

Risk *“Resilience is our ability to bounce back from life’s challenges and unforeseen difficulties, providing mental protection from emotional and mental disorders.” – Michael Rutter*

The Crucial Link Between Operational Resilience and Customer Trust

Trust is arguably one of the most important brand assets in business. Every transaction is a promise made, and businesses must ensure they keep their promise to customers – such as delivering goods and services – no matter what disruption may occur. When it comes to building customer trust, there is never a good excuse for breaking promises. Not even a once-in-a-generation global health crisis, not a global chip shortage, not the blockage of the Suez Canal, not ransomware attacks.

The unprecedented global supply chain disruptions and attacks on critical infrastructure in the last 18 months forced businesses to rethink the way they build and maintain trust. To deliver on their promises, organizations must be robust enough to withstand any disruption or risk failing to meet customer expectations.

What does that really mean for businesses? It means trust cannot exist without operational resilience – something that has become glaringly apparent in a time when business resilience has been tested like never before.

New Landscape, New Challenges

2020 transformed the way that organisations operate, communicate, and do business. Remote working became the norm, third-party partnerships were strained, cybersecurity threats were on the rise, and supply chain disruptions affected many critical industries. The dependence on vendors and suppliers highlighted the importance of a resilience plan that not only responds to disruptions, but proactively maps and determines potential risks. As we begin to build the new normal, it’s critical that businesses learn from the short- and long-term effects of these disruptions and begin to future-proof their businesses to prepare for future disruptions.

Leaders should forge an agile strategy and ensure they have comprehensive operational resilience plans that position the business for success in a competitive market where customer loyalty is finite. If a single point in your supply chain fails, what’s next? What other resources and alternative suppliers do you have in your arsenal? Disruptions will always happen – how you respond to them is what the market will remember.

Building Trust Through Resilience

Operational resilience has always been a business consideration but historically had not made it to the top of the priority list. The dramatic events of 2020 and 2021 have now pushed operational resilience to the top of the agenda.

In fact, in a Center for Financial Professionals Fintech Leaders survey, operational resilience was voted the single most important non-financial risk for businesses, ahead of technology and IT risk, third-party risk, and even cyber risk.

Customer perception is solidified by performance; customers remember who delivers on their promises and who doesn’t. In this era of unprecedented uncertainty, meeting customer expectations and keeping those promises is more important than ever. To do this, organisations need to build a comprehensive resilience plan that includes all possible threats and dependencies. This will empower them to deliver on current customer commitments and evolve with them as needs and circumstances and change.

The most resilient organisations are the ones that break down business silos. By removing the invisible barriers between business continuity, incident and crisis management, disaster recovery and other risk disciplines, organisations can develop a comprehensive resilience program to remain competitive, agile and innovative in a rapidly evolving market. This will provide stability through resilience, resulting in more a more reliable service, further solidifying customer trust.

Brand Reputation and Customer Centricity

In a highly competitive market, establishing reliability will ensure survival and growth. To do this, operational resilience must be designed with customer needs at the core. Businesses must visualize their products and services from a customer perspective to ensure all business operations deliver on their customer promise.

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Where do they start? First, identify the most essential, critical services to customers. Recognize what the customer needs and build plans back from this point, mapping critical processes in a sensible, informative way that defines measurements from a customer perspective. This will ensure that a business’ most important customers will always have their needs met.

A customer-centric resilience plan not only builds trust, but also enables organisations to make real-time, data-driven decisions by monitoring what is changing and adjusting plans accordingly. It ensures that organizations address any future issues before impact, and prevent customers experiencing a disruption in services.

Extraordinary market challenges – from escalating third-party risk to supply chain issues and displaced workforces – have required transformative change. As businesses look to rebuild post-pandemic and safeguard from cyber attacks or supply chain issues affecting their operations, they must now incorporate resilience in all business decisions and evolve their people, processes, and systems with operational resiliency embedded throughout every corner of the business. Only then can a company fortify itself enough to withstand future disruption that comes its way, and continue to deliver on its customer promises, time and time again.

Source: RIMAN, Wikipedia, Michael Campbell, Fusion Risk Management

Ensuring Promises Are Kept

Operational resilience is no longer viewed as a concern for a single team or individual. As operational resilience climbs to the top of the priority list, businesses are making a point to understand what makes their organization work, how it breaks, and the measures required to fix it, to mitigate future risks.

Executive leadership understands that resilience not only ensures uninterrupted service, it also makes clear to customers and partners that the business will continue to meet their needs, no matter what. Organizations are beginning to understand that implementing resiliency facilitates new opportunities to transform the business, deliver on customer expectations, and thrive in the midst of broad-scale change.

The formula is simple: If you safeguard your operations with a robust operational resilience strategy, you will be able to keep your promises, build customer trust, and propel your business toward future success.

RIMAN Upcoming Programme

Basic Credit Risk Analysis & Management Online Training	21 st – 22 nd October, 2021
Fundamentals of Risk Management – Hybrid Training	4 th – 5 th November, 2021
Environmental & Social Risk Governance: Risk Assessment for Lenders & Asset Managers	17 th – 18 th November, 2021
Basel III Webinar: What’s new vs. Basel II	28 th November, 2021