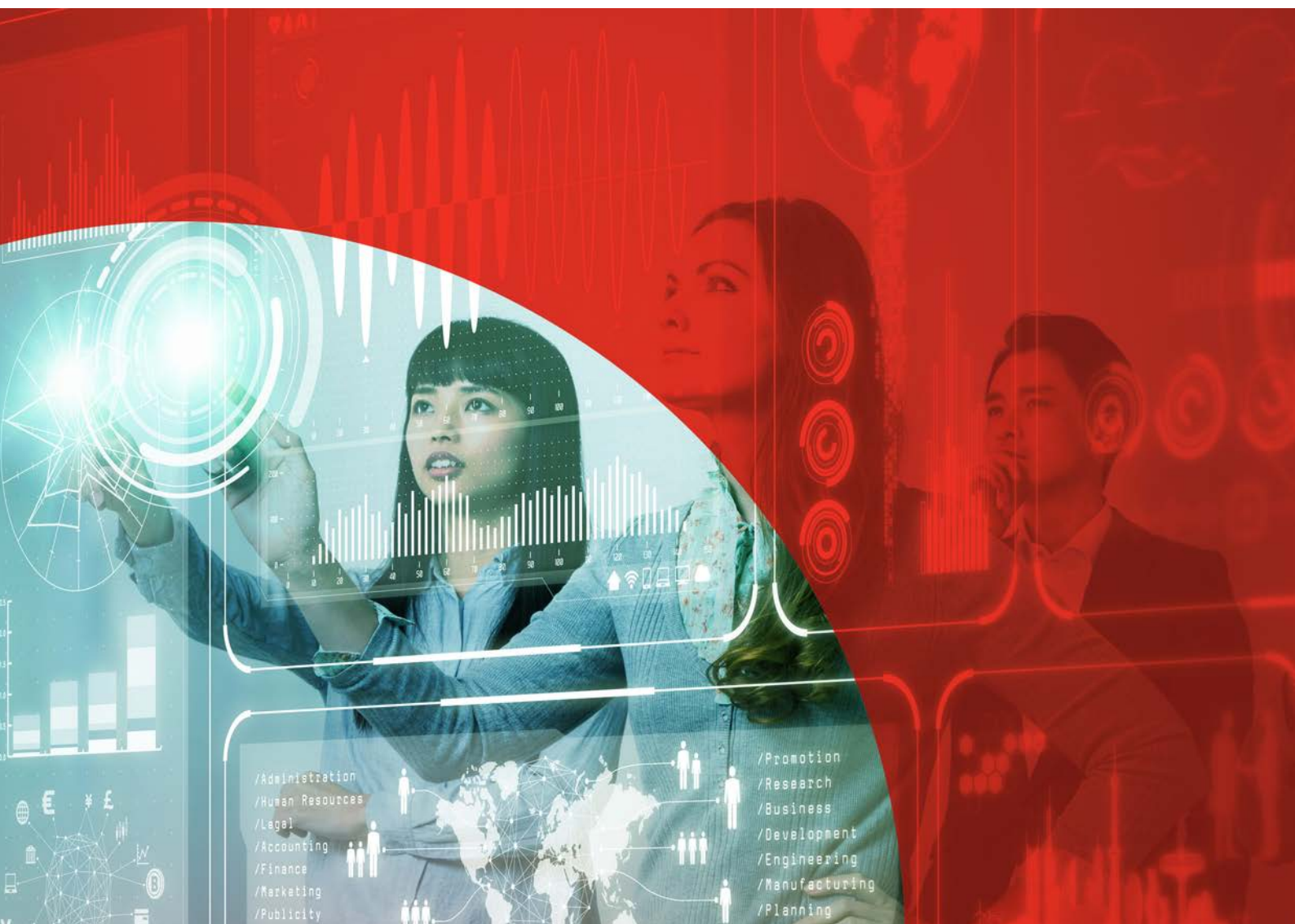


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Organizational Resilience Index Report 2018



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Foreword by Howard Kerr, Chief Executive, BSI



The past year has tested the resilience of global businesses to both internal and external challenges and opportunities. While change has brought uncertainty it has also presented numerous opportunities. In an unpredictable environment, organizations able to take the brave decisions to unlock fresh growth will prosper.

It's now four years since we published the world's first Organizational Resilience best practice guidance: BS 65000. In our second annual survey of global Organizational Resilience, I am delighted that we are seeing increased awareness of resilience and an increasing number of resilience specialists within organizations.

The Organizational Resilience Index stands as the world's first benchmark to measure the resilience of an organization against 16 core elements across four key categories: Leadership, People, Process and Product.

Last year's Index found that business leaders considered reputation as paramount, yet in many cases they risked undermining this by focusing too heavily upon short-term challenges.

This year's findings suggest that, while remaining focused upon reputation, organizations are shifting focus from internal risks such as resource management, to external changes such as new regulatory regimes and innovative new technologies.

I recognize the challenge of shaping and maintaining an agile and positive organizational culture. With economic, political and technological headwinds, it can be tempting to seek safe harbour to ride out the storm. Those that succeed over the long-term recognize that an over-emphasis on risk management can mean missing out on opportunity. Achieving mastery of Organizational Resilience provides a greater likelihood to spring forward and seize opportunities. I hope that like so many others, this Index provides the inspiration to not just survive, but thrive.

A handwritten signature in black ink, appearing to read "Howard Kerr". The signature is written in a cursive style with a horizontal line underneath the name.

Executive Summary

Many organizations, large and small, have already made the shift from continuity to resilience, adapting to an ever more uncertain world.

In this, our second annual Organizational Resilience Index, we find that global business has shifted its focus from internal preparations to external reputational risks. As illustrated in figure 1a, the overall Index for 2018 demonstrates a movement towards greater importance and performance of Organizational Resilience. We will explore this in greater detail throughout the report.

Three clear external concerns are galvanising a shift in how organizations prepare to survive and prosper over the long term:

- **Technological worries**
- **Governance concerns**
- **Skills shortage**

“Changes in government regulations and our staff not being ready are a real concern.”

Pharmaceutical executive, United States

Globally, more than six in ten considered one of these factors a primary risk for their organization.

Perceptions of the relative importance and performance of businesses across the four categories and 16 core elements of Organizational Resilience reveal variations in the health of businesses across the globe, although all elements are important.

