

Pathfinder



Change
for good.



Strategy | Change | Execution | Digital
Dublin | Edinburgh

Gary O'Sullivan
IOW Conference
9th September 2016

Building Resilient Capability

'Resilience in people, business and the extended value chain is central to the ongoing development and success of people, business and markets'

An original thought, 09/09/2016

Resilience matters

'the lack of understanding of what it is and its importance is often lost on us'

'poor resilience costs us more money that we can count'

'it is an central to taking care of customers, particularly when they most need us'

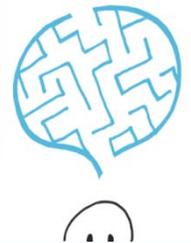
'And it will benefit you personally and your bottom line'

'So lets see if you agree'



What I am going to cover in the next 24 minutes

1. What is resilient capability and why is it important?
2. What is the problem with resilience?
3. Why is it an issue for everyone?
4. What you can do about it?
5. What happens if you do?



Firstly, what is it?

building

/ˈbɪldɪŋ/ 

noun

1. a structure with a roof and walls, such as a house or factory.
synonyms: structure, construction, edifice, erection, pile; More
2. the action or trade of constructing something.
"the building of motorways"
synonyms: construction, erection, putting up, raising, establishment, fabrication, production, assembly
"a moratorium on the building of new power stations"

 Translations, word origin, and more definitions

resilient

/rɪˈzɪliənt/ 

adjective

1. (of a substance or object) able to recoil or spring back into shape after bending, stretching, or being compressed.
"a shoe with resilient cushioning"
synonyms: flexible, pliable, pliant, supple, plastic, elastic, springy, rubbery; More
2. (of a person or animal) able to withstand or recover quickly from difficult conditions.
"babies are generally far more resilient than new parents realize"
synonyms: strong, tough, hardy; More

 Translations, word origin, and more definitions

capability

/keɪpəˈbɪlɪti/ 

noun

- the power or ability to do something.
"he had an intuitive capability of bringing the best out in people"
synonyms: ability, capacity, power, potential, potentiality; More
- the extent of someone's or something's ability.
plural noun: **capabilities**
"the job is beyond my capabilities"
 - a facility on a computer for performing a specified task.
"a graphics capability"

 Translations, word origin, and more definitions

'construct, ability, recover'



Resilience, several dimensions are relevant here

This is not about prevention, it is about our ability to recover

In Life

Dealing with change or loss is an inevitable part of life. What can happen will happen

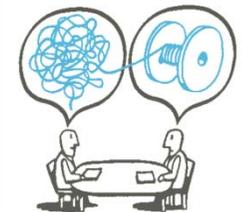
In Business

Plans and forecasts are just that; why when they don't come true, do we treat them as if they were true in the first instance

In Value Chain

Requirements are specified clearly and written down; why is it then, when more than one party is involved, break-downs occur

'A Possible Paradox; the more we prevent and legislate for, the less practice we have in recovering from unexpected events with significant impacts; does this result in a worse or better outcome overall for all involved'



Resilient Capability

Starting point is to accept that nothing is certain, use this as the base to design from

In Life

It always happens to someone else, until it happens near us, then we are reminded

'Can we ever be certain of what is in store'

In Business

Strategy, diversification, wide range of products & services, finance/risk management

'all designed to convince ourselves we are in control'

In Value Chain

Strategic arrangement, supplier agreements, vendor management, contracts, KPI's

'all designed to ensure we get exactly what we ordered every time'

'When things don't go to plan, what approach do we use to recover?'

'Do we convince ourselves it was down to the person, or that the strategy was wrong or that the contract was not tough or specific enough?'

What we must think about?

"We cannot solve our problems with the same thinking we used when we created them"

Albert Einstein



What is the real problem with resilient capability

As Captain Kirk once said

'To boldly go where no man has gone before', or was it, 'To blindly go where all men have been before'

The Disease

- Why if we have experience of constant unexpected challenges and loss do we behave like they don't exist?
- Why do we tolerate the common assertion that 'change is difficult'; people have been 'trained through experience' to avoid it at all costs?
- Why do we try so very hard to lock down every eventuality and force people to sign up to it, holding them to it while the world changes?

The Symptoms



The Result

Waste
Frustration
Poor Quality
Increased Cost
Bad Experience
Breakdown in trust



So what can we do about this for our people, business & chains?

'the causes of cannot be controlled , cannot be solved by procedure; we can only deal with it by accepting it will happen and build an outlook that enables us to recover, together'

1. To build resilient capability, we have to challenge our outlook first
2. We have to know how to build resilience and we have to want to
3. We need to have trust among participants for it to begin, work and end well

outlook

/ˈaʊtlʊk/ 

noun

1. a person's point of view or general attitude to life.

"he had a practical outlook on life"

synonyms: **point of view, viewpoint, views, slant, angle, interpretation, opinion, thinking, way of thinking, perspective, attitude, standpoint, stance, position, frame of mind**

"the two men were wholly different in character and outlook"

2. a view.

"the pleasant outlook from the club window"

synonyms: **view, vista, prospect, panorama, scene, aspect, exposure, surroundings**

"the house has a lovely open outlook over the golf course"



'Use a different lens and observe differently'

'Life changes, assumptions change, everything changes; accept it & recover from it, we become strong; instead of being the recipient of change, we become the creator of it'

What can we do?

