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# Organizational Resilience Index

**Third annual report**



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# Foreword by Howard Kerr, Chief Executive, BSI



The world has changed greatly since 2014 when we first began exploring the idea of Organizational Resilience. Rapid technological, not to mention political, shifts convince me that we were right to insist that robust processes alone are not sufficient for businesses to cope with rising uncertainty. No matter how robust the system, under sufficient stress it will break, and when it does it must have the ability to spring back. The same applies to opportunity, can an organization mobilize to maximize its market openings? Organizational Resilience provides a framework for leaders to do both, helping them and their organizations to adapt and succeed.

For example, five years ago electric vehicles made up only a fraction of a per cent of global sales, today it stands at nearly three per cent. Progress in solid state batteries and regulation means that in countries such as Norway, half of all new sales are of electric vehicles. This shift in the market has required significant strategic adaptation on the part of automotive manufacturers and highway authorities.

Such adaptation is tough, and it was this, alongside the core resilience of global organizations, that we first set out to explore. Our third Index provides a consistent track of global performance and confidence in such strategic flexibility. While it has shown considerable volatility in the past, what is

new, and worrying is that for the first time we have seen a weakening of organizations' ability to adapt to change.

Turbulent political and economic conditions, from Beijing to Boston, appear to have weakened the confidence of business leaders in their organization's ability to horizon scan. Past failures to predict and cope with economic shocks are at risk of cementing reactive, short-term mind-sets that value security over opportunity.

The consequences of caution turning into inaction are clear, with many of those we spoke to reporting challenges in recruitment and retention, alongside a lack of colleague engagement. At times of volatility, I believe that resilient leaders recognize the value of investing in a culture that instils a clear strategic purpose alongside the tactical freedom of providing teams with the trust and opportunity to plot the optimum route.

I hope that in reading our third annual Index, that you too are inspired to believe that mastering Organizational Resilience is not a one-time goal, but a lifelong management pursuit essential to success.

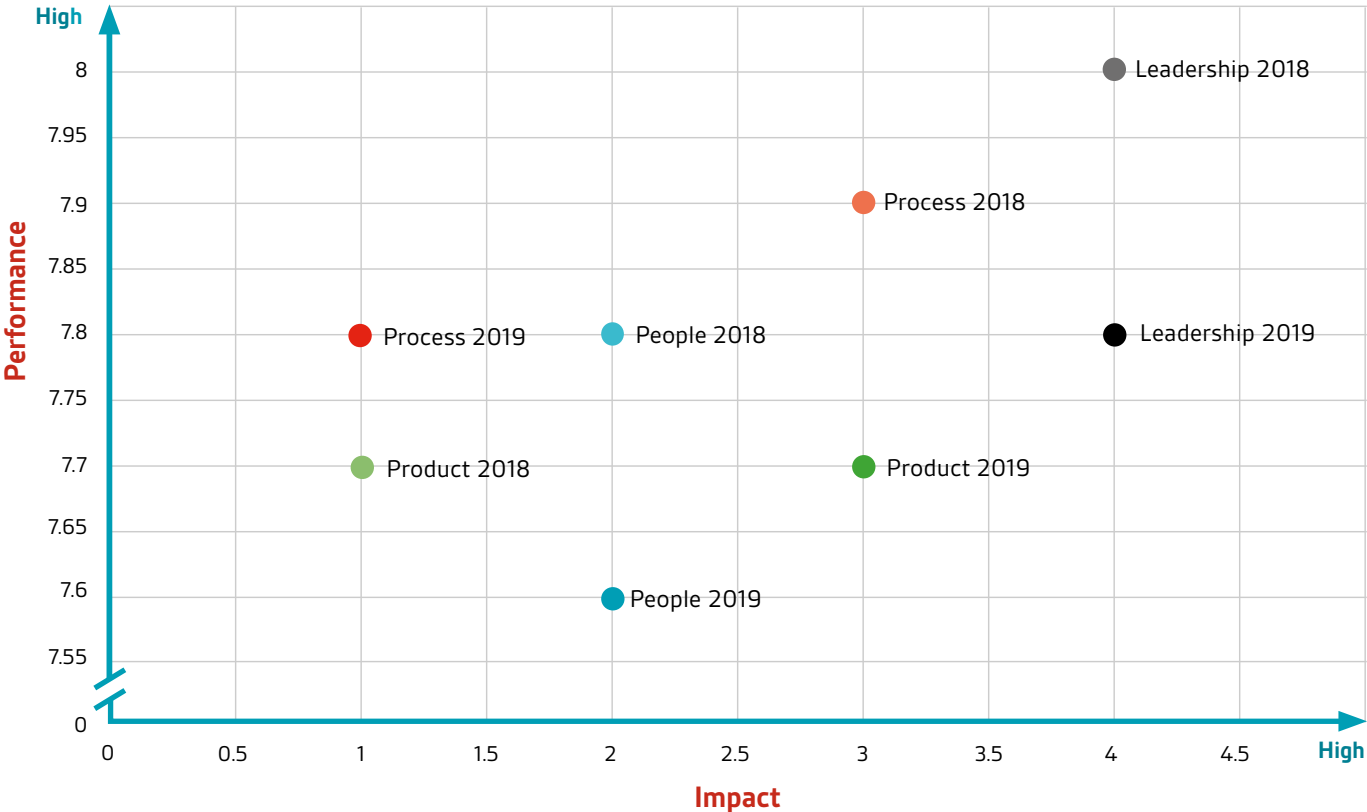
A handwritten signature in black ink, appearing to read "Howard Kerr". The signature is fluid and cursive, with a horizontal line underneath the name.

# Executive Summary

## Key findings of the third annual Organizational Resilience Index

1. The ability of businesses to adapt to change has fallen for the first time due to market turmoil – senior leader confidence in Organizational Resilience has fallen three points, down to 75 per cent.
2. Technological change is both the greatest opportunity and most severe threat to corporate adaptation – the gap between impact and performance for Innovation, Horizon Scanning and Adaptive Capacity are growing.
3. Strong leaders are needed to adapt strategy to changing conditions – staff engagement, clear direction and business performance are now valued more strongly than innovation and political acumen as key leadership skills.
4. Corporate attitudes to sustainability must shift to retain talent – concerns over employee turnover have risen five per cent year on year, while staff engagement is one of the lowest ranked factors.
5. Ethical accountability is encouraging a focus on supplier governance – Australia, India and the UK's shared commitment to regulation supported by common standards are seeing these countries open a supply chain lead over others.

Figure 1. Overall performance/impact ranking category comparison 2018-19





## Resilience in doubt

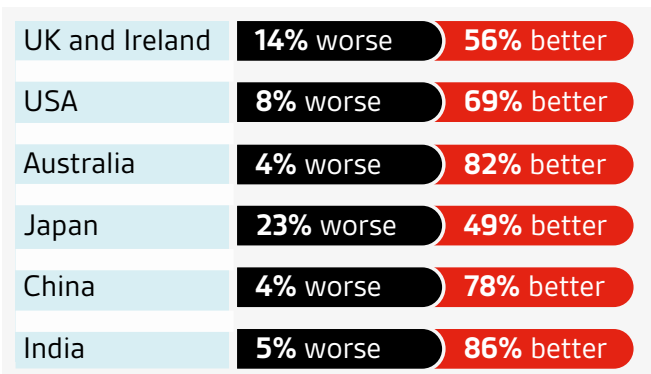
BSI began exploring business adoption of Organizational Resilience best practice in 2014 and has steadily tracked how confident business leaders feel in the ability of their organizations to adapt to change.

In this third study of business leader attitudes, we have recorded the first overall fall in performance across the four key areas of Organizational Resilience; Leadership, People, Process and Product (Figure one).

As the definitive global measure of Organizational Resilience, our 2017 and 2018 reports were characterized by businesses placing more attention on external pressures, leading to compromises in internal demands such as product innovation. This introspection appeared at the time to be a reaction to growing uncertainty around the future, as the scale and velocity of change increase.

The past twelve months have seen these trends accelerate, resulting in an overall decline in the confidence of organizations to predict future market conditions. While worries over long-term resilience mount up, the financial foundations of the majority

Figure 2. Those reporting better/worse financial performance than five years ago.



of organizations we studied for this year's Index have as a whole improved over the last twelve months (Figure two).

