

How Resilient Are We?

A MODEL FOR
○ REGENERATIVE RESILIENCE

MAY 2020

scansion



The global effects of the COVID-19 pandemic are unprecedented, yet this isn't the first disruptive event that has shaken the core of many businesses and organizations, nor will it be the last. Political turmoil and climate change, to name just two, also contribute to ongoing uncertainties. The pandemic has now made business continuity planning table stakes to survive future disruptions, but what does it take to grow and get ahead during turbulent times?

How an organization emerges from this crisis will be a measure of its current resilience, though not necessarily a gauge of its ability to thrive in the future.

Scansion recently undertook a study to learn how organizations perceive “resilience” and how it lives in their business models and culture. By understanding how organizations across sectors are adjusting to the current crisis, the questions they are asking, and the context in which they see themselves, we hoped to paint a picture of the components that not only contribute to business resilience, but also point to a regenerative future.

The leaders we spoke with agreed this crisis episode is a trigger event that will have lasting consequences. While different industries naturally grapple with different kinds of challenges, we found patterns and common themes in how organizations perceive and are reacting to this crisis that may lead to more stable and regenerative business models.

We hope these insights provide thought-provoking catalysts for leadership evaluating and determining the best strategies for long-term health, growth, and prosperity.

OUR APPROACH

In late April 2020, we conducted in-depth interviews with ten executives and experts in leadership roles across a wide range of sectors including transportation, finance, hospitality, technology, digital entertainment, education, and cultural institutions, as well as experience design, marketing, and innovation. We also delved deeply into the conversations, opinions, and forecasts prevalent in business media.

What is Resilience?

The term “resilience” has been gaining enormous visibility over the last decade, primarily in association with embracing sustainability strategies and preparing for climate change consequences, surviving economic downturns, and now due to the pandemic.

However, we believe resilience is not only **the capacity to weather future storms**, but more importantly **the ability to emerge stronger**. It is not just about business continuity planning (BCP) and healthy balance sheets, but also about enabling those opportunities that benefit an organization’s entire ecosystem to take hold and flourish. We call this regenerative resilience.

Surprisingly for many of the leaders we spoke with, the term “resilience” wasn’t commonly used, nor did it seem that a long-term resilience strategy was in place.

For many organizations where the pandemic has had the greatest impact, it’s still too early in the crisis for a strategy to emerge. A number of leaders cited the 3 phases of crisis response: reacting to the emergency, adaptation, and preparing for the future. In this emergency phase, many are just trying to survive, some more successfully than others.

3 PHASES OF CRISIS RESPONSE



What is Resilience?



Other factors contribute to a lack of focus on resilience, including:

- Short-term performance focused on rapid growth for investor return common with start-ups or shareholder dividends with established corporations, is antithetical to long-term resilience investment.
- Focus exclusively on funders' priorities as if they were separated from market dynamics, common in the social sector.
- Business continuity planning is already in place so a long-term resilience strategy isn't paramount.
- Components of resilience are already embedded in the culture, but not commonly acknowledged as a “resilience” strategy.

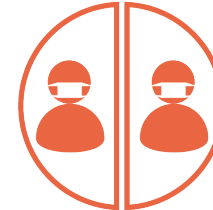
The Driving Factors

So, what's driving a focus on resilience at this point? What's different with the pandemic, as compared to other triggers such as climate change or political unrest, are the very tangible [global repercussions](#), and the [accelerated pace of change](#). New policies and significant behavior shifts are forcing organizations to acknowledge a potential future that may fundamentally change how they do business.

Four overlapping disruptive trends are driving questions about the future:



**BREAKDOWN OF
TECHNOLOGY
BARRIERS AND RAPID
ADOPTION**



**SOCIAL DISTANCING
AND GERMOPHOBIA**



**INCREASING
ECONOMIC
HARDSHIP**



**COMMUNITY
SOLIDARITY**

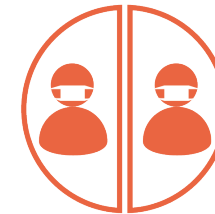
The Driving Factors



BREAKDOWN OF TECHNOLOGY BARRIERS AND RAPID ADOPTION

Households, workers, teachers, and colleagues have been thrust into digital work, learning, and lifestyle modes. Zoom and other business conferencing tools are now platforms for church services, cocktail parties, and classroom storytelling.