Lets start by taking a different way of looking at what we do when we are challenged

Great Questions

1. When the person you relied upon fails, who is responsible?
2. When a persons personal situation affects business performance, is it feasible to separate the conversation?
3. When the forecast doesn't deliver, is the forecaster incompetent or worse, fudging it?
4. When the contract as designed no longer works, whose profit should be sacrificed?
5. What would the design of the value chain be like if it was to work for the customer first , whose interest would not be served by this?

Deserve Great Answers

How many people in this room have experience of significant unexpected or ongoing challenge?

As a Customer or as a Supplier or as an Individual?

How resilient were or are you?

How well did you recover?

We can all think of Something!



What can we do?

Lets start by taking a different way of looking at what we do when we are challenged

Great Questions

1. When the person you relied upon fails, who is responsible?
2. When a persons personal situation affects business performance, is it feasible to separate the conversation?
3. When the forecast doesn't deliver, is the forecaster incompetent or worse, fudging it?
4. When the contract as designed no longer works, whose profit should be sacrificed?
5. What would the design of the value chain be like if it was to work for the customer first , whose interest would not be served by this?

Great Resilience Answers

1. You are
2. Performance, good & bad always has the person in it
3. A forecast is never the truth
4. Everyone's except the customer, equal proportion
5. One designed to take care of individual concerns

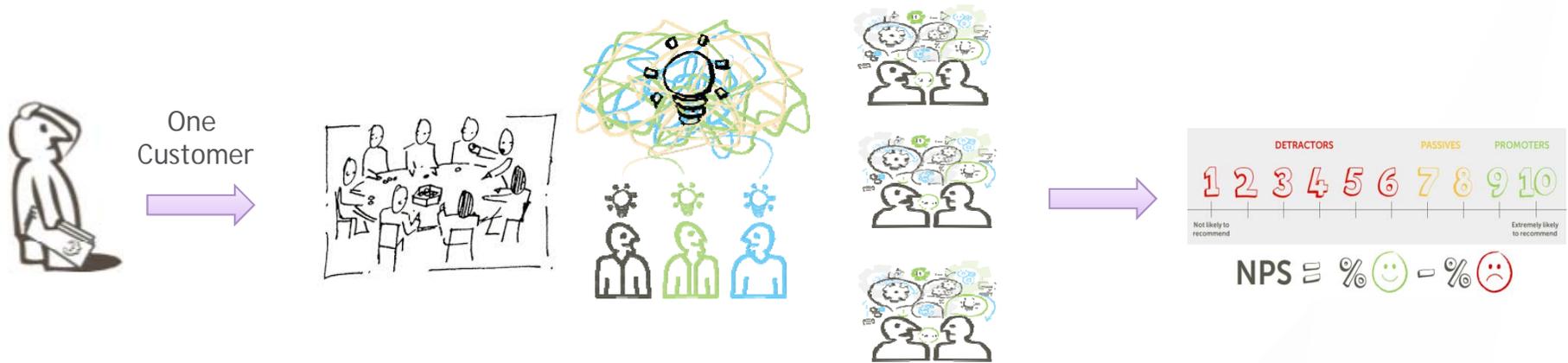


'Use a different lens and observe more'

'try being the tenth person'

A story; 'Imagine we have only one customer!'

Design for one customer and then scale it; two separate challenges



'Every Customer is just that, they don't come in batches or boxes'

'Every one who is needed to fulfil the need gets around a table'

'Work is passed to those best equipped to handle it'

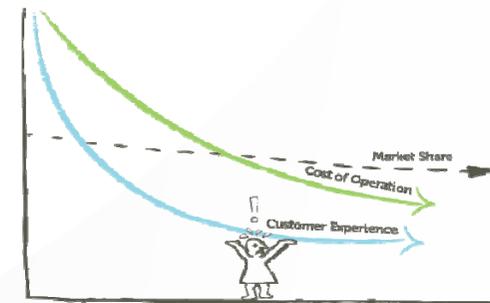
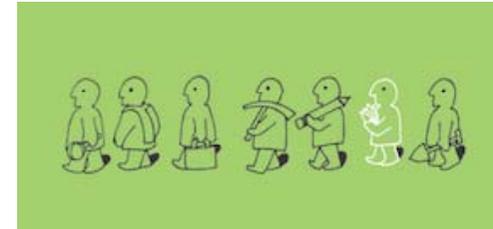
'Everyone in the chain is working for the customer'

'The Segment of One & the Tri-model'

Fully Resilient, Open Dialogue, Shared Purpose, Alignment of Goals, Flexible Arrangements, Shared Viability, Trust'

By looking at end to end resilience, what do you get?

1. A significant jump in employee engagement
2. Happy partners who perform
3. You get much closer to your customers and the future they have planned for themselves
4. An increase in revenue and margin pool that you can trust



'Improved revenue and margin'

UK Office
7 Hopetoun Crescent
Edinburgh
EH7 4AY
Call +44 131 54 99 000

Ireland Office
Harmony Court
Harmony Row
Dublin 2
Call +353 1 443 3080