It is a concern that a significant minority of firms in Japan, the UK and Ireland report that their financial performance has declined. Certainly such economies have struggled to maintain growth in traditional manufacturing and industries in recent years. This reflects a wider global manufacturing recession seen in figures from across the Eurozone<sup>1</sup> and US<sup>2</sup>.



“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

<sup>1</sup> <https://www.markiteconomics.com/Public/Home/PressRelease/64d8fb3d4ccd4429860305883df4b1f3>

<sup>2</sup> <https://www.marketwatch.com/story/slumping-us-manufacturers-experience-worse-month-since-end-of-great-recession-ism-finds-2019-10-01>

## Technological hopes and fears

Our Index is based on the perceptions of senior business leaders, how well do they perceive their business to be performing in key factors such as Innovation/Horizon Scanning and the impact they believe these factors have on long-term success.

Our findings reveal a clear Organizational Resilience perception gap (Figure three) - a significant mismatch between the elements business leaders believe shape Organizational Resilience, and the perceived performance of their organization.

This is clearly illustrated across Adaptive Capacity, Alignment and Horizon Scanning (Figure four). A twelve point ranking difference between impact and performance implies reservations about the belief

senior leaders hold in the ability of their firm to adapt.

As automation and globalization improve the efficiency of primary industry, early industrial leaders have been forced to adapt. The automotive industry is a particularly good example of this, with global consolidation and new competition from companies such as Tesla benefiting consumers but undermining traditional supply chains.

The ability of organizations to innovate to accommodate technological advances is more fully explored in chapter one, with senior leaders worldwide seeing technology as both the biggest challenge and the biggest opportunity for their organizations.

Figure 3. Organizational Resilience Index 2019

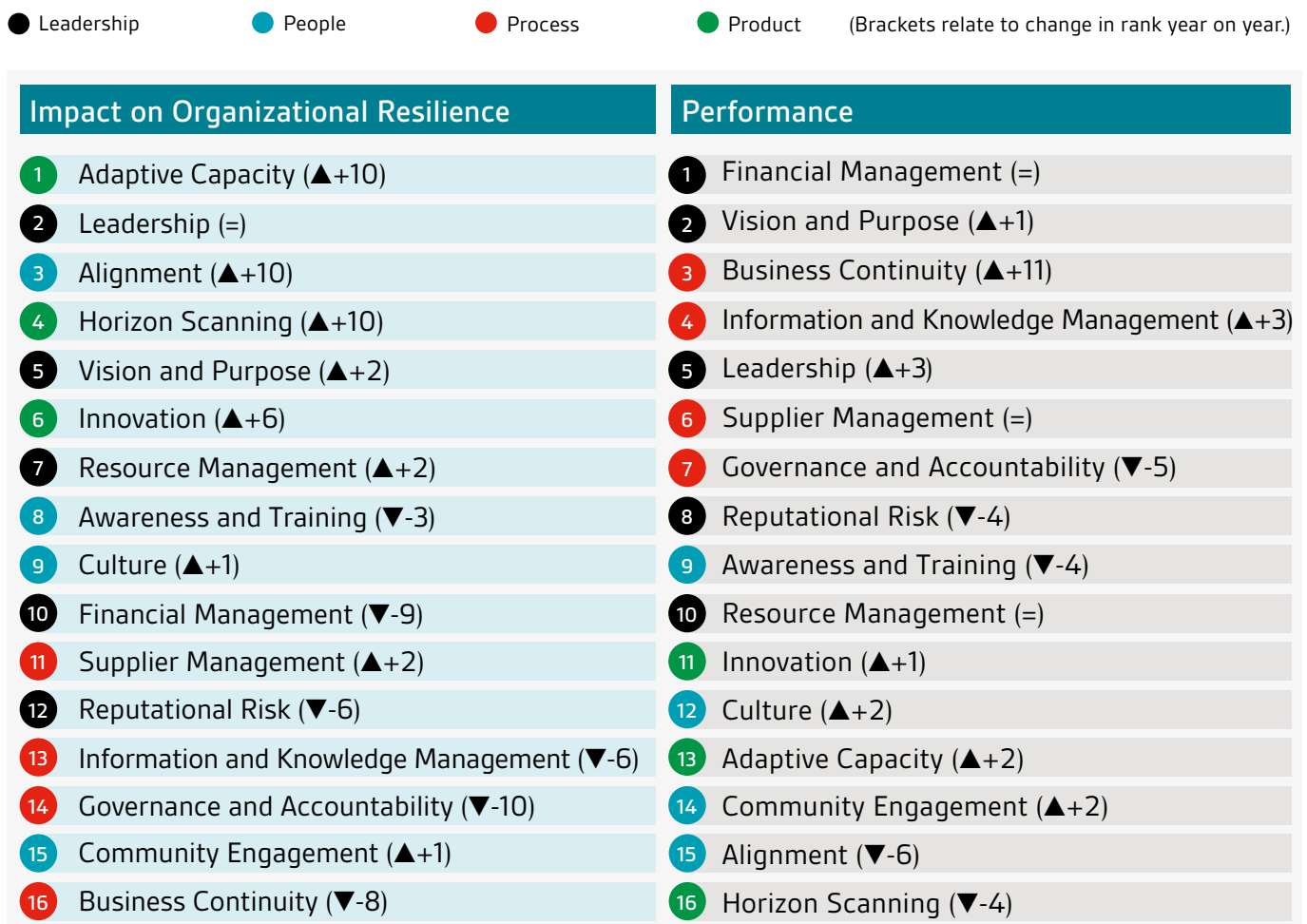
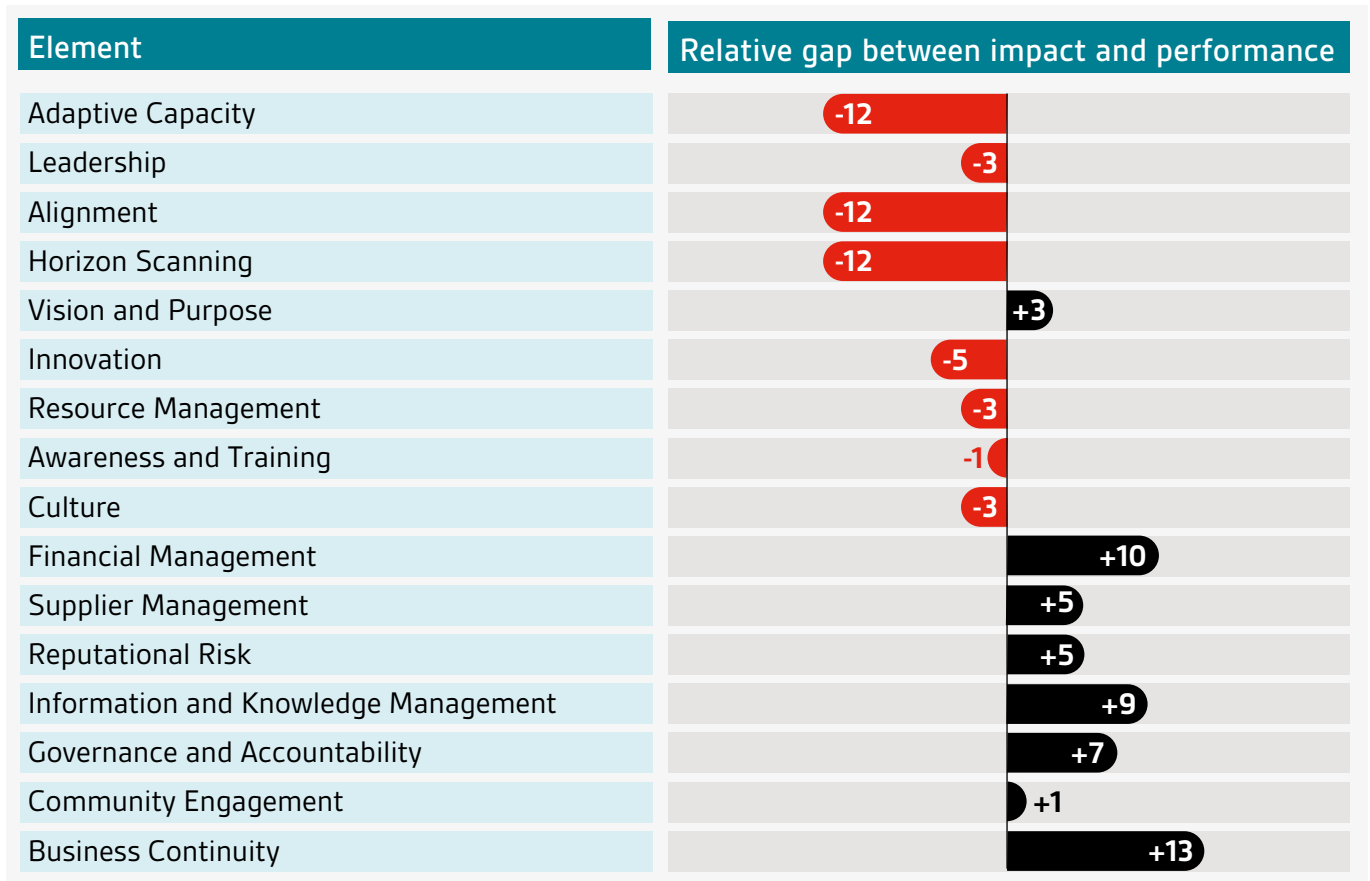


