Operational Resilience in Real Time: The New Imperative for Financial Services

Resilience is the ability of an organization to continue to serve its customers, deliver products and services, and protect its workforce in the face of adverse events. Operational resilience gives banks the ability to simplify and streamline technologies supporting important business services, leading to better customer outcomes, even during unexpected service outages. Despite understanding this need, resilience in the financial services industry is harder than ever. Disconnected operational processes, fragmented capabilities, rising cyberthreats, and ever faster regulatory change all contribute to greater challenges in maintaining resiliency. Understanding and mitigating the potential operational impact of each risk event and their cumulative or synergistic nature is key. This illustration offers a process that can be applied in any organization.

WHAT DOES RESILIENCE LOOK LIKE?

- Establish indicators, controls, communication & response plans, and monitoring systems
- Evaluate communication and training effectiveness and test event scenarios
- Monitor risk indicators and events, both internal and external
- Update controls and plans as often as needed to support changing priorities and conditions

1. ANTICIPATE

- Inventory customers, critical products & services, assets, personnel, facilities, vendors
- Identify risk dependencies & potential related impacts
- Prioritize risks based on likelihood, business impact & established tolerances
- Establish thresholds and tolerances for each risk to be addressed

2. PREVENT

- Establish indicators, controls, communication & response plans, and monitoring systems
- Evaluate communication and training effectiveness and test event scenarios
- Monitor risk indicators and events, both internal and external
- Update controls and plans as often as needed to support changing priorities and conditions

3. RESPOND / RECOVER

- Respond to adverse events
- Communicate accurately to stakeholders and participants
- Restore operations, services, systems & processes

4. ADAPT

- Identify root causes
- Implement new or updated controls & metrics