



Just one third of CEOs believe their organization has the resilience to succeed

Global study by the Economist Intelligence Unit for BSI finds that 88% are prioritising investment in resilience to ensure long-term survival

A new report released today (November 30th) by The Economist Intelligence Unit (EIU) on behalf of BSI identifies a worrying gap in the capability of firms to maintain long-term growth. The global study of business leaders^[1] reveals that just one third (29%) trust that their firms have fully embedded resilience practices, and less than half (44%) expect it to be the case in three years' time. This is despite 88% believing that resilience is a priority for their organizations, and indispensable for long-term growth (80%).

The study, "Organizational resilience: Building an enduring enterprise", finds that achieving the resilience to survive and prosper in the long-term is held back by a lack of skills and knowledge, insufficient leadership commitment and short-term financial considerations. It also highlights that cultural resistance and skills silos create weak-points and bottlenecks within an organization. Two fifths (39%) of business leaders struggle to secure business support for essential resilience measures such as information security, supply chain efficiency and corporate governance.

Just one in five (19%) European organizations have succeeded in fully embedding resilient processes, compared to a third in North America (37%) and Asia Pacific (34%). Worldwide, a third (33%) of larger organizations have resilient processes embedded across their business, compared to a quarter (26%) of those with revenues of less than \$500 million. Smaller businesses are held back by a lack of knowledge, whereas larger firms cite financial issues. Older organizations are found to be more likely to see the connection between resilience and long-term growth.

Resilience as a driver of business success is defined by the report from the avoidance of operational failures to a strategic enabler. Three fifths (61%) see it as a source of competitive advantage, with more than half seeing a very strong link between investment in this area and long-term financial performance. Firms interviewed for the report, including Fiskars, the 366 year old Finnish consumer goods company, explained that achieving organizational resilience is vital for long-term financial success. True resilience is found to come from strategic adaptability across all aspects of operations.

Howard Kerr, Chief Executive of BSI commented:

"Navigating today's fast moving and ever-changing world requires companies to be agile, robust and adaptive in order to defy corporate mortality and pass the test of time. That two out of three business leaders believe their organizations may fail this test, shows just how fragile and vulnerable company structures are. This is further reinforced by high-profile examples regularly appearing around the world."

The report identifies six key features of resilient organizations:

Proactive approach – a willingness to adapt before being forced to Dynamic leadership – support from the top of organization to embed process, CEO down Responsiveness to change – a willingness to listen to market needs Strong corporate culture – holistic inclusion and recognition of everyone's responsibility and contribution to the business Keeping focused – possessing a clear vision, purpose and identity Long-term view – avoiding responding solely to short-term financial goals

Victoria Tuomisto, editor of the report from the Economist Intelligence Unit concludes: "The apparent gap between the intention and action in companies' approach towards resilience suggests that businesses are facing a host of challenges in embedding resilience in a changing and volatile marketplace. These, in turn, will be different for every company. But a resilient organisation by definition is one that is constantly shifting and adapting; there is no 'finish line' when it comes to implementing a culture of resilience"

To download a copy of the report: 'Organizational Resilience: Building an enduring enterprise', please [click here](#).

[1] Survey of 411 business executives drawn from Europe, North America and Asia-Pacific together with in-depth interviews with business leaders and industry experts.

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