Figure 4. Impact/performance gap, listed in order of impact



### Leading resilient teams

Thankfully, Leadership displays far less of a gap between impact on Organizational Resilience and performance. As the second most important element, core leadership skills move up three to rank fifth in terms of perceived performance. Our survey spans CEOs, senior leaders, department heads and middle managers, so it is reassuring to see such wide-spread acknowledgement of strength.

Those characteristics of a strong and successful leader are explored in chapter two which shows how they are changing and adapting their leadership style to accommodate shifting attitudes within the workforce.

In this year’s survey, staff engagement, clear direction and business performance overtook skills such as innovation and political acumen which previously topped the table. A clear factor driving this trend toward more people skills appears to be the changing attitudes amongst Millennial and in the near future Generation Z colleagues.

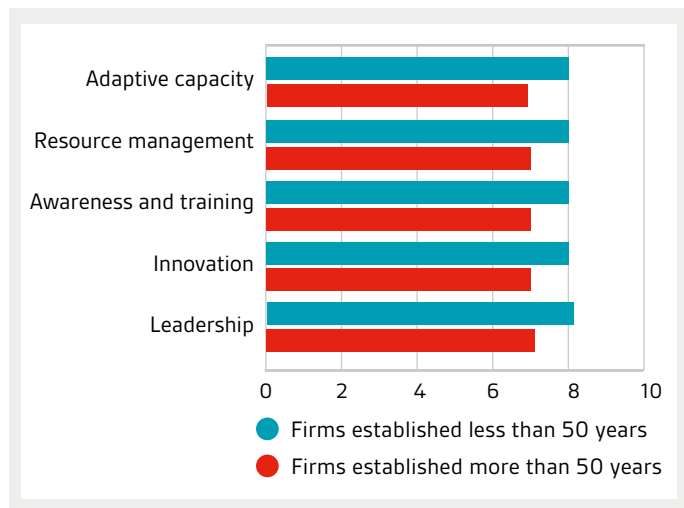
Organizational ability to do so varies by location and size, and in chapter three we explore how businesses established for longer than 50 years, alongside those in the UK, Ireland and Japan are finding recruitment of Millennials a significant challenge.

“ Now that we have a different leadership, we're more resilient. A lot of the people have come from outside, so it's a fresh pair of eyes – they look at things differently and adapt and react to change quicker as well. Their standards are higher as well ”

Food firm, UK

That is not the only difference between firms founded before 1970 and those more recently established (Figure five). Perhaps reflecting the dominant morals at the time of founding, firms over 50 years old are less effective at demonstrating Community Engagement than more recently established organizations.

Figure 5. Top five differences between firms established less than 50 and more than 50 years ago



## Resilient supply chains

Another explanation for the fact that many firms over 50 struggle to demonstrate Community Engagement is that firms founded before 1970 were far more likely to be in primary industry rather than the services and secondary industries which dominate most economies. As an example, manufacturing and agriculture used to employ one in three of those in the US, today it is closer to one in eight<sup>3</sup>.

In chapter four, we explore how secondary industry and services bring the challenge of extended supply chains, and it appears that after five years of focus, organizations perceive they are getting a grip on the governance and the new technologies in use by their suppliers and partners. A small rise in impact saw performance hold steady on Supplier Management. This is encouraging news when contrasted against separate findings from the BSI's annual Supply Chain Risk Insights Report which in 2019 warned of key shifts to global supply chains driven by dramatic changes in the geopolitical landscape. These included increased exposure to labour exploitation, terrorism, corruption and natural disasters.

A tighter handle on global supply chains appears to be driving a better sense of collective responsibility across issues such as cyber security and shared supply chain codes of conduct and governance.

“ Right now we’re looking at any small indication in supply chain, any information we can get about technological know-how in the market place.”

*Mining and irrigation firm, India*





# Chapter 1: Adaptation to new technologies

Across the four categories of Organizational Resilience; Leadership, Process, People and Product, it is the latter that contains all three of the fastest rising factors, reflecting the focus of organizations in the face of market volatility.

The ability to match your product and services to reflect opportunity is a key aspect of Organizational Resilience. Our 800 senior leaders saw Adaptive Capacity as the element with the most impact, rising ten places this year.

Figure 6. Product category comparison 2018-19



Product elements	Impact rank (out of 16)	Performance rank (out of 16)
<b>Adaptive Capacity</b> (i.e. its current ability to identify and adapt to uncertainty or change)	<b>1</b> (▲+10)	<b>13</b> (▲+2)
<b>Horizon Scanning</b> (i.e. in terms of systematic review to identify change, threats, risks and opportunities)	<b>4</b> (▲+10)	<b>16</b> (▼-4)
<b>Innovation</b> (i.e. organized formal process of systematic examination of information to identify potential threats, risk, emerging issues and opportunities)	<b>6</b> (▲+6)	<b>11</b> (▲+1)

Executives surveyed for this report (Figure seven) 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. 2019 has seen global markets shaken by rapid technological advances and geopolitical instability, both of which look certain to continue into the near future.

Actual product performance in Adaptive Capacity, Horizon Scanning and Alignment, saw a significant negative gap between perceived impact and performance.

“We’re facing increasing competition from new companies and new expectations from Millennial business decision makers.”

*Automotive firm, India*

Resilient product design has traditionally focused on intrinsic factors such as defects and durability, and resilience against external factors such as fashion trends, or new technologies forcing obsolescence on products.

This latest Index highlights that external factors (Figure eight) are seen as the greater challenge. Organizations identify business development, the need to open new markets and address new competitors, as key. Likewise, the destabilizing influence of new competitor products coming to market is an external factor, and only one intrinsic factor, product quality made it into our top five.

Figure 8. The top five product challenges



A current example of product resilience has been Chinese gaming innovator Tencent which has succeeded in unlocking around a fifth of its revenue from new growth areas. Traditionally drawing its revenues from smartphone games such as 8 ball pool and associated advertising, it has pushed into FinTech and Business Services, applying its experience of app development and gamification to unlock significant growth despite a challenging macro-environment<sup>4</sup>.

With the world economy trapped in a low interest environment since 2008, investors, business and policy makers have been struggling to square the circle on the necessary capital and investment to maintain growth. It has been suggested that as we shift to a digital economy, capital becomes less relevant<sup>5</sup>. Offering the hope that new technologies will help drive growth and productivity.

What is certain is that amongst those we spoke to, that the digital economy and associated technological changes are seen as a double-edged sword (Figure seven). Amongst our respondents they are seen as simultaneously the biggest issue facing business and the biggest opportunity. Encouragingly, organizations that we surveyed across Japan and the UK do perceive they have the edge over countries such as India which are more likely to report concerns about their ability to adapt, whereas Japanese and UK organizations see this as an area of excellence.

Figure 7. The top five issues today and tomorrow – and the biggest opportunities now

Top five issues today	Top five issues tomorrow	Top five opportunities now
Technology	Technology	Technology
Staff skills	Competition	Sales and marketing
Financial management	Economy	Employee skills
Competition	Skilled staff	Deregulation
Regulation	AI	Globalization

Of course organizations have not always proven their fitness for the new technological age. Firms such as the UK's Thomas Cook, which pioneered the concept of the package holiday more than 175 years ago, are seen to have failed to adapt to the needs of a new generation of internet savvy travellers. Instead these customers were targeted directly by airlines and hotels that were previously partners of Thomas Cook. The firm's liquidation in 2019 under a crippling burden of debt highlights the importance of staying on top of technological changes and financial management.

