

# Measuring Outcomes and Demonstrating Value in Resilience

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**#RAW2021**



# Context

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## **Risk Management:**

The affects of uncertainty on strategic decisions and business objectives

The Risk Management function: to help make better decisions in the face of that uncertainty

Rest of Business is the execution against those strategies

## **Resilience:**

The ability of the organization to deal with the consequences of unanticipated changes or the unanticipated consequences of known changes

# A Traditional Perspective

# The Fear Factor



## Organizational Survival

Outcome avoidance

High Thresholds

Rare opportunities

Limited value

# Compulsory Resilience

Measure:  
Conformity  
Result:  
Output  
Outcome:  
Compliance  
Perception:  
Ugh



**Solutions Exist**

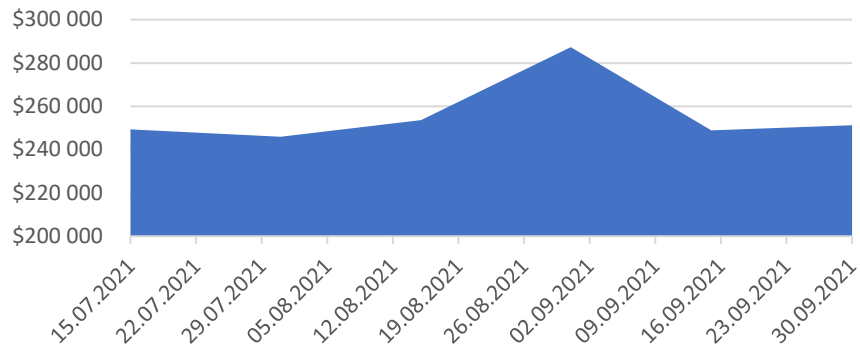
## New Objective: Reduced Pain

### We can measure this!

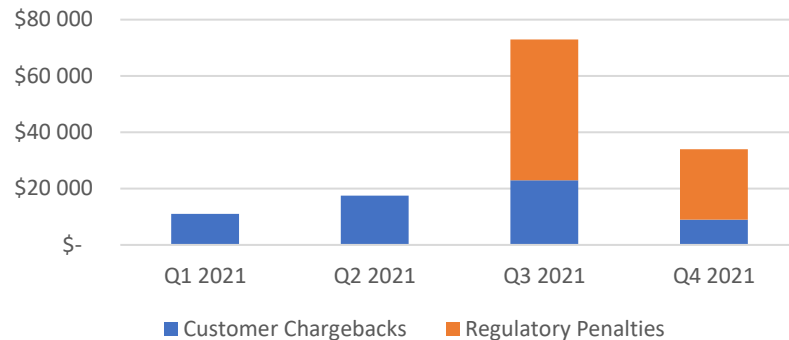
- Direct Costs
- Lost Revenue, lost sales
- Penalties, chargebacks
- Performance and Productivity
- Turnover



