



Risk and resilience management

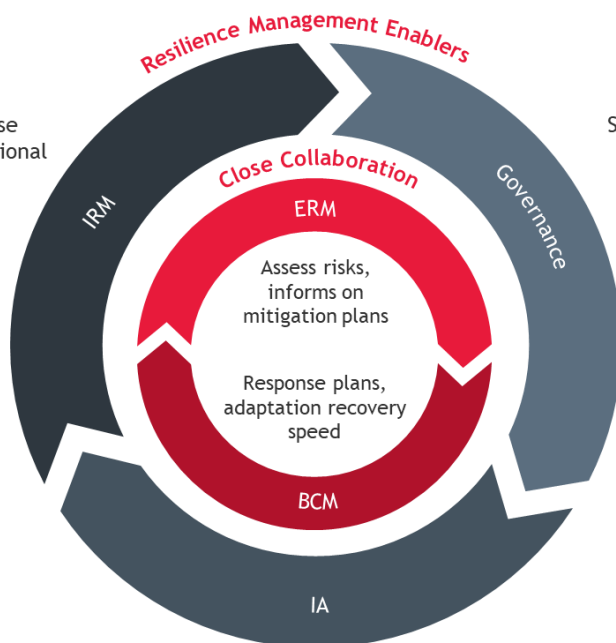
Resilience management is not about more risk management, it's about an integrated risk response



Enterprise Risk Management (ERM) is known as the cornerstone for managing threats to an organisation. It provides the structures and methods to address threats stemming from a wide variety of sources (including financial uncertainty, legal liabilities, strategic management errors, accidents, and natural disasters).

Resilience risk management, on the other hand, is about an organisation's ability to withstand, adapt to, and quickly recover from material risk events and disruptions. It is about ensuring that the organisation can quickly bounce back from any crisis, material event or setback and continue to function effectively.

Incident response enabling operational continuity



Strategy stress tests control during crisis

Independent control assessment enabling fast recovery



Effective resilience management requires a coordinated and integrated approach connecting ERM policies and process, business continuity procedures, and scenario analysis.

This shapes and guides business response plans and strategies to ensure that the organisation continues to operate in the face of material events and disruptions.



Risk and resilience management is an ongoing process rather than a milestone. It requires periodic monitoring and review to ensure response plans remain effective.

Tracking changes in the risk environment, reviewing the effectiveness of risk strategies, and updating resilience plans should be part of business-as-usual activities across the organisation.



Risk and resilience management

Key principles for building Resilience Management

01

Robust risk culture

Tone at the top promotes risk awareness.

02

Integrated response mindset

Resilience response strategy is interconnected across the organisation.

03

Learning from the past

Setbacks are seen as opportunities for learning and growth.

04

Recovery plans in place

Formal plans created for critical risks/scenarios with some practical 'testing' of assumptions.

05

Continuous adaptation

Response plans revised frequently to ensure the organisation remains agile and ready to respond.

How BDO can help you build your resilience management

Our approach to resilience management emphasizes close collaboration between different risk capabilities within an organisation which enable the business to prepare effective response plans to potential risk events.

We leverage our global and local ERM talent and partner with our clients helping them to establish agile resilience risk management plans for various scenarios and potential material disruptions.



Traditional ERM focus alone is no longer sufficient

Traditional ERM works but is mostly focused on identifying, assessing, mitigating, and monitoring risks in isolation, not always connected to other risk activities.

ERM is often reactive to a wide variety of threats, including financial uncertainty, operational failures, legal liabilities, strategic management errors, geopolitical risks and natural disasters.



Resilience management focus

Resilience risk management is focused on the organisation's ability to withstand, adapt to, and quickly recover from material risk events in an integrated way.

An integrated response to material threats/events ensure the whole organisation can bounce back quickly and continue to function effectively, even if this may result in changes to how the business operates.



Building an integrated resilience model

An integrated resilience model enables the business to create robust systems, processes and contingency plans, which foster a risk resilience mindset across the organisation.

It aligns and coordinates all risk activities to work in unison in the event of material events.

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Please contact us for any queries of assistance with your Risk and Resilience Management approach

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