Horizon Scanning

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Living in a state of permacrisis

"An extended period of instability and insecurity, esp one resulting from a series of catastrophic events"

Collins English Dictionary 2023

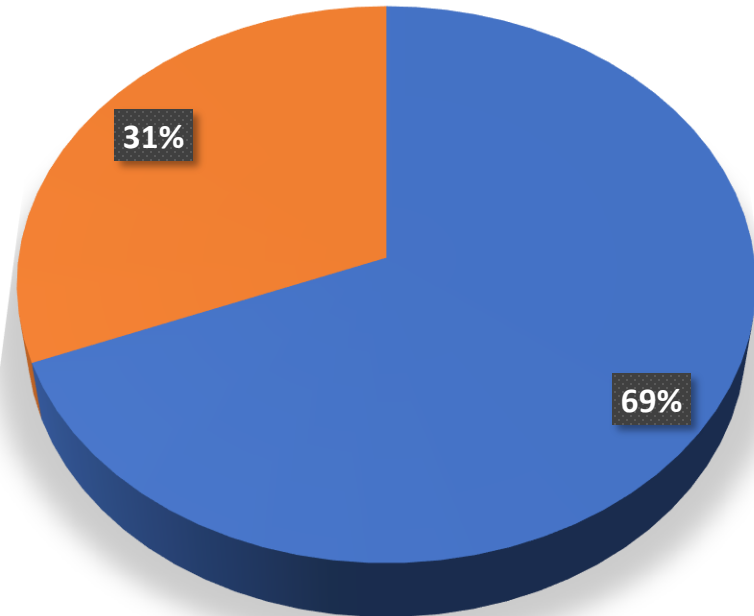# Increasing disruption

2019
Disruption in the last 5 years

Yes ■ No ■

31%

69%

2023
Disruption in the last 2 years

Yes ■ No ■

4%

96%

PWC's Global Crisis and Resilience Survey 2023

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RISK - RESILIENCE - READINESS
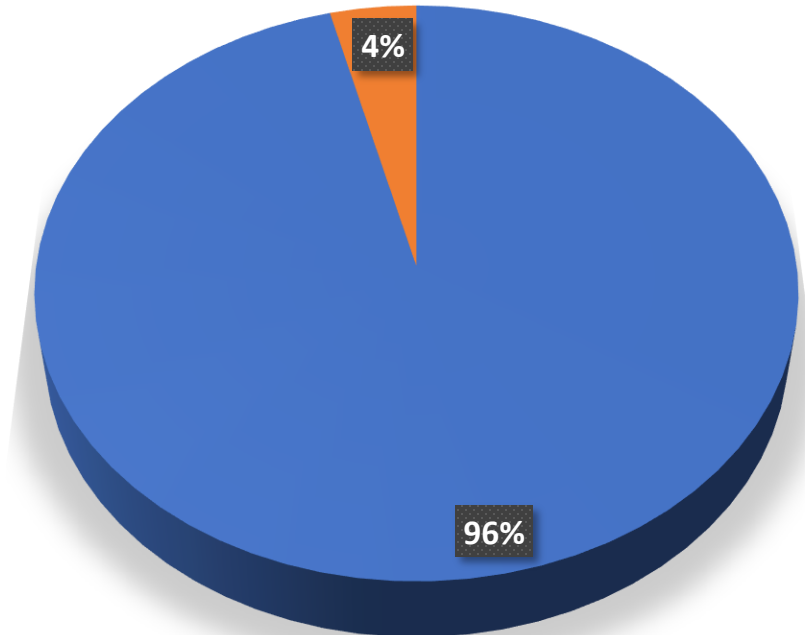
Increasing disruption

- The percentage of organisations that experienced a disruption rose from **60%** in 2016 to **73%** in 2019 (BCI)

- The average cost of a single critical event for a business is around **£280,000 (**Disaster Recovery Preparedness Council)

- **94%** of businesses that suffer a significant data loss do not survive over the long term (National Archives and Records Administration)

- **33%** of business leaders believe their organisation is well-prepared to manage a crisis (PWC)

- **22%** of UK CEOs believe their business will not be economically viable within a decade on its current course (PWC)

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RISK - RESILIENCE - READINESS

An evolving risk landscape

Resilience as a strategic priority

National Audit Office Report 2021:

- Highlighted the UK's vulnerability to emergencies that affect the whole of government, society and the economy

- Identified the need to strengthen national resilience to prepare for future risks on the scale of the pandemic