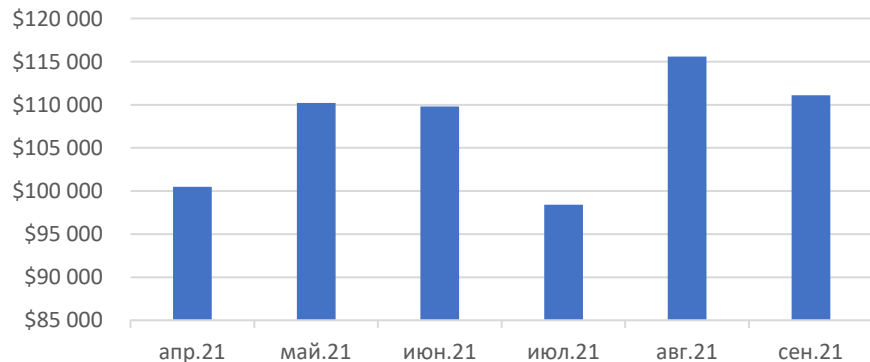
## Direct Costs



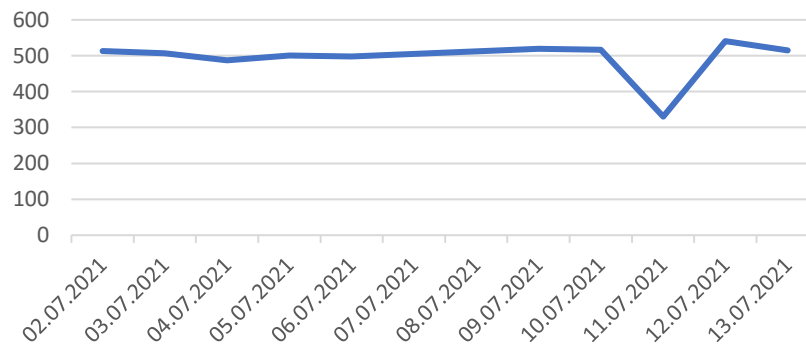
## Penalties, chargebacks



## Revenue / Sales



## Performance and Productivity





# New Objective: Increased Benefits

## **Pain can be Offset (Opportunities):**

- Increased Customer Demand
- Value-added services
- Community Goodwill

## **Some Pain is Outside our Control:**

- Degree of Impact
- Reaction of Customers
- Affects on Community

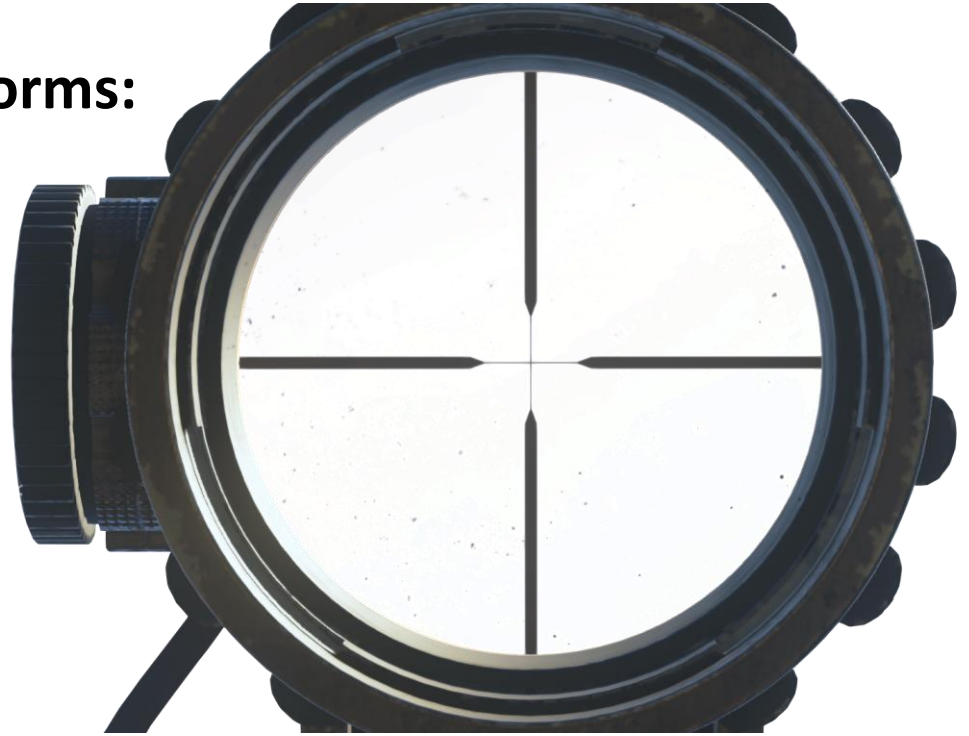
**Degree of Pain / Benefit commensurate with Level of impact**