[Productivity is shifting](#) as remote workers experience shorter commutes and a stronger sense of agency, ownership, and accountability. As people are pushed out of their comfort zones, a new sense of confidence is emerging with the realization that work, learning, and innovation can still happen.



SOCIAL DISTANCING AND GERMOPHOBIA

It's unknown how long it will be before people will feel comfortable in restaurants and on public transportation or until sporting events and concerts can resume, and how those experiences will evolve. Adoption of touchless payment systems is accelerating as “dirty cash” becomes a less accepted form of payment. The quarantine is inspiring more people to try, and potentially fall in love with digitally-enabled services such as online ordering and delivery/pickup of food and other essentials, virtual doctor visits, or [online concerts and museum tours](#).

The Driving Factors



INCREASING ECONOMIC HARDSHIP

Massive unemployment and shrinking economies will certainly affect consumer spending over the long term, but how this will play out remains to be seen. Some speculate that purchase decisions may become more value-driven as households try to economize. As some business sectors, like brick & mortar retailers, falter, on the flip side healthy sectors such as automotive and tech seem to be increasing [investments in innovation](#).



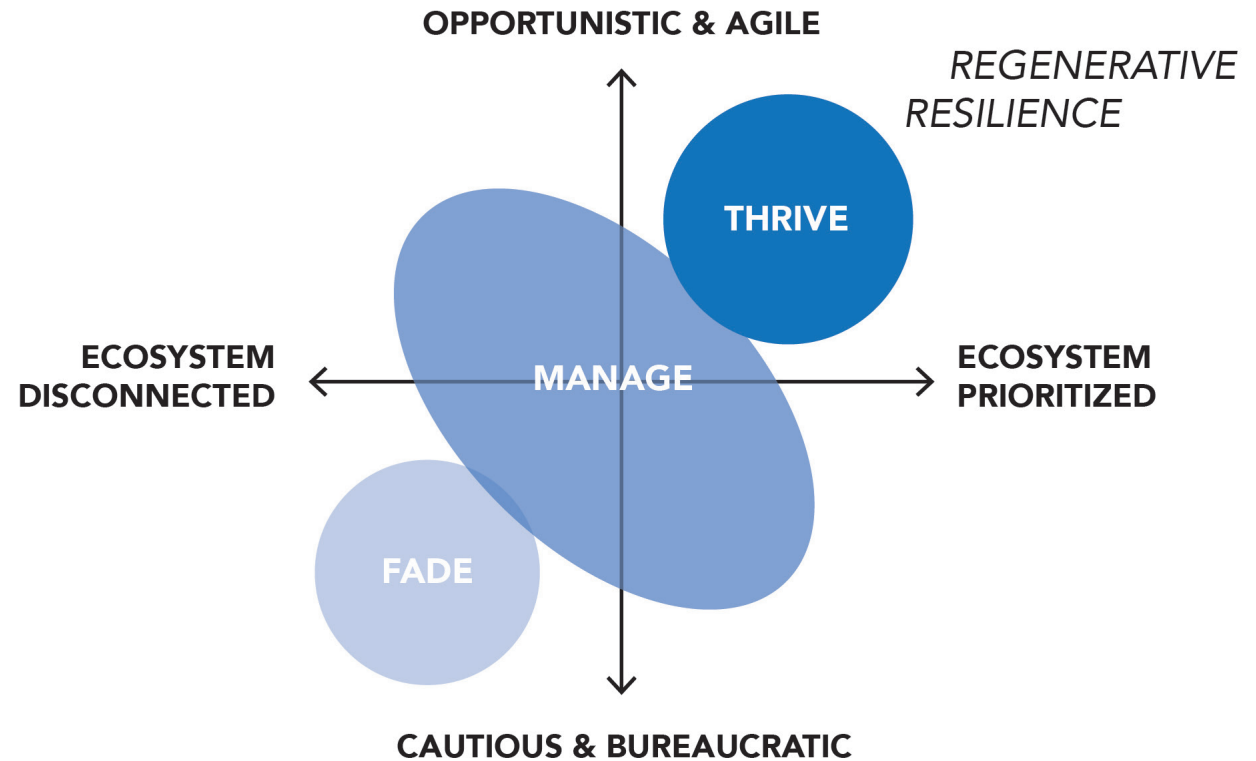
COMMUNITY SOLIDARITY

“We’re all in this together” will likely be a meme that endures. Immediate downstream consequences of actions and events such as the lockdown are highlighting the interconnectedness of communities and resources. Corona virus-related [crowd-funding campaigns](#) have shot up exponentially. Distributed remote work has inspired more humane and inclusive attitudes toward co-workers and partners and altered decision-making processes. False constraints of place have been broken, allowing communities of effort such as public-private partnerships to form more easily. Partnerships are evolving from transactional, to benefit-focused, with the goal that all sides come out better than before.

Mapping Regenerative Resilience

How organizations are responding to these trends (as well as past and future disruptions) points to their resiliency and potential to thrive during future disruptions.