Likewise Japan's Nissan is an interesting case study. While it's electric Leaf car has been successful in

demonstrating the company's ability to adapt to new technologies, it stumbled in recent months over corporate governance and executive pay concerns. Questions over their most senior leadership team, and accusations of financial impropriety are now being contested in court.

This gap between intention and delivery is reflective of separate figures from the BCI Horizon Scan Report 2019, supported by BSI. This shows that while 91 per cent have internal risk controls, just 71 per cent operate risk registers, widely considered an essential element in effectively managing risk.

“ For the next five years we need to assess the industry, there could be a change to completely different consumer requirements... we need to look at future business opportunities. ”

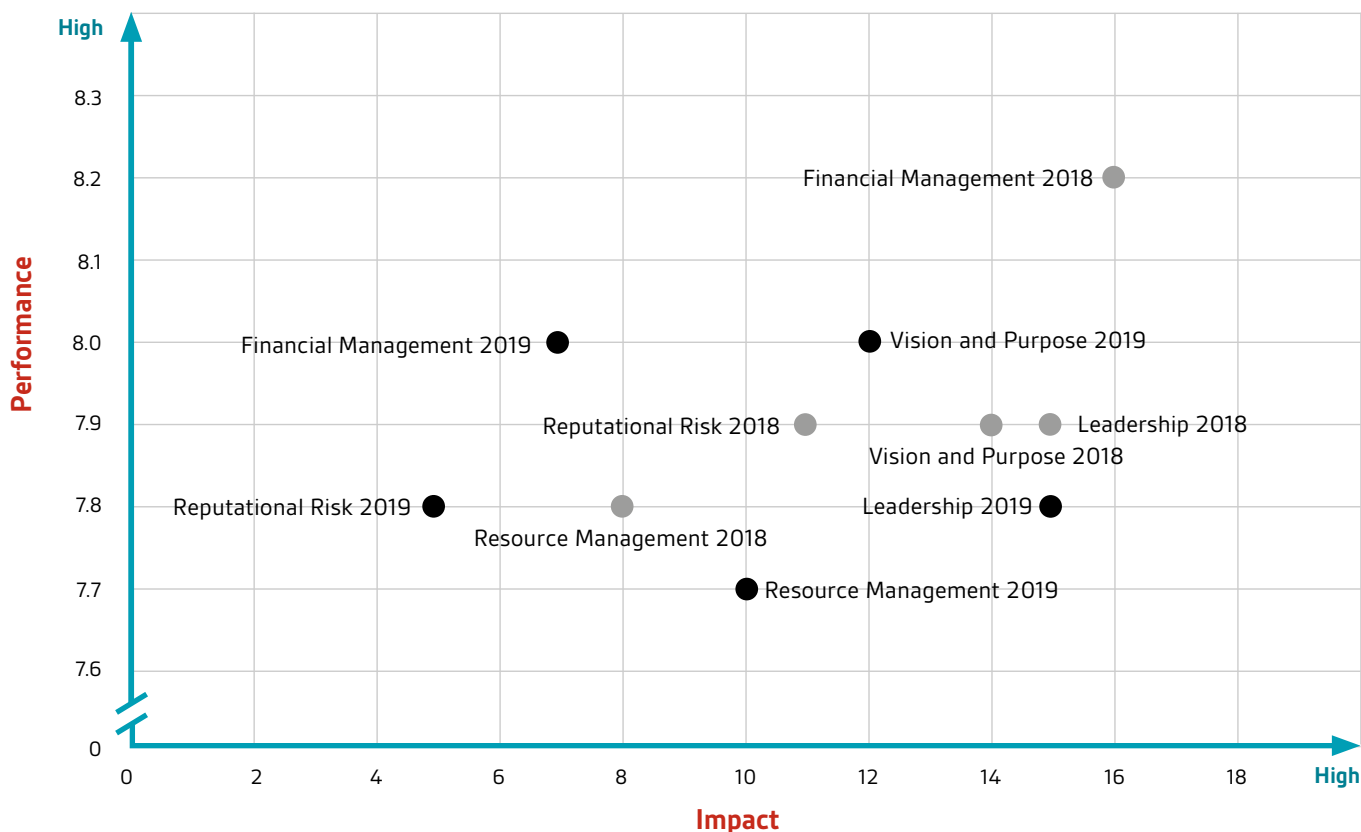
*Mining and irrigation firm, India*



# Chapter 2: Leading change

Last year the Leadership element was viewed globally as the most important factor in Organizational Resilience. In 2019 it takes the number two spot, behind Adaptive Capacity.

Figure 9. Leadership category comparison 2018-19



Leadership elements	Impact rank (out of 16)	Performance rank (out of 16)
<b>Leadership</b> (i.e. in terms of how this impacts culture, visibility and performance of senior business leaders)	2 (=)	5 (▲+3)
<b>Vision and Purpose</b> (i.e. to what extent the organization’s vision, purpose and values are clearly defined, communicated and culturally engrained in the business)	5 (▲+2)	2 (▲ +1)
<b>Resource Management</b> (i.e. in terms of effective deployment of resources and technology)	7 (▲+2)	10 (=)
<b>Financial Management</b> (i.e. the level and quality of financial controls in place)	10 (▼-9)	1 (=)
<b>Reputational Risk</b> (i.e. the way an organization is perceived by others)	12 (▼-6)	8 (▼-4)



As a whole category, Leadership factors narrowly led Product for overall impact on Organizational Resilience, double that of Process and around 50 per cent higher than the impact of People factors.

As we have explored in the previous chapter, Adaptive Capacity took top spot, closely followed by Leadership. The two are tightly linked – underlining the importance of having the right product and the right leader both for today and tomorrow.

Executive confidence in Leadership performance across their organizations saw the greatest improvement over last year, with only Reputational Risk falling across the five factors that define the category.

A significant change from 2018's Index has been the skills that executives demand from their leadership team. Taking top spot this year, overhauling hard skills such as Financial Management (Figure ten) have been people focused requirements such as staff engagement and clear direction. Maintaining a culture adaptable to change depends upon retaining and attracting the right skills set.

Staff engagement motivated by senior leadership teams is a key factor in delivering the kind of learning culture essential to corporate adaptability. Research from J Fuller et al published in the Harvard

Figure 10. The top five skills demanded of leaders are:

- 1 Staff engagement and recruitment
- 2 Clear direction
- 3 Business performance
- 4 Leadership skills
- 5 Use of technology

Business Review<sup>6</sup> highlights that adapting to the sort of “chronic change” now common to workplaces worldwide, requires colleagues to be motivated, and empowered to innovate and experiment to tackle novel situations.

These leadership skills are seen to be more pronounced amongst smaller, younger organizations by our Index, in contrast those over 50 years old and with turnovers over \$1 billion rate their performance lower.

Confidence in Financial Management performance remains high, although relative impact has fallen, as has Reputational Risk. Both are ranked lower than their relative performance, suggesting current areas of strength are seen as less relevant to future Organizational Resilience.

“The main challenge in the next five years is if leadership lacks a strategic vision and lacks judgement on market and development direction.” *Manufacturing firm, China*

