

Risk and Resilience

An Integrated Approach to ERM and Resilience

Oregon Public Risk Management Association
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Presented by:

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Presentation Overview

- Reframing how we look at risk and crisis management
- Gain an understanding of what resilience is and the 3 attributes, 13 key indicators and 3 cultures of organizational resilience.
- University of Oregon case study: how enterprise risk management and organizational resilience can work together.

How do we move from a reactive to proactive approach?

Maybe it is time to reconsider the disaster cycle?

The Disaster Cycle



Crisis Leadership Waves Concept

André Le Duc

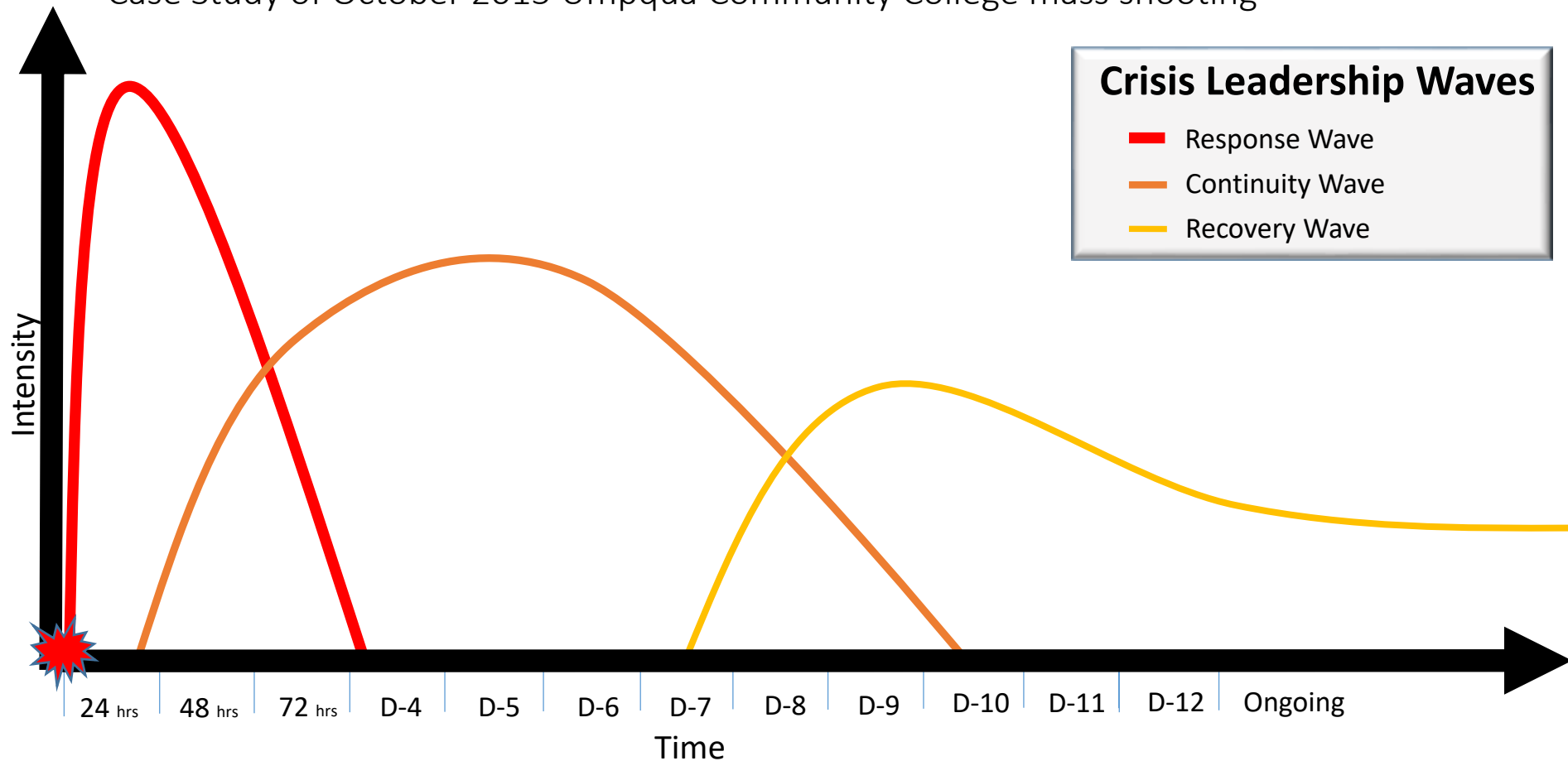
Chief Resilience Officer – University of Oregon



The Great Wave off Kanagawa - Katsushika Hokusai

Crisis Leadership Waves Concept

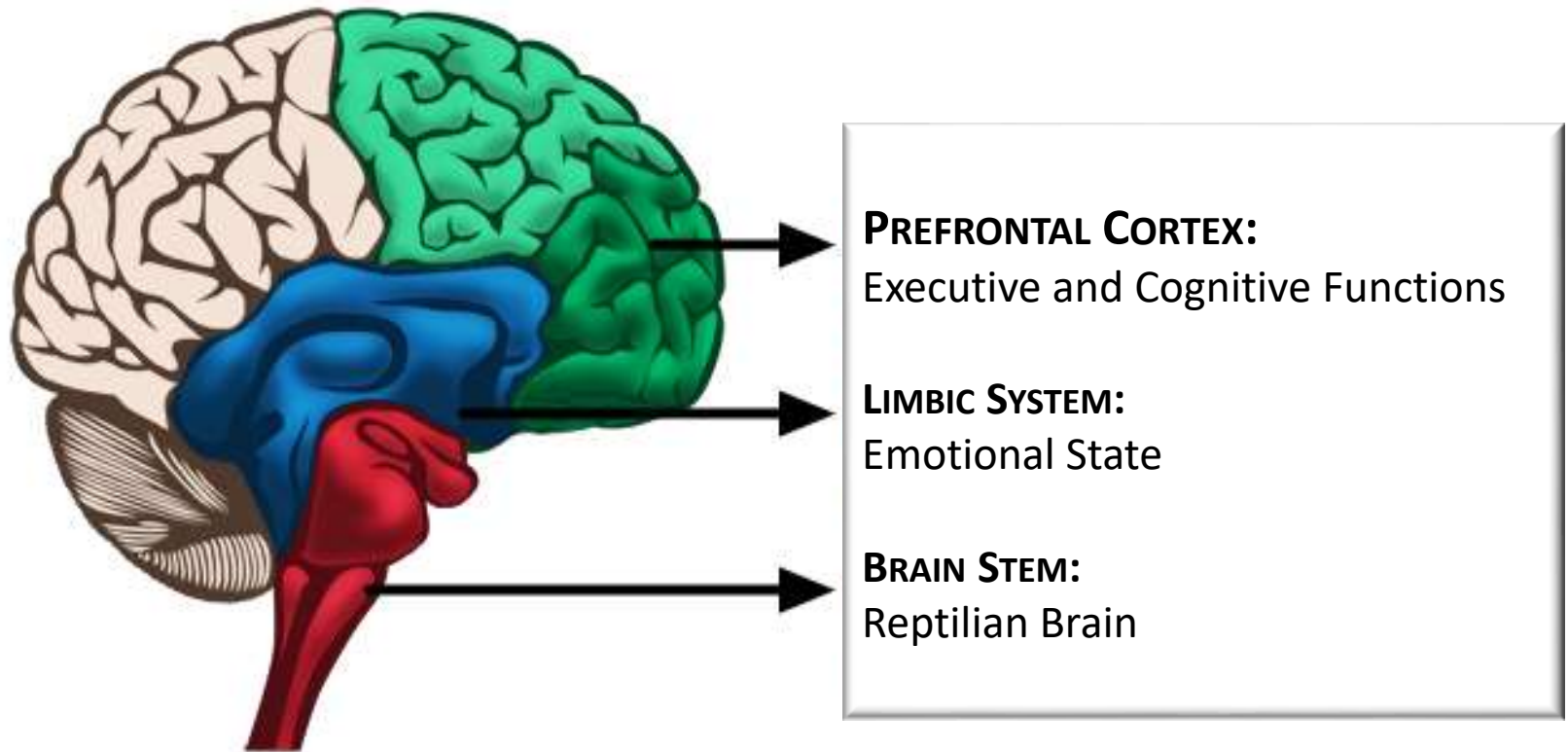
Case Study of October 2015 Umpqua Community College mass shooting



Source: André Le Duc Chief Resilience Officer and Associate Vice President, 2016

Understanding our brain and stress

Fight, Flight, or Freeze

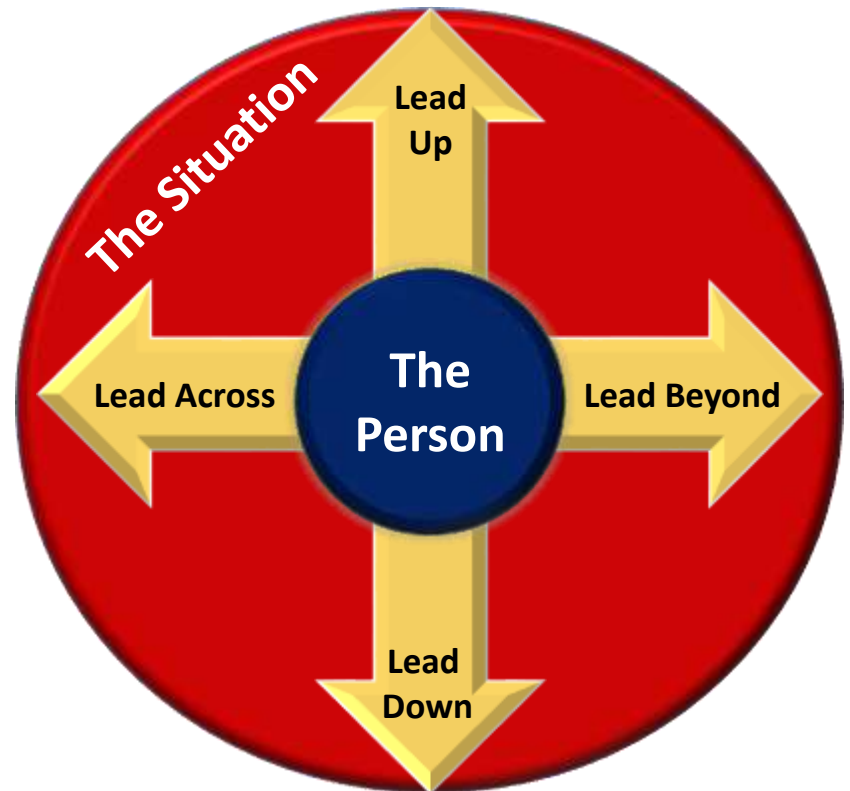


Meta-leadership during a crisis or disaster

“Meta-leaders...seek to influence and activate change well above and beyond established lines of their decision-making and control.”