The model below characterizes approaches and attitudes that differentiate resilient and regenerative organizations from vulnerable ones.



Mapping Regenerative Resilience

THE ORGANIZATIONAL CULTURE CONTINUUM

Organizational culture determines how business and institutions view disruptive events and how quickly they can respond.



CAUTIOUS & BUREAUCRATIC

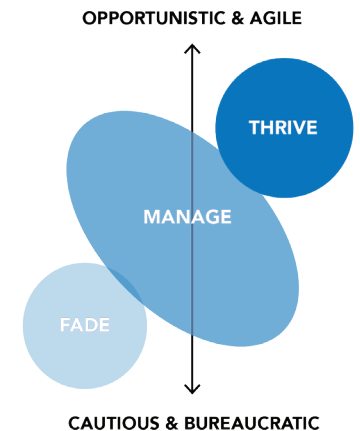
Organizations on this end of the continuum tend to have a top-down, siloed and/or overly complex organization structure. Their decision-making process is cumbersome and individuals have little agency to act without approval. Reliant on narrow or inconsistent sources of revenue with significant labor or manufacturing expenses, they fear major change and are generally ill-prepared for major disruption. Faced with major change, these organizations leap into survival mode, cutting expenses, and laying off staff to stay afloat.

PRAGMATIC & ORGANIZED

These organizations anticipate change, but are focused on maintaining the status quo in terms of their business model and processes. They've experienced disruption before and assume they can ride it out by executing well and maintaining relationships with their current customer base. They may or may not have business continuity plans in place, assuming their industry is an essential and stable one.

OPPORTUNISTIC & AGILE

Organizations in this space not only have lean operations and healthy balance sheets, but also are agile enough to develop new products and services quickly. Volatility and uncertainty are what fuel innovation for these organizations.



Mapping Regenerative Resilience

THE ECOSYSTEM AWARENESS CONTINUUM

How organizations appreciate their context and interconnectedness determines how well they can not only adapt, but also get ahead of change and lead.

The term “**ecosystem**” refers to the network of components and players that interact to deliver a product, service, program, or outcome. It also includes those who come in contact with and are served by the organization. More than just the supply chain, the ecosystem also includes users, funders, partners, technology, the competitive landscape, the community, and even the value system that drives decisions in an organization.