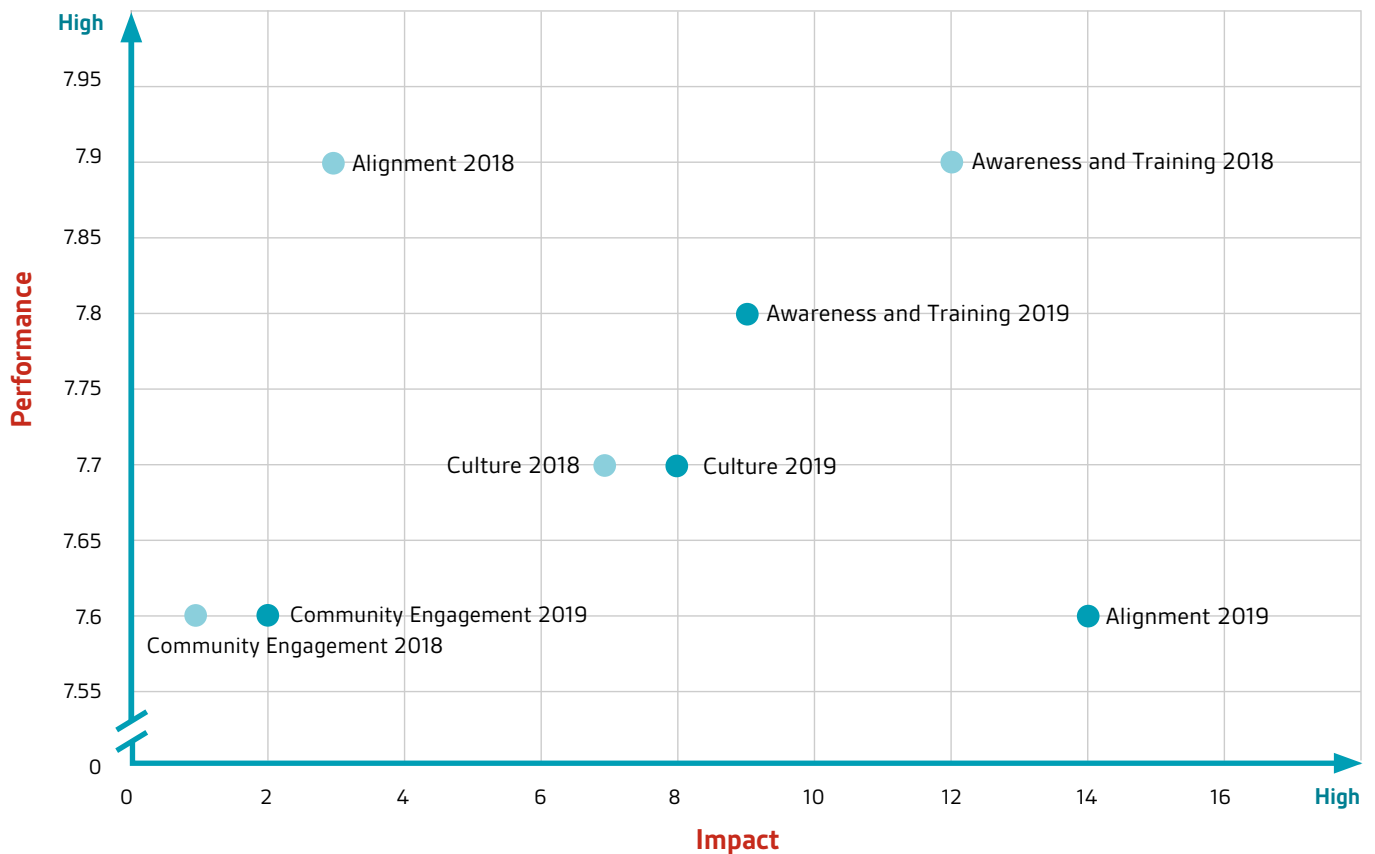


<sup>6</sup> <https://hbr.org/2019/05/your-workforce-is-more-adaptable-than-you-think>

# Chapter 3: A world held to account

From Hong Kong to New York, in 2019 popular protest movements such as Extinction Rebellion highlighted an increasingly disenfranchised society, particularly among the young. Governments and big business have been targeted for their past actions, and perceived inactivity on key issues such as climate change and democratic progress.

Figure 11. People category comparison 2018-19



People elements	Impact rank (out of 16)	Performance rank (out of 16)
<b>Alignment</b> (i.e. the extent to which disciplines are aligned to strategy)	3 (▲+10)	15 (▼-4)
<b>Awareness and Training</b> (i.e. relating to employee understanding of the resilience of the organization)	8 (▼-3)	9 (▼-6)
<b>Culture</b> (i.e. in terms of sharing values and behaviours, generating trust and employee engagement)	9 (▲+1)	12 (▲+2)
<b>Community Engagement</b> Engagement (i.e. in terms of commitment to stakeholder relationships)	15 (▲+1)	14 (▲+2)

“The most resilient companies are those that are more diverse. They have a diverse board and a diverse workforce. It provides a larger pool of perspectives that can respond to unexpected problems.”

*Financial Services firm, UK*

Protests over women at Cambridge University in 1897 and in the US over the Vietnam War in the late 1960s, show that a disenfranchised youth is nothing new. What is new is the scale and pace at which movements today, such as #metoo, can spread globally in a matter of days. It is clear that as Generation Z begin to replace Millennials in entry level roles across global industry, that organizations need to adapt how they engage and communicate with a generation raised with always-on digital technologies such as social media.

Encouragingly, Culture and Community Engagement, while lowly ranked for performance are improving year on year, moving up two places from the bottom of the table over 2018. Again organizations over 50 years old are found to be particularly poor at effectively demonstrating Community Engagement.

The Index reveals that across the board, people factors record some of the lowest impact scores in

Figure 12. The top five People challenges identified by those we spoke to are:

- 1 Training
- 2 Talent
- 3 People management
- 4 Recruitment
- 5 Employee churn

comparison to other elements. In particular on factors such as Alignment, it is clear that actual performance significantly lags perceived impact.

Training and talent are seen (Figure twelve) as key challenges amongst those we spoke to, reflecting the importance attached to staff engagement in chapter two. Together with Japan, organizations in the US rate particularly lowly on Alignment and Awareness and Training.

Recruitment, employee churn and people management are seen as global challenges, linking back to the relative impact and significant performance gap around Alignment. Attracting Millennials into the workforce is a particular challenge for organizations over 50, and those in the UK, Ireland and Japan.

According to Deloitte's annual Millennial survey<sup>7</sup> the proportion of Millennials believing that business has a positive impact on society has fallen to 55 per cent, this is down 16 points in mature markets.

The business leaders we interviewed, spoke of their particular struggles to connect with a generation of digital natives that have been described<sup>8</sup> as “radically inclusive”. This was especially pronounced amongst firms that were more than 50 years old. In all 15 per cent found it tough to hire Millennials, 9 per cent higher than more recently founded firms.

One reason for this, may be the relative lack of impact attached to Community Engagement. While impact has crept up, performance has remained static. Likewise climate change is seen as one of the fastest rising issues, with aerospace, energy and utilities most likely to flag sustainability as an issue.

A failure to attract the next generation of talent is having a deleterious effect on organizations. Those that indicated recruitment of Millennials as a future challenge in our Index show a lower rating overall for Organizational Resilience. This is likely down to the difficulties that firms encounter in adapting to technological advances when they are lacking young “digital natives” to lead such initiatives within the workforce. We will explore this issue in more detail in the next chapter.

“We are not developing enough business and winning tenders. In New South Wales, there's a lack of skilled personnel here. I don't see it improving and it might get worse.”