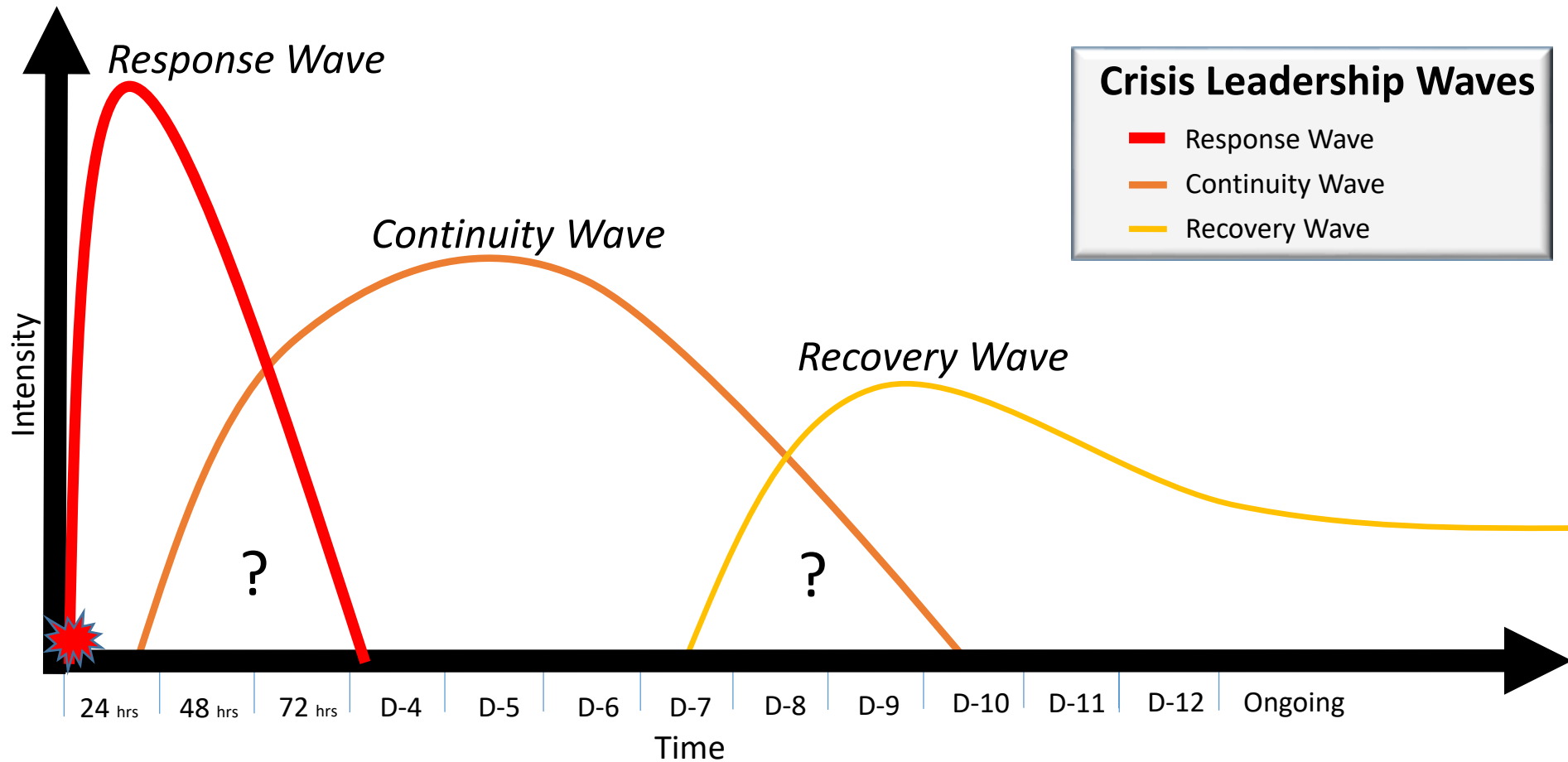
“These leaders are driven by a purpose broader than that prescribed by their formal roles, and are therefore motivated and capable of acting in ways that transcend usual organizational confines.”

THE DIMENSIONS OF META-LEADERSHIP



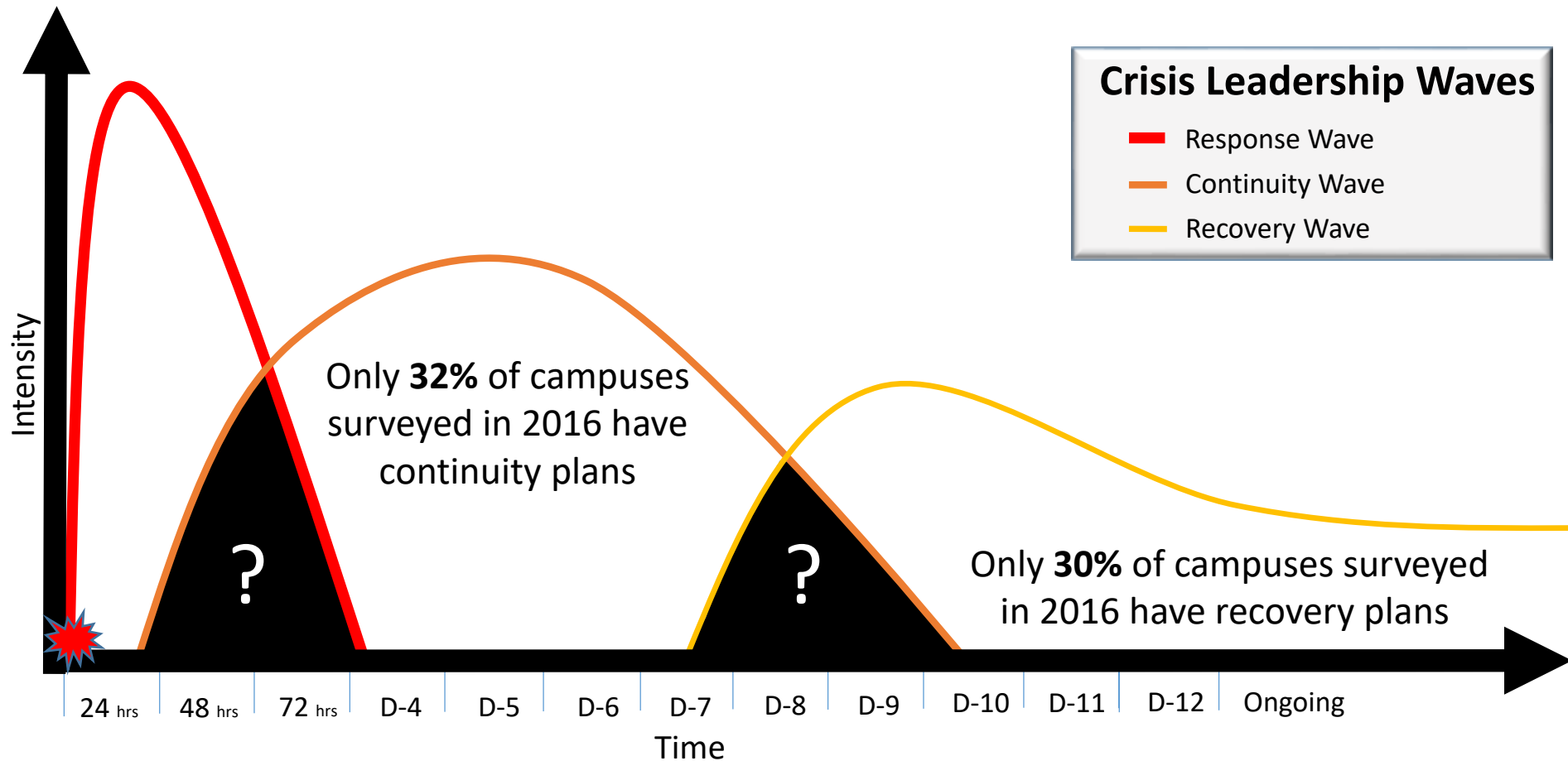
Source: Marcus, L.J., Ashkenazi, I., Dorn, B., and Henderson, J. (Spring/Summer 2008). Meta-Leadership: Expanding the Scope and Scale of Public Health. *Leadership in Public Health*, 8 (1&2)

Wave successions and transitions



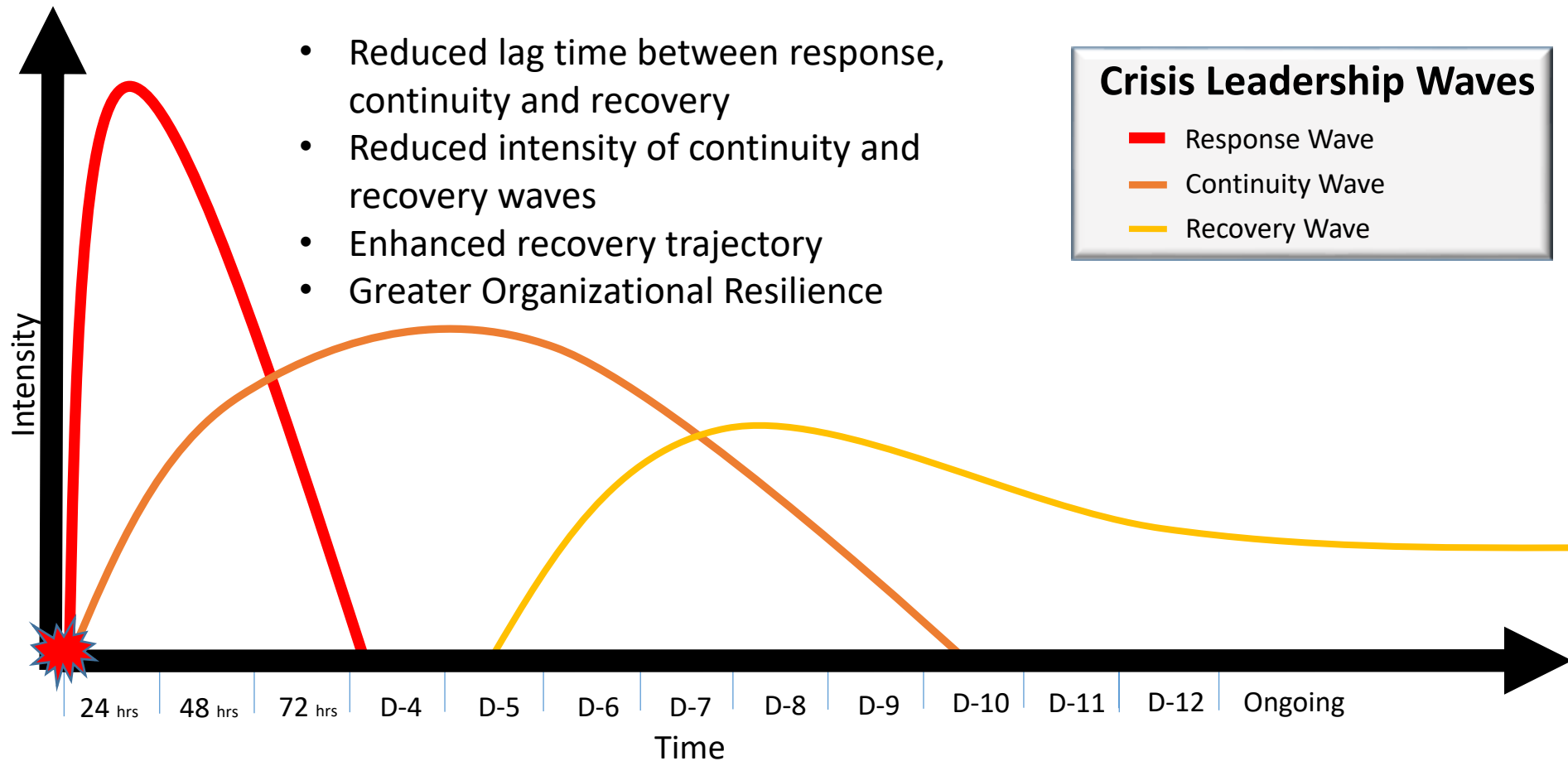
Source: André Le Duc Chief Resilience Officer and Associate Vice President, 2016

Do you have a plan for transitions?



