The Future of Business Resilience

Section 1
The need to transform and build resilience

Today’s leaders understand that they need to fundamentally rethink and change how they operate. Organizations that are successful in navigating these changes have one thing in common: they are resilient.

Microsoft’s mission is to empower every person and every organization on the planet to achieve more. This means strengthening resilience across your people, teams, and organization.

Section 2
An action plan to assess and strengthen your resilience

Digital transformation is more urgent than ever. Even organizations that were further along in their digital transformation journey before the pandemic now need to move more quickly. The imperative isn’t just to transform, but to improve agility, speed to market, and stability—via adaptive rather than investment.

“"We’ve seen two years’ worth of digital transformation in two months.”
— Satya Nadella, CEO, Microsoft

FY20 Q3 Earnings Call

Build resilience and improve your bottom line

Moving forward, every organization will need to both embrace digital technology and build digital capability to be resilient and thrive in the face of change. Research shows that investments in key digital resilience levers result in aggregated cost savings of 15 to 25 percent.

Agility
40-50% faster speed to market

Productivity
20-30% higher workforce productivity

Stability
UP TO 60% fewer IT errors and less rework

Performance
12-20% additional earnings before interest and taxes

Every organization’s journey is unique

Every organization is on a journey to respond to the crisis, recover from it, and reimagine their business—and no two organizations will look alike.

Employee safety and ensuring business continuity are immediate priorities for every organization. As organizations move from the respond to the recover phase, they should focus on adjusting quickly to the new realities on the ground. Leaders should plan to make targeted investments to help transform to a new way of working.

Agility

- Empower your teams to be productive and collaborative from anywhere.
- Enable remote operations, including sales, service, and development, to ensure business continuity.
- Manage and secure access to apps, data, and devices for remote workers.

Productivity

- Tackle immediate priorities to keep employees safe and stay in business.
- Sell, service, and deliver on customer expectations in a changing environment.
- Build an agile supply chain to quickly adapt to new opportunities.
- Orchestrate the supply chain from end to end to adjust to fluctuations.
- Automate repetitive tasks to focus on what matters.

Stability

- Build resilience to bring people back to work safely.
- Sell, service, and deliver on customer expectations in a changing environment.
- Migrate to the cloud to save money and improve agility.
- Consolide data and analytics across silos to make better decisions.
- Orchestrate the supply chain from end to end to adjust to fluctuations.

Performance

- Personalize sales and service to increase conversion and satisfaction.
- Invest for sustained competitive advantage.
- Transform to a new way of working.
- Automate repetitive tasks to focus on what matters.
- Prepare to react to and respond to changes in the right market at the right time.
- Leverage insights to reveal the unknown.
- Use low- or no-code apps to rapidly build and improve processes.

Respond

- Countries and cities lock down to flatten the curve.

Recover

- Nations fight crisis and reopen at different times, but new lockdowns could happen.

Reimagine

- Vaccines and treatments become available, but uncertainty and volatility linger.
- Invest for sustained competitive advantage.
- Transform to strengthen resilience and thrive in the future.

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A three-step approach to strengthen resilience

COVID-19 has increased cost pressure on most organizations. For example, 90 percent of leaders expect stricter funding policies for their transformation. Given these constraints, as well as the need to accelerate change, leaders need to achieve more with less. Prioritization is critical and we suggest a three-step approach.

1. Where do you need to address immediate continuity imperatives?
   Tackle immediate priorities to respond to the lockdown, such as keeping employees safe and ensuring continuity in sales and operations.

2. What is your resilience ambition?
   Decide your required level of resilience based on the impact of COVID-19 on your sector and the expected amount of future digital disruption you should be prepared to address.

3. Where should you invest to build sustainable resilience?
   Assess your maturity and target state on each resilience dimension.

Assess your maturity and target state on all six resilience dimensions

For each resilience dimension, the capabilities typically seen in organizations are “exposed,” “viable,” and “future-ready.”

At a minimum, organizations should be “viable,” if not “future-ready” in each dimension and prioritize those that are “exposed.”

This is particularly true for cybersecurity and financial strength, where vulnerabilities could deeply impact an organization. Once an organization is “viable” on each dimension, it can build toward its full potential becoming “future-ready” in the dimensions needed to weather other disruptions and differentiate itself to thrive in the future.

Protect and grow the top line

Faster, identify and respond to changing customer needs and preferences, and stay relevant.

Develop agile operations

Real-time quality and manage disruptions in supply of raw materials, production, manufacturing, development, and support functions.

Enable people

Sustainable employment for employees, understanding and strengthening the employee value proposition and supporting employee development and engagement.

Accelerate data and digital platforms

Increase the reliability and availability of your IT infrastructure to enable remote work, shared knowledge, and increased agility.

Enhance cybersecurity

Safeguard digital assets and meet regulatory and compliance requirements, continuously and automatically.

Strengthen financials

Ensure financial liquidity with a strong balance sheet, robust capital preservation, and disciplined use of debt.