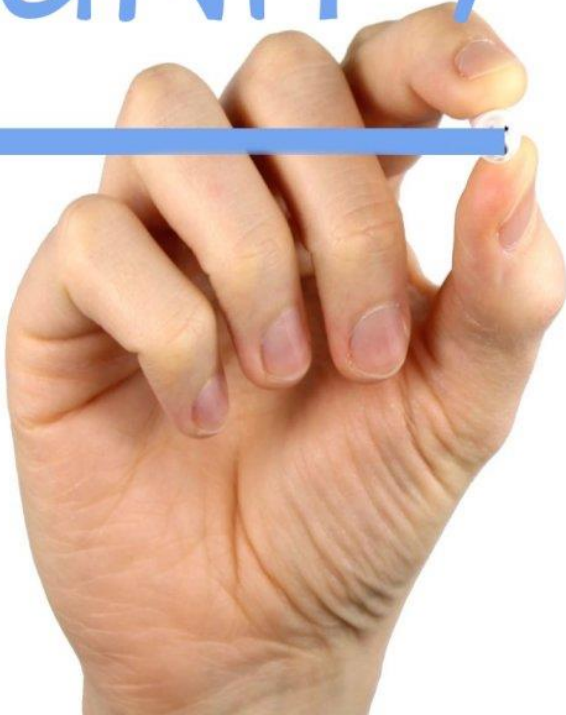




## Disruptions come in many forms:

- Disasters
- Loss of Resources
- Mergers, Acquisitions, Divestitures
- New Products / Services
- Change of any kind





# OPPORTUNITY

- Practice
- Learn
- Improve
- Data Collection:
  - Measure Pain
  - Measure Benefits
  - Measure Capabilities

# Scope and Value

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Remember: Degree of pain / benefit commensurate with level of the event

Benefits are cumulative:

- Measure multiple events over time
- Investments offset by pain of first situation but pay off in future events
- Payoff / ROI may only be realized over multiple events.

# Tying It Together

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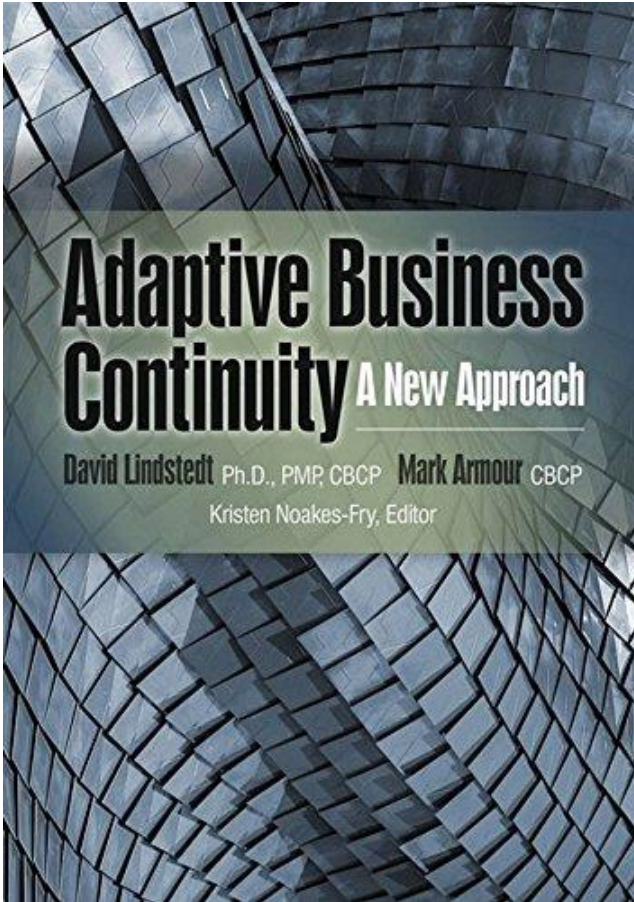
- Measuring Capabilities
- Watch David Lindstedt's Presentation
- Identify Correlations
- Capabilities and Outcomes:
  - Where the Opportunities lie
  - What investments to make and what actions to take
- Turning Organizational Resilience Into a Science

# Finally

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- Take the Guesswork out of Organizational Resilience
- Demonstrate TRUE Value
- Enable Informed Decision Making

# Resources & Contact



## Additional Information

- Web Site:  
<http://adaptivebcp.org/>
  - Check out Books & Articles for further research
- Book:  
<https://www.rothstein.com/product/adaptive-business-continuity/>
  - Available at Amazon
  - eBook available at Google Books and Apple



# Contact Information

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