Source: André Le Duc Chief Resilience Officer and Associate Vice President, 2016

Optimized Crisis Leadership Waves



Source: André Le Duc Chief Resilience Officer and Associate Vice President, 2016

How do we move from risk response to resilience?

The art of being ready for anything

Why Resilience?

We live in a VUCA world!

VOLATILE

The environment demands you react quickly to ongoing changes that are unpredictable and out of your control

UNCERTAIN

The environment requires you to take action without certainty

COMPLEX

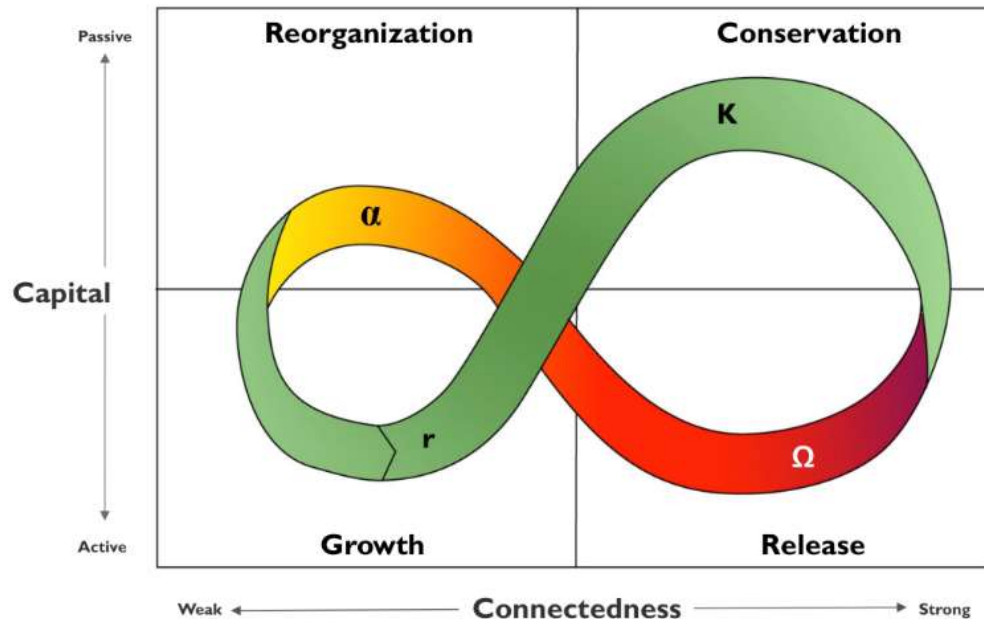
The environment is dynamic, with many interdependencies

AMBIGUOUS

The environment is unfamiliar outside of your experience

Concept of Resilience

Cycle of adaptive change



Source: Holling, 1987

(willddrake.wordpress.com)

Originally conceived as a way to think about ecosystems and the dynamic processes that occur within a system.

Adaptive Change!

Challenge of Change

Change is mandatory for
extraordinary results.



Credit: Getty Images

What is Organizational Resilience?

“A resilient organization is one that is still able to achieve its core objectives in the face of adversity.”

*“This means not only reducing the size and frequency of crises (**vulnerability**), but also improving the ability and speed of the organization to manage crises effectively (**adaptive capacity**).”*

*“To effectively manage crises, organizations also need to recognize and evolve in response to the complex system within which the organization operates (**situation awareness**) and to seek out new opportunities even in times of crisis.”*

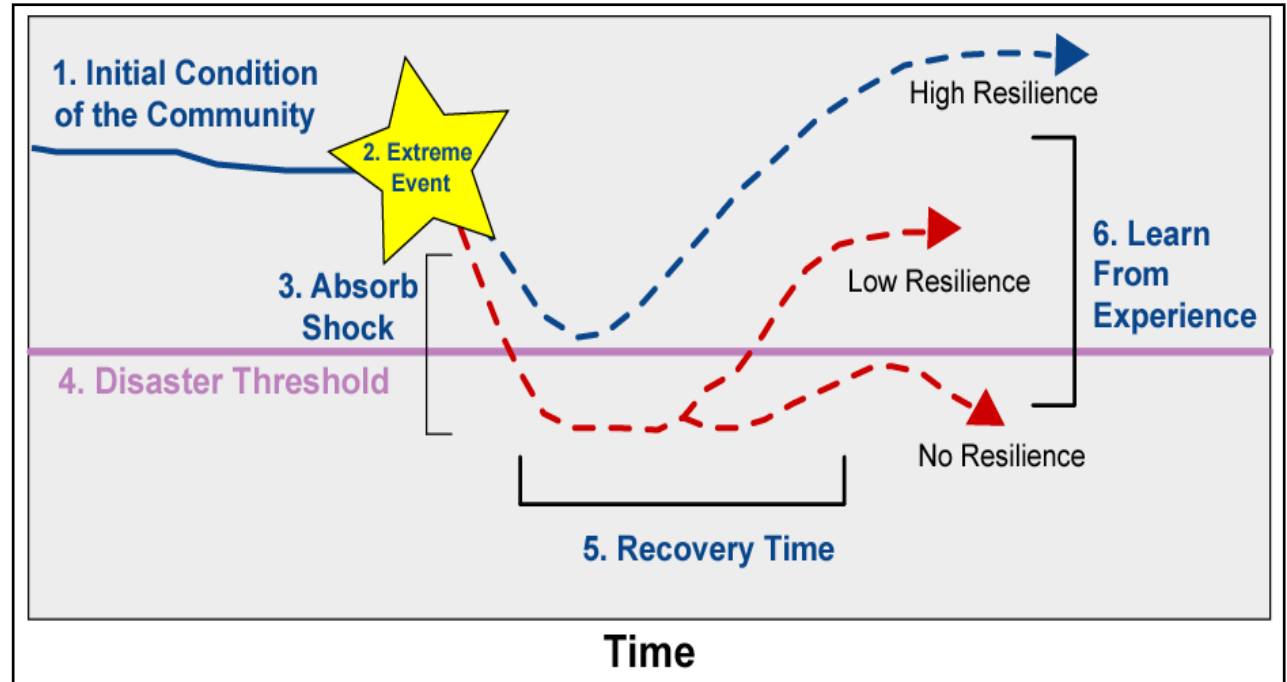
Building a
Culture of
Resilience

***Trust based
Innovative
Learning
Collaborative
Adaptive
Agile***



UNIVERSITY OF
OREGON

Graphing Resilience

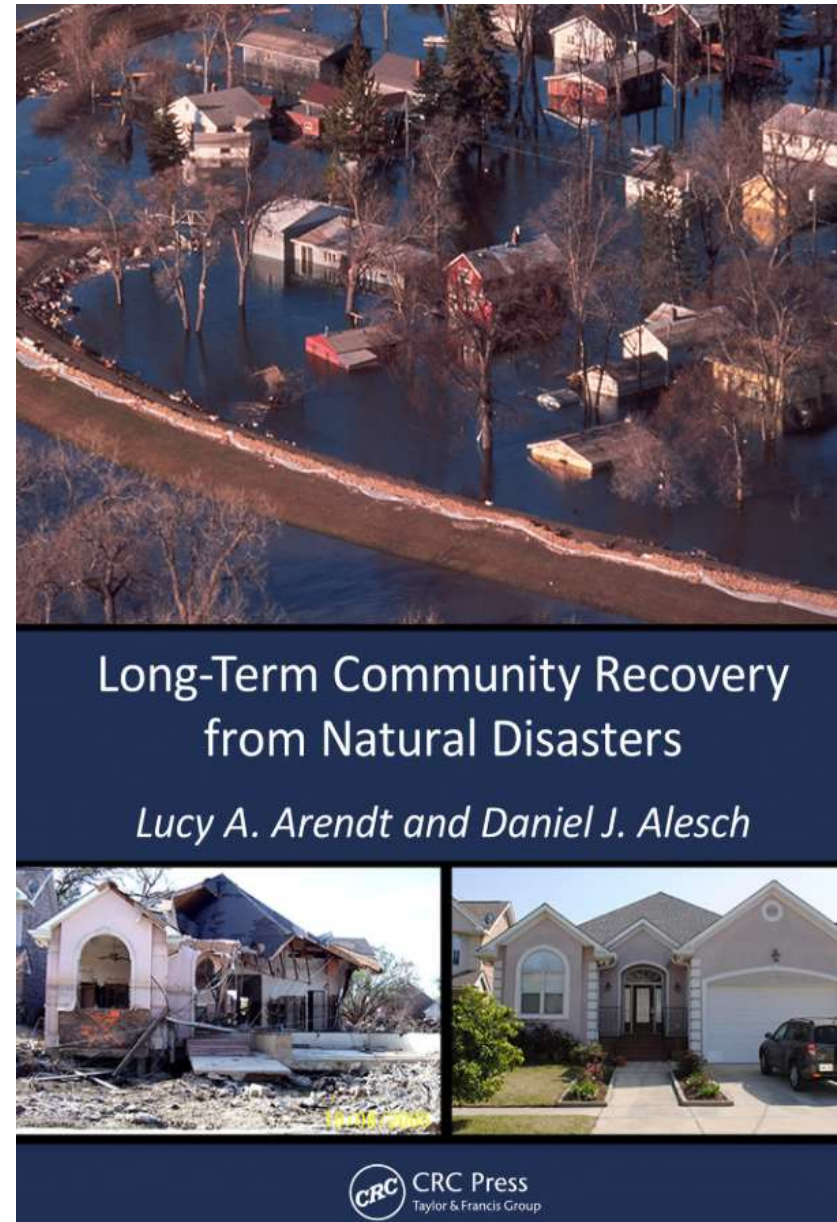


Source: USGS- University of Oregon Research Collaboration, 2006)

1. Initial condition
2. Extreme event
3. System shock

4. Disaster threshold
5. Recovery time
6. Lessons learned

How do we address
the reality that
communities are
complex, open, self
organizing social
systems that change
through time?