Figure 1a. Overall Index comparison 2017-18

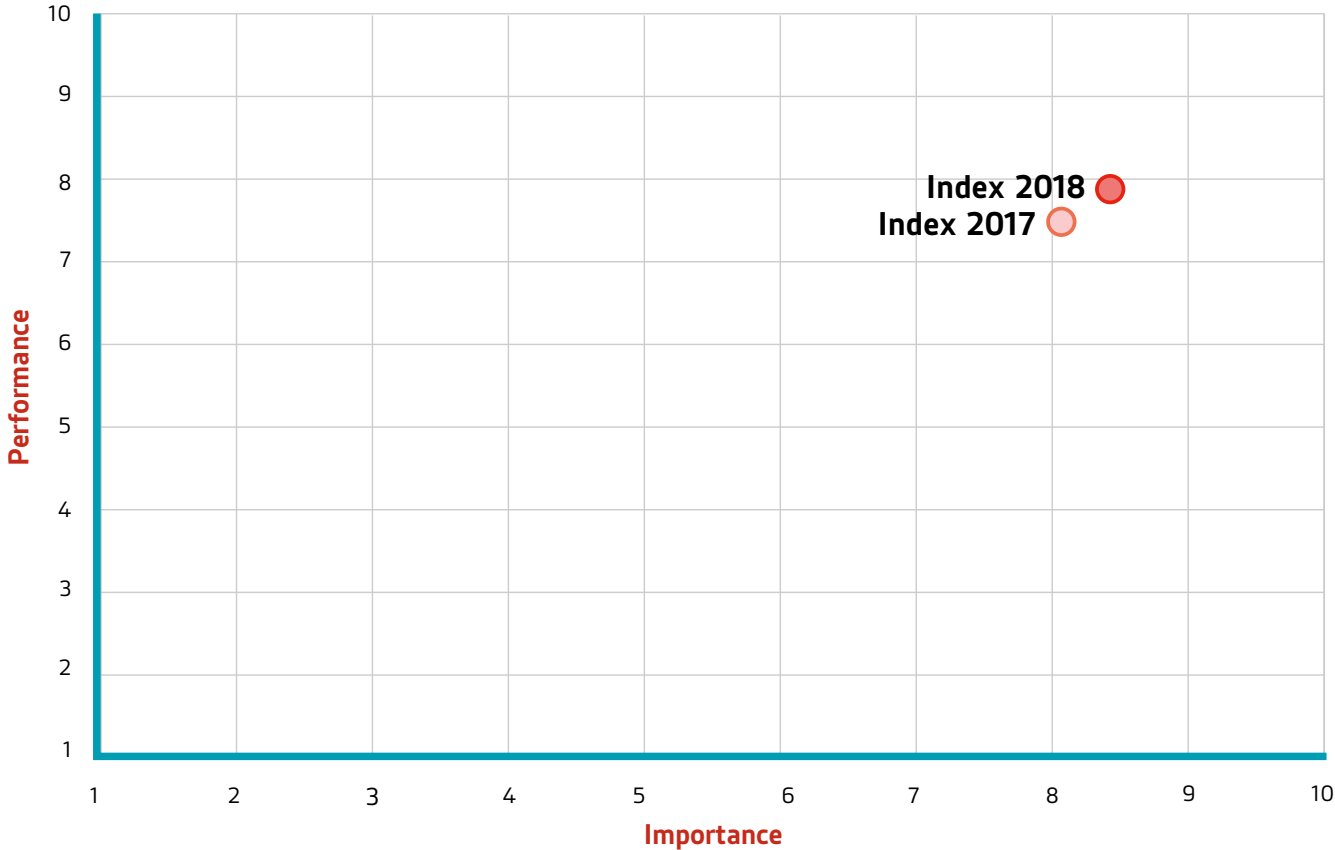
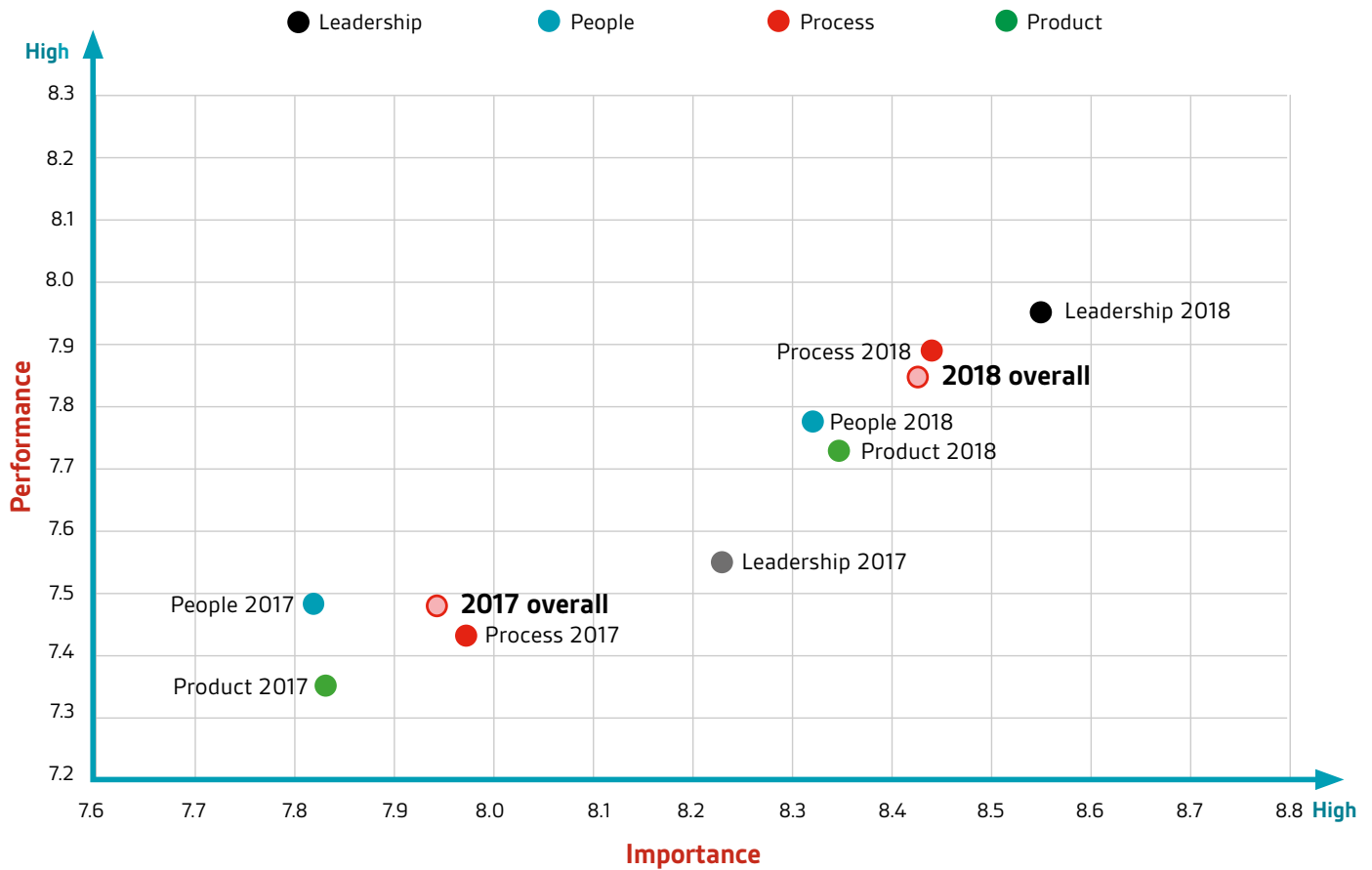


Figure 1b. Overall Index comparison 2017-18 by category



Resilience reinforced

As shown in figure 1b the results from 2018 illustrate that resilience across all categories demonstrate an improved perception of performance and importance. There is no doubt that Organizational Resilience has been more widely accepted and understood and leaders have raised its profile, resulting in higher importance. Although perceived performance has also improved in 2018, leaders must be wary of complacency. New procedures and safeguards alone do not provide resilience; culture and leadership are key to the journey of continual improvement.

Across the five elements identified as most important in last year's Index, we see a clear improvement in perceived performance in four; Reputational Risk, Financial Management, Vision and Purpose, and, Information and Knowledge Management. See figure 2 for further details.

Yet more remains to be done, Organizational Resilience is a continual process of benchmarking, improvement and reassessment. A clear finding from this year's

Index is the need to maintain a strategic balance across a business, managing healthy tensions and a strong focus in one area inevitably draws time and attention away from other priorities. This is the case for Leadership, which is perceived as less important this year in terms of culture and performance amongst the executives we surveyed.

Leaders losing touch

The performance of leaders, in terms of the culture they create, and the performance they galvanise was one of last year's priorities. Its relative performance has since declined. In particular we identify a worrying gap in the perception of leadership culture between the shop floor and the board room; c-suite executives ranked their own performance significantly higher than those they oversee. This is especially pronounced amongst organizations over 50 years old, which struggle to embed structural agility.

Governance and Accountability rise up the agenda

A consequence of concerns over external risks, such as new regulations, has been the rapid elevation of Governance and Accountability. Alongside Awareness and Training it is the fastest rising element in terms of importance. Organizations are clearly anticipating an increase in regulatory and compliance requirements, which are seen to be a particular challenge in the US and within the pharmaceutical and healthcare sectors.

Innovation falling off the agenda

Hiding from external threats by drawing the blanket over your head risks leaving your feet exposed. This is clearly the situation when it comes to Innovation. Across the globe, the relative importance of product

innovation has been the fastest falling element. The sole outlier in this regard is China, which prioritizes all three aspects of Product Resilience, and regards innovation as the most important contributor to Organizational Resilience. In contrast and of concern, the UK & Ireland and US failed to rate a single Product element in the top two quartiles.

The benefits of a holistic approach to Organizational Resilience are immense. The ability to reconcile competing strategic tensions stands to unlock long-term market growth. Balancing defensive adaptations with an agile approach to changing circumstances requires strength on all fronts. Those that recognize and embrace those tensions are more likely to achieve sustainable growth. Those that cannot will only ever be as strong as their weakest link.

Key findings

1. Respondents identified higher levels of awareness of Organizational Resilience and improved performance across the Organizational Resilience categories this year.
2. Financial Management was ranked first for both performance and importance.
3. The element demonstrating greatest improvement in performance was Supplier Management, rising ten places.
4. The element declining the most in performance was Community Engagement, falling ten places.
5. 21% of global leaders perceive technological changes as a top strategic challenge.
6. Four of the top five priorities identified in 2017 show improvement in this year's Index, only Leadership has declined in terms of relative performance.
7. The elements demonstrating greatest improvement for importance were; Governance and Accountability, and; Awareness and Training. Each rising five places over 2017.
8. The element declining the most in importance was Innovation, falling six places. It fell in importance globally, except in China where it's seen as a priority.
9. A gap is emerging between the perceived cultural impact of leaders and those they lead. Top executives ranked their leadership performance more highly than their junior colleagues.
10. More mature organizations – those over 50 years old – rank their leadership performance significantly lower than those with less than a decade under their belts.

“Organizational Resilience is the ability of an organization to anticipate, prepare for, respond and adapt to incremental change and sudden disruptions in order to survive and prosper”

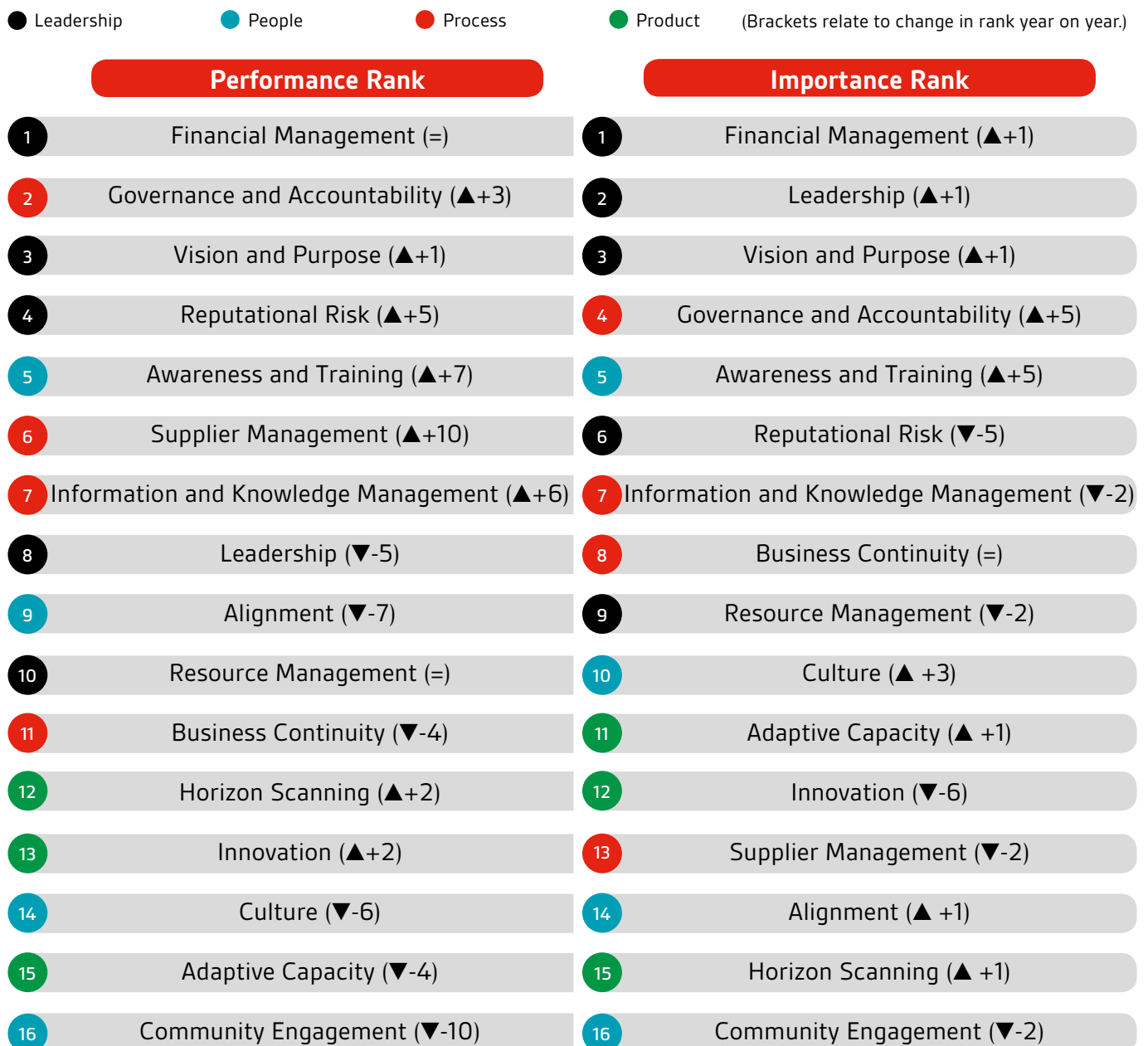
Source: BS 65000:2014, Guidance on Organizational Resilience

