



# **Resilience Capability - Capability Management**

## **White Paper**

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## Abstract

The managing of an enterprise wide resilience capability includes the training, testing and skilling of staff so that they are effective in managing a crisis. It is the use of a testing regime to assure outcomes, reported by exceptions, that often proves the most effective in developing, managing and maturing a resilience capability.

A minimum regime across the enterprise (risk management, business sustainability, business management in a crisis, crisis management and capability management), set against a scorecard to ensure transparency, is a powerful tool within a resilience capability for assuring the ability to manage a crisis.

Further details around the development and management of an enterprise wide resilience capability are presented in this document.



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# 1 Introduction

This White Paper presents some aspects of managing an enterprise wide resilience (risk management, crisis management, disaster recovery management and business continuity management) capability. Aimed at all levels of management across the enterprise, irrespective of industry sector, a pragmatic business driven approach is taken to developing and maintaining and maturing the resilience capability through a minimum but effective testing, training and skilling regime.

Section 1 provides an introduction to this document. Section 2 addresses testing, whilst Section 3 details a training regime within an enterprise resilience capability. Section 4 looks at skilling and Section 5 explains the use of a minimum regime to develop, maintain and mature the resilience capability. Section 6 reviews some other activities that help build and maintain a resilience capability, whilst Section 7 looks at the use of a scorecard for capability assessment purposes.

## 2 Training

The training of staff at all levels across the enterprise is a key element of developing, maintaining and maturing a resilience capability. The training needs to be focused according to audience and need because whilst many people need to be aware of what to do in a crisis and where to go, only a few need to be involved in the management and resolution of a crisis. The training needs to cover the areas of:

- Risk management – Training in identification and management of risks.
- Crisis management – Training in both managing the business through a crisis and in managing the crisis itself.
- Disaster recovery management – Training in the recovery of systems (processes, functions or entities) in the event of an emergency.
- Business continuity management – Training in maintaining the continuity of business of operations.

Training in managing resilience capability and the ongoing reporting and monitoring would also be required. The training can take a variety of forms including:

- Exercises – Conducting a range of exercises (theoretical and practical) across the enterprise and within business areas to address specific risks, certain types of crisis, set roles and tasks.
- Information Sessions – A series of briefings, educationals and seminars around specific themes and/or tasks within resilience, e.g. media management or building evacuation.
- Courses – Attendance of specific courses, may be ran by external parties, around issues and themes that are resilience related but tailored to audience and need.

The extent and occurrence of training needs to be commensurate with the risks faced and size of the enterprise.

## 3 Testing

Whilst testing is in practice part of the training process, testing forms both an activity of itself and is one of the most effective ways of developing and maintaining a resilience capability. In addition, training allows people to be confident in what they need to do in a crisis. Although the testing needs to be tailored according to audience and need, any testing needs to be outcome focused and cut across areas of business and responsibility. The lessons from the testing need to be incorporated within the planning process and training regime. Testing at the business level and at the enterprise level is required.



Although the testing can be in the form of exams, the use of practical exercises that test to outcomes, is both efficient and cost effective. Practical exercises can include:

- Desktop Exercises – Scenario specific desktop exercises involving key participants that make decisions in a moderated environment. Desktop exercises can be readily done as part of an existing meeting or as a stand-alone activity. Such exercises can be as simple or complex as required. The need for a minimum number of exercises a year probably doesn't change, what does change over time is the level of maturity, sophistication and extent of the exercise.
- Drills – Set drills for specific tasks or outcomes, e.g. building evacuation or a call out of crisis teams. The drills can be self-contained exercises or form part of integrated exercises. The need for a minimum number of drills a year probably doesn't change, what does change over time is the level of maturity, sophistication and extent of the drills.
- Integrated Exercises – These are often scenario based and work across the enterprise and may include external parties as required. The exercises may be desktop based or physical exercises. It is about an exercise to outcomes that is significant.

The extent and occurrence of testing needs to be commensurate with the risks faced and size of the enterprise.

