



The resilience revolution is here

PwC India's Crisis and Resilience Survey 2023



In today's rapidly changing business environment, a multitude of external forces such as geopolitical instability, climate crisis, lingering effects of the COVID-19 pandemic, technological disruptions, and cyber threats pose unprecedented challenges for organisations across the globe. This has created an environment known as permacrisis, where there is constant instability and disruption.

In such times, most organisations feel challenged in their ability to maintain critical business services and processes, and it becomes difficult for organisations to recover from the crisis, restore critical services and processes, and go back to maintaining normal operations. Against this backdrop, corporates in India need to make resilience a strategic priority.

PwC India's Crisis and Resilience Survey 2023 is focused on understanding the threats which organisations are facing and finding out how companies in India are allocating resources, efforts, and investments to become more resilient. For this, 112 organisations from diverse industries such as telecommunications, industrial products and manufacturing, financial services, banking and capital markets, automotive, education, healthcare, and pharmaceuticals were surveyed. The survey is part of **PwC's Global Crisis and Resilience Survey 2023**.

What is enterprise resilience?

Enterprise resilience requires a business to evolve continuously in order to protect itself from unprecedented events, adapt to the changing business environment, create value and maintain a competitive edge. Organisations find it challenging to strike a balance between being resilient and agile. To develop a resilience strategy, companies should focus on three key components:

01

Strategic resilience:
the ability to evolve and build agility into the organisation's strategy

02

Operational resilience:
the ability to maintain critical operations during disruption

03

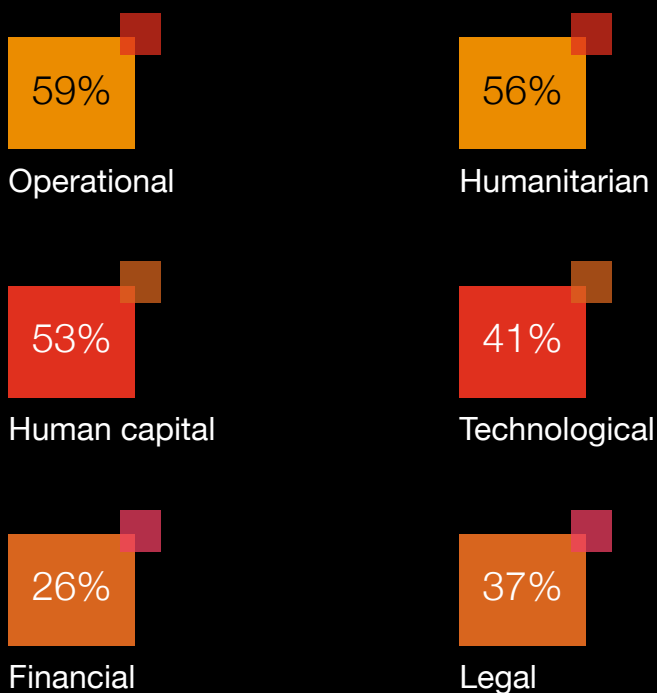
Financial resilience:
the ability to maintain capital and cash flow during disruption



Disruptions are on the rise

In 2019, 80% of organisations in India had said that they faced at least one crisis/disruption in the last five years. In 2023, 98% of organisations in India said that they had experienced disruption in the past two years. The sharp rise in disruptions over a short period of time underscores the need for organisations to make resilience a strategic organisational priority.

The types of disruptions organisations are expected to face in the next two years:



Disruptions can cause severe costs and losses. In case of more serious disruptions, 11% of our respondents incurred response effort costs (including external support) of USD 50 million or more, 25.7% spent between USD 1 million and USD 50 million and 61.5% spent less than USD 1 million.

For a long time, resilience was considered as a part of compliance exercises and checklists. However, resilience is no longer just a capability designed to mitigate potential losses or to meet regulatory obligations. Today, true resilience is a core competitive advantage and a prerequisite for any successful business strategy.

As the world recovers from the effects of the COVID-19 pandemic, intentional resilience is critical and 98% of our respondents consider resilience to be one of their most important strategic organisational priorities.

The findings of the survey suggest that 100% of organisations that expect a disruption over the next two years are confident of their current resilience capabilities to successfully navigate through competitive or marketplace-related disruptions. Around 82% of the respondents were confident of navigating through a cyberattack, while 92.6% were confident of sailing through an executive turnover.

Overall, organisations seemed confident about navigating through financial liquidity and geopolitical disruptions, however, they were less confident (78.9%) when it came to workforce or leadership misconduct, supply chain (80%), and workplace violence (81.3%).