Business continuity and growth

Key enablers for stability and adaptability

Robustness on a foundational level

The Digital Path to Business Resilience, by Boston Consulting Group

- Limited online and remote sales
  - Marketing, using simple targeting without automation

- Develop agile operations
  - Traditional operations with little or no ability to adapt quickly to end-user requirements or disruptions.

- Enable people
  - Culture of physical presence with limited IT capabilities. People working in a reactive mode and subject to disruptions.

- Accelerate data and digital platforms
  - Legacy finance platforms and outdated data. Business and IT work in silos with low agility.

- Enhance cybersecurity
  - Cybersecurity not well-coordinated. High exposure to threats, especially in supply chain and remote work.

- Strengthen financials
  - Limited cash management leading to liquidity crises. Delays in processing and collection of payment due to lack of digitalization.

- Multi-channel offering and easy availability of multiple channels, based on direct store sales and e-commerce platforms.

- Digitally augmented operations to rapidly identify and act on changes and external signals.

- Flexible workforce able to collaborate and work in all circumstances. Use of dynamic learning models and analytics.

- Continuous and flexible technology stack based on cloud infrastructure.

- Tracking cybersecurity experts, technologies implemented by employees working remotely, and monitoring, using AI.

- Cash-offer with superior governance, mobile payments, automation and AI integrated solutions to increase speed and reduce bad debt.

- Customer journeys integrated across channels, with self-service options, automation, and gamification.

- Digitally integrated, highly automated, end-to-end solution for full visibility in every supply chain, order to delivery experience.

- IT and agile ways of working with less severe impact of disruptions and shared knowledge.

- Architecture based on application programming interfaces and cloud platform to create flexibility and agility.

- Community-based to leverage optimised capabilities and experiences that mobilise rapid response.

- Community built to leverage optimised capabilities and experiences that mobilise rapid response.

- Quick recovery planning system and fast high team of experts, rapid changes and planning.

Determine where to build best-in-class resilience to address immediate priorities to respond to the lockdown, such as keeping employees safe and ensuring continuity in sales and operations.

Once an organization is “viable” on each dimension, it can build toward its full potential becoming “future-ready” in the dimensions needed to weather other disruptions and differentiate itself to thrive in the future.

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Microsoft is uniquely suited to partner with you on your journey

Our end-to-end, integrated portfolio of cloud solutions across Microsoft 365, Dynamics 365, and Azure—together with Microsoft Power Platform—is built on a foundation of security and privacy, and helps every organization in every industry build resilience and improve the bottom line.

Integrated portfolio of solutions
End-to-end, integrated portfolio reduces need for point solutions.

- Trusted, extensible cloud platform across application infrastructure, data and AI, productivity and collaboration, and business applications.

Familiar and easy to use
Quick to deploy and adopt
- People-centered design and familiar user experience.

Built-in security
Secure, end-user productivity.
- Best-in-class intelligent protection against cybersecurity threats.

Comprehensive solutions across people, devices, apps, and data.

Differentiated value
Lower total cost of ownership.
- Reduced complexity of point solutions optimizes costs.

Capital expenditure shifted to operating expenditure.

Our solutions help you strengthen resilience across your people, teams, and organization

Investing in workforce-safety
Expanding access to digital skills is critical to a successful economic recovery.

- To help address this need, Microsoft launched a global skills initiative aimed at bringing a successful economic recovery.

- Expanding access to digital skills is critical to today's jobs.

- Learn more at aka.ms/skills.

Microsoft solutions help you quickly build key capabilities

Protect and grow the top line
Device-handoff not personified, go-to-market approach.
- Data in high-touch is more relevant when and how the market is changing.

- Accelerated deployments, automation, and personalization using real-time data.

- Cost optimization that comes with a single technology provider.

- Rapidly adapt and automate critical programs.

- Tracing to identify and end non-value-adding processes.

- Smarter, more efficient, and flexible data and digital platforms.

- High-quality and real-time data.

- End-to-end security with remote management.

- Forward-thinking control and distribution partners.

- Asset-light, operating expenditure–driven cost structure.

- Return to navigation.
"Power Apps gives us new capabilities and ways to adapt quickly ... and an incredibly fast way to innovate."

Chloe Haggis
Director, Customer Solutions

Improving employee agility

Resilience challenge:
Toyota's business units felt IT process silos from agility. They explored own work tools and to first make

Microsoft solutions used:
Employee can develop peer-to-peer apps, customize tool to their business, and automate processes through

Impact on resilience:
80% cost savings from third-party solutions

St Luke’s...

"The beauty of Microsoft tools is that they make it easy to help secure health information while empowering care teams."

David Fabian
Chief Information Security Officer

Securing healthcare communications

Resilience challenge:
St. Luke’s wanted to enhance the patient and employee experience through highly secure communications for

Microsoft solutions used:
St. Luke’s leveraged full security coverage from Microsoft’s security solutions using Microsoft 365 and Azure.

Impact on resilience:
20 to 30 percent productivity increase

The beauty of...