## 4 Skilling

Whilst testing and training contribute to skilling, the development and management of an enterprise resilience capability requires addressing the skills of people involved, particularly those responsible for crisis management. Skilling is about developing and modifying personality traits and ensuring the development of the individuals capability, i.e. an alignment with professional development.

Skilling is likely to include:

- Decision making under pressure.
- Problem solving with incomplete information.
- Communication and stakeholder management under stress.
- Personality management under tension.
- Clear reporting and notification processes in a crisis.
- Strategy and planning with incomplete information in a short timeframe.

The extent and occurrence of skilling needs to be commensurate with the risks faced and size of the enterprise.

## 5 Minimum Regime

The ability and need of an organisation to develop and maintain a resilience capability differ and within areas of business. Across the enterprise, a minimum resilience capability can be defined that meets the overall needs of the enterprise. Any area of business is free to do more than the minimum but good practice would see a minimum mandated and funded.

### 5.1 Elements of a Minimum Regime

The minimum should cover:

- Risk Management - Identification and management of resilience risks, including acceptance of the risk and risk mitigation. A regular review and reporting of the risks is required.



- Business Sustainability Management - Identification and management of gaps in business sustainability based on the resilience risks identified. A regular review and reporting of the sustainability is required.
- Business Management in a crisis – Strategies and priorities for managing the business through a crisis (business and/or enterprise level). A regular review of the strategy and framework is required.
- Crisis Management – The strategies, plans, frameworks and policies and procedures for managing a crisis. Both regular testing and exercising of the plans, together with review and reporting of the plans is required.
- Capability Management – Assuring the ongoing testing, training and skilling of staff so that they are capable of managing and responding to a crisis.
- Reporting and Monitoring – An ongoing activity to assure the resilience capability across the enterprise.
- Ad-hoc audit – Any audit activities required to address a specific regime or audit requirement. Usually conducted on an ad-hoc basis according to specific needs.

## 5.2 Advantages of Minimum Regime

The establishment of a minimum requirement for an enterprise resilience capability has several advantages including:

- Ease of comparison of different business areas, using a simple scale.
- Clear understanding of the resilience capability.
- Ability to set priorities for resolution of issues.
- Standardised approach facilitates ease of reporting and monitoring.
- Supports the ability to mature the resilience capability.

## 5.3 Minimum Requirement

A suggested minimum requirement is as shown in Table I. The reporting is to the respective governance structures that are accountable for the enterprise and business area resilience capability.

Although the reporting is addressed subsequently (see Resilience Capability – Monitoring and Reporting), the need for extensive, duplicative and unnecessary reporting should be minimised. Not only does this make it more acceptable to the business and therefore more likely to occur, but often it is only the exceptions that need to be tracked and addressed.

The ad-hoc audit capability is addressed and included within the minimum requirement as necessary. This capability is often industry specific and driven by specific regulatory and compliance needs.



<b>Resilience Activity</b>	<b>Description</b>	<b>Occurrence</b>	<b>Reporting</b>
Risk Management	Review of resilience risks and acceptance or mitigation of these risks	Annual review, in line with financial year, and/or when a major change in business environment occurs.	Report resilience risks as part of routine risk reporting.  Semi-annual reporting of acceptance or mitigation.
Business Sustainability Management	Identification and management of gaps in business sustainability based on the resilience risks identified.	Annual review, in line with financial year, and/or when a major change in business environment occurs.	Annual reporting of business sustainability capability.
Business Management in a Crisis	Strategies (framework) and priorities for managing the business through a crisis (business and/or enterprise level).	Annual review, in line with financial year, and/or when a major change in business environment occurs.	Annual reporting of revised strategy and framework.
Crisis Management	Development and/or review of plans, policies and procedures.	Annual review, in line with financial year.  Review when a major change in business environment occurs.  Review when lessons from testing and training need to be included.	Annual reporting of revised plans, policies and procedures.
	Plan walk through.	Walk impacted stakeholders through the changes in the plan as required. Occur after changes are made.	Annual reporting of completion of the task and any exceptions arising.
	Testing of plans.	Use the plan to help define the training and testing regime for capability management.	See Capability Management.