2018: A year of uncertainty

This year's Organizational Resilience Index shows a marked change in the perceptions of resilience (figure 2). The 2017 benchmark report saw executives focusing on Financial Management and Leadership, in order to brace their businesses for a collision of interacting, disruptive forces.

That preparation appears to have paid off, as the last 12 months have been characterized by businesses' growing awareness of resilience practices. They are placing more attention on the robustness of procedures, evidenced in the growing importance of Governance and Accountability, as a reaction to sustained uncertainty around the future. However, this appears to have diverted focus away from areas of competitive differentiation such as Innovation.

Figure 2. Organizational Resilience Index 2018

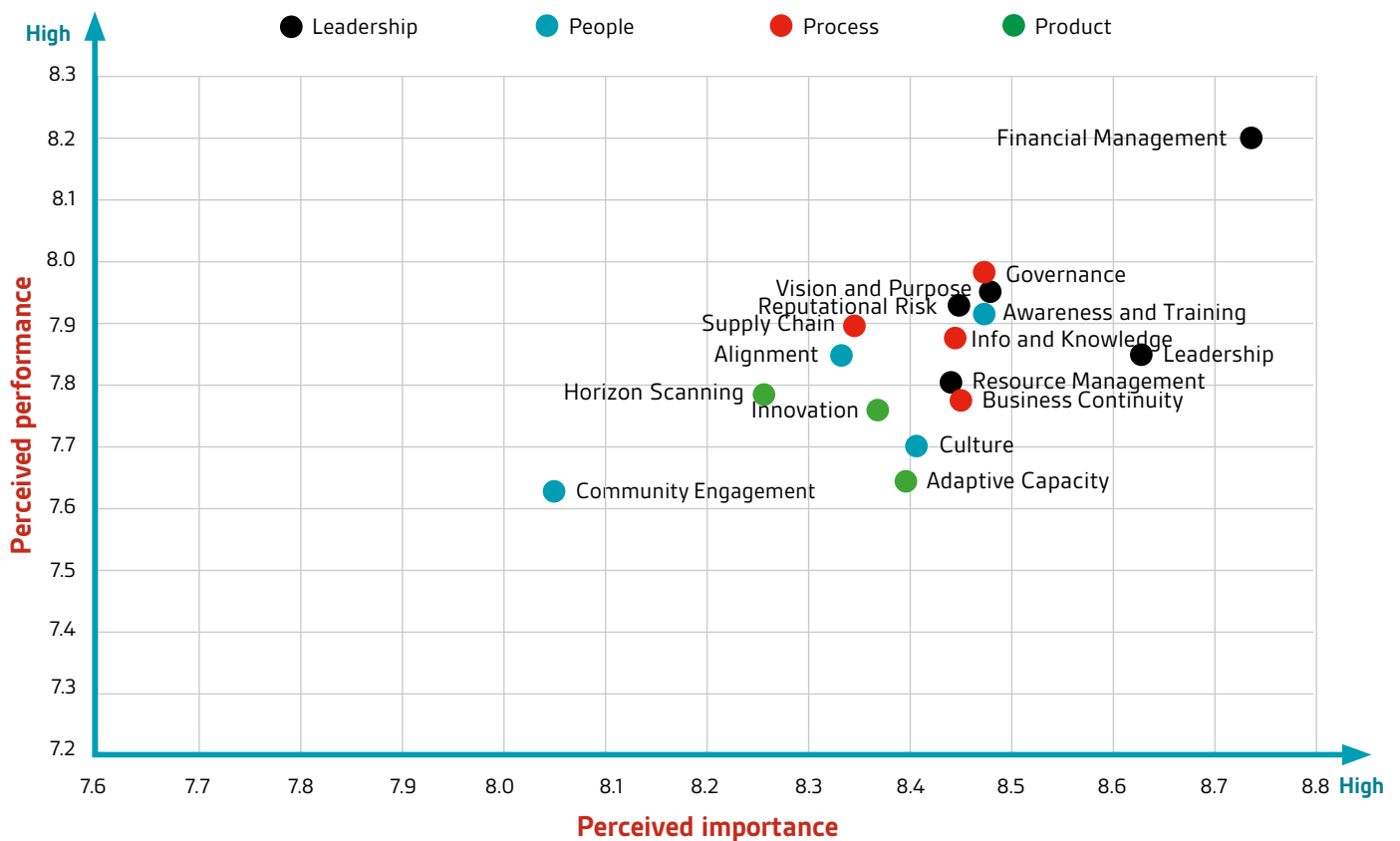


It's interesting to note how the focus on specific elements has changed between 2017 and 2018, as organizations have paid more attention to perceived areas of weakness and put relatively less importance on areas of perceived strength. Reputational Risk is a clear example of such an element, with a performance improvement of five places since it was identified as the most important factor in 2017. Today, its relative importance remains high, though it has moved out of the top five.

An improvement in the importance and performance of Governance and Awareness reflects the disruptive effects of technology and changes to regulation.

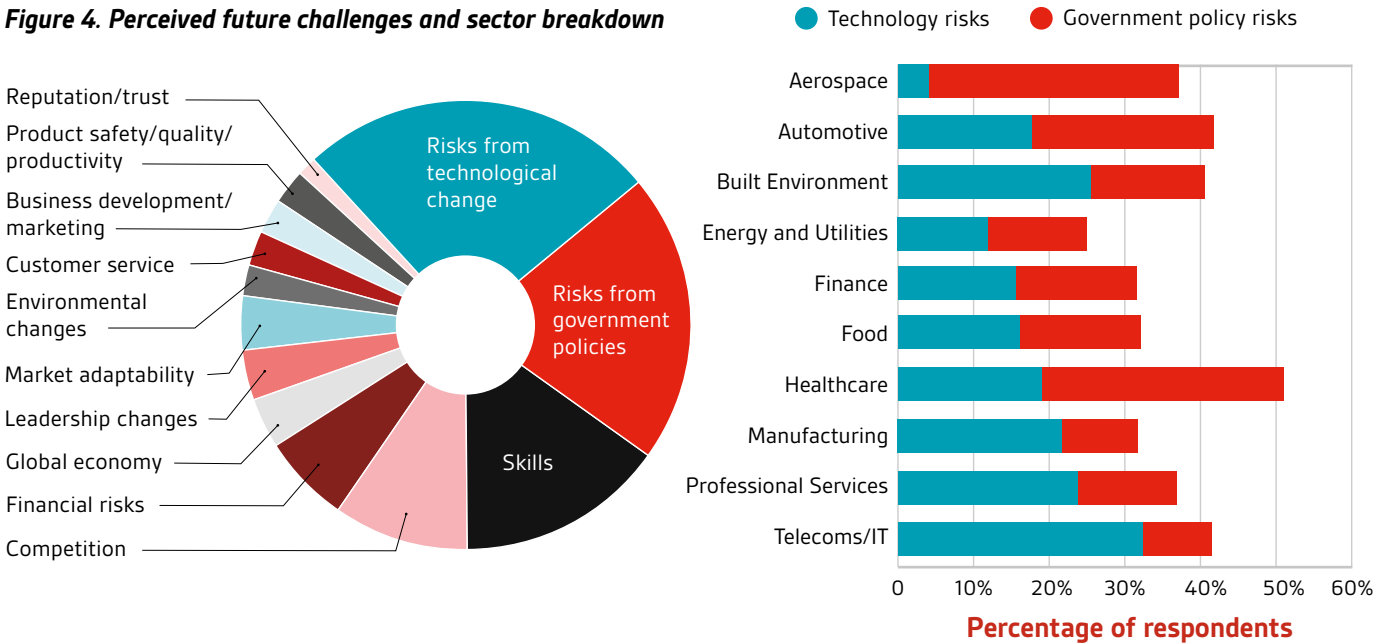
While the top of the table remains relatively stable, with Financial Management topping the rankings for the second year running, there is a significant rise in elements relating to external scrutiny; both Governance and Accountability and Awareness and Training have jumped five places to enter the top five. This is reflected in a related jump in performance, indicating a significant investment in these areas over the last twelve months.

Figure 3. Overall Index 2018 including all 16 elements



Executives surveyed for this report (figure 4) associate this shift with two major external factors, an increase in the disruptive effects of technology on their business models, and changes to government policies and regulation. 2018 has seen global markets shaken by rapid technological advances and geopolitical instability, both of which look certain to continue into the near future.

