

Resilient Business Strategies

Decisive Action for a Transformed World

A World Transformed

After the tumultuous events that erupted last year and continue to reshape our world, we need no reminder that we are living in an era of profound turbulence and historic change. The deep and interconnected changes remaking our world demand bold action. Simply aiming to integrate elements of sustainability into a business' core strategy is no longer sufficient.

For business, the call to action could not be clearer: resilient business strategies are more urgent than

ever today and are the key to achieving value for all stakeholders in the long term. They will lead to nimbler and more innovative companies.

But it is not just about a process that drives company and stakeholder value. Resilient business strategies are an essential pathway to achieving a just world and an economy that delivers truly inclusive and sustainable prosperity.

Why Resilience, and Why Now?



1. To urge leaders to adopt resilient business strategies as an imperative for a transformed world



2. To shape a shared understanding of what resilience means for business and society



3. To catalyze action by defining the building blocks of resilient business strategies

Resilience is essential to the success of both business and society; each depends on the other.

Resilient business strategies are deeply relevant to nearly every core business activity: product development, sourcing and procurement, human capital development, natural resource acquisition and use, financial capital deployment, and marketing and communications.

The many shocks to the system we have seen over the past year show the clear and urgent need to create more resilient societies. What's more, as devastating as COVID-19 has been, many other profound changes are also remaking our world, including technological advances, climate disruption, income inequality, systemic discrimination, and loss of faith in democracy. A commitment to resilience can deliver shared prosperity, a healthy environment, and social cohesion. Without a commitment to resilience, changes threaten to turn underlying tensions into deep cleavages in society.

How Do We Define Resilience?

Resilient businesses are based on three core elements:

1) anticipates material changes to the operating environment, 2) systemically develops and tests strategic plans in the context of such changes, and 3) allocates resources and creates value in ways that enable success in multiple potential futures. Resilient businesses will be better prepared to capture strategic advantage and contribute to the realization of thriving societies.

Resilient societies have the capacity to anticipate and adapt to disruption in a way that enables human well-being, thriving and just institutions, full and equal participation in society and the economy, and preservation of the natural and built environment.

While resilient businesses and resilient societies are distinct, one cannot be achieved without the other. Ultimately, resilience is a systems question. For example, it does no good for a company to have resilient infrastructure in a city prone to energy shortages or transportation failures. Companies will not capture the full value of their investment in people if educational systems do not effectively prepare people to participate in a changing world. And political dysfunction creates financial risks that generate systemic instability.

Building Blocks for Resilient Business Strategies



Governance needs an overhaul to ensure that resilient business strategies are established and implemented in a way consistent with a broader purpose than merely short-term value for shareholders and with more diverse perspectives shaping the approach.



Financial capital deployment should also shift to ensure forward-looking investments that will produce value in anticipation of changed market conditions and societal expectations and to enable greater financial stability and long-term returns.



Natural capital management is essential to ensure that access to natural resources is stable and well managed, with a focus on climate, biodiversity, water, and other crucial natural resource inputs necessary for business.



Product and business model development should also shift to address emerging market needs and requirements, rather than relying on legacy opportunities that are most vulnerable to disruption.



Built environment investments should be designed to meet fast-growing demand in ways that enable access, minimize use of natural resources, are tied to zero-carbon transportation, and are able to withstand extreme weather.



Supply chains are a core element of a resilient enterprise and depend on rethinking all aspects of the process, from product design to raw material procurement to processing to distribution. This includes sourcing decisions, supplier finance, and worker well-being and livelihoods.



People strategies will need to modernize to achieve skill development, career pathways, and greater equity for an increasingly diverse workforce with changing expectations, comprised of people who will change jobs and careers multiple times.



Public policy efforts should shift away from being reactive toward an approach that actively promotes modernization of the social contract, decisive action on climate, and capital market reforms that promote long-term value creation for all stakeholders. Policy engagement should also be significantly better aligned with stated ESG commitments.

To discuss and learn more about how we can help your company become more resilient, contact us at resilience@bsr.org.