Resilience Activity	Description	Occurrence	Reporting
Capability Management	Desktop Exercises	Senior leadership in each business area and executive leadership across the enterprise, conduct two desktop scenario exercises a year. Suggest an hour for each one. One exercise aligns with end of financial year planning and the other is conducted as appropriate.	Reporting of the exceptions from the exercise as conducted.
	Integrated Exercises	Two cross enterprise integrated exercises per year.	Reporting of the exceptions from the exercise as conducted.
	Call Out Test	Annual test to invoke crisis management structures, including crisis management team. Test to be commensurate with business need and risks.	Reporting of the exceptions from the exercise as conducted.
	Alternative Process Test	Annual test to invoke an alternative process for a loss of system (process, function or entity) and sustain operations. Test to be commensurate with business need and risks.	Reporting of the exceptions from the exercise as conducted.
	Ad-hoc Tests	Exercises conducted on an ad-hoc basis according a specific risk or issues identified, e.g. compliance issues. Test to be commensurate with business need and risks.	
	Risk Specific Test, e.g. building evacuation.	Other tests like building evacuation, fire drills etc. that are conducted for safety, security and other reasons but that impact resilience capability. Test to be commensurate with business need and risks.	Reporting of the exceptions from the exercise as conducted.

Table I. Suggested minimum requirement for developing and maintaining a resilience capability.



## 6 Capability Activities

Part of the management of a resilience capability is the creation of a plan for managing all of the different resilience activities within the business. In addition to the testing, skilling and training, other areas include the mitigation of risk and other core activities required to develop and maintain a resilience capability. Some of these suggested activities are shown in Table II.

Business Functions	Activity Preference	Resilience Activity	Priority	Details	Completion Date / Schedule	Owner
Crisis Management	Required	Revise plan and report on resilience capability management			Apr-09	Business Area - Resilience Owner
Business Management in a Crisis	Required	Revise and report plan for managing a business through a crisis			Apr-09	Business Area - Resilience Owner
Business Sustainability Management	Required	Revise and report Business Sustainability review			Apr-09	Business Area - Resilience Owner
Crisis Management	Required	Review acceptance of resilience risks and/or plans to mitigate			Apr-09	Business Area - Resilience Owner
Capability Management	Required	Annual call out test and report exceptions			Sep-09	Business Area - Resilience Owner
Capability Management	Required	Annual alternative process test and report exceptions			Mar-09	Business Area - Resilience Owner
Capability Management	Required	Conduct two Senior Leadership scenario exercises per year (Apr & Oct)			Apr & Oct - 09	Senior Leadership
Capability Management	Required	Integrated exercises participation			TBA	Senior Leadership



<b>Business Functions</b>	<b>Activity Preference</b>	<b>Resilience Activity</b>	<b>Priority</b>	<b>Details</b>	<b>Completion Date / Schedule</b>	<b>Owner</b>
Crisis Management	Recommended	Mitigation of risk		Detail of plan to mitigate risk	Mar-09	Senior Leadership
Capability Management	Routine Operation	Resilience within new start induction		Revise new starter induction at all levels to include relevant resilience training and information. This should be done a few months after starting.	4-months	GMs
Capability Management	Routine Operation	Resilience with OH&S and security training		Include site specific and job specific resilience training in OH&S and/or safety training activities.	Annual	GMs
Capability Management	Routine Operation	Career development plan		Include resilience training in career development plan.	Annual	HR
Capability Management	Routine Operation	Plan training		Training of all impacted parties on revised plans - 6-monthly or when major change in business occur.	Annual	Business Area - Resilience Owner
Reporting & Monitoring	Routine Operation	Resilience risk, strategy and capability review		Agenda item in monthly direct reports meeting	Quarterly	Segment Risk Manager
Reporting & Monitoring	Routine Operation	General resilience reporting		Leverage OH&S and/or security reporting to include resilience issues and reporting	Routine	Line Managers
Crisis Management	Routine Operation	Revision of position descriptions and performance criteria		Annual review of position descriptions, KPIs and bonuses to support management of resilience issues.	Annual	GMs & Line Managers
Crisis Management	Routine Operation	Review of Roles & Responsibilities		6-monthly or major change in business circumstances for a revision of roles and responsibilities within resilience functions. Review at Segment and	6-months	GMs & Line Managers