Figure 4. Perceived future challenges and sector breakdown



Technological uncertainty

Technological uncertainty, fueled by the rise of automation and artificial intelligence, is raising the challenge of how to adapt and realign the workforce to deliver the optimal human-machine partnership. Businesses in every sector, not just tech firms, are becoming increasingly data-driven, raising the spectre of cyber attacks which pose both financial and reputational risks to organizations.

Following years of stratospheric growth among the FANGs (Facebook, Amazon, Netflix and Google), governments that have long been willing to give tech titans free rein are starting to take a more muscular approach to regulating their activities, akin to traditional utilities. This movement, dubbed the “techlash”¹, has given rise to tough new measures such as the General Data Protection Regulations (GDPR), designed to safeguard individuals’ privacy. This collision of technology and ethics is a key contributor to an increased focus on Governance and Accountability, which has leapt up in importance from ninth place last year to fourth in 2018.

Geopolitical uncertainty

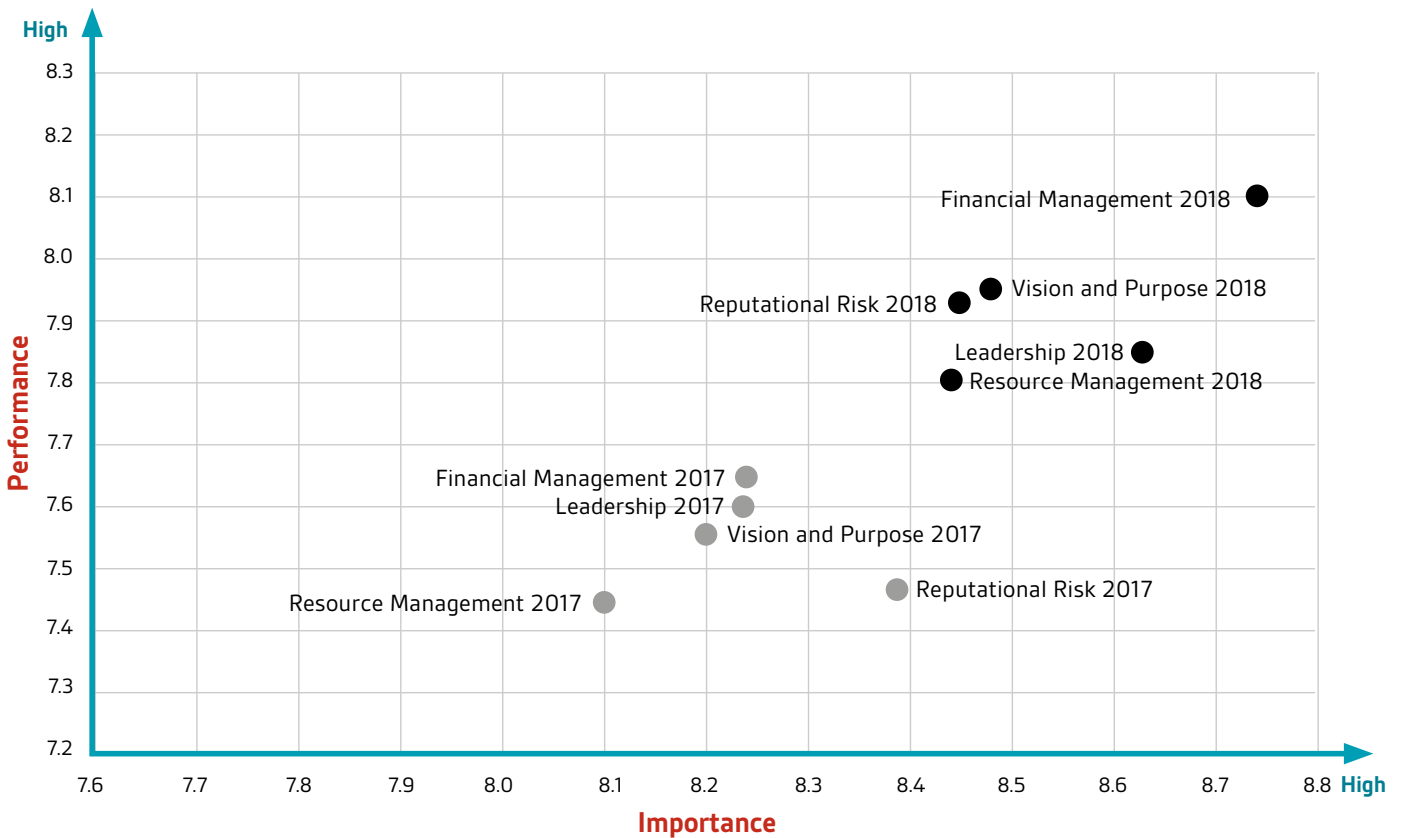
The shifting geopolitical landscape is undermining decades of globalization and sending tremors throughout international supply chains, as governments in some parts of the world become more stridently nationalistic. The UK is struggling to maintain stability during the protracted Brexit negotiations; while the true impact is yet to be quantified, concerns persist around access to a skilled workforce and the impact on currency and cross-border trading relationships following the UK’s withdrawal from the EU. In parallel, a slew of new tariffs imposed between China and the US is creating trade friction across multiple industries, with one in five US businesses stating that government policies and geopolitical tensions are posing a challenge to their resilience. These challenges are particularly keenly felt within the healthcare and aerospace sectors, as indicated in figure 4.

¹ The Economist, January 20, 2018 “The techlash against Amazon, Facebook and Google—and what they can do”

Leaders must demonstrate their resolve

In the current climate, executives are being challenged to strike a balance between mitigating risk and sustaining profitable growth. As a result the leadership category of elements once again dominates the Index, both in terms of relative importance and performance (figure 5).

Figure 5. Leadership category comparison 2017-18



Leadership elements

Financial Management refers to the quality of the management of financial aspects of the business.

Leadership refers to the culture, visibility and performance of senior business leaders.

Vision and Purpose refers to how purpose is defined, communicated and related to strategic resource allocation.

Reputational Risk refers to the business's approach to managing and limiting reputational risk.

Resource Management refers to the extent to which resources such as people and technology are managed effectively to be deployed where they are needed.

More mature organizations – those over 50 years old – rank their leadership performance significantly lower than those less than a decade old. This would seem to reflect the relative challenges of pivoting a large, complex organization to meet fresh regulation and technological innovation.

At a time when CEO tenure continues to increase², we find a significant gap has opened in perceptions of Leadership Resilience between the boardroom and the rest of the workforce. C-suite executives ranked their own performance significantly higher than did their middle managers or employees. This is reflected in the wide gap recorded in the Leadership element between perceived importance and performance. This gap reflects senior business leaders struggling to reconcile their strategic ideals of business culture with the reality of day-to-day operations.

Figure 6. How important is Leadership across the sectors



Top to bottom leadership

A lack of visibility into Organizational Resilience at ground level should be a key concern for the successors installed in 2018 to replace long-serving CEOs at industry leaders such as Pepsi, Goldman Sachs and Pfizer. Resilient leadership demands a dual-speed approach to running a company: developing and executing new business models while maintaining current ones to generate baseline cash.

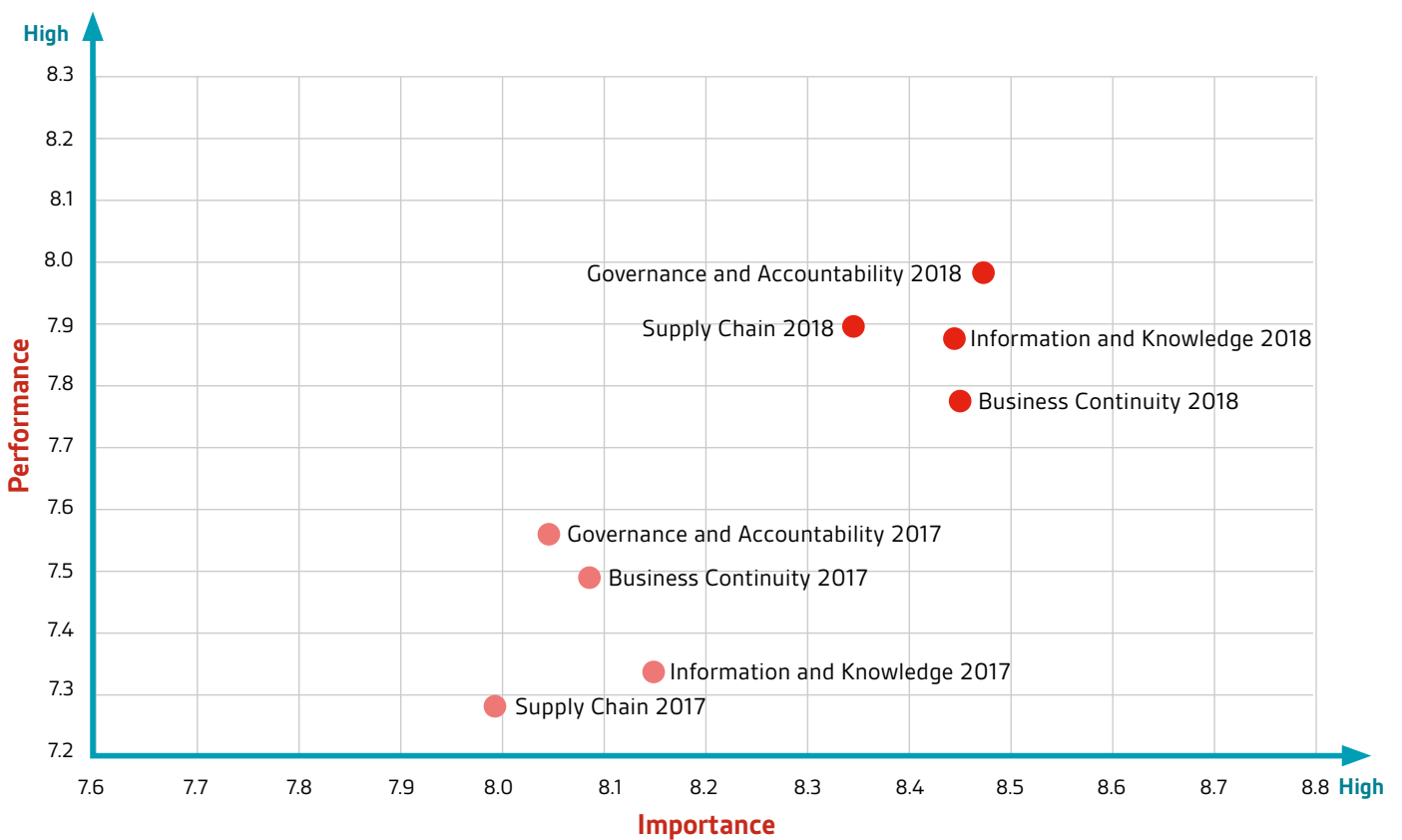
While all sectors (figure 6) acknowledge the importance of effective leadership in developing Organizational Resilience, both the Food and Professional Services industries rated it as the single most significant success factor. Only Built Environment ranked it outside the top five elements in terms of importance, a score likely to be linked to the fact that a higher proportion of organizations in this sector rated their performance in financial management and managing reputational risk below that of their peers.