*Built Environment firm, Australia*

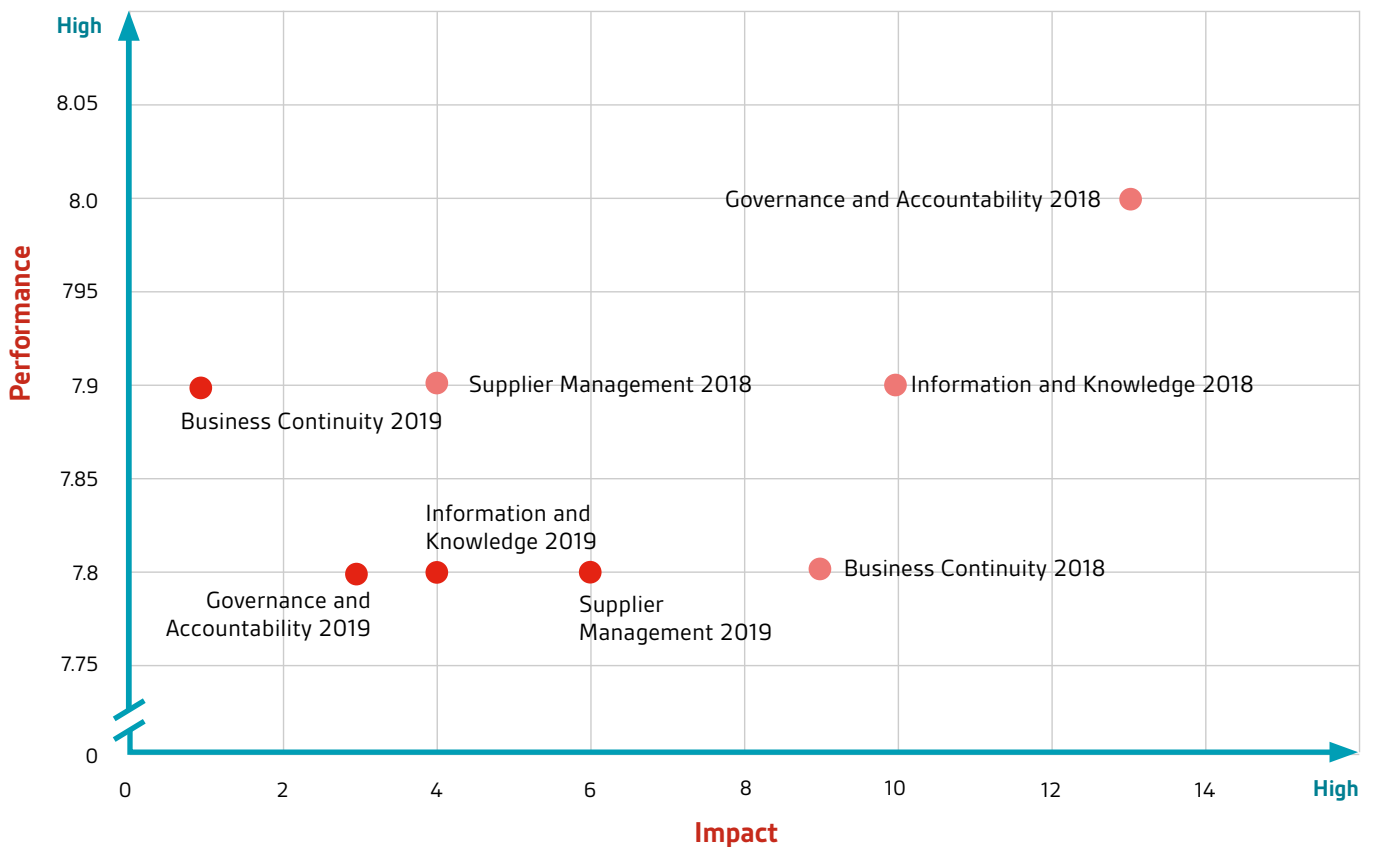
<sup>7</sup> <https://www2.deloitte.com/tr/en/pages/about-deloitte/articles/millennialsurvey-2018.html>

<sup>8</sup> <https://www.mckinsey.com/industries/consumer-packaged-goods/our-insights/true-gen-generation-z-and-its-implications-for-companies>

# Chapter 4: Accountability across the supply chain

While it might not be ranked as highly in terms of impact, it appears businesses of all sizes are getting a grip on their overall approach to Process. Performance in this area is now joint top alongside Leadership.

Figure 13. Product category comparison 2018-19



Process elements	Impact rank (out of 16)	Performance rank (out of 16)
<b>Supplier Management</b> (i.e. in terms of governance, security and management)	11 (▲+2)	6 (=)
<b>Information and Knowledge Management</b> (i.e. the management and usage of the Organization's information assets)	13 (▼-6)	4 (▲+3)
<b>Governance and Accountability</b> (i.e. in terms of having clearly defined governance policies with senior business leaders demonstrating accountability to all stakeholders)	14 (▼-10)	7 (▼-5)
<b>Business Continuity</b> (i.e. the quality of the business continuity framework, policies and procedures)	16 (▼-8)	3 (▲+11)



One stand out factor has been Business Continuity – the fastest rising element in performance terms since last year’s Index. This may reflect a wider acceptance of international standards in this area, with 69 per cent of firms using ISO 22301 as a framework for business resilience according to the latest BCI Horizon Scan Report 2019.

Likewise countries such as the UK, Australia and India, enjoy a shared approach to supply chain standards on food and garment production. It is notable that respondents from these countries rate themselves higher on Governance and Accountability.

In the previous chapter we mentioned the challenge of keeping staff up to date with new technology as well as maintaining staff expertise. This is reflected in the top five Process challenges below:

Figure 14. The top five Process challenges identified by those we spoke to are:

- 1 New technology
- 2 Staff expertise
- 3 Streamlining
- 4 Governance
- 5 Market competition

Such concerns over technology and staff expertise reflect the findings of BSI’s 2019 SCREEN (Supply Chain Risk Exposure Evaluation Network) report which link revisions to regulations such as the US Border

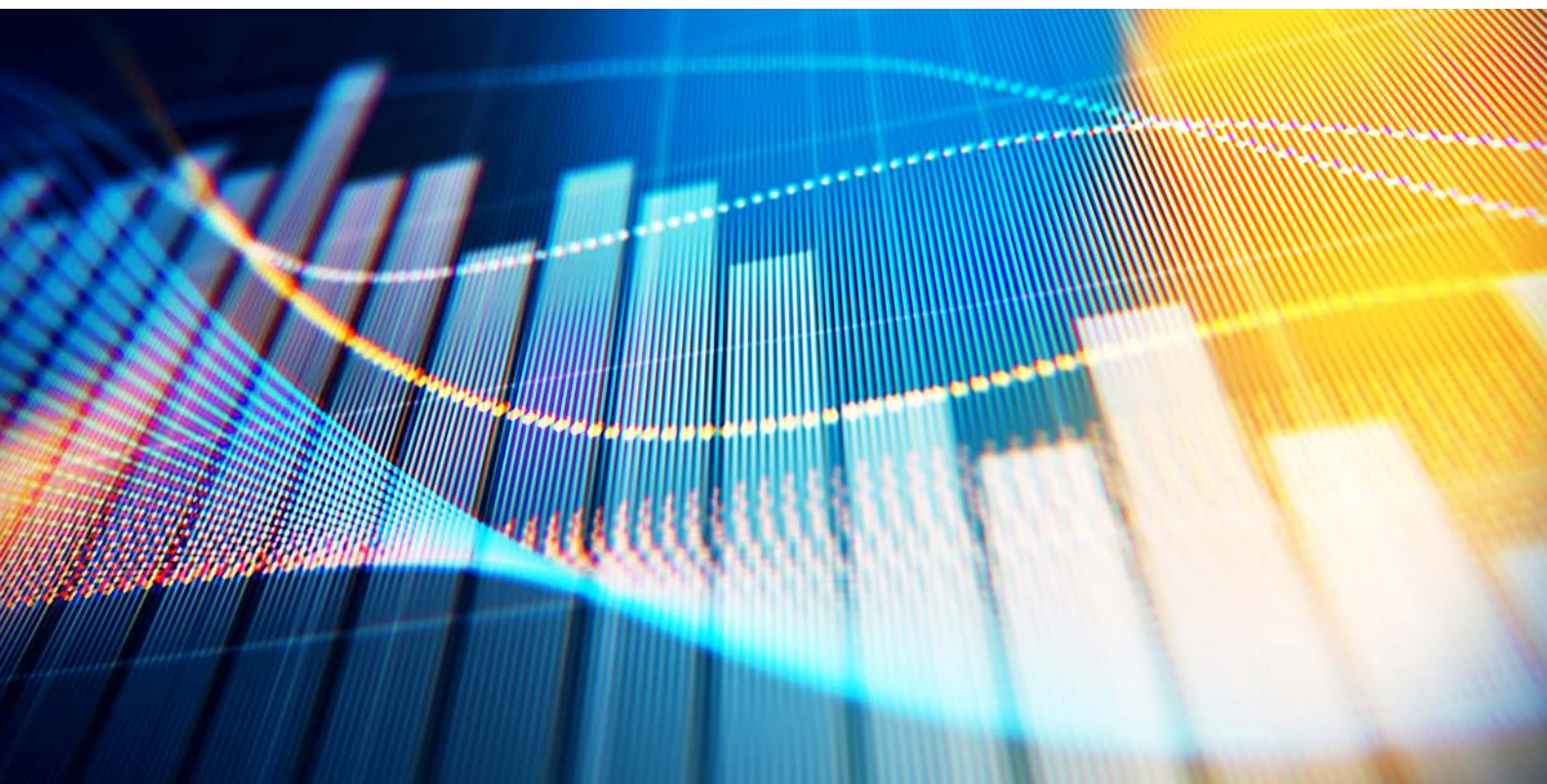
“ Global organizations need to be better connected, right from the component parts supplier to production facility to distribution into Europe and beyond.”

*Manufacturing firm, UK*

Protection’s Customs-Trade Partnership Against Terrorism (CTPAT) back to human factors such as cybersecurity worries relating to social engineering.

