



Suite2Go

Janellis

Resilience in Financial Services :

Leading business through major crisis

COVID-19 is a crisis of proportions not known in our lifetime. The virus is fast moving, but the related disruption is even far greater. Universities that have talked about online courses for 10+ years have put all of their courses online in one week. Physical shareholder AGMs have gone online in one weekend in Australia. Businesses that talked about letting some employees work from home, now have all of their employees working from home, while they spend rent on vacant offices and facilities. Governments are monitoring people's movements and even delivers real time health statistics. Through a new govt app, all this at a time when travel is diminished and retail operations are shut down.

The biggest shift in digital adoption has occurred in Q1 2020 as a result of COVID-19.

What business could have predicted this would happen? As we now consider the future, we know that the world has shifted and we may never go back some of the practices of the past.

There is no doubt trying to foretell the events of Q1 2020, and what is to come is impossible, but having a methodology, a ready reckoner of sorts can help business to deal with the moment and to look to the short, medium and long term with more confidence.

In this article we look at some general themes that businesses can and should consider when faced with crisis. This method applies to both companies that are prepared and those that are not that well prepared.

In this briefing paper we look at some examples that might also be relevant to COVID-19 pandemic.

In response to the Coronavirus, business leaders are finding themselves in one of three situations:

- Already in a declared emergency, incident or crisis
- Not in a declared emergency, incident or crisis but expecting to be in one very soon
- Recognising the need to build resilience and be prepared for an emergency or crisis in the coming weeks or months

Already in a declared emergency, incident or crisis?

Business leaders who are already in a declared crisis can use the 7-step process below.

The process is used by organisations in critical infrastructure industries including; aviation, banking and finance, energy, insurance, transport and water. It is designed to:

- Enable team-based critical thinking
- Drive actions and outcomes
- Enable an adaptive capacity to deal with changing circumstances
- Provide assurance to key stakeholders

The value of using the 7-steps is that provides rigor in the decision making and allows everyone in the team to go at the same pace through 'critical decision points' and to develop contingency plans.

Step 1

Determine if the 'situation' is internal or external. External may be a Government directive, internal may be supply chain issues.

Step 2

Ensure the right people are in the room with a cross-section of experience from across the business, to fully understand the impacts. Bring specialist expertise in if you need to. IE: COVID-19 specific expertise.

Step 3

The team need to separate out the facts and assumptions. Internal facts related to the current impacts need to be provided to the team and external facts need to come from trusted sources and include Government directives. The team may receive written or verbal briefings on the facts and communication should be succinct and without ambiguity.

Assumptions need to be captured as they may be used to inform decision making if information is incomplete.

Step 4

The team need to consider most likely and worst-case outcomes and be prepared for a range of potential outcomes.

Step 5

The most likely and worst-case scenarios need to be considered across a range of impact areas specific to the organisation including: people; operations; supply-chain; strategy; financial, reputation etc. This should be done exhaustively to manage all risks.

DECISION SUPPORT TOOL

STEP 01	WHAT IS THE SITUATION?	Internal Threats External Threats
STEP 02	WHO DO WE NEED?	Leadership Expertise Roles & Responsibilities
STEP 03	WHAT DO WE KNOW?	Facts/Assumptions Immediate actions Main Issue
STEP 04	WHAT MAY HAPPEN?	Most likely Worst case Best case
STEP 05	WHAT MIGHT BE THE IMPACTS?	People Strategy Financial Assets Operations Reputation
STEP 06	WHAT DO WE DO?	Now Later
STEP 07	WHAT DO WE COMMUNICATE?	Audience Agree messaging Distribute & monitor

Step 6

This step is the opportunity to distil the information into an agreed list of actions to be completed now and later and this helps the team to prioritise.

Step 7

The final step is the communications strategy which should consider all stakeholder groups, internal and external and the best ways to communicate.

Following these steps gives the team a 'common operating picture' from where they can make decisions.

The output of this process should be a Situation Report (Sitrep) which should underpin the overall communications response strategy.

If there is insufficient data from across the business to inform decision-making, other teams may need to meet and follow this process. Teams can meet hourly, daily or weekly depending on the situation. Teams should all use the Sitrep process to share information within the organisation.

Communicating well, even if the news is not ideal, can provide assurance and build confidence.

Preparing for an emergency, incident or crisis?

The 7-step process can also be used in scenarios where the organisation is not in a crisis but needs to be prepared for one. In these situations, teams have more time to gather and verify data and to spend more time developing contingency plans.