² The Financial Times, October 8 2018, "Prepare to tell long-serving bosses their time is up"

Novel threats undermine established process resilience

The Process category incorporates Governance and Accountability, Information and Knowledge Management, Business Continuity and Supplier Management. It emerged in 2018 as the second most important category of Organizational Resilience, reflecting how embedding habits of excellence into the development of products and services is a key component of success (figure 7).

Figure 7. Process category comparison 2017-18



Process elements

Governance and Accountability refers to the extent to which governance policies are clearly defined and senior business leaders are accountable to all stakeholders.

Information and Knowledge Management refers to the quality of information assets and knowledge sharing.

Business Continuity refers to the quality of the business continuity framework, policies and procedures.

Supplier Management refers to the quality of supply chain governance, security and management.

Governance and Accountability shoots up the agenda

Governance and Accountability emerged as the most important element in the Process category, and is now ranked fourth overall in the study, up from ninth place last year. Organizations anticipate an increase in their regulatory and compliance burden, which is a particular preoccupation in the US (one in five businesses) and in the pharmaceutical and healthcare sector (27 per cent).

The increased emphasis on Governance and Accountability follows a year in which several prominent CEOs have been publicly deposed as a result of whistleblowing relating to various infractions, from financial misconduct to bullying and sexual harassment.

Reassuringly, the Governance and Accountability element ranked highly in terms of performance, highlighting how organizations are stepping up to the challenges of managing risks and protecting existing value while safeguarding their reputations.

Beyond Business Continuity to resilience

This year's Index finds that the awareness and scope of Organizational Resilience is also affecting the traditional definition of business continuity frameworks, policies and procedures. This shift in mindset is demonstrated by the fact that many Business Continuity practitioners are now repositioning themselves as resilience practitioners and including a far wider range of areas in their scope of responsibilities.

This reflects the findings of a separate BSI sponsored study, the BCI Horizon Scan Report 2018 (figure 8), which finds that the top three disruptions to business were outages to telecoms or IT, adverse weather and interruption to utility supply.

The challenges of balancing emerging and structural risks are significant, with Business Continuity, which is ranked mid-table for importance (8th out of 16), trailing in terms of performance in eleventh place. This deficit suggests that businesses should focus less on planning for reactive crisis management and more on proactive risk management and loss prevention to strengthen overall resilience.

“A hack or virus will remain a critical threat to our resources for the foreseeable future.”

Telecoms executive, India

Figure 8. Top ten disruptions to business in 2018



Data protection is everyone's business

Data and cybersecurity are business challenges for any organization, although those in the IT and Telecoms sector are more likely to mention this area as a major preoccupation for the next 12 months.

With a growing reliance on data-driven technology characterizing all sectors – from banking to the Internet of Things – tougher sanctions are emerging worldwide around data protection. The impact of legislation such as GDPR – to date the world's most demanding set of rules governing how personal data can be collected and used – is not limited to its immediate territorial scope. Its impact extends to any business worldwide that offers goods and services to individuals in the EU, regardless of whether payment is required. Consequently, perceptions of strong performance in the Management of Personal Data element have risen this year, as organizations have fortified their data governance strategies.

Hindsight is not an option in the face of disruption, particularly as both the business and risk landscapes are becoming increasingly complex. Many organizations have multiple tiers of suppliers across various geographies which, coupled with the growing threat of natural catastrophes and cyber attacks, are leaving them dangerously exposed if they have not adequately protected their supply chain against established and emerging risks.

“It is a challenge to be agile enough to keep up to speed with technology”

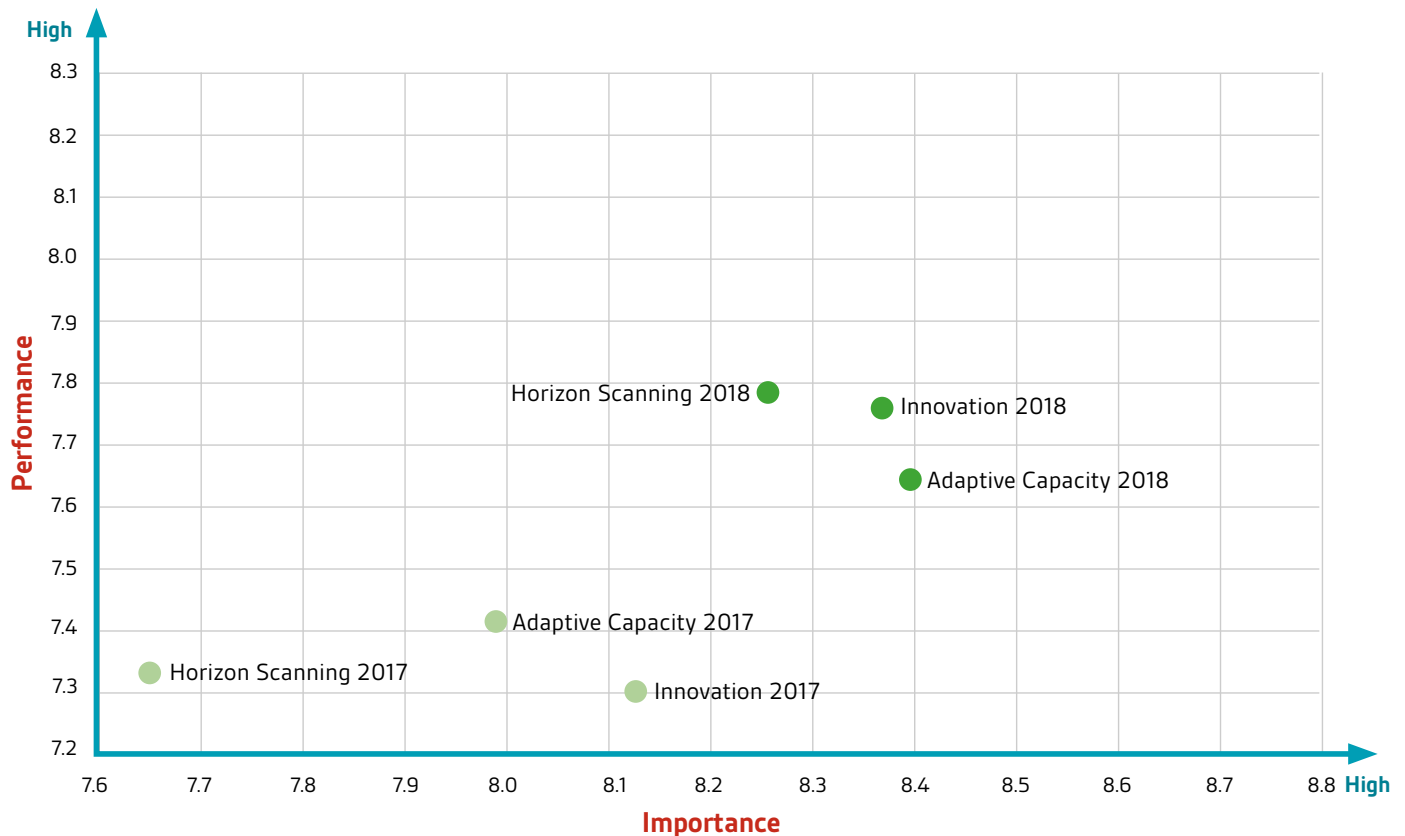
Senior IT executive, Australia



Is the innovation imperative waning outside China?

Businesses need to choose what posture to adopt in shaping their products to market forces: whether to define the future, become a fast follower or manage defensively.

Figure 9. Product category comparison 2017-18



Product elements

Adaptive Capacity refers to the ability to identify change and uncertainty and to take swift and effective action.

Innovation refers to the extent to which the business's culture encourages and promotes innovation.

Horizon Scanning refers to the extent to which the business systematically examines information to identify change, threats, risks and opportunities.

A fundamental premise of innovation is that the future is not an extrapolation of the past: just as Netflix has irrevocably changed our expectations of entertainment and Amazon has disrupted traditional retail, thriving in any given sector today often demands a bold rethink of fundamental business and operating models.

This year's Index reveals that, across the West, both in terms of performance and importance, Product Resilience is receiving less attention than might be expected. Although there are improvements in perceived performance and resilience compared to the 2017 Index.

Product Resilience is based on three dimensions: Adaptive Capacity, Innovation and Horizon Scanning. Surprisingly, these aspects were ranked in the bottom quartile, both in terms of importance and performance, which suggests that continued uncertainty is inhibiting the development of new products, services and monetization models.