Where are businesses investing?

Crisis management, cyber resilience and emergency management are the top three areas of investment for companies in India as there is a rising concern amongst organisations about unpredictable events and the consequences of such events.

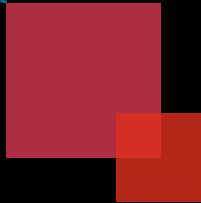
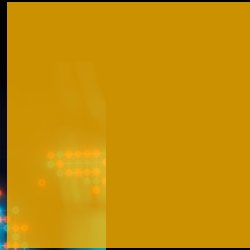
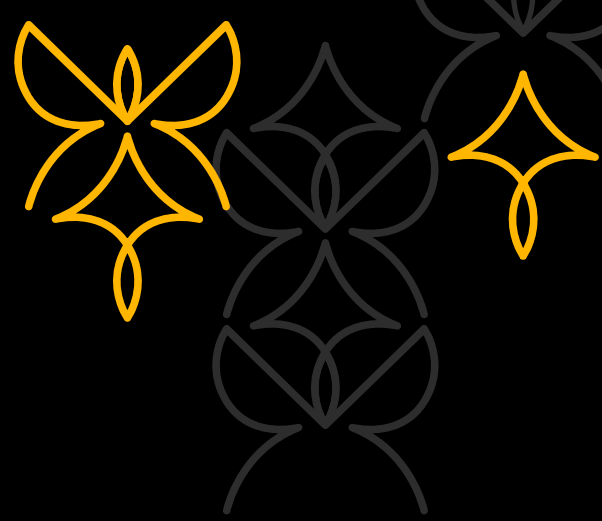
An overwhelming **97%** of respondents said that they plan to invest in crisis management as unpredictable events or unforeseeable consequences of events are being perceived as risks to businesses.

What motivates organisations to invest in resilience?



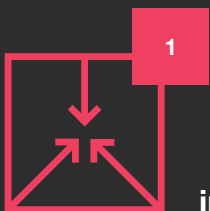
There is also a rising concern over ransomware and other cyber attacks – 96% of respondents plan to make investments in cyber resilience. The rise in volatility and unpredictable events is also an area of concern and 96% of the respondents are investing in emergency management.





Three takeaways

Today's business leaders are building 'resilient organisations by design' by establishing three key components:



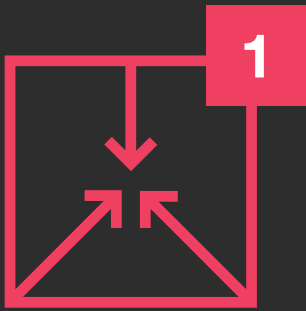
integration



leadership



operational
resilience.



An integrated resilience programme is essential



As organisations work towards addressing complex and interconnected risks, they cannot afford to work in silos and need to develop an integrated programme to build a resilient organisation.

More than 80% of organisations in India have moved towards an integrated resilience programme, but only around half (46.4%) of them are fully integrated.

Among all respondents, **58%** of organisations said they are dividing their approach to resilience on the basis of resilience competency (business continuity management, disaster recovery), while another **48%** said they divide it on the basis of lines of business and another **47%** divide it on the basis of functions. Around **17%** divide it on the basis of geography, while only **5%** have an ad hoc approach to dividing their approach to resilience.