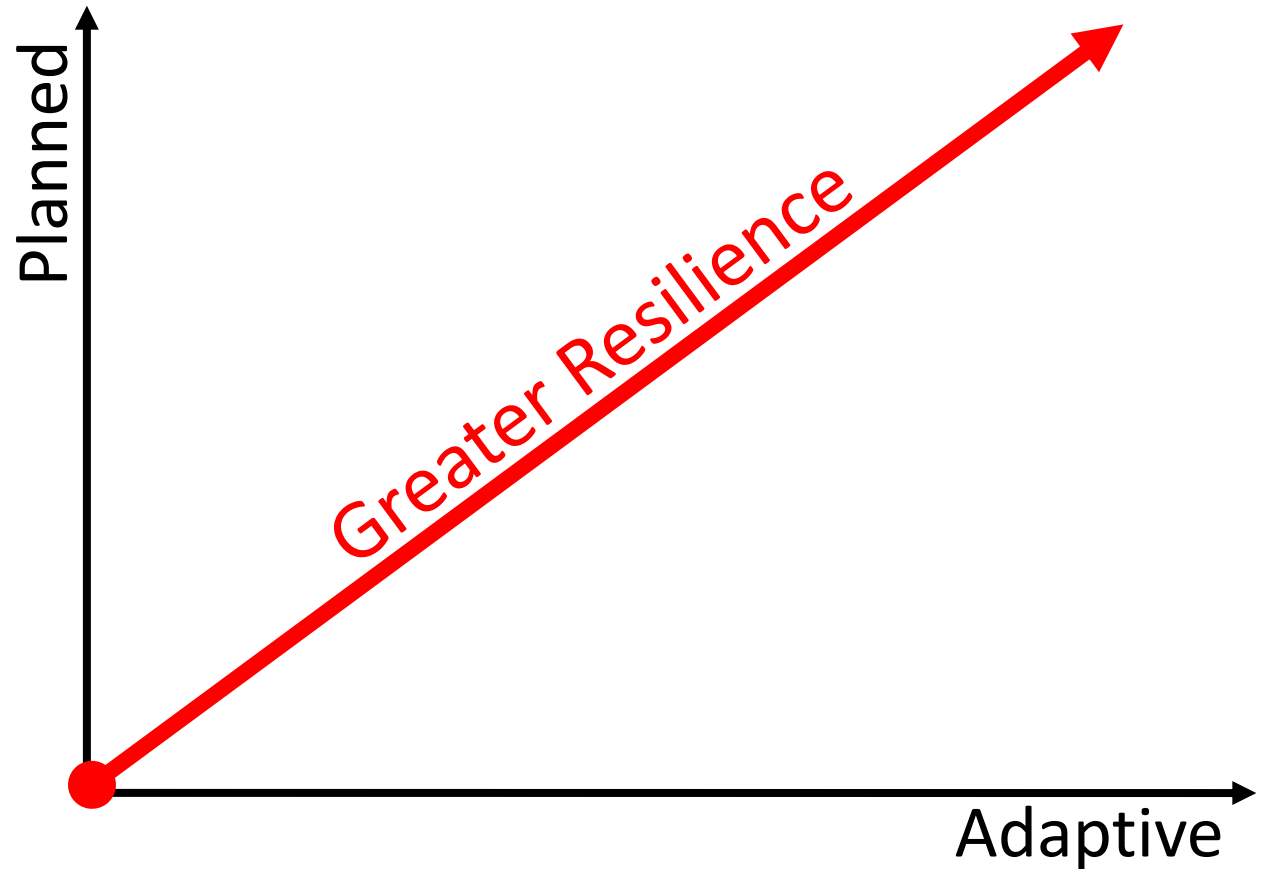
“Plans are worthless, but planning is everything.”

- Dwight D. Eisenhower



Planning
And
Resilience

Planning and Adaptive Capabilities



A resilient organization has the ability to **survive** a disaster and **thrive** in a volatile and uncertain world



Resilient 
ORGANISATIONS

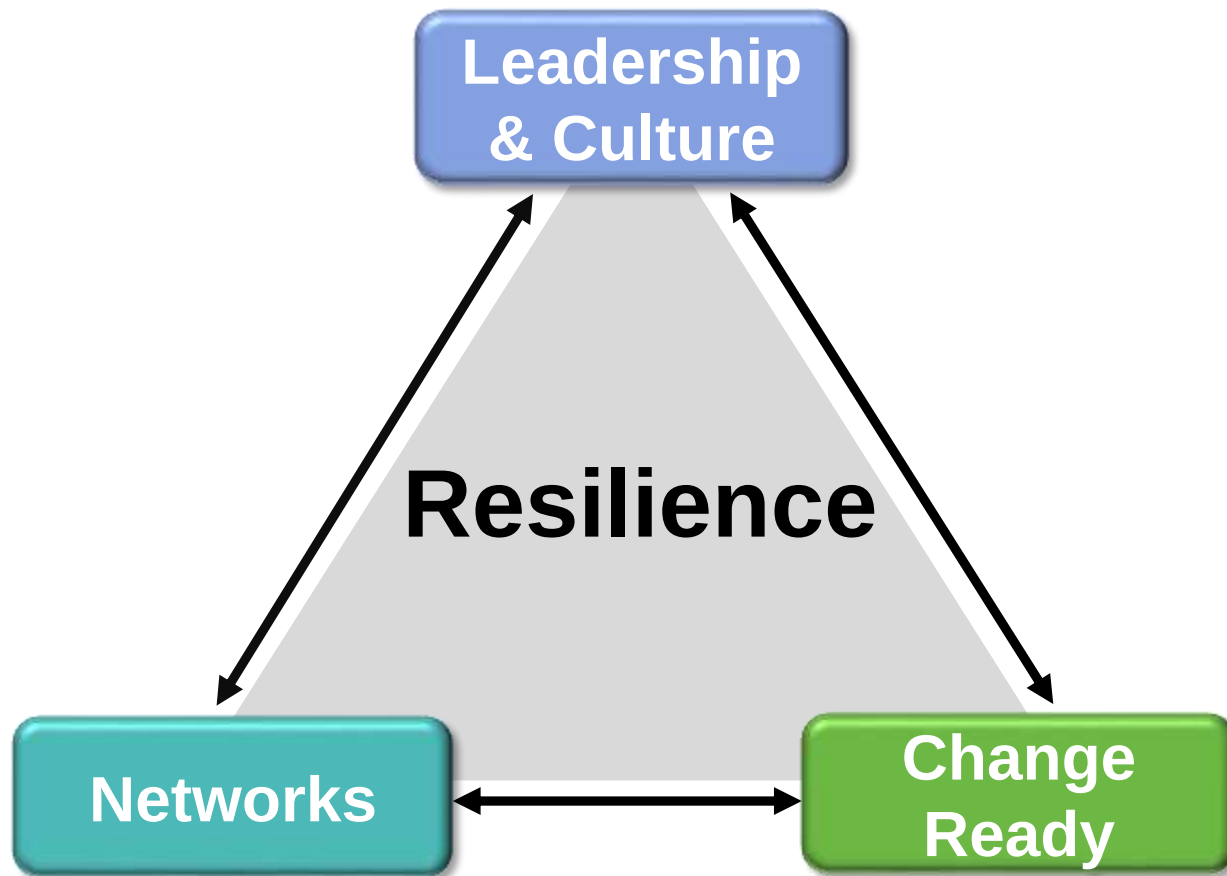
www.resorgs.org.nz

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Resilience Organized!

3	Attributes
13	Indicators
3	Cultures

Attributes of Resilience



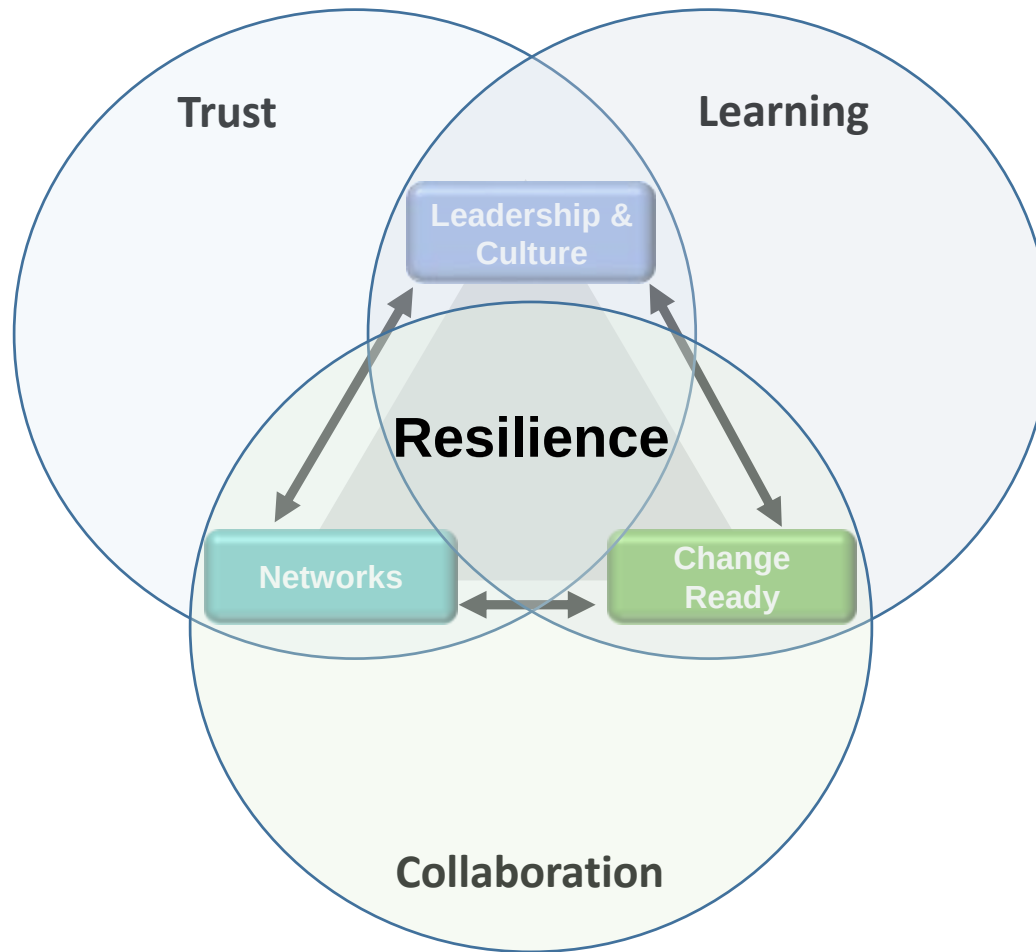
Indicators of Resilience



Some indicators are more impactful



Cultures of Resilience



Leadership

Strong crisis leadership to provide good management and decision making during times of crisis, as well as continuous evaluation of strategies and work programs against organizational goals.