China is the only country to prioritize all three aspects of Product Resilience, and regards innovation as the most important contributor to Organizational Resilience while, by contrast, the UK & Ireland, and the US failed to rate a single Product element in the top two quartiles.

China regards innovation as the most important contributor to Organizational Resilience.

Innovation and resilience are mutually reinforcing

Organizational Resilience is a measure of a business's capacity to not only survive change but thrive on it. Innovation is a key component of resilience by building adaptive capacity and maintaining companies' relevance. Creative problem-solving, innovation and learning are crucial if businesses are to evolve through changing conditions while maintaining alignment with their core strategy.

While organizations were confident in their ability to 'Focus on longer-term strategic planning to identify new business opportunities', they felt less confident in their performance when it came to 'Active encouragement of appropriate input to identify new opportunities', presenting a clear mandate to develop an organization-wide culture of innovation, spearheaded by visionary leadership.

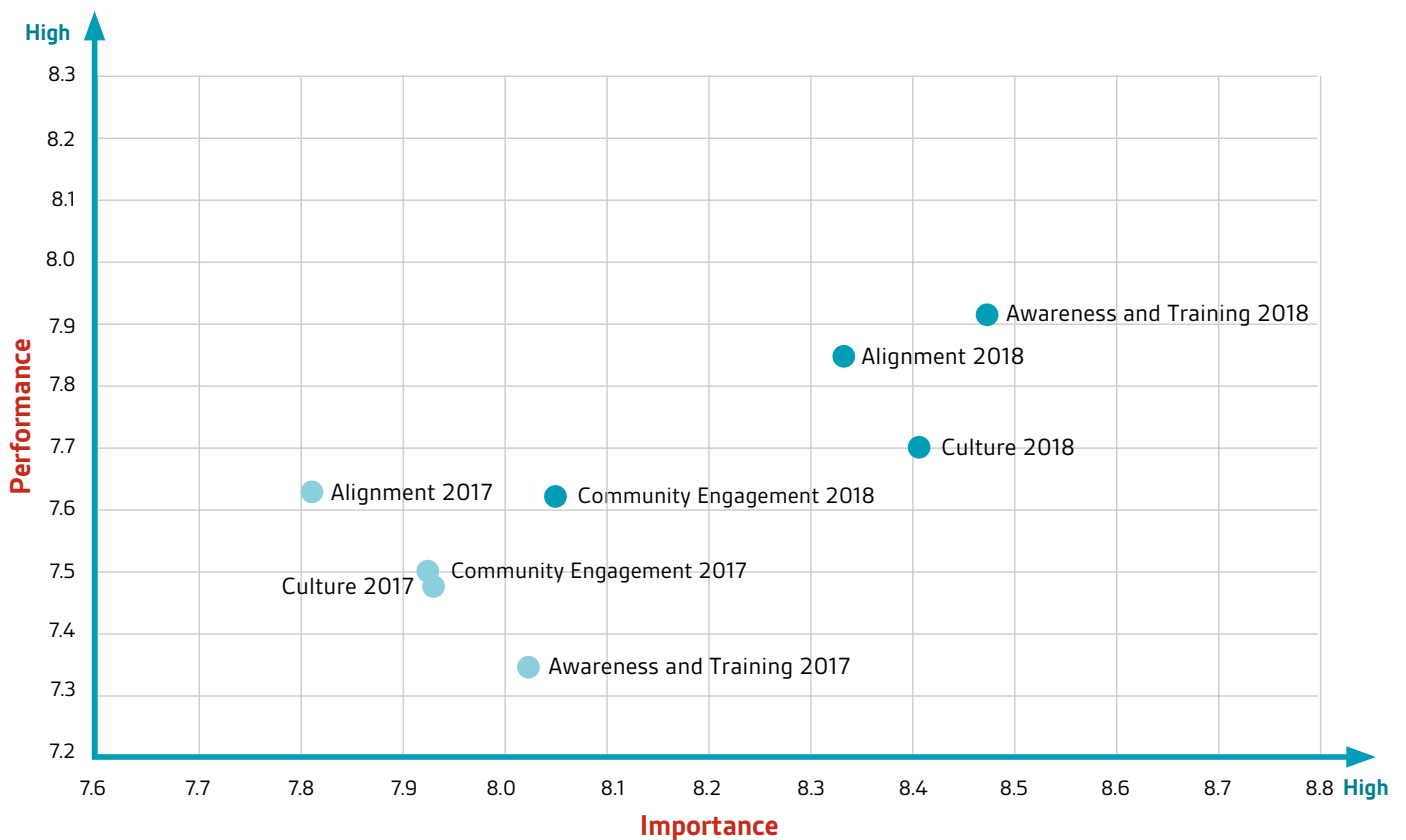


Putting product ahead of people and planet

An organization's people are central to its performance and results. Yet this year's Index reveals a significant gap between perceived importance and performance when it comes to a strong and resilient workforce. This is reflected in access to skills being flagged as a top three future challenge.

Across the four categories of Leadership, Process, Product and People, it's the latter that demonstrates the widest spread of rankings across importance and performance although all see an improvement compared to the 2017 Index (figure 10).

Figure 10. People category comparison 2017-18



People elements

Awareness and Training refers to the levels of awareness, training and testing of Organizational Resilience.

Culture refers to the extent to which values and behaviours are shared, trust is established and employees are engaged.

Alignment refers to the extent to which the business systematically examines information to identify change, threats, risks and opportunities.

Community Engagement refers to the business's community relations, stewardship credentials and social responsibility.

Overlooking the importance of culture and alignment

A company's ability to live and breathe its values lags the significance accorded to Culture by quite some margin. This is cause for concern, as Culture is a strategic asset that may affect a company's ability to attract and retain the best and brightest talent, and co-ordinate employees towards a vision and specific performance goals.

HR professionals surveyed in this year's Index place Culture at the top of the agenda, in contrast to their colleagues in Operations, exposing a clash of priorities that will inevitably create friction within organizations. US businesses in particular identify Culture as a relative weakness, with performance in this element slumping to fourteenth place from eighth place last year.

Conversely, while companies considered themselves to have achieved satisfactory Alignment, the importance of this dimension was only ranked fourteenth. This is noteworthy as a high level of organizational alignment is essential to supporting market maneuverability – a must in a rapidly changing global economy – by focusing energy in the right areas at the right times, eliminating conflicting priorities and providing structure and clarity for employees.

“The challenge is to develop stress-resistant and highly responsive human resources capable of responding to environmental changes in the field and society.”

Built Environment executive, Japan

It's evident from the 2018 Index that many industries are facing a global skills shortage: of the ten sectors surveyed, only Energy and Utilities did not cite a looming skills gap among their top five challenges for the year ahead. In the UK, multiple sectors are already facing intense competition for many core skills, which will be exacerbated in the event that the European Economic Area regulation, which currently allows freedom of movement of EU nationals, ceases post-Brexit.

Figure 11. Differences in consumer attitudes to strong CSR values between the generations*

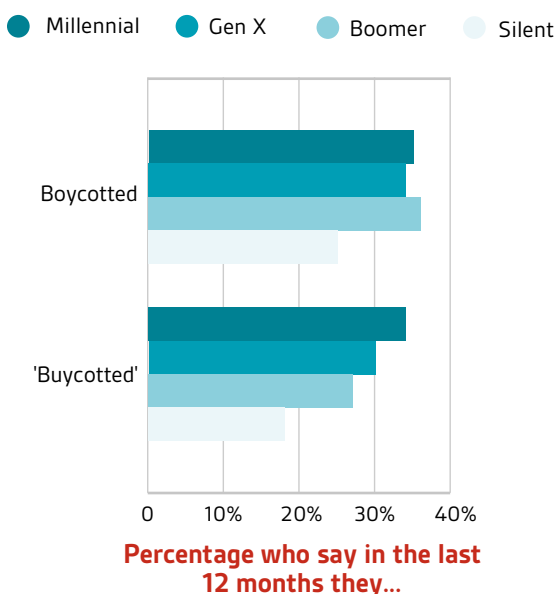
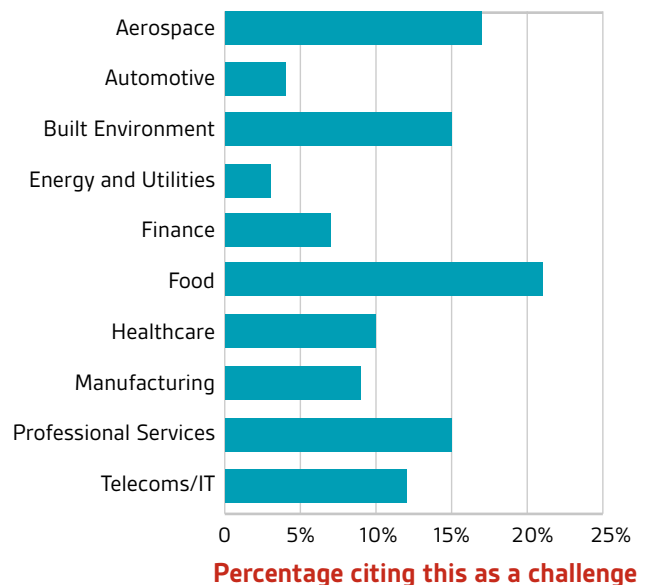


Figure 12. Proportion citing access to skills as a key challenge for the future



Community Engagement is good for business

An organization's impact on people extends beyond their own personnel, yet the importance of Community Engagement is ranked last in the table (slipping from fourteenth place last year). This suggests that in tough times, there is less appetite or resource for social responsibility.

For organizations focused on winning the battle for talent, failure to effectively engage with their surrounding communities may undermine longer-term resilience. Generation X and Millennial workers (figure 11) are typically more ethically and environmentally conscious than Baby Boomers, and prefer to engage with and work for organizations that demonstrate a strong commitment to social responsibility. It's therefore concerning to see that one of the lowest performance ratings in the study was for 'Promotion of a healthy environment and procedures to limit carbon footprint' which is a component of Community Engagement.

