



# The Research Behind Resilience: Why Prioritizing and Investing in Resilience Matters\*

\*The information below is based on a reserach conducted in 2022



## There is Great Opportunity to Build Organizational Resilience

In a time of increased cyberattacks, hazardous weather, and terrorist attacks, it is vital for organizations to strengthen their resilience. For example, according to IBM's "Cost of a Data Breach Report 2022," 83% of organizations in the study have now experienced more than one data breach. Additionally, "2022 was a year in which multiple records for extreme weather events were broken as the impact of climate change becomes more devastating and more dramatic," according to Forbes. From this, we can learn that while organizations cannot prevent critical events from occurring, they can take proactive measures to reduce impact.

To better understand resilience as it relates to the success of organizations, Everbridge and Atos Unify commissioned a report from Dr. Stefan Vieweg; seven key aspects of resilience were identified in his research. Organizations can use these findings as a guide on how to strengthen resilience to better endure whatever critical events they may face.

According to the research conducted by Dr. Vieweg, it is evident that many organizations overestimate their resilience capabilities. The research also shows that while many organizations often possess an awareness of the importance of resilience, there is an unwillingness to invest in or execute preventative measures. Finally, there is significant unrealized digital potential to improve resilience across today's organizations.

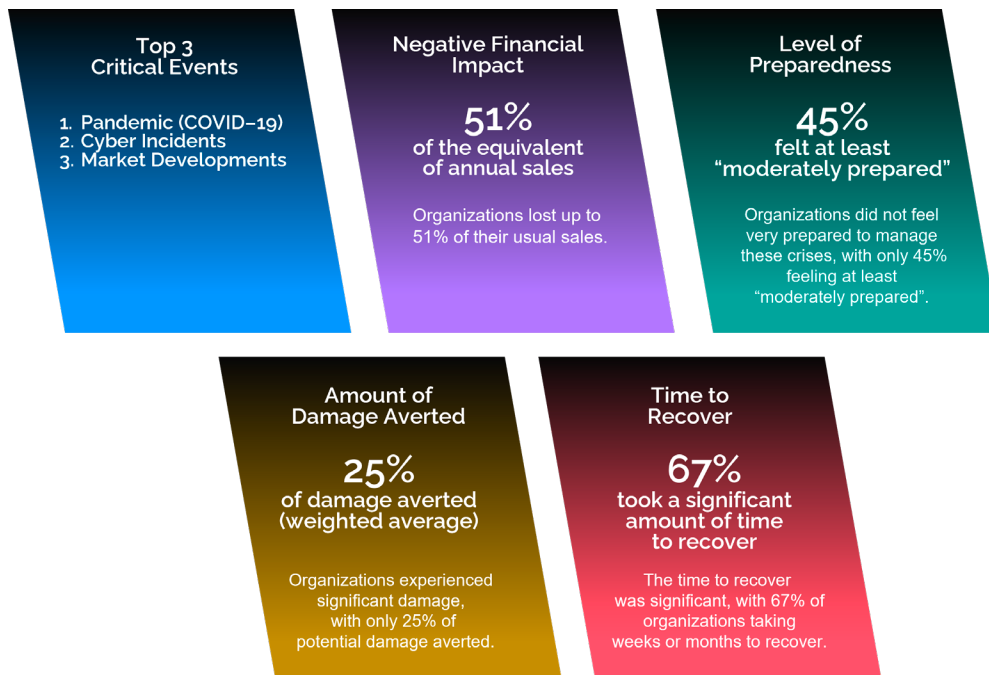
These findings highlight the great potential to build organizational resilience across companies of all sizes, which would ultimately reduce financial losses and perhaps even save lives. Read on to learn best practices for building resilience and how the top performing organizations differentiate themselves.





## Top 3 Recent Critical Events

In recent years, organizations contended with three major critical events: the COVID-19 pandemic, cyber incidents, and market developments. These three events caused significant financial losses, and overall, organizations were not as well-prepared as they could have been. For example, 45% of the organizations questioned believed they were at least moderately prepared for a critical event. Yet, most organizations across the study experienced significant amounts of damage when an event occurred, with only 25% of potential damage being averted. The chart below illustrates the negative impact of these three critical events on organizations in 2021, based on a questionnaire that received responses from over 200 senior management employees with decision making authorities.



## Key Characteristics of the Highest Performing Organizations

The organizations that demonstrated the most resilience possessed the following key characteristics:

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1. Clearly defined corporate values and an awareness and commitment to those values.
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2. Knowledge of risk culture and a clearly outlined risk and resilience strategy.
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3. Explicit resilience goals that are actively operationalized.
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4. Effective risk management processes, systems, and methodologies, specifically including the use of early warning systems.
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5. Commitment to recruiting, developing, and retaining employees with the required competencies for critical event management and resilience efforts.
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6. Willingness to operate with risk-reducing measures, including monitoring of operations and taking any changes to strategy very seriously.