Business Functions	Activity Preference	Resilience Activity	Priority	Details	Completion Date / Schedule	Owner
				Business Unit level.		
Crisis Management	Routine Operation	Communicate new responsibilities and change position descriptions or KPIs as required			Annual	GMs & Line Managers
Crisis Management	Routine Operation	Contracts & SLAs review		Revise contracts and SLAs with suppliers and 3rd parties to ensure resilience issues addressed. Complete as part of annual review.	Annual	GMs
Crisis Management	Routine Operation	Crisis plan revision process		Annual or major change in business circumstances for a revision of continuity plans, recovery plans and crisis plans to reflect current situation	Annual	Business Area - Resilience Owner
Capability Management	Recommended	Awareness session on updated crisis plans		Brief impacted staff on changes to crisis plans following changes	Annual	Business Area - Resilience Owner
Reporting & Monitoring	Required	Resilience Risk Reporting		Either prepare report or ensure the information necessary is passed for reporting	Quarterly	Business Area - Resilience Owner
Reporting & Monitoring	Required	Resilience Capability Reporting		Either prepare report or ensure the information necessary is passed for reporting	Quarterly	Business Area - Resilience Owner
Crisis Management	Required	Incident Assessment & Notification Process updated		Ongoing currency of contact details, numbers etc.	As required	Business Area - Resilience Owner
Crisis Management	Best Practice	Ensure branded entities meet the minimum resilience requirements			As required	Business Area - Resilience Owner

Table II. Suggested capability activities for developing and maintaining a resilience capability.



Where:

- Business Functions – Are the resilience elements (Risk Management, Business Sustainability, Business Management in a Crisis, Crisis Management, Capability Management and Reporting and Monitoring).
- Activity Preference – Guide to the importance of an activity (Required, Recommended, Routine Operation, Best Practice).
- Resilience Activity – Details of the activity.
- Priority – A priority for the activity.
- Details – Details on what will be done to address the resilience activity.
- Completion Date / Schedule – Date for completion of the activity.
- Owner – Who owns the activity.

## 7 Scorecard of Capacity

From the minimum resilience regime within an enterprise comes the ability to create a scorecard for assessment and the ability to monitor the resilience capability across business areas and at the enterprise level. A scorecard should be easy to use and align with regulatory and auditory needs. By having the same scorecard for both independent and self-assessment, a transparency around resilience exists, whilst empowering the business to develop its capability.

Assessment Categories	Criteria Summary	Risk Management & Business Sustainability	Business Management in a Crisis & Crisis Management	Capability Management
<b>R</b>	Business areas show: <ul style="list-style-type: none"> <li>• Limited ability to bounce back.</li> <li>• Leadership is weak around resilience management.</li> <li>• Plans and strategies do NOT meet minimum requirements.</li> <li>• Limited capability to effectively respond to an emergency.</li> <li>• Culture is not aligned to that</li> </ul>	Business Areas show: <ul style="list-style-type: none"> <li>• Risks - Resilience risks have NOT been identified and cannot be properly reported.</li> <li>• Impacts - Business impacts of resilience risks have NOT been assessed and/or accepted.</li> <li>• Outages Acceptable outages of core business functions and</li> </ul>	Business Areas show: <ul style="list-style-type: none"> <li>• Business Management – Business Management in a crisis NOT reviewed annually, and/or are NOT to minimum standard and/or are NOT approved Leadership.</li> <li>• Crisis Plan(s) - NOT reviewed annually to minimum standard and/or are NOT approved Leadership.</li> </ul>	Business Areas show: <ul style="list-style-type: none"> <li>• Alternative Processes Test - Failed the annual Alternative Processes Test.</li> <li>• Call Out Test - Segment failed annual Call Out Test to Site as agreed by Business Resilience.</li> <li>• Desktop sessions - NO desktop sessions have been</li> </ul>