Strategic Enterprise Risk Management and Compliance Committee (SERMC)



UO Incident Management Team



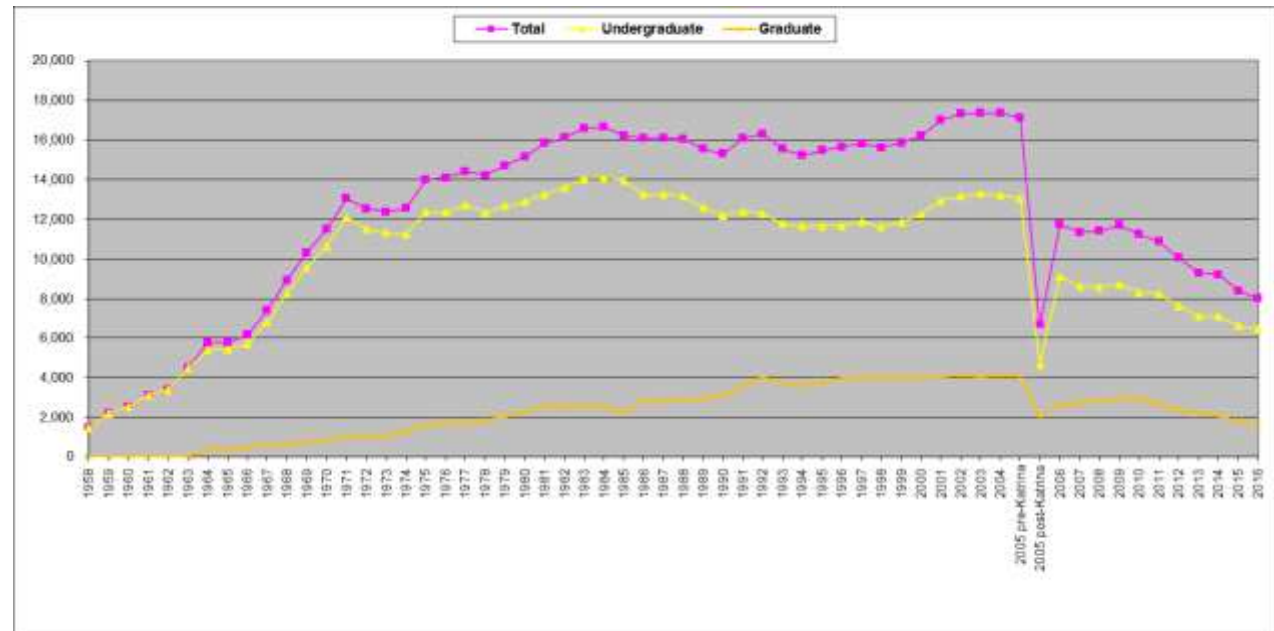
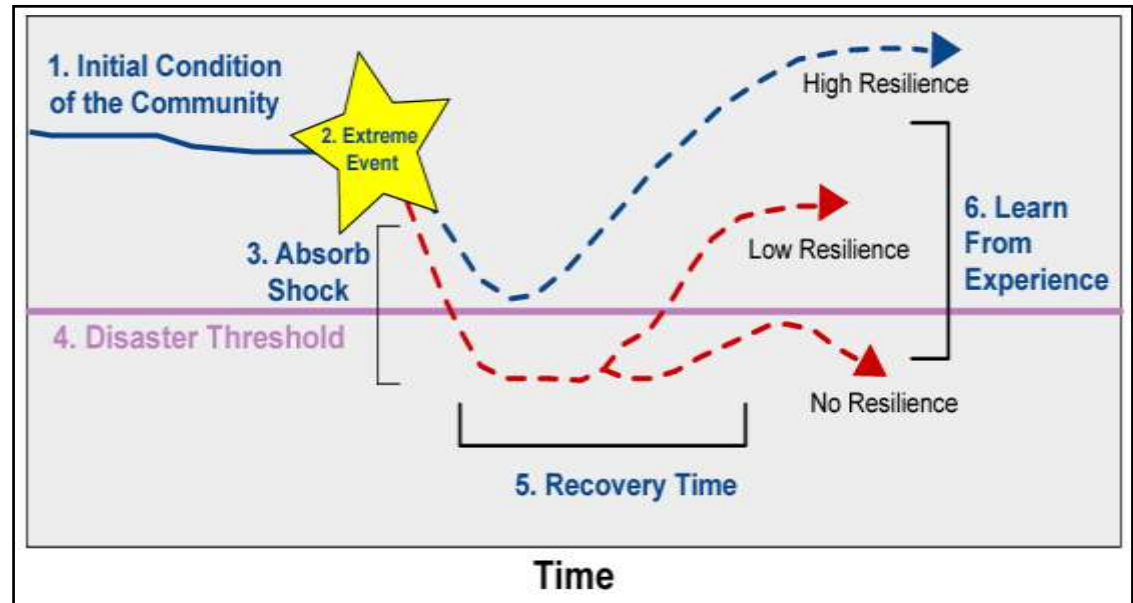
Leadership

Setting the
Values and
Tone



Situation Awareness

Focus on the important things



Effective Partnerships

to link,
align and
leverage
limited
resources



Disaster Resilient Universities DRU Network®

1. Promote the open sharing of information and resources held collectively by the professions, practitioners, institutions, and organizations represented on the DRU Network.
2. Create and maintain simple peer-to-peer networks and partnerships intended to link, leverage and align members collective knowledge, skills, and expertise to advance campus organizational resilience initiatives.
3. Cultivate innovative and collaborative projects, partnerships, and resource development opportunities for the DRU Network members.

Effective Partnerships

to link,
align and
leverage
limited
resources



Why is the DRU Network unique?

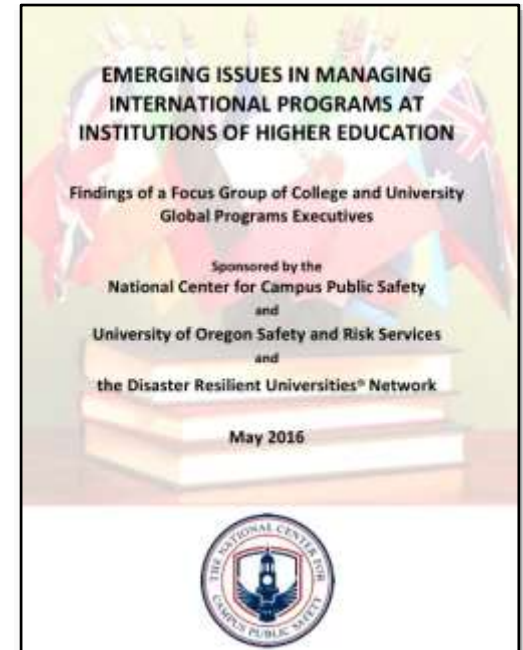
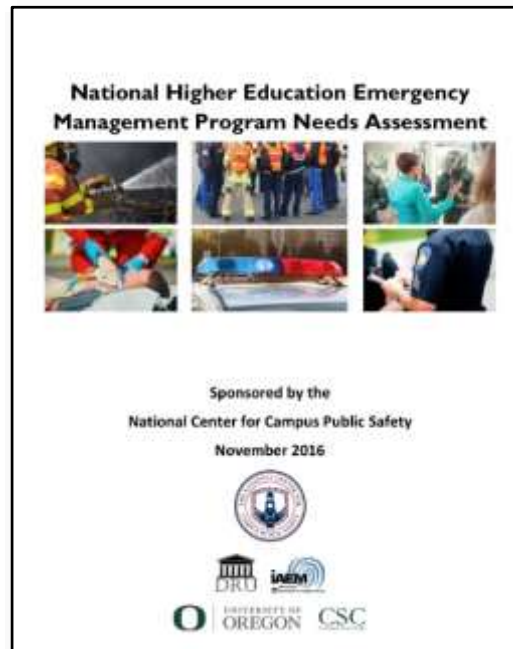
- Serves as a **Peer-to-Peer** network providing practitioners a simple multidisciplinary online platform to leverage the diverse knowledge, expertise, and resources of the members.
- Promotes an **open innovation concepts** approach to problem-solving
 - e.g., relying on a more distributed, participatory, decentralized approach to innovative collaborative problem-solving.
- Run on **volunteers, service learning** and **partnerships**.
- Operates with **no budget**.

