Business**

**Q Of the following political, social, and economic risks, which three do you expect will have the greatest impact on your business?**



*n = 389 for 2022 data, n = 395 for 2023 data*

*Source: IDC's Worldwide CEO Sentiment Survey, January 2022, and IDC's CEO Survey, February 2023*

After all, the goal of enterprise resilience for an organization is to ensure its business model remains economically viable for the future and to maintain the high availability of its most critical services to its customers and stakeholders when faced with unexpected disruption.

### Key Factors to Drive the Need for Enterprise Resilience

Enterprise resilience is becoming a compulsory regulation-driven priority. For example, the European Union's (EU's) Digital Operational Resilience Act seeks to establish a comprehensive framework to enhance supervision of the digital concentration risks across these critical infrastructure sectors. While this regulation has a continental focus, its scope goes beyond the EU and reflects a global shift toward bolstering resilience as a critical strategic business imperative.

Enterprise resilience is a moving target — what is considered resilient today might become obsolete in the future with the adoption of new technologies. It is critical to cultivate a resilient culture and mindset within the organization, which will help it respond to future challenges.

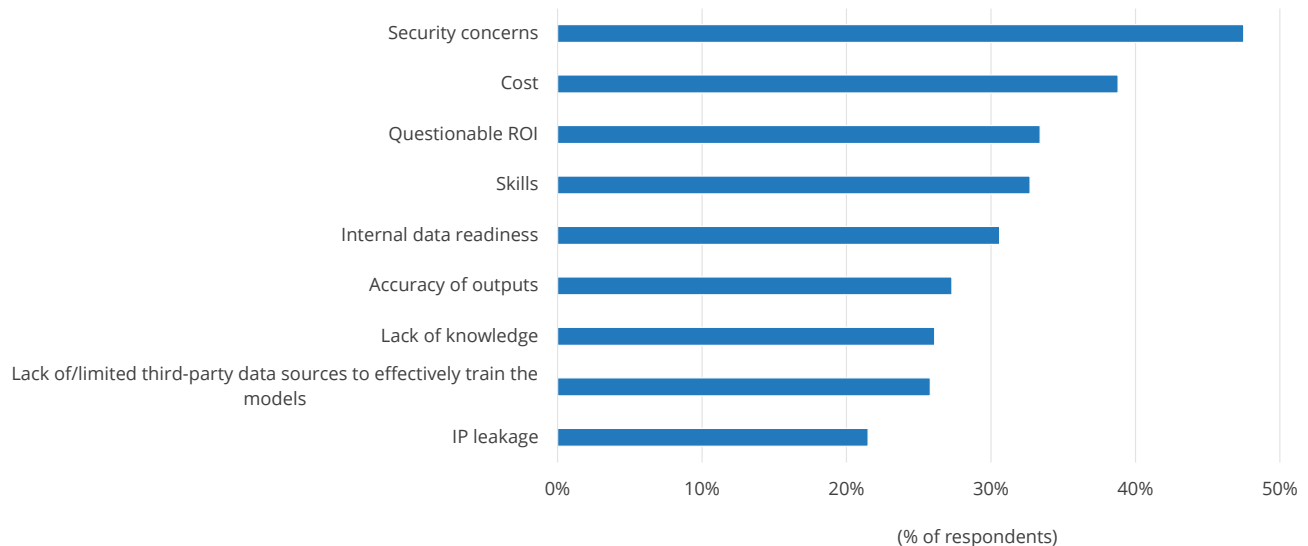
IDC's recent research shows that most organizations (87%) have experienced disruptions lasting from a few days to as long as a few weeks. Only 13% have experienced business disruption of less than one day because of cybersecurity incidents.

Moreover, ensuring the security of AI and AI-enabled systems is becoming top of mind for many organizations when they consider the resilience of their organization. According to IDC, 48% of C-suite respondents rank security concerns as the most important challenges their organization is facing with implementing GenAI initiatives (see Figure 2). Organizations without a strong security posture or foundation of resilience will be ill-prepared to address the new twists on conventional threats such as malware and social engineering introduced by GenAI. It is said that a three-second voice

sample can train a GenAI model to sound like anyone. We expect to see a fast-growing number of deepfake incidents as consumers and enterprises are rapidly adopting GenAI.