Organisational Resilience:

"The ability of an organization to absorb and adapt in a changing environment" (BCI)

An increasing focus on resilience

UK Government Resilience Framework, December 2022

3 Pillars of the UK Government Resilience Framework

- A developed and shared understanding of the civil contingencies risks we face

- Prevention rather than cure wherever possible

- Resilience is a 'whole of society' endeavour – Local Resilience Forums

London Resilience Forum

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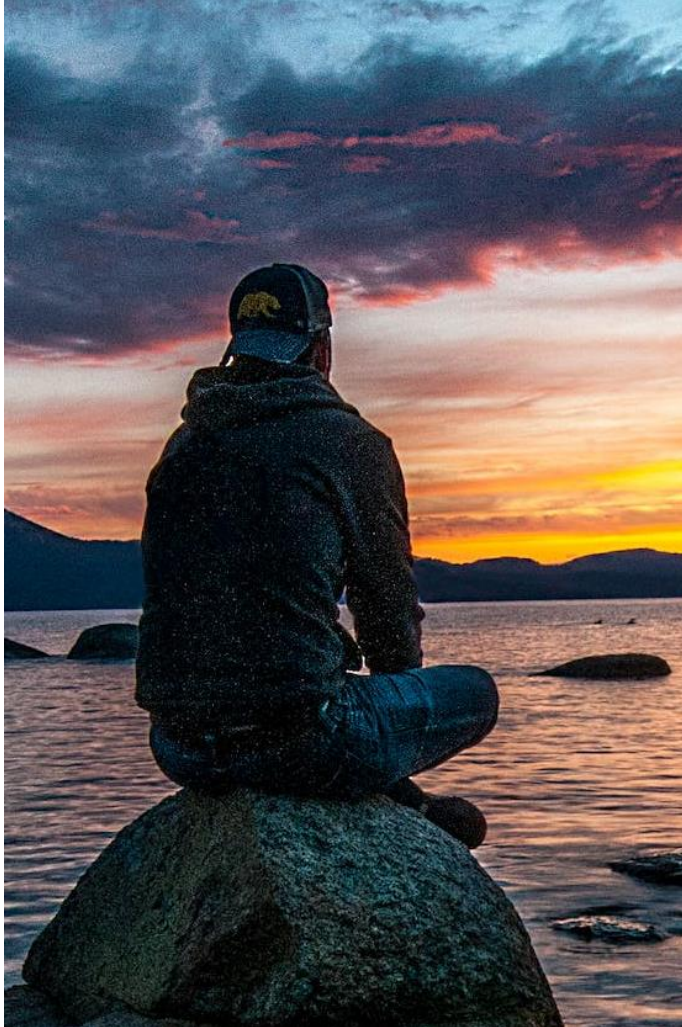
An increasing focus on resilience

UK Government Resilience Framework, December 2022

6 themes of the UK Government Resilience Framework

- Responsibility and Accountability

- Risk

- Partnership

- Community

- Investment

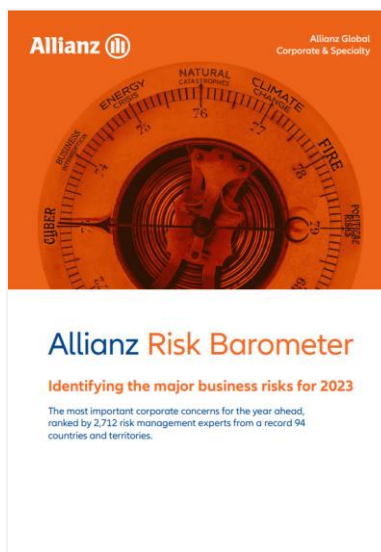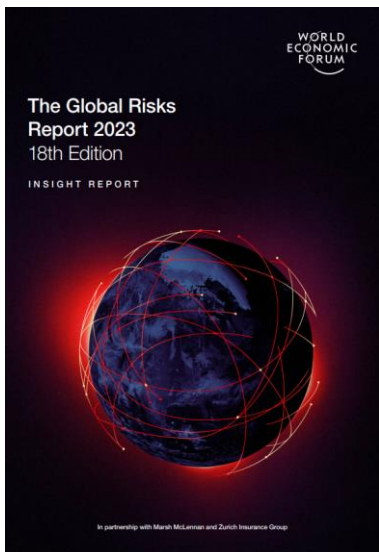- Skills