Assessment Categories	Criteria Summary	Risk Management & Business Sustainability	Business Management in a Crisis & Crisis Management	Capability Management
	required of the Enterprise.	supporting requirements NOT known. <ul style="list-style-type: none"> <li>Ownership - Leadership NOT agreed the risks and to accept them (with or without mitigation).</li> </ul>	<ul style="list-style-type: none"> <li>Lessons learned - The lessons learned have not been included within revised plans.</li> </ul>	conducted with NO issues and actions reported. <ul style="list-style-type: none"> <li>Integrated Exercises - Failed test for its role in Integrated Exercises.</li> </ul>
<b>A</b>	Business areas show: <ul style="list-style-type: none"> <li>Capability to bounce back.</li> <li>Leadership is addressing resilience management.</li> <li>Plans and strategies are being addressed to align with Enterprise practice.</li> <li>Capability to effectively respond to an emergency.</li> <li>Culture is aligning to that required of the Enterprise.</li> </ul>	Business Areas show: <ul style="list-style-type: none"> <li>Risks - Critical resilience risks are known only within business units.</li> <li>Impacts - Business impacts of resilience risks have been assessed at a business unit level only.</li> <li>Outages - Acceptable outages of core business functions and supporting requirements known in certain business units only.</li> <li>Ownership - Leadership has not agreed the risks and to accept them (with or without mitigation).</li> </ul>	Business Areas show: <ul style="list-style-type: none"> <li>Business Management – Business Management in a crisis reviewed annually to minimum standard but have not been approved by Leadership.</li> <li>Crisis Plan(s) - reviewed annually to minimum standard but have not been approved by Leadership.</li> <li>Lessons learned – Some of the lessons have been included within revised plans.</li> </ul>	Business Areas show: <ul style="list-style-type: none"> <li>Alternative Processes Test - Noticeably short of the mark in the annual Alternative Processes Test.</li> <li>Call Out Test - Noticeably short of the mark in the annual Call Out Test.</li> <li>Desktop sessions – Less than 80% of desktop sessions have been conducted and/or issues not properly reported.</li> <li>Integrated Exercises - Noticeably short of the mark in the test for its role in Integrated Exercises.</li> </ul>
<b>G</b>	Business areas show <ul style="list-style-type: none"> <li>Good capability to bounce back.</li> <li>Leadership is pro-active in resilience management.</li> </ul>	Business Areas show: <ul style="list-style-type: none"> <li>Risks - Resilience risks are identified and properly reported.</li> <li>Impacts - Business impacts of resilience risks have been</li> </ul>	Business Areas show: <ul style="list-style-type: none"> <li>Business Management – Business Management in a crisis reviewed annually, to minimum standard and approved by Leadership.</li> </ul>	Business Areas show: <ul style="list-style-type: none"> <li>Alternative Processes Test - Passed the annual Alternative Processes Test.</li> <li>Call Out Test - Passed annual Call Out Test.</li> </ul>



Assessment Categories	Criteria Summary	Risk Management & Business Sustainability	Business Management in a Crisis & Crisis Management	Capability Management
	<ul style="list-style-type: none"> <li>• Plans and strategies meet minimum requirements.</li> <li>• Good capability to effectively respond to an emergency.</li> <li>• Culture readily aligns to that required of the Enterprise.</li> </ul>	<p>assessed and accepted.</p> <ul style="list-style-type: none"> <li>• Outages - Acceptable outages of core business functions and supporting requirements are known.</li> <li>• Ownership - Leadership has agreed the risks and to accept them (with or without mitigation).</li> </ul>	<ul style="list-style-type: none"> <li>• Crisis Plan(s) - reviewed annually to minimum standard and approved by Leadership.</li> <li>• Lessons learned - Included the lessons learned within revised plans.</li> </ul>	<ul style="list-style-type: none"> <li>• Desktop sessions - Minimal desktop session requirement met with issues and actions reported.</li> <li>• Integrated Exercises - Passed test for its role in Integrated Exercises.</li> </ul>

Table III. Suggested scorecard for developing and maintaining a resilience capability.