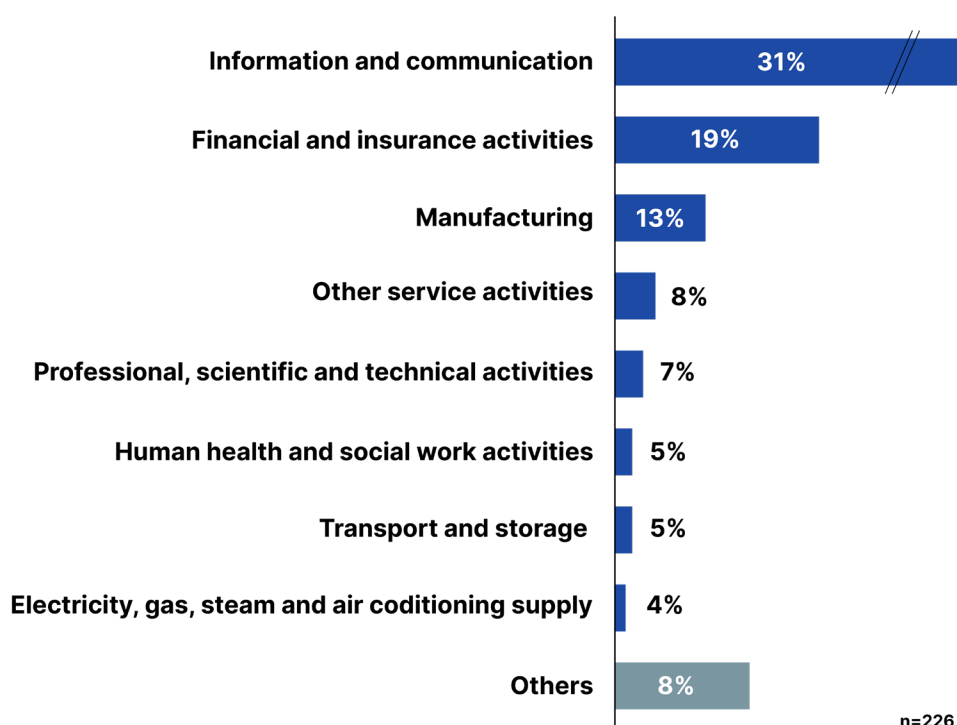
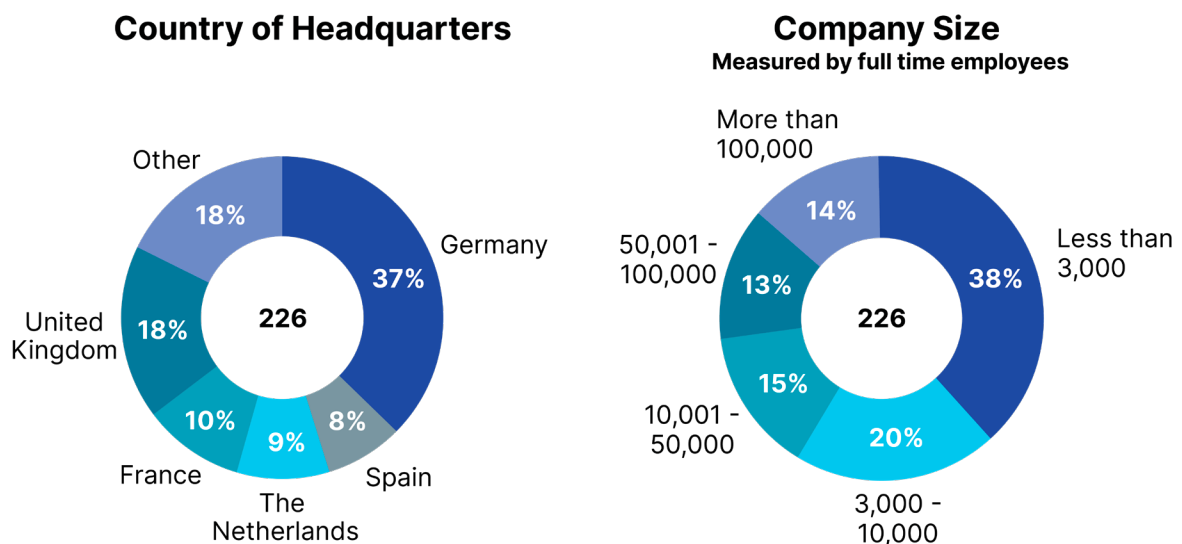
## 7 Key Findings on Resilience

From those questioned, seven key findings were identified about resilience:

1. Resilience has a significant impact on the bottom line.
2. Money is not everything in resilience.
3. Talking is easier than execution.
4. There is a reason for resilience among top performers.
5. An excess of spending does not necessarily help.
6. There is a sweet spot of resilience investment.
7. Digitalization and automation matter.

Using these seven key findings, organizations can begin to assess their own strengths and weaknesses and get an idea about what policies and procedures they might implement to strengthen resilience going forward. The next few pages provide more detail on each finding.