Effective Partnerships

to link,
align and
leverage
limited
resources



DRU Network products and resources



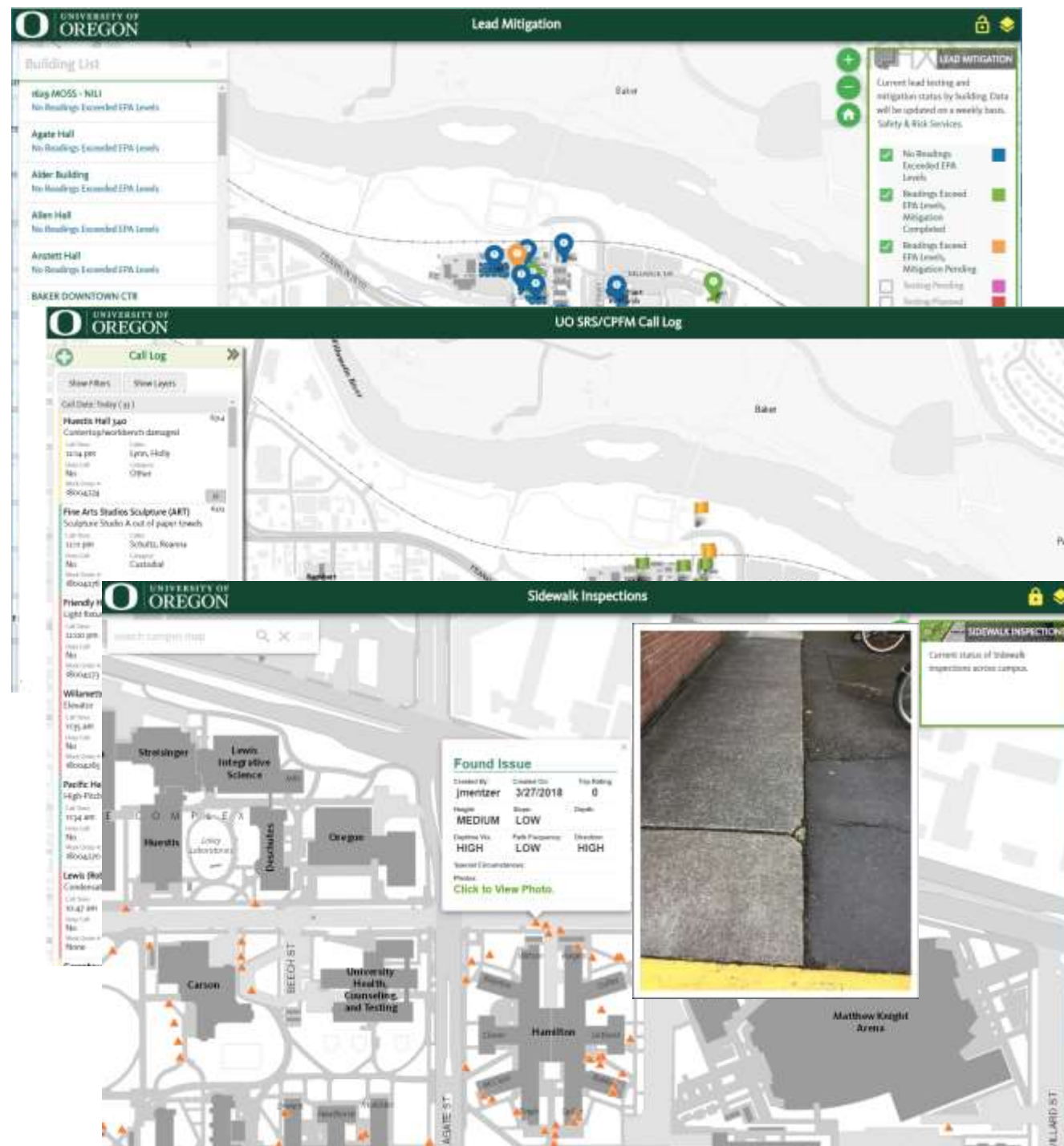
Silos

Working as
a team with
unity of
purpose



Innovation & Creativity

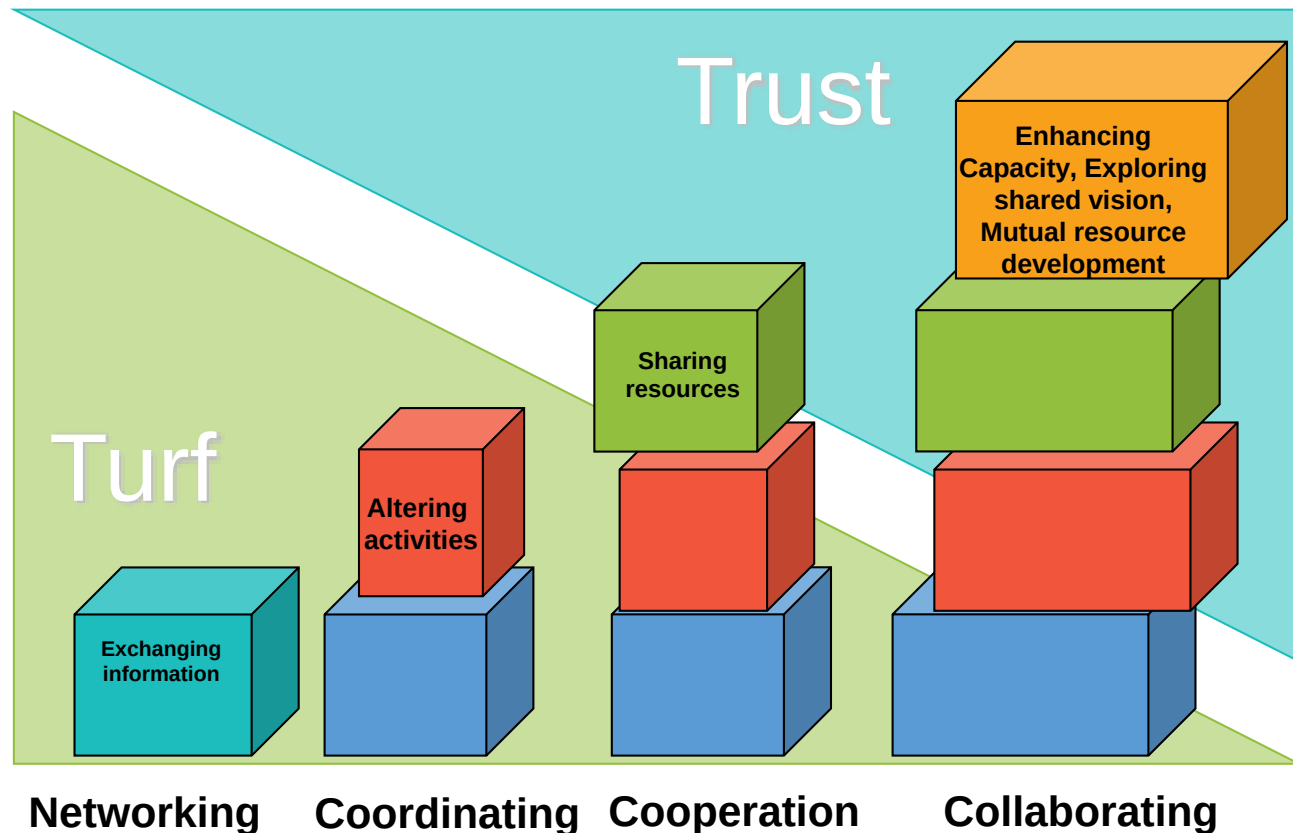
Willing and open to finding new and innovative ways to solve problems



Trust

Supporting
others to
contribute

Understanding Collaborative Behavior



Adapted from Collaboration Continuum from ACT for Youth

Bounce Forward

Embrace the change



Resilience Diagnosis Tools



Benchmark Resilience Tool

- Developed and refined over nearly a decade at University of Canterbury in New Zealand
- The data collection tool and findings are robust and benefit both large and small organizations
- A combination of an organization-wide survey and subsequent focused discussions with subsets of the organization's population

Part one: Survey

Decision making

Staff have the appropriate authority to make decisions related to their work, and authority is clearly delegated to enable a crisis response. Highly skilled staff are involved, or are able to make decisions where their specific knowledge adds significant value or where their involvement will aid implementation.

* 23. To what extent do you agree or disagree with the following statements for your organisation?

	Strongly disagree							Strongly agree	Don't know
	☹	-----	-----	-----	-----	-----	-----	☺	
Should problems occur, staff have direct access to someone with authority to make decisions.	☐	☐	☐	☐	☐	☐	☐	☐	☐
We can make tough decisions quickly.	☐	☐	☐	☐	☐	☐	☐	☐	☐
In our organisation, the most qualified people make decisions, regardless of seniority.	☐	☐	☐	☐	☐	☐	☐	☐	☐

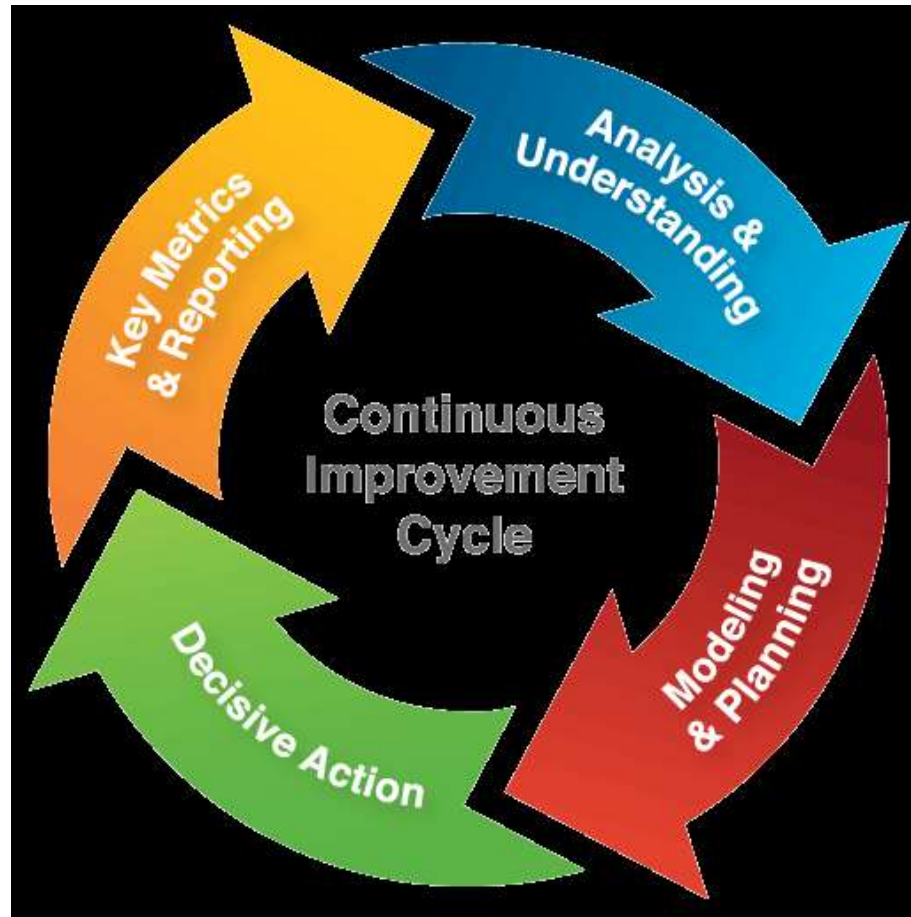
Part two: Workshop

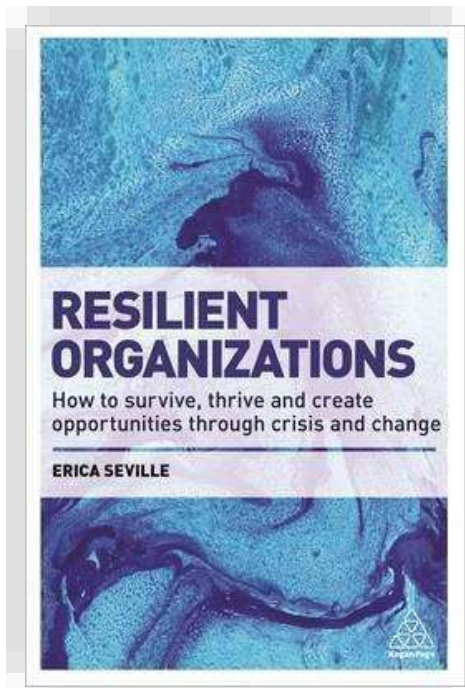


Outputs: Where are we now



Outputs: Where do we go next





What do you think the greatest risk/threat is to your organizations or community?



Is your organization change ready?

University of Oregon

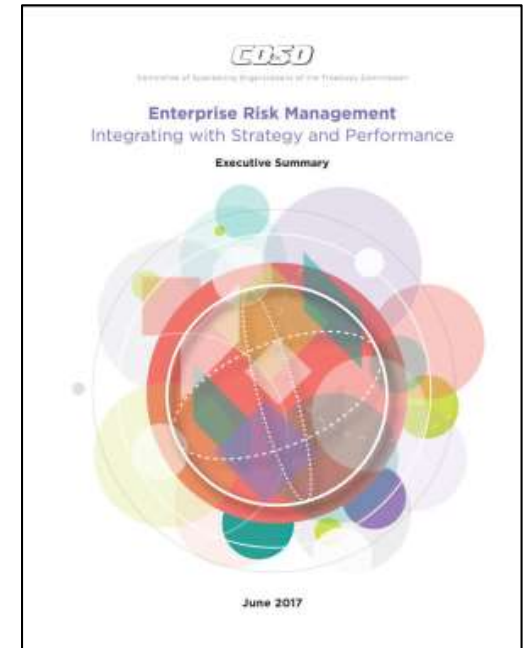
Enterprise Risk Management and Organizational Resilience Model

Helping the UO plan for the best, mitigate the worst, and not only survive a disaster, but thrive in the face of adversity!

Enterprise Risk Management Defined

"The culture, capabilities, and practices, integrated with strategy-setting and performance, that organizations rely on to manage risk in creating, preserving, and realizing value."

...Over the longer term, enterprise risk management can also enhance enterprise resilience—the ability to anticipate and respond to change."