A shortage of skills came third to political and technological changes, as a future challenge across the executives surveyed for this year's Index (figure 12). HR professionals in particular placed Culture at the top of their agendas, in contrast to their colleagues in Operations who ranked it far lower. Such inconsistencies in relative resilience indicate differing priorities and potential tensions within organizations.

Companies stand to make themselves more attractive to prospective employees, and promote greater commitment and performance among their existing workforce, by listening and placing a greater emphasis on what matters to their people beyond immediate work culture and training.



Conclusion: Organizational Resilience is a journey, not a destination

All 16 of the elements studied in the 2018 Index were confirmed as important by respondents. It's also encouraging that overall, businesses are paying attention to resilience as a fundamental component of individuals, teams, organizations and supply chains to anticipate, prepare for and respond to change and disruption. The resilient organization bends under pressure but it does not break, it bounces back.

1

This year's Index reveals a picture of organizations struggling to capitalize on innovation and adopting a cautious posture in the face of global political and economic uncertainty, perhaps because creativity is harder to define and deliver than the more transactional aspects of business.

2

Such a posture is incompatible with the current competitive environment which demands a willingness to experiment, fail fast and develop new products and services using agile techniques. The greatest risks for businesses are to retrench in the face of turbulence and stand still.

3

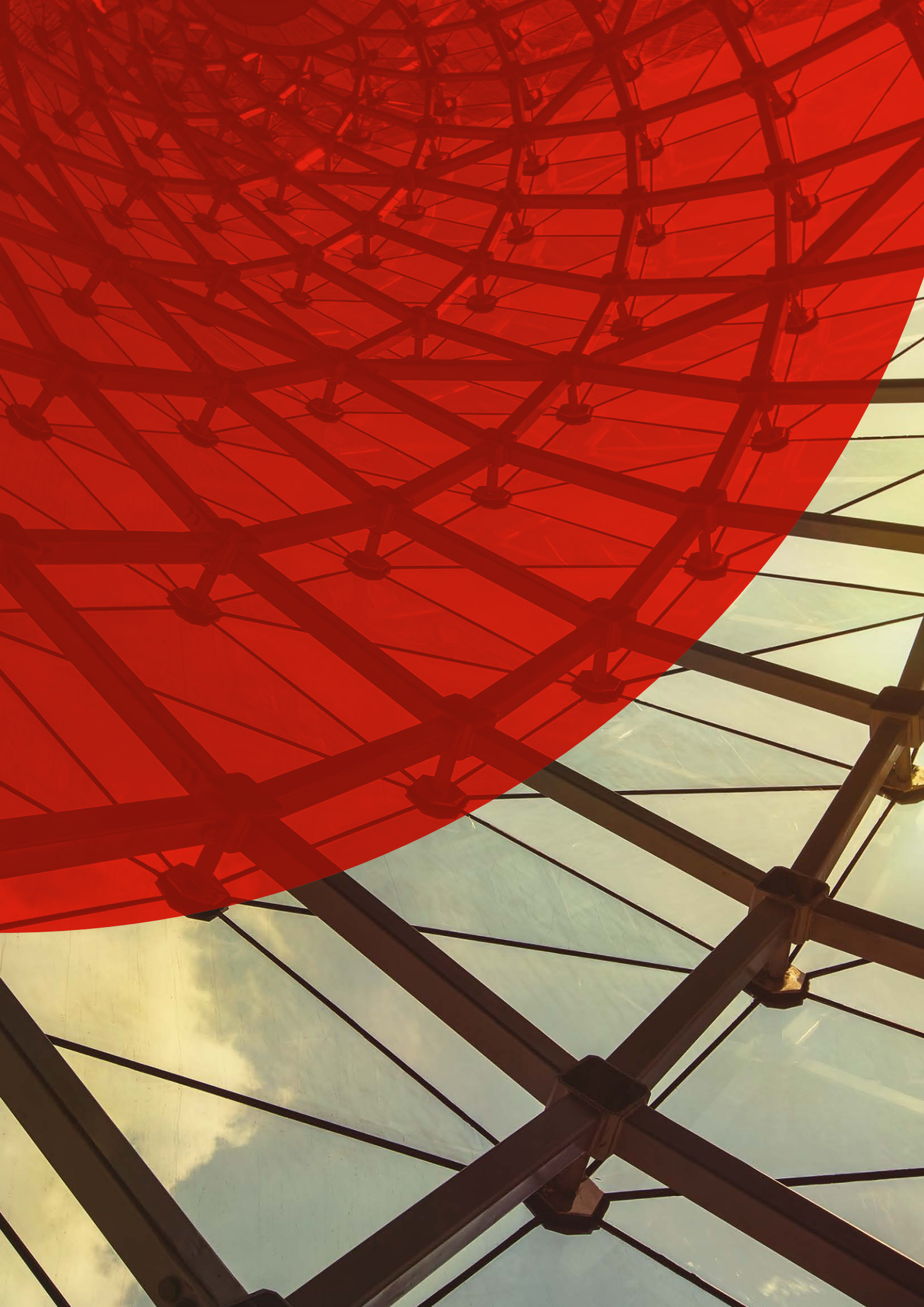
Organizations must recognize that building resilience requires strategic tensions to be reconciled, striking a balance between erecting and fortifying defences and creating an adaptive foundation. Agility itself is a key component of Organizational Resilience.

4

They must also acknowledge that innovation is driven by people as well as technology. Leaders should not become so narrowly focused on regulation and compliance as to overlook the importance of culture and strategic alignment.

5

Part of a leader's responsibility is to ensure an appropriate state of preparedness for their organization to ride set-backs and take advantage of opportunities. Strong financial management and governance have been particularly evident in the last 12 months. But do not become complacent on your strengths, they require constant attention and continual improvement.



Appendix 1: BSI Organizational Resilience Benchmark

If you want to find out more about how your organization compares against other organizations then complete the BSI Organizational Resilience Benchmark tool located at www.bsigroup.com/organizational-resilience

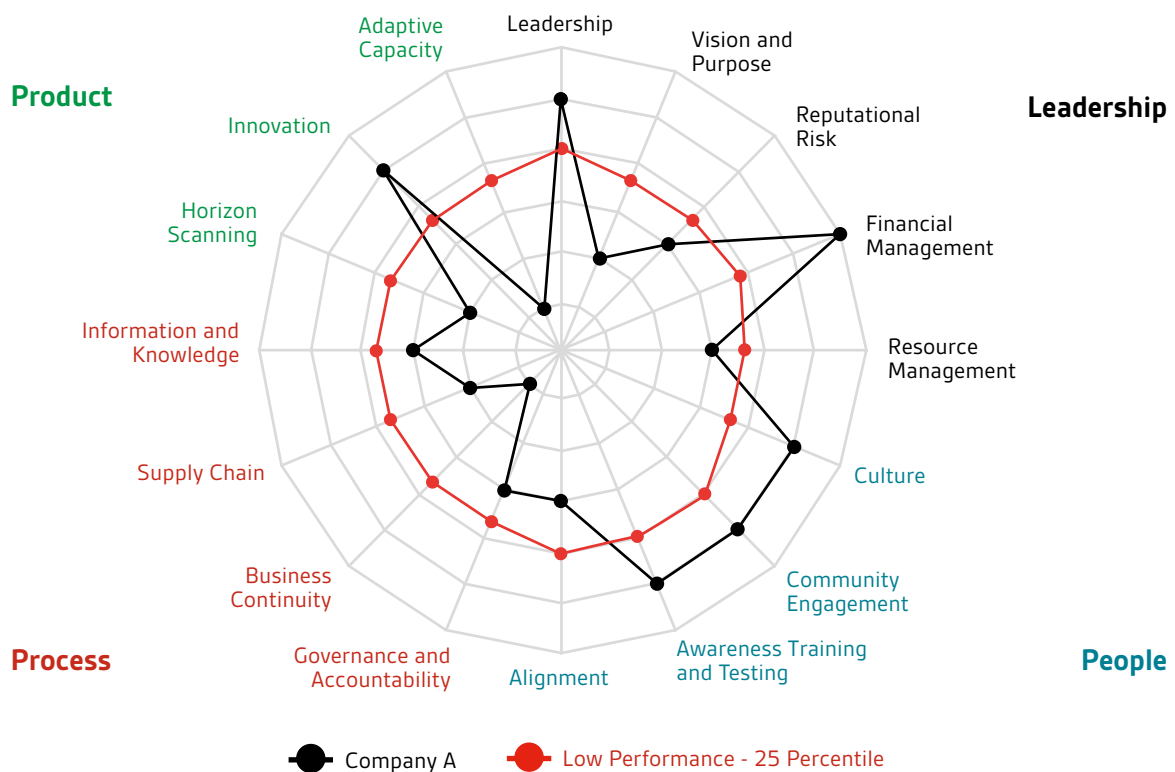
The BSI Organizational Resilience Benchmark tool is a simple-to-complete questionnaire which is an abbreviated version of the same one completed by our survey participants.

The shortened questionnaire focuses on the 16 key elements that are vital to building and developing Organizational Resilience and the results will help illustrate your perceived organization's strengths and vulnerabilities compared to those that participated in the survey.

Your results will be shown as a spider diagram (Figure 13 below) and will allow you to review how your Leadership, People, Processes and Product categories based on the 16 key elements compare against the overall benchmark results.

If you would like to find out more about how you compare against similar types of organization and get a deeper and unique insight into Organizational Resilience then please contact us and we will be pleased to help you further.

Figure 13. Sample spider diagram output from BSI Organizational Resilience benchmark tool



Appendix 2:

About this research

BSI's annual Organizational Resilience Index provides an extensive view on how global organizations see they are performing in terms of resilience and the elements they identify as most important for further improvement.