FIGURE 2: **Biggest Challenges Associated with Implementing GenAI Initiatives**

**Q What are the most important challenges your organization is facing (or anticipates it will be facing) with implementing GenAI initiatives**



*n = 895 for worldwide data, n = 300 for WE data*

*Source: IDC's Worldwide C-Suite Tech Survey, August 2023*

## Benefits of Achieving a High Level of Enterprise Resilience

IDC has seen a growing trend around enterprise resilience. More enterprises have established dedicated teams responsible for delivering the frameworks, policies, and standards that determine how resilience will be implemented across the organization. This ensures that employees and critical third-party partners have access to the technologies, systems, and physical locations they need to deliver services to customers and clients.

Unmanageable disruption can be a business killer, losing customers to the competition. However, strong organizational resilience can positively impact a business' top line and bottom line, driving new revenue opportunities and enhancing customer experience.

Resilience fosters a culture of innovation and continuous improvement within an organization. By embracing change and learning from setbacks, businesses can adapt their strategies, products, and services to meet evolving market demands, driving sustainable growth and competitive advantage.

Achieving a higher level of enterprise resilience brings forth benefits such as:

- » **Ability to adapt and absorb disruption into business as usual:** Enterprise resilience equips organizations to manage events within acceptable levels of impact. By fostering a culture of adaptability and preparedness,

organizations can respond swiftly, effectively minimize downtime, and mitigate potential losses. High levels of resilience enable a company to maintain operational continuity even in the face of adversity. Resilient organizations can sustain critical functions and services using robust contingency plans, flexible work arrangements, or diversified supply chains.

- » **Enhanced trust and confidence:** Demonstrating resilience in line with an organization's values builds trust and confidence among stakeholders, including customers, investors, suppliers, and regulatory bodies. Should resilience measures fail, an organization needs to be able to invoke its crisis management capability to maintain trust. For example, proactive crisis management involves developing comprehensive strategies and playbooks to establish clear protocols and streamlined processes for managing crises, including communication plans, escalation procedures, media response strategies, and connecting to broader incident response domains.
- » **Cost efficiency:** Enterprise resilience helps organizations achieve cost savings and operational efficiencies through process optimization, automation, and innovative technologies. Balancing cost efficiency and resilience can result in a trade-off. However, understanding how critical services are delivered end to end enables an organization to identify duplication or opportunities to reduce cost in its value chains. Often, as part of regulatory requirements, companies need to strengthen oversight and monitoring of third-party information and communication technology (ICT) operations, ensuring the reliability and security of their ICT systems and processes. Such oversight also promotes efficiency by gaining valuable insights from across the ecosystem.
- » **Reduction of systemic risks:** Achieving organizational resilience addresses risk comprehensively. Information sharing on cyberthreats raises awareness and promotes a collective effort to combat emerging risks. Strengthened risk control measures and a culture of resilience help identify vulnerabilities and assess preparedness. This proactive approach reduces the likelihood of disruptions becoming a crisis and enhances the organization's ability to capitalize on emerging opportunities.

## Considering PwC's Global Centre for Crisis and Resilience

PwC's Global Centre for Crisis and Resilience (GCCR) is a global network of 1,000+ crisis and resilience subject matter experts dedicated to supporting clients during their most stressful times, helping them prepare for and recover from disruption, and enhancing overall enterprise resilience.

PwC's GCCR is multidisciplinary, covering a wide range of skills and expertise in enterprise resilience and crisis response. The team helps organizations build resilience by putting in place the people, processes, and technologies to succeed in the face of constant disruption. When a crisis hits, PwC's GCCR can convene the right team in a matter of hours, regardless of the crisis type, company location, or sector to both support clients strategically and tactically manage the situation.

PwC's GCCR aims to be a trusted advisor to help companies establish and enhance their resilience programs end to end: PwC's comprehensive Enterprise Resilience Framework highlights core capabilities and various dimensions of an enterprise resilience strategy and program. It also illustrates all the relevant skills and expertise that PwC's GCCR has in domains like crisis and business continuity management and cyber-resilience and supply chain resilience. PwC's latest *Global Crisis and Resilience Survey* reveals that 89% of business leaders consider resilience to be one of their most important strategic organizational priorities and that 93% have established an executive sponsorship from the C-suite for their resilience programs.