Amongst the competencies included in their enterprise's resilience approach are

52%

cyber
recovery

48%

financial
liquidity

41%

crisis
management

41%

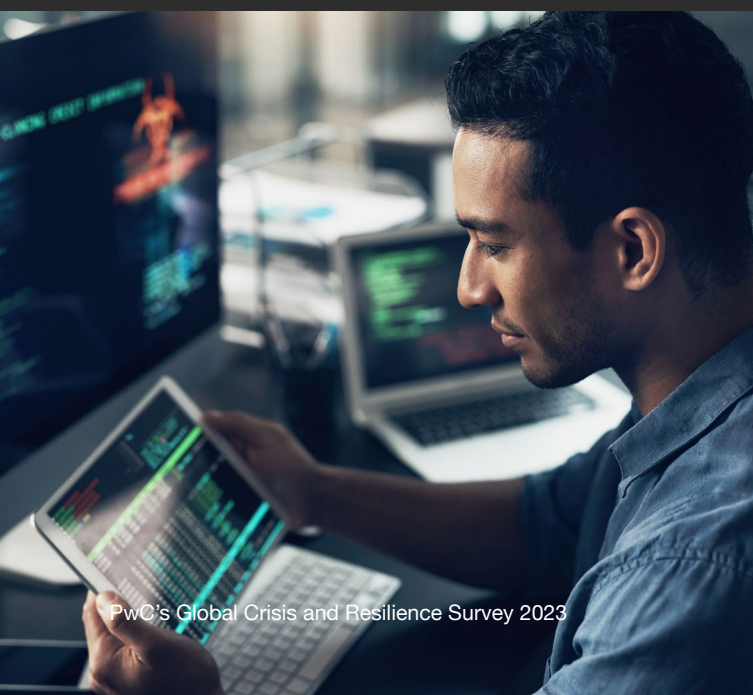
business continuity
management

37%

emergency
management

37%

disaster
recovery.





Thriving in permacrisis requires an executive leader and upskilled teams

While integration is important, thriving in permacrisis requires sponsorship by a senior leader. According to the India survey, 36% of enterprise resilience programmes are sponsored by the organisation's CEO.

52%

of the respondents cite upskilling future leaders as one of the top three important elements of future-proofing the resilience of their organisation.

92.5%

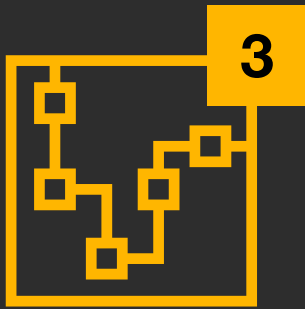
of organisations have established a C-suite sponsor accountable for enterprise resilience in the organisation.

The need to create roles for enterprise resilience

In India, organisations do not have a single role for managing the implementation of an enterprise resilience programme – only 11% of the survey respondents have a chief resilience officer.

Finding the right skills for a resilience programme

Building a resilience programme requires a specific knowledge and skillset, however, this is a challenge for many organisations. 36% of our respondents said that building a team with the right skills is a major hurdle in establishing a resilience programme.



Building operational resilience is the future



Disruptions can have a severe impact on operations. 80% of the respondents said that their most serious crisis had a medium-to-high impact on operations, disrupting critical business processes and services.

Technology is helping companies become more resilient and organisations are adopting an operational resilience approach by leveraging technology to enable a panoramic view of their risk and resilience landscape.

According to the survey, 67% of Indian business leaders understand the need to underpin resilience strategies with a technology that allows them to mine actionable intelligence from data across a business.





Becoming resilient by design

In order to build an agile and trustworthy organisation, it is vital for organisations to adopt an integrated approach to resilience. They need to invest in developing resilience across functions and assign the responsibility of implementing a resilience programme on a single, dedicated authority by creating roles like chief resilience officer.

Organisations also need to align resilience goals with that of the business, making it a part of their strategy and foster a culture of resilience.

Companies also need to communicate the value of resilience to all the employees of their organisation. In today's world, resilience must be viewed as an opportunity to strengthen the organisation, manage crises, recover from them and thrive in the ever-changing business landscape.

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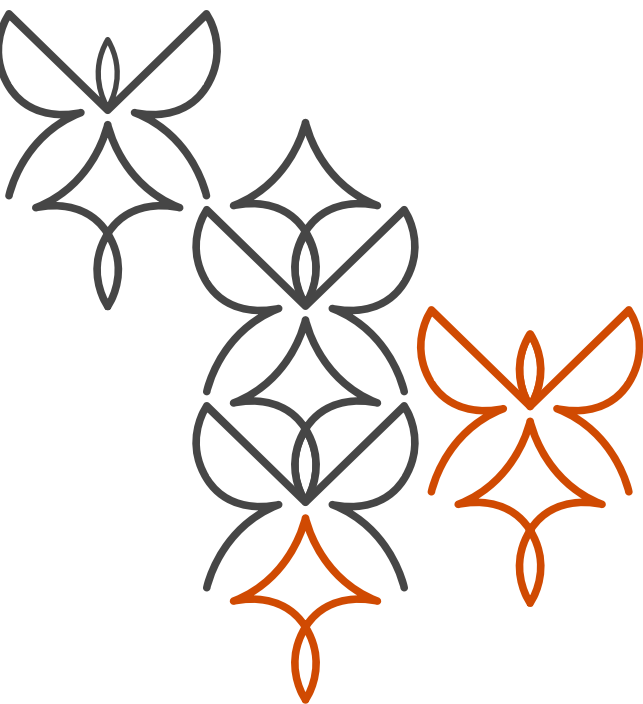
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