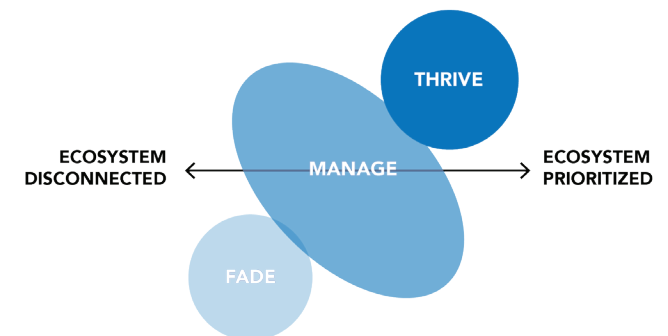


DISCONNECTED

Disconnected organizations have limited concern for their external context, and internal and external dependencies. They see themselves as lone wolves, dictating the terms of their interactions with suppliers and users. Their relationships are transactional, rather than collaborative. They have little awareness of where they fit in the larger context of their competitive and adjacent environments, nor how their business impacts communities outside of their base.

PRIORITIZED

These organizations are highly networked and collaborative and tend to have a “systems thinking” culture. They understand new ideas and opportunities can come from within and outside of their own sector.

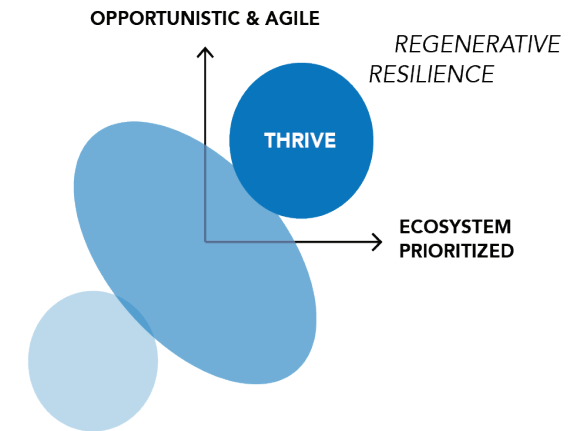




What Does Regenerative Resilience Look Like?

Organizations that are poised to thrive in times of disruption are designed to see and act on opportunities quickly. They are strategic and organized, yet agile enough to pivot if necessary. They are future oriented, people focused, and connected. The following aspects define resilient and regenerative organizations.

What Does Regenerative Resilience Look Like?



OPPORTUNITY AND AGILITY FOCUSED

- Ongoing, deep understanding and integration of shifting customer experience.
- Organizational alignment under a shared purpose and positioning.
- Internal systems that encourage collaboration, entrepreneurship, and rapid program prototyping and development.
- Transparent actions and processes that build trust and accelerate decision-making.
- Continual, not just annual, strategic business and long-term scenario planning.
- Healthy balance sheets and cash reserves.

ECOSYSTEM FOCUSED

- Clear view of the relationships among all organizational players including community stakeholders, employees, customers, supply chains, policies, resources, and the broader natural ecosystem.
- An ecosystem model that puts the end user at the center.
- Secure, reliable, up-to-date digital infrastructure to support a remote workforce.
- A strong community, equity, and inclusion focus directed at employee and social betterment.

Uncertainty Breeds Opportunity:

5 Questions to Ask

As of this writing, much of the world is still under quarantine, with some regions tentatively opening. The future still holds too many unknowns, and while futurists have outlined [potential scenarios](#) it's still too early to predict outcomes.

But building resilience doesn't have to be a long-term game. Even for organizations in survival mode, leaders should be asking questions and thinking about the future.

We propose these five questions to help get you started:

1. Where do I see myself and my company in the model?
2. What internal structures or processes could be impeding our ability to find, evaluate and act on opportunities?
3. How is the pandemic changing the types of meaningful experiences our constituents are looking for?
4. How could a focus on our full range of stakeholders help us be more resilient in the future?
5. What do our internal and external ecosystems look like and where do we fit?



As this crisis plays out, it's our hope that positive and meaningful outcomes will result. Our goal at Scansion is to help organizations move toward that eventual future.

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Scansion enables organizations to imagine, design, and achieve impactful solutions to market opportunities. Together with clients, we map the pathways that align people, systems, and financial resources to create offerings that deliver increasing value to all. More information at scansion.com

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