Horizon Scanning

Horizon Scanning as a key component of resilience

- Early warning and risk mitigation

- Anticipating future trends

- Strategic planning

- Innovation

- Decision making

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RISK - RESILIENCE - READINESS

Horizon Scanning - Top 10 Risks 2023

WEF Global Risk Report	Allianz Risk Barometer	Aviva Risk Insights Report	Horizonscan Collated top 10
Cost-of-living crisis	Cyber incidents	Economic concerns	Natural disasters and extreme weather events
Natural disasters and extreme weather events	Business interruption (incl. supply chain disruption)	Skilled workforce shortage	Climate change (failure to mitigate / adapt)
Geoeconomic confrontation	Macroeconomic developments (e.g. inflation)	Impacts of Brexit	Economic concerns (incl. inflation, cost-of-living)
Failure to mitigate climate change	Pandemic outbreak	Loss of reputation	Geopolitical instability (incl. political risks and violence)
Erosion of social cohesion and social polarization	Energy crisis (supply shortage/outage, price functions)	Supply chain interruption	Cyber incidents (incl. attacks, insecurity, crime)
Large-scale environmental damage incidents	Natural catastrophes	Business interruption	Business interruption (incl. supply chain disruption)
Failure of climate change adaptation	Climate change	Legislation and regulations	Shortage of skilled workforce
Widespread cybercrime and cyber insecurity	Shortage of skilled workforce	Public health events	Energy crisis (incl. lack of natural resources/outage, price functions)
Natural resource crises	Fire, explosion	Market developments	Reputational damage
Large scale involuntary migration	Political risks and violence	Cyber security	Fire / explosion

Risk categories — Economic · Environmental · Geopolitical · Societal · Technological

Allianz, 2023, (Aviva, 2023), (World Economic Forum (WEF), 2023)

The Global Risks Report 2023 — 18th Edition — INSIGHT REPORT — WORLD ECONOMIC FORUM — In partnership with Marsh McLennan and Zurich Insurance Group

Allianz — Allianz Global Corporate & Specialty — Allianz Risk Barometer — Identifying the major business risks for 2023 — The most important corporate concerns for the year ahead, ranked by 2,712 risk management experts from a record 94 countries and territories.

Aviva Risk Insights Report — Analysing the risks facing UK businesses — January 2023 — AVIVA

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Horizon Scanning

Horizon Scanning as a key component of resilience

- Managing internal and external risk involves looking into a 'crystal ball'

- It involves looking for potential risks and opportunities and preparing for them

- Through research, you can intelligently anticipate future risks and potential opportunities

- Take a broad view of your risk portfolio

- What is happening internationally that could affect you?

Horizon Scanning

Horizon Scanning as a key component of resilience

- Look across your business sector to pick up trends and commentaries. When common themes emerge, keep an eye on them!

- Consider the legal and regulatory landscape

- Consider sustainability and decarbonisation

- Monitor public opinion and legislative risks

- Human trends and people risk should be kept under constant review

Horizon Scanning

Horizon Scanning as a key component of resilience

- Bring together a small group of people with diverse views

- Ask challenging questions of your organisation's senior leadership

- Smaller businesses may just have a single person carrying out the horizon scanning

- Exploit a variety of sources such as the media, traditional research, and networking with industry, economic, and political contacts

- Curiosity is an important part of being a risk, business continuity, or resilience manager!

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Horizon Scanning

Horizon Scanning as a key component of resilience

- Horizon scanning supports an understanding of risk, the establishment of risk ownership, and the selection of appropriate controls

- Horizon scanning helps in the creation of robust and future-oriented plans, **Business Continuity Plan**, **Crisis Management Plan** etc.

- Use the results of risk assessments to frame scenario planning

- Forewarned, forearmed; to be prepared is half the victory! (Miguel de Cervantes)

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Measuring resilience maturity

Establish and monitor KPIs

- Policy and Programme Development

- Embedding Business Continuity and Resilience

- Analysis - Business Impact Analysis and Risk Assessment

- Design and Develop Business Continuity Solutions

- Implementation - Plan Development and Response Structure

- Validation - Confirm that policy objects are being met

Business Continuity Institute Good Practice Guidelines 2018

Top Tips

What can you do?

- Embed resilience in BAU activities

- Align resilience-related activities

- Examine supply chain & service provider resilience

- Articulate risk in a way that is meaningful

- Test your plans!

BCAW 2023

15th-19th May 2023 | Embracing the challenge of Resilience

LEARN MORE

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THANK YOU

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