Despite new challenges, global confidence in the performance of their own organization and that of their Supplier Management appears to be driving a better sense of collective responsibility with shared supply chain codes of conduct and governance creating trusted supply chains.

In contrast Business Continuity and Financial Management saw their performance ranked consistently higher than their relative impact – reflecting established accounting codes and business continuity approaches.



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# Conclusion: Organizational Resilience is a continual endeavour

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Organizational Resilience has no finishing line, it is a process of continual improvement. In this our third Index report we have seen clear signs that Organizational Resilience is a key concern of global executives, not just within their own firms, but across global supply chains.

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.

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2

It is encouraging to see a continued focus on all 16 elements, but a concern that external market conditions are, despite best efforts, weakening overall resilience. The concerns we reported in our 2018 Index over stiffening challenges to established business models appear to have been borne out through the first ever fall in overall Organizational Resilience.

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3

Political and economic headwinds disrupted short-term performance, focusing firms on their immediate financial goals, and appearing to distract them from long-term planning. This year we have seen confidence in long-term plans fall to a new low.

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4

Our survey suggests that respondents see plenty of room for improvement, with Innovation, Alignment and Horizon Scanning key to cracking the code.

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5

Worryingly we see the potential for a negative feedback loop, with a clear indication that firms over 50 years old, perceived as part of the "old guard", are struggling to attract the young talent so essential to future success. Firms over 50 are more likely to be less flexible and adaptable, as demonstrated by their already lower overall rating across the four core categories of Organizational Resilience. More than a sixth of such firms struggle to attract Millennial talent.

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6

Whether through a lack of product innovation, or a shortage of talent, a failure to adapt is hitting the bottom line. Despite overall confidence in financial performance, firms over 50 have struggled to advance over the past five years, while younger firms have shown improvement in this metric.


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7

This situation is not set in stone. Business leaders with the right set of leadership skills, and right frameworks can improve long-term Organizational Resilience. Unlike the mythical fountain of youth, the opportunities for organizations to become more robust, agile and adaptive are real. Internationally accepted standards, such as BS 65000:2014 *Guidance on Organizational Resilience*, offer clear guidance on the adoption of habits of best practice in order to survive and prosper.

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“ The future belongs to those who prepare for it today. Organizational Resilience is a continual endeavour to achieve the holistic strength on which to base business success. ”

*Howard Kerr, Chief Executive, BSI*

# 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](http://www.bsigroup.com/organizational-resilience)

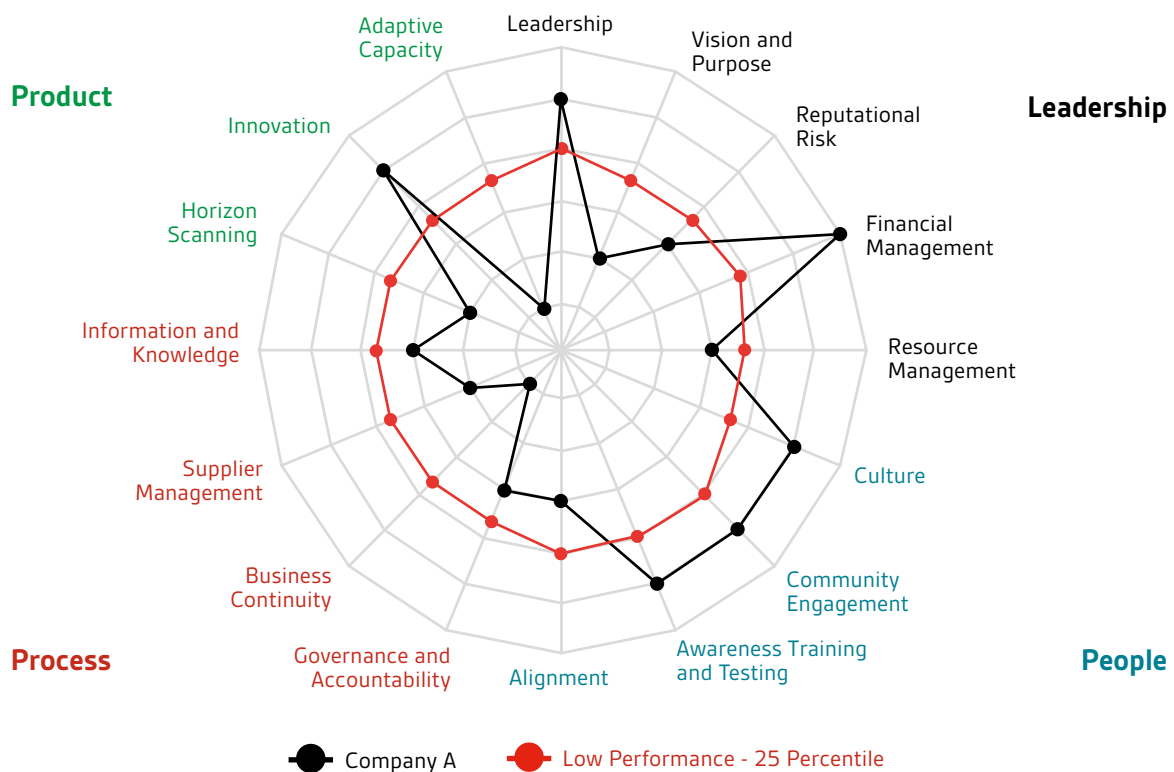
The BSI Organizational Resilience Benchmark tool is a simple-to-complete questionnaire which is an abbreviated version of the same one completed by our survey participants.

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 fifteen 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: at [Organizational-Resilience@bsigroup.com](mailto:Organizational-Resilience@bsigroup.com) and we will be pleased to help you further.

Figure 15. Sample spider diagram output from BSI Organizational Resilience Benchmark Tool





## Appendix 2: About this research

BSI's annual Organizational Resilience Index has been developed to help businesses outperform in an economically competitive climate. In a period of intense business disruption, only resilient organizations will survive and prosper over the long term.

The BSI survey is unique. It surveys 800 senior leaders and conducts in-depth interviews with 41 executives worldwide to assemble 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)
- Code of practice for delivering effective governance of organizations (BS 13500)
- Supply chain risk management. Supplier prequalification (PAS 7000)
- Risk management. Principles and guidelines (ISO 31000)
- Business Continuity (ISO 22301)
- Information Security (ISO 27001)
- Environmental Management (ISO 14001)
- Occupational Health and Safety (ISO 45001)

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

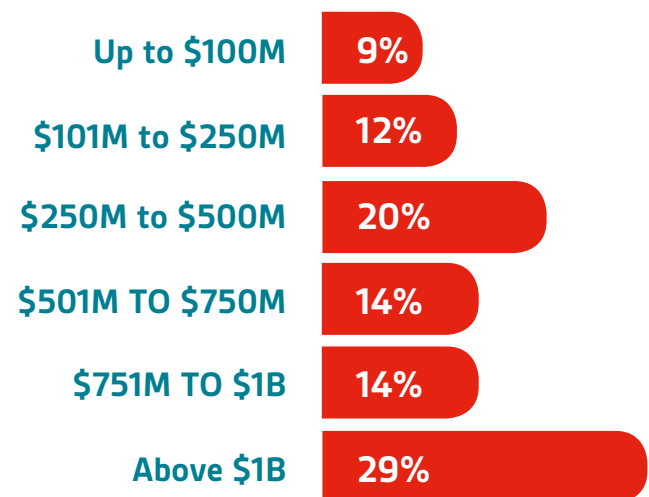
Each year we update the Index through comprehensive research among global leaders to create a unique snapshot of how organizations perceive their own strengths and weaknesses across the four categories. Using this Index, organizations are able to benchmark their performance against peer groups of their choice.

The third annual survey was conducted in August and September 2019. Feedback has been collected through online and telephone interviews from senior executives in 800 businesses across Australia, China, India, Japan, UK and Ireland, and the USA. In addition we carried out 41 in-depth interviews to supplement the findings.