The BSI survey is unique because it's the only comprehensive global study of perception and performance across the 16 elements of Organizational Resilience based on the following international standards of best practice:

- Guidance on Organizational Resilience (BS 65000)
- Organizational Governance (BS 13500)
- Information Security (ISO/IEC 27001)
- Security and Resilience – Organizational Resilience (ISO 22316)
- Risk management. Principles and guidelines (ISO 31000)
- Supply chain risk management. Supplier prequalification (PAS 7000)
- Environmental Management (ISO 14001)
- Business Continuity (ISO 22301)
- Quality Management and Customer Satisfaction (ISO 9001)

The 16 elements are consolidated into 4 key categories that are central to supporting, maintaining and developing Organizational Resilience over time: Leadership, People, Process and Product.

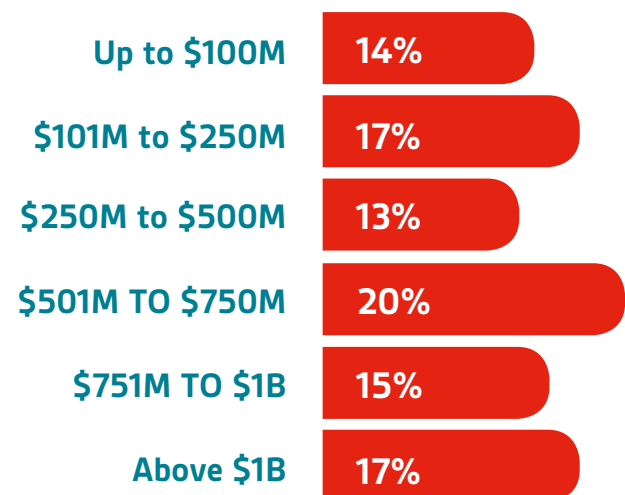
Each year we update the Index through comprehensive research among global leaders to create a unique snapshot of how organizations perceive their own relative strengths and

weaknesses across the four categories. Using this Index, organizations are able to benchmark their performance against peer groups of their choice.

The 2018 survey field work was conducted in the second half of 2018. Feedback has been collected through online and telephone interviews with senior executives in 808 businesses across Australia, China, India, Japan, UK & Ireland, and the US. Data can be provided using the following criteria:

- Country/ region
- Ten different sectors
- Revenue ranges from \$5m annually through to organizations with revenues greater than \$1b per annum
- Age of organization
- Respondent profile by organization revenue (figure 14)

Figure 14. Respondent profile by organization revenue



4% of respondents unclassified in terms of organization revenue






Appendix 3: Top five resilience ranking by country

	Performance Rank	Importance Rank	Top Five Future Challenges
Australia	1 Financial Management	1 Financial Management	1 Innovation/technology
	2 Governance & Accountability	2 Leadership	2 Govt. policies/compliance/ international politics/funding
	3 Alignment	3 Resource Management	3 Skills/resourcing/HR
	4 Reputational Risk	4 Culture	4 Changing industry/industry structure/market trends
	5 Awareness and Training	5 Governance & Accountability	5 Competition
China	1 Governance & Accountability	1 Innovation	1 Innovation/technology
	2 Vision and Purpose	2 Leadership	2 Competition
	3 Leadership	3 Reputational Risk	3 Govt. policies/compliance/ international politics/ funding
	4 Horizon Scanning	4 Financial Management	4 Skills/resourcing/HR
	5 Reputational Risk	5 Vision and Purpose	5 Changing industry/ industry structure/market trends
India	1 Financial Management	1 Financial Management	1 Innovation/technology
	2 Supplier Management	2 Leadership	2 Competition
	3 Vision and Purpose	3 Innovation	3 Skills/resourcing/HR
	4 Innovation	4 Supplier Management	4 Gov policies/compliance/ international politics/funding
	5 Leadership	5 Awareness and Training	5 Economy/global economy






● Leadership ● People ● Process ● Product

	Performance Rank	Importance Rank	Top Five Future Challenges
Japan	1 Financial Management	1 Financial Management	1 Innovation/technology
	2 Business Continuity	2 Leadership	2 Skills/ resourcing/HR
	3 Awareness and Training	3 Resource Management	3 Company structure changes/ leadership
	4 Governance & Accountability	4 Awareness and Training	4 Competition
	5 Info. & Knowledge Management	5 Governance & Accountability	5 Environmental changes
UK and Ireland	1 Financial Management	1 Financial Management	1 Gov policies/compliance/ international politics/funding
	2 Governance & Accountability	2 Leadership	2 Innovation/technology
	3 Awareness and Training	3 Info. & Knowledge Management	3 Skills/resourcing/HR
	4 Reputational Risk	4 Business Continuity	4 Economy/global economy
	5 Vision and Purpose	5 Vision and Purpose	5 Competition
US	1 Financial Management	1 Financial Management	1 Innovation/technology
	2 Supplier Management	2 Leadership	2 Gov policies/compliance/ international politics/funding
	3 Vision and Purpose	3 Culture	3 Skills/resourcing/HR
	4 Reputational Risk	4 Info. & Knowledge Management	4 Competition
	5 Alignment	5 Awareness and Training	5 Work culture

Appendix 4: Top five resilience ranking by sector

	Performance Rank	Importance Rank	Top Five Future Challenges
 Aerospace	<ol style="list-style-type: none"> Governance & Accountability Reputational Risk Awareness and Training Supplier Management Financial Management 	<ol style="list-style-type: none"> Financial Management Business Continuity Leadership Reputational Risk Governance & Accountability 	<ol style="list-style-type: none"> Govt. policies/compliance/international politics/funding Skills/resourcing/HR Economy/global economy Work culture Innovation/technology
 Automotive	<ol style="list-style-type: none"> Financial Management Governance & Accountability Reputational Risk Awareness and Training Info. & Knowledge Management 	<ol style="list-style-type: none"> Financial Management Reputational Risk Leadership Culture Business Continuity 	<ol style="list-style-type: none"> Gov policies/compliance/international politics/funding Innovation/technology Competition Skills/resourcing/HR Economy/global economy
 Built Environment	<ol style="list-style-type: none"> Governance & Accountability Leadership Vision and Purpose Resource Management Awareness and Training 	<ol style="list-style-type: none"> Resource Management Governance & Accountability Financial Management Reputational Risk Business Continuity 	<ol style="list-style-type: none"> Innovation/technology Skills/resourcing HR Govt. policies/compliance/international politics/funding Competition Profit margins/budget restraints
 Energy	<ol style="list-style-type: none"> Financial Management Vision and Purpose Governance & Accountability Info. & Knowledge Management Business Continuity 	<ol style="list-style-type: none"> Financial Management Info. & Knowledge Management Leadership Reputational Risk Awareness and Training 	<ol style="list-style-type: none"> Govt. policies/compliance/international politics/funding Innovation/technology Company structure changes/leadership Competition Environmental changes
 Finance	<ol style="list-style-type: none"> Financial Management Awareness and Training Info. & Knowledge Management Reputational Risk Horizon Scanning 	<ol style="list-style-type: none"> Financial Management Adaptive Capacity Leadership Info. & Knowledge Management Culture 	<ol style="list-style-type: none"> Govt. policies/compliance/international politics/ funding Innovation/technology Skills/resourcing/HR Competition Economy/global economy

● Leadership ● People ● Process ● Product

	Performance Rank	Importance Rank	Top Five Future Challenges
 Food	<ul style="list-style-type: none"> 1 Reputational Risk 2 Financial Management 3 Supplier Management 4 Leadership 5 Governance & Accountability 	<ul style="list-style-type: none"> 1 Leadership 2 Financial Management 3 Awareness and Training 4 Resource Management 5 Adaptive Capacity 	<ul style="list-style-type: none"> 1 Skills/resourcing/HR 2 Gov policies/compliance/international politics/funding 3 Innovation/technology 4 Changing industry/industry structure/market trends 5 Economy/global economy
 Healthcare	<ul style="list-style-type: none"> 1 Financial Management 2 Vision and Purpose 3 Governance & Accountability 4 Reputational Risk 5 Supplier Management 	<ul style="list-style-type: none"> 1 Financial Management 2 Leadership 3 Governance & Accountability 4 Reputational Risk 5 Culture 	<ul style="list-style-type: none"> 1 Gov policies/ compliance/international politics/funding 2 Innovation/technology 3 Skills/resourcing/HR 4 Competition 5 Economy/global economy
 Manufacturing	<ul style="list-style-type: none"> 1 Financial Management 2 Supplier Management 3 Innovation 4 Vision and Purpose 5 Resource Management 	<ul style="list-style-type: none"> 1 Financial Management 2 Leadership 3 Innovation 4 Awareness and Training 5 Vision and Purpose 	<ul style="list-style-type: none"> 1 Innovation/technology 2 Competition 3 Gov policies/compliance/international politics/funding 4 Skills/resourcing/HR 5 Environmental changes
 Professional Services	<ul style="list-style-type: none"> 1 Financial Management 2 Governance & Accountability 3 Alignment 4 Awareness and Training 5 Vision and Purpose 	<ul style="list-style-type: none"> 1 Leadership 2 Info. and Knowledge Man. 3 Governance & Accountability 4 Culture 5 Financial Management 	<ul style="list-style-type: none"> 1 Innovation/technology 2 Skills/resourcing/ HR 3 Gov policies/compliance/international politics funding 4 Competition 5 Profit margins/budget restraints
 Telecoms/IT	<ul style="list-style-type: none"> 1 Financial Management 2 Governance & Accountability 3 Awareness and Training 4 Vision and Purpose 5 Leadership 	<ul style="list-style-type: none"> 1 Financial Management 2 Governance & Accountability 3 Leadership 4 Awareness and Training 5 Innovation 	<ul style="list-style-type: none"> 1 Innovation/technology 2 Competition 3 Skills/resourcing/HR 4 Gov policies/compliance/international politics/ funding 5 Company structure changes/ leadership



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