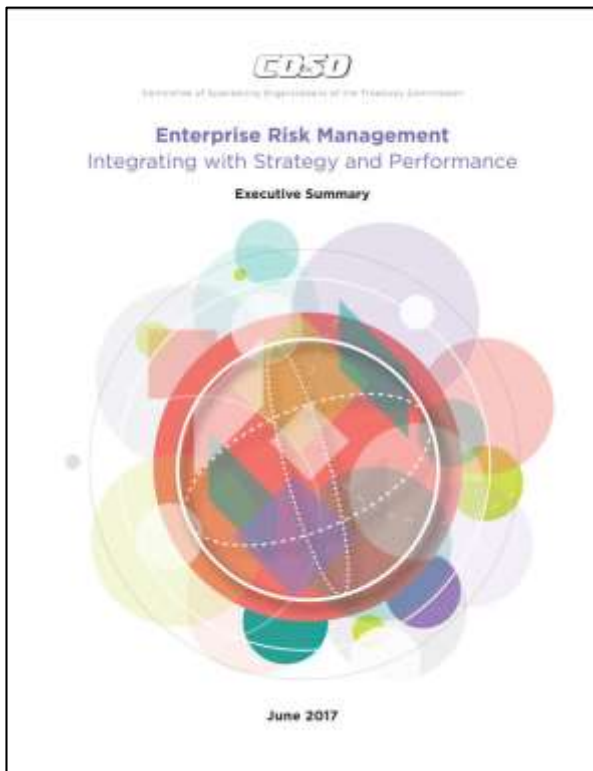
Committee on Sponsoring
Organizations of the Treadway
Commission (COSO)

Enterprise Risk Management: A Focused Framework

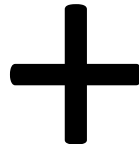


Source: Enterprise Risk Management Integrating with Strategy and Performance Committee of Sponsoring Organizations of the Treadway Commission (COSO) June, 2017

Enterprise Risk Management & Organizational Resilience



Committee on Sponsoring
Organizations of the Treadway
Commission (COSO)



Resilient
ORGANISATIONS

The benefits of blending ERM and Organizational Resilience

- Identifies and allows leadership to manage and monitor multiple cross-enterprise vulnerabilities, risk exposures and capacities.
- Increases situational awareness and reduces operational surprises and losses
- Improves decision-making, adaptive capacities, and risk response
- Aligns strategy with operational capacity and risk appetite
- Improves deployment of limited resources - both human and financial
- Enhances organizational resilience at multiple levels of University



University of Oregon: Strategic Enterprise Risk Management and Compliance Committee

Committee charge, membership, and structure

Strategic Enterprise Risk Management and Compliance Committee (SERMC)

Committee charge from the President:

1. Develop tools and processes to actively identify, evaluate, and manage university risks
2. Ensure that systems and processes are in place to provide accountability for compliance with University's legal and policy obligations
3. Encourage communications, problem-solving, and collaboration across divisions, units, and departments

Committee Members

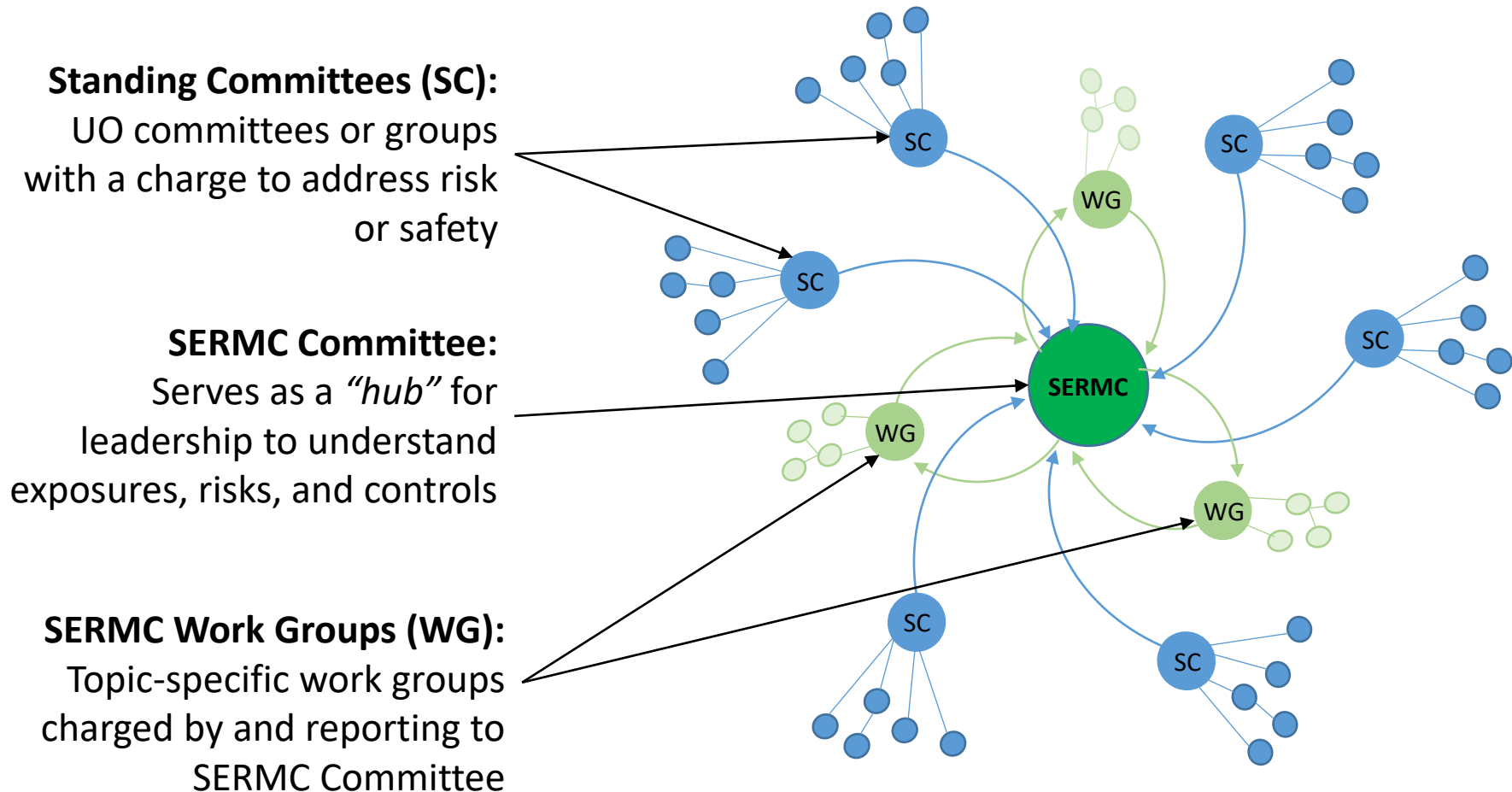
- Vice President, Finance and Administration and Chief Financial Officer
- Vice President for Research and Innovation
- Vice President for Student Life
- Vice President for Student Services and Enrollment Management
- Vice President for University Communications
- Vice President for University Advancement
- Vice President and General Counsel to the University
- Vice President for Equity and Inclusion
- Executive Vice Provost for Operations
- Vice Provost for Information Services and Chief Information Officer
- Chief Resilience Officer and Associate Vice President for Safety and Risk Services
- Chief Human Resources Officer and Associate Vice President for Human Resources
- Chief Auditor
- Associate Vice President for Business Affairs and University Controller
- Senior Associate Vice President for Research and Innovation
- Director of Intercollegiate Athletics

Committee Operational Process

- Committee meets monthly to review:
 - Strategic, enterprise-wide, and cross-unit risks
 - Compliance, operational, and financial risks
- Brief each other on emerging exposures and/or mitigation efforts
- Receive updates from standing committees and work groups
- Prioritize risk exposures, discuss risk tolerance, and actively monitor the University's risk exposure matrix

SERMC Network Approach

Link, Align, and Leverage



Examples of Standing Committees and Teams connected to SERMC

- Behavioral Evaluation and Threat Assessment Team
- Campus Vulnerability Assessment Team
- Data Security Incident Response Team
- Incident Management Team
- Integrated Claims Management Team
- Institutional Biosafety Committee
- Laboratory Safety Committee
- Laser Safety Committee
- Radiation Safety Committee
- Safety Advisory Committee

Examples of current cross-disciplinary SERMC Work Groups

- Export Control Laws and Compliance
- Electronic System for Research Compliance and Administration
- Business Operations Abroad
- Technology Accessibility
- Special Events on Campus
- Sidewalk Hazard (e.g., slips, trips, and falls) Mitigation



Source: <http://strategicdoing.net/>

Strategic Doing: A tool for building collaboration & trust



Vulnerability, Exposure, and Risk Assessment Overview

“Every choice we make in the pursuit of objectives has its risks. From day-to-day operational decisions to the fundamental trade-offs in the boardroom, dealing with risk in these choices is a part of decision-making.”

Committee of Sponsoring Organizations of the Treadway Commission (COSO)
Enterprise Risk Management Integrating with Strategy and Performance, June, 2017

EXCELLENCE IN RISK MANAGEMENT XIII

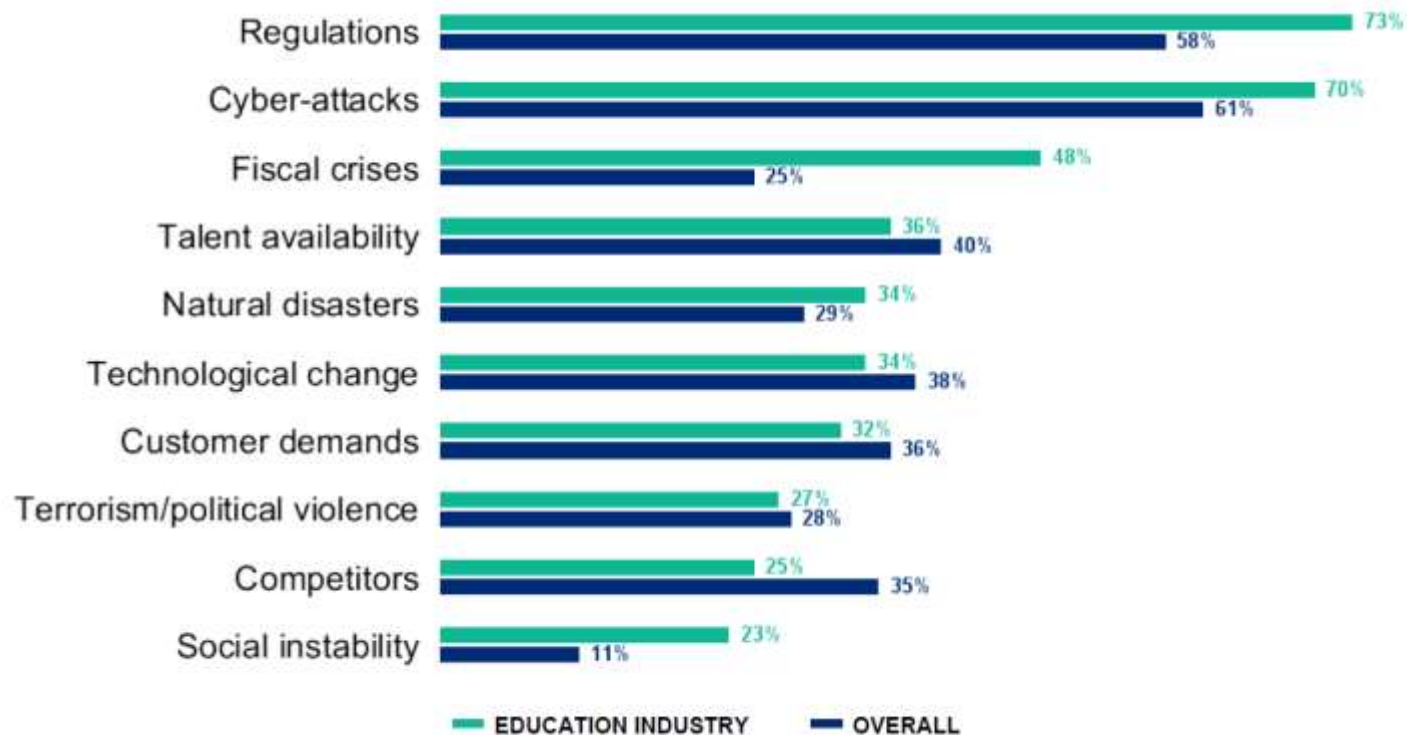
Emerging Risks: Anticipating Threats and Opportunities Around the Corner

EDUCATION



Emergence of Critical Risks for the Education Industry

From which of the areas listed below do you think the next critical risks for your organization will emerge?