In customer case studies shared by PwC, its GCCR team can demonstrate how its consistent methodologies, frameworks, and accelerators support its clients in preparing for, responding to, and emerging stronger through disruptions. Applying international and local standards such as ISO:22301, ISO:22361, and COSO ERM Framework, PwC's GCCR seeks to help clients achieve the following outcomes:

» **Prepare.** PwC assists client in this activity by:

- Creating a panoramic view of an organization's risk landscape, underpinned by technology
- Assessing an organization's current enterprise resilience capabilities
- Building and enabling enterprisewide resilience programs across all resilience disciplines
- Developing resilience strategies by identifying what matters most, how those services are delivered, their tolerance to disruption in order to absorb, withstand, and recover from it
- Implementing resilience technology platforms to enable the identification of vulnerabilities, stress test plans to understand financial and operational impacts, and improve executive-level resilience reporting
- Taking an integrated approach to resilience by breaking down silos across resilience capabilities
- Providing crisis management training, including crisis leadership training
- Conducting simulations, testing, and exercises to practice and build "muscle memory"

» **Respond.** The firm also helps clients by:

- Establishing a command-and-control structure to manage a crisis
- Advising on crisis management strategy, acting as an advisor to the crisis team
- Managing and assisting with crisis communications plans
- Assisting stakeholder management, including mapping out key internal and external stakeholders, and developing engagement strategies
- Providing surge response capacity and tactical subject matter expertise to fill gaps during crisis

» **Emerge stronger.** PwC works with clients to achieve this goal by:

- Conducting after-action reviews to collect data and insights from lessons learned to identify and prioritize actionable areas for improvement
- Enabling a postcrisis transformation through reassessing strategies, operations, and structures to build resilience and drive long-term growth

Enterprise resilience and the ability to effectively respond to crisis and disruption are critical for organizations to thrive in today's uncertain world. By prioritizing these aspects, businesses can safeguard their operations, protect their reputation, and maintain stakeholder trust. PwC's Global Centre for Crisis and Resilience acts as a trusted partner, offering invaluable expertise and support to organizations seeking to build resilience and navigate the challenges of an ever-changing business landscape.

### Challenges

The challenge for organizations lies in their ability to quickly identify and assign accountability for building and maintaining resilience across the enterprise, as many are still in the process of figuring this out. While PwC's GCCR is ready to tackle this challenge and be a trusted adviser, it is important to note that PwC's full list of offerings and capabilities may not be widely known in the market yet — and many organizations are still working to define internal ownership.

### Conclusion

It's imperative for organizations to embrace resilience as a core strategic priority. This commitment to enterprise resilience is not just about survival; it's about thriving in uncertainty, turning potential crises into opportunities for innovation and competitive advantage. Building a resilient enterprise requires more than just a piecemeal approach to managing risks. It demands an integrated strategy where strategic, financial, and operational resilience are interwoven, supported by cutting-edge technology and a strong culture of resilience. This is the foundation upon which organizations can transform every crisis into an opportunity to emerge stronger.

## About the Analyst



### ***Cathy Huang, Research Director, Security Services Worldwide***

Cathy Huang is a research director in IDC's Security Services Worldwide research practice focused on managed security services and security consulting and integration services within the security services program. In addition, she collaborates with other team members to look at services that help organizations adopt emerging technologies like edge, 5G, and IoT as well as key focus areas such as cloud security, cyber-resilience, and cybertransformation.



## MESSAGE FROM THE SPONSOR

Organizations across the globe today are facing a more complex risk landscape and increasing threat of disruption - and most will experience a crisis as a result. This is driving the need for better resilience to help absorb the impact of disruption, and having a crisis response capability to deal quickly with crisis-level disruption that can impact the company's reputation - and ability to survive.

PwC's Global Centre for Crisis & Resilience (GCCR) supports clients during their most stressful times. It is a global network of crisis and resilience experts, with a central team to drive strategic coordination, consistency and collaboration. PwC's GCCR convenes the right people across the globe in times of disruption within a matter of hours, helping companies prepare, respond and emerge stronger. For more information, visit our website: <https://pwc.to/3VctAny>.



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