Benchmarking can be provided using the following criteria:

- Country/region
- Multiple sectors – from aerospace to professional services
- Revenue ranges from \$5m annually through to organizations with revenues greater than \$1bn per annum
- Longevity of organizations – from less than 5 years to those that have been in existence for more than 50 years
- Respondent profile by organization revenue (figure 16)

Figure 16. Respondent profile by organization revenue



4% of respondents unclassified in terms of organization revenue






# Appendix 3: Top five resilience ranking by country

	Performance Rank	Impact Rank	Top Five Future Challenges
Australia	1 Business Continuity	1 Adaptive Capacity	1 Economy
	2 Financial Management	2 Leadership	2 Financial
	3 Vision and Purpose	3 Alignment	3 Technology
	4 Leadership	4 Horizon Scanning	4 Competition
	5 Resource Management	5 Vision and Purpose	5 Climate change/Environment
China	1 Info. & Knowledge Management	1 Adaptive Capacity	1 Competition
	2 Business Continuity	2 Leadership	2 Technology
	3 Reputational Risk	3 Alignment	3 Skilled staff
	4 Awareness and Training	4 Horizon Scanning	4 AI
	5 Vision and Purpose	5 Vision and Purpose	5 Economy
India	1 Vision and Purpose	1 Adaptive Capacity	1 Technology
	2 Leadership	2 Leadership	2 Competition
	3 Business Continuity	3 Alignment	3 Economy
	4 Info. & Knowledge Management	4 Horizon Scanning	4 Skilled staff
	5 Financial Management	5 Vision and Purpose	5 AI

● Leadership   ● People   ● Process   ● Product

	Performance Rank	Impact Rank	Top Five Future Challenges
Japan	1 Financial Management	1 Adaptive Capacity	1 Economy
	2 Supplier Management	2 Leadership	2 Financial
	3 Governance & Accountability	3 Alignment	3 Technology
	4 Vision and Purpose	4 Horizon Scanning	4 Competition
	5 Culture	5 Vision and Purpose	5 Climate change/environment
UK and Ireland	1 Governance & Accountability	1 Adaptive Capacity	1 Brexit
	2 Vision and Purpose	2 Leadership	2 Technology
	3 Financial Management	3 Alignment	3 Skilled staff
	4 Reputational Risk	4 Horizon Scanning	4 Economy
	5 Awareness and Training	5 Vision and Purpose	5 Climate change/environment
US	1 Financial Management	1 Adaptive Capacity	1 Technology
	2 Vision and Purpose	2 Leadership	2 Financial
	3 Reputational Risk	3 Alignment	3 Economy
	4 Leadership	4 Horizon Scanning	4 AI
	5 Supplier Management	5 Vision and Purpose	5 Competition

# Appendix 4: Top five resilience ranking by sector

	Performance Rank	Impact Rank	Top Five Future Challenges
 Aerospace	<ol style="list-style-type: none"> <li>1 Horizon Scanning</li> <li>2 Reputational Risk</li> <li>3 Vision and Purpose</li> <li>4 Awareness and Training</li> <li>5 Innovation</li> </ol>	<ol style="list-style-type: none"> <li>1 Adaptive Capacity</li> <li>2 Leadership</li> <li>3 Alignment</li> <li>4 Horizon Scanning</li> <li>5 Vision and Purpose</li> </ol>	<ol style="list-style-type: none"> <li>1 Skilled staff</li> <li>2 Economy</li> <li>3 Climate change/environment</li> <li>4 Technology</li> <li>5 Social developments</li> </ol>
 Automotive	<ol style="list-style-type: none"> <li>1 Vision and Purpose</li> <li>2 Financial Management</li> <li>3 Culture</li> <li>4 Supplier Management</li> <li>5 Governance &amp; Accountability</li> </ol>	<ol style="list-style-type: none"> <li>1 Adaptive Capacity</li> <li>2 Leadership</li> <li>3 Alignment</li> <li>4 Horizon Scanning</li> <li>5 Vision and Purpose</li> </ol>	<ol style="list-style-type: none"> <li>1 Technology</li> <li>2 Economy</li> <li>3 Social developments</li> <li>4 Customer retention</li> <li>5 Production</li> </ol>
 Built Environment	<ol style="list-style-type: none"> <li>1 Financial Management</li> <li>2 Leadership</li> <li>3 Vision and Purpose</li> <li>4 Awareness and Training</li> <li>5 Reputational Risk</li> </ol>	<ol style="list-style-type: none"> <li>1 Adaptive Capacity</li> <li>2 Leadership</li> <li>3 Alignment</li> <li>4 Horizon Scanning</li> <li>5 Vision and Purpose</li> </ol>	<ol style="list-style-type: none"> <li>1 Skilled staff</li> <li>2 Competition</li> <li>3 Staff turnover/retirement</li> <li>4 Staff shortage</li> <li>5 Climate change/environment</li> </ol>
 Energy	<ol style="list-style-type: none"> <li>1 Business Continuity</li> <li>2 Financial Management</li> <li>3 Governance &amp; Accountability</li> <li>4 Info. &amp; Knowledge Management</li> <li>5 Supplier Management</li> </ol>	<ol style="list-style-type: none"> <li>1 Adaptive Capacity</li> <li>2 Leadership</li> <li>3 Alignment</li> <li>4 Horizon Scanning</li> <li>5 Vision and Purpose</li> </ol>	<ol style="list-style-type: none"> <li>1 Economy</li> <li>2 Climate change/environment</li> <li>3 Competition</li> <li>4 Technology</li> <li>5 Skilled staff</li> </ol>
 Finance	<ol style="list-style-type: none"> <li>1 Financial Management</li> <li>2 Vision and Purpose</li> <li>3 Leadership</li> <li>4 Info. &amp; Knowledge Management</li> <li>5 Business Continuity</li> </ol>	<ol style="list-style-type: none"> <li>1 Adaptive Capacity</li> <li>2 Leadership</li> <li>3 Alignment</li> <li>4 Horizon Scanning</li> <li>5 Vision and Purpose</li> </ol>	<ol style="list-style-type: none"> <li>1 Technology</li> <li>2 Economy</li> <li>3 Competition</li> <li>4 AI</li> <li>5 Cyber security</li> </ol>



● Leadership    ● People    ● Process    ● Product

**Performance Rank**

**Impact Rank**

**Top Five Future Challenges**



**Food**

- |                               |                      |               |
|-------------------------------|----------------------|---------------|
| 1 Governance & Accountability | 1 Adaptive Capacity  | 1 Competition |
| 2 Supplier Management         | 2 Leadership         | 2 Brexit      |
| 3 Reputational Risk           | 3 Alignment          | 3 Technology  |
| 4 Financial Management        | 4 Horizon Scanning   | 4 Production  |
| 5 Culture                     | 5 Vision and Purpose | 5 Financial   |



**Healthcare**

- |                               |                      |               |
|-------------------------------|----------------------|---------------|
| 1 Governance & Accountability | 1 Adaptive Capacity  | 1 Financial   |
| 2 Financial Management        | 2 Leadership         | 2 Competition |
| 3 Vision and Purpose          | 3 Alignment          | 3 Brexit      |
| 4 Business Continuity         | 4 Horizon Scanning   | 4 Technology  |
| 5 Supplier Management         | 5 Vision and Purpose | 5 AI          |



**Manufacturing**

- |                        |                      |                 |
|------------------------|----------------------|-----------------|
| 1 Reputational Risk    | 1 Adaptive Capacity  | 1 Competition   |
| 2 Vision and Purpose   | 2 Leadership         | 2 Technology    |
| 3 Business Continuity  | 3 Alignment          | 3 Economy       |
| 4 Financial Management | 4 Horizon Scanning   | 4 Skilled staff |
| 5 Resource Management  | 5 Vision and Purpose | 5 AI            |



**Professional Services**

- |                            |                      |                             |
|----------------------------|----------------------|-----------------------------|
| 1 Financial Management     | 1 Adaptive Capacity  | 1 Technology                |
| 2 Reputational Risk        | 2 Leadership         | 2 Competition               |
| 3 Vision and Purpose       | 3 Alignment          | 3 Brexit                    |
| 4 Leadership               | 4 Horizon Scanning   | 4 AI                        |
| 5 Info. and Knowledge Man. | 5 Vision and Purpose | 5 Staff turnover/retirement |



**Telecoms/IT**

- |                            |                      |                 |
|----------------------------|----------------------|-----------------|
| 1 Vision and Purpose       | 1 Adaptive Capacity  | 1 Technology    |
| 2 Business continuity      | 2 Leadership         | 2 Financial     |
| 3 Info. and Knowledge Man. | 3 Alignment          | 3 Economy       |
| 4 Leadership               | 4 Horizon Scanning   | 4 Skilled staff |
| 5 Innovation               | 5 Vision and Purpose | 5 Competition   |

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## Notes

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## Notes

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