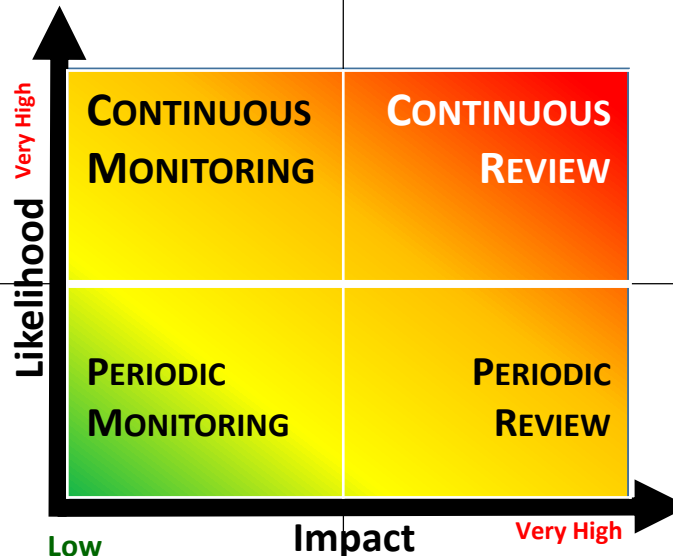
Source: 2016 Marsh Report titled Emerging Risks: Anticipating Threats and Opportunities Around the Corner

Building a dynamic, agile and collaborative risk matrix

Risk management is a shared responsibility and requires simple, yet dynamic and agile tools to help leadership see the big picture and make sound decisions in an uncertain world.

Quadrant Risk Exposure Map Defined

Conditions or risk exposures that have a **Very High** / **High** likelihood of occurring but have the potential for a **Moderate** / **Low** impact on the University's ability to achieve its mission and require ***Continuous Monitoring*** and actions to reduce exposures.



Conditions or risk exposures that have a **High** / **Very High** likelihood of occurring and also have potential **High** / **Very High** impact on the University's ability to achieve its mission and require ***Continuous Review*** and actions in reduce exposures.

Conditions or risk exposures that have the a **Low** / **Moderate** likelihood and potential to have a **Low** / **Moderate** impact on the University's ability to achieve its mission and require ***Periodic Monitoring*** and actions to reduce exposures.

Conditions or risk exposures that have a **Low** / **Moderate** likelihood of occurring but the potential for a **High** / **Very High** impact on the University's ability to achieve its mission and require ***Periodic Review*** and actions to reduce exposures.

Establishing the University Risk Exposure Matrix

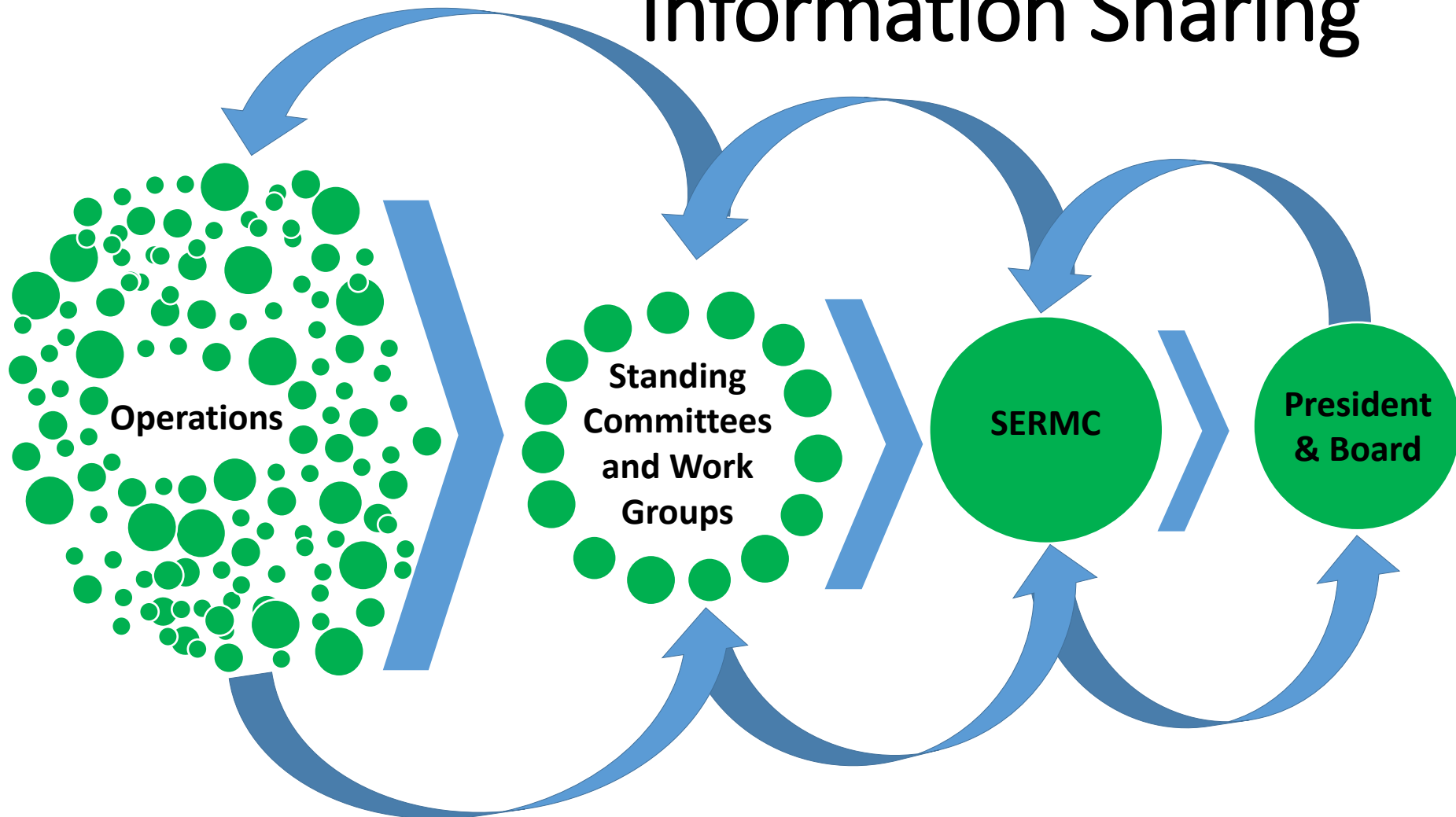
Risk Exposure Overview

- Exposure Description
- Potential Risk Impact
- Risk Likelihood
- Relative Risk Exposure Score
- Residual Risk Exposure Score

Risk Exposure Tracking

- Risk Steward (or owner)
- Accountable Parties
- Campus Partners
- Controls / Mitigation Summary
- Controls / Mitigation Effectiveness Rating
- Residual Risk Rating

Risk Exposure Assessment and Information Sharing



*The risk exposure cards provide the University's management and leadership a summary of a potential exposure, condition, or event that could impact the University's **mission** or **strategic objectives**.*

The cards also identify who is responsible for monitoring the potential exposure, as well as any policies, plans, and mitigation actions intended to reduce the University's exposure to the condition or event.

UO Risk Exposure Card

Row 32

Risks and Sub-Risks	Communicable Diseases Outbreak
Description	Communicable diseases can be transmitted in a variety of ways including inhalation of infectious droplets or airborne infectious organisms produced by coughing, direct exposure to infectious organisms, secretions through close personal contact with an infected person, ingestion of contaminated foods, and contact with inanimate objects contaminated by infectious materials.
Potential Exposures	Potential exposures include: illness and fatalities to faculty, staff and students; administrative, teaching and research disruption due to staff shortages; and travel bans internationally due to illness abroad with the potential to impact university business
Risk Impact	Moderate
Risk Likelihood	Moderate
Risk Rating	●
Mitigation Effectiveness Rating	2
Risk Exposure Rating	Periodic Monitoring
UO Risk Owner	Chief Resilience Officer
Accountable Department / Position	UO Incident Management Team Environmental Health & Safety Emergency Management and Continuity Health Center
Campus Partners	Registrar's Office, University Communications, Student Life
Mitigation Summary	2016 - Updated meningitis response protocol based on 2015-2016 outbreak 2016 - Established a model program for mass vaccine distribution during meningitis outbreak that can be applied to other types of outbreaks 2016 - Recommend that incoming students receive the Meningitis B vaccination
Relevant Plan, Policies and Procedures	Emergency Operations Plan Communicable Disease Plan

Likelihood

CONTINUOUS MONITORING

Examples of Exposures, Conditions or Events:

- *Prevention and Response – Sexual Assault*
- *Regulatory Compliance – Research*
- *Civil Unrest – Demonstrations and Protests on campus*
- *Student Admissions and Retention*
- *Federal Funding Dependence*

CONTINUOUS REVIEW

Top Exposures, Conditions or Events

- *Tuition Dependency*
- *Facilities and Infrastructure*
- *Information Technology Infrastructure*
- *Cyber Security*

PERIODIC MONITORING

Examples of Exposures, Conditions or Events:

- *Int'l Programs – Safety and Support*
- *Athletics Regulatory Compliance*
- *External Relations – Community, State, and Donor Relations*
- *Prevention and Response – Communicable Diseases Outbreak*
- *Building Safety and Security*

PERIODIC REVIEW

Examples of Exposures, Conditions or Events:

- *Response and Recovery – Earthquake*
- *Research and Lab Safety*
- *Academic Quality*
- *Emergency Response Plans*
- *Crisis Communications Plan*

Impact

SERMC Work Groups: From Risk Identification to Action

- Contract Insurance Waivers
- Export Control Laws and Compliance
- Sidewalk Hazard (e.g., slips, trips, and falls) Mitigation
- Business Operations Abroad
- Nighttime Safety and Violence Prevention
- Enterprise Training Systems
- Technology Accessibility



Source: <http://strategicdoing.net/>



Questions

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Disaster Resilient Universities (DRU) Network®

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