The demographics of organizations that responded to the questionnaire were as follows:





## Resilience has a Significant Impact on the Bottom Line



**Prioritizing resilience led to 20x less loss in annual revenue.**

Top performing organizations who demonstrated themselves as most resilient suffered only a 7% loss of annual sales revenue, almost 20 times less than underperforming companies (145% of annual sales revenue).

## Talking is Easier than Execution



**67% of the top performers clearly see the risk landscape is changing, yet less than 1/2 have explicit resilience goals operationalized.**

Over 60% of all the organizations questioned acknowledged that critical events have significantly increased regarding frequency, impact, and unpredictability. However, taking proactive steps to strengthen resilience against critical events was lacking. While the research showed that top performing companies consider and follow through on specific resilience goals more often than lower performing companies, there remains huge opportunity for all to take action and develop risk and resilience strategies.

## There is a Reason for Resilience Among Top Performers



**Over 50% of the top performers have an established risk management process.**

The companies that proved to be most resilient outpaced all others in terms of tangibly implementing resilience measures such as risk management. The majority of top performers have established an effective, continuous risk management process to assess risks that may have an impact on operations and introduce avenues of mitigation.

## Money is Not Everything in Resilience



**Resilient organizations maximize their risk management investment.**

In organizations of all sizes, underperforming companies almost always spent more on risk and resilience measures than top performing companies. Top performing companies spent an average of 10% of revenue per year on resilience and risk measures, while the least resilient companies spent over 18%. It pays to find a unified, automated solution rather than investing in piece-meal solutions each time a new critical event occurs.

## An Excess of Spending Does Not Significantly Help



An increase beyond 25% of annual revenue has diminishing returns.

Investing in resilience and risk management is critical for maintaining success, but spending excessive amounts of money does not make a significant difference in lessening impact. For example, organizations must plan carefully to realize a greater return on investment.

## There is a Sweet Spot in Resilience Investment



Between 10 - 25% of revenue gets optimal.

Optimum financial effort within 10-25% of revenue allowed approximately 30% damage aversion, with smaller companies (<50k full time employees) performing slightly better. This is the sweet spot, which shows that spending more money is not as important as spending smartly.

## Digitalization and Automation Matter..

and the Opportunity for Improvement is Significant.



46% of the top performers have an early-risk warning system established, yet only 29% reported very high levels of automation across processes.

There is a positive correlation between degree of digitalization and the perceived preparedness for a critical event (particularly in terms of ability to identify risks). For example, implementing technology such as an early warning system can help organizations strengthen resilience by automatically identifying hyper-relevant risks to people, assets, or facilities and alerting those who need to respond.

However, there is significant potential to improve resilience across all organizations by embracing digitalization and increasing automation across processes.



## Conclusion

Organizations that want to strengthen their resilience can use these findings outlined by Dr. Vieweg. The most salient being that top performing organizations were not just visionaries but executed on their resilience goals and strategies.

While best practices are currently being established, most organizations have an immense opportunity for improvement. Critical events are a reality, and organizations who experience significant impact continue to lack a concerted effort on building resilience. These businesses need to revisit their risk management and preparedness plans regularly to ensure they are not overestimating their capabilities.

Most importantly, the right technology and automation can help tremendously in the identification, response, and mitigation of future critical events. According to Dr. Vieweg, digitalization will pay off quickly as all businesses, including top performers, had significant areas of opportunity in which to automate processes.



Learn more about how Critical Event Management can help automate operations and build resilience.





## About Dr. Stefan Vieweg

Dr. Vieweg is the Director of the Institute for Compliance and Corporate Governance (ICC) at the Rheinische Fachhochschule in Cologne, Germany. His background is in engineering and business administration. In his early career in aeronautics, he led award-winning research on AI-based (ANN) integrity systems for safety-critical applications and led ISO standardization work for encrypted telematics services. Dr. Vieweg has almost 30 years of management experience, including as a technical program lead, CFO, and executive board member, mainly in the fast-paced ICT environment and manufacturing industries. As a Chartered Financial Analyst (CFA), he is committed to the world's highest compliance standards in the financial world.

## Why Atos Unify & Everbridge?

Atos Unify partnership with Everbridge combines Everbridge Critical Event Management capabilities with Atos expertise and resources to manage and operate customer environments. Together, Atos Unify and Everbridge combine world-class expertise, technology, and global resources to mitigate the impact of critical events, specifically those that affect the digital environments of modern organizations. We enable organizations to manage the full lifecycle of critical events such as cyber-attacks, major outages, or disruptions. Additionally, we empower DevOps teams to outperform traditional team models through digital transformation. Through real-time threat intelligence, situational awareness, and integrated response and collaboration across the enterprise, security and risk professionals can better mitigate or eliminate the impact of critical events to their organization. Atos Unify and Everbridge build remarkable customer experiences, modernize operations, and increase service reliability.

For more information: [unify.com/en/solutions/mission-critical-solutions/critical-event-management](https://unify.com/en/solutions/mission-critical-solutions/critical-event-management)

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