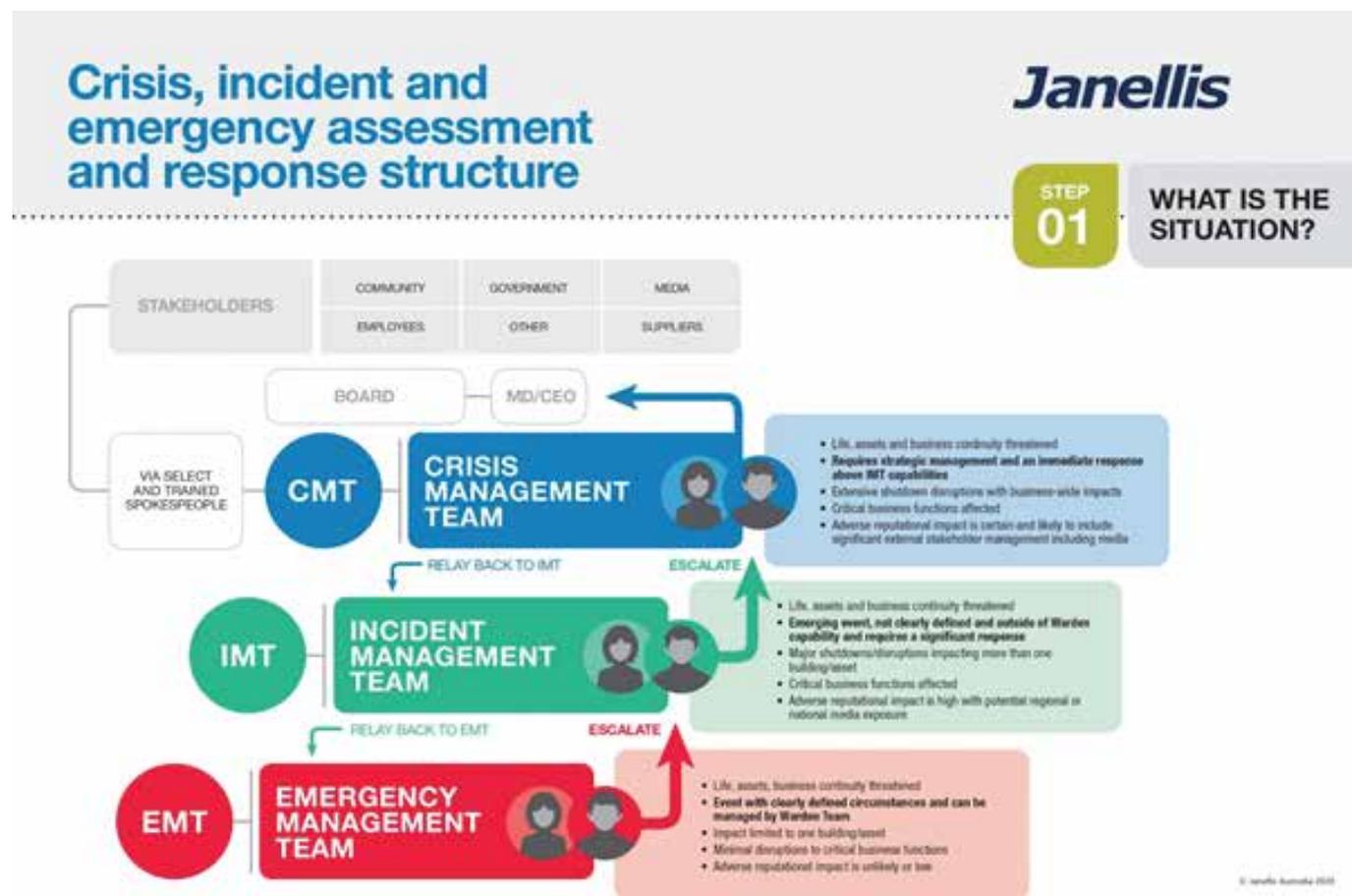
This structure can be used to manage a range of emerging threats including operational; strategic; financial and reputation, global, environmental and political.

The process would be the same 7-steps as the team would during a crisis, but the output would be more related to planning and contingency plans rather than a Situation Report (Sitrep).

Building resilience and preparing for an emergency or crisis that may last weeks or months?

For organisations who recognise the need to build the capability to respond to a range of potential cascading threats to the organisation over a longer period, we recommend:

- A three-tier response model of Emergency, Incident and Crisis teams
- Clarity on roles and responsibilities of the team members
- Guidelines on the criteria to activate the teams
- Notification and escalation process
- Scenario based activities to test processes and develop capability



A Quick Reference Guide can be developed for team members to be used as an aide memoire. The Quick Reference Guide includes the 7-step process which is used alongside the three-tier response framework.

How hard is this to implement?

The Quick Reference Guide and 7-step process has been streamlined to help teams navigate through times where there is incomplete or conflicting information, high-levels of scrutiny, time pressure, and significant impacts.

For example: On Monday a team may find themselves in a declared crisis and by Friday be in scenario where the threat has passed. Or they may be in scenario where there is no imminent threat on Monday and by Friday they are in a crisis.

The 7-step process gives teams the agility across all of these scenarios and enables an adaptive capacity to respond to a range of changing circumstances.

Using these frameworks helps organisations to become more resilient for a range of potential threats in the longer term, not just Coronavirus.



IN CONCLUSION

Taking a proactive and leadership approach through the crisis can help a company or economy to rise quickly post the crisis.

There is no doubt that businesses who are able to bounce back quickly in the new norms, with minimal disruption will have an better view of the future.

During the crisis digital and cloud technology are dominating legacy and inefficient technology. Using human resources to update spreadsheets, is proving difficult upgrades to real automation in the world.

How has your business travelled in Q1 2020? What lessons have you learned? How ready are you for the future?

Suite2go are working together with Janellis to help provide guidance to firms in financial services about being prepared for the future.