Looking Forward – Be Proactive with Operational Resilience Best Practices

FUSION RISK MANAGEMENT

Introductions

David Halford

VP, Crisis and Continuity Solutions

Fusion Risk Management

Nikki Erakovich

Director of Product Marketing

Fusion Risk Management

Chloe Swierzbinski

Senior Product Marketing Manager

Fusion Risk Management

FUSION RISK MANAGEMENT

Agenda

1. Defining your North Star of Resilience
2. Building Dynamic Continuity
3. On the Resilience Journey: Scenario Testing
4. Unlocking Value Through Scenario Testing and Dynamic Response
5. Solution Demo
6. Q&A

Resilience now ranks 2nd on board agendas.

McKinsey, April 2021
How boards have risen to the COVID-19 challenge, and what's next

7 in 10 organizations report they are increasing their investment in resilience

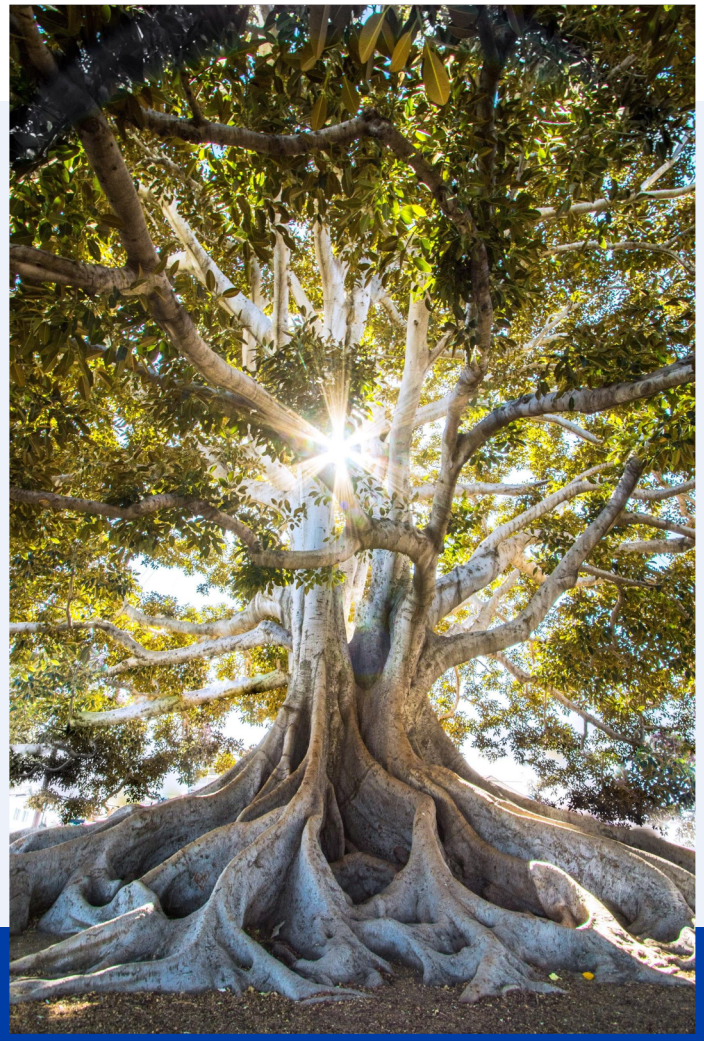
PWC Global Crisis Survey 2021, n=2800

> The global pandemic has put resiliency on the agenda of every company in the word.
>
> McKinsey & Company, February 2021

FUSION RISK MANAGEMENT

Operational Resilience is the ability to continue to deliver on your customer promise, no matter what

Operational resilience is a culture, a set of competencies, and a shared foundation of information driven by people inside and outside of your organization, that empowers you to continue to deliver on your current commitments to customers and evolve with them in a way consistent with your brand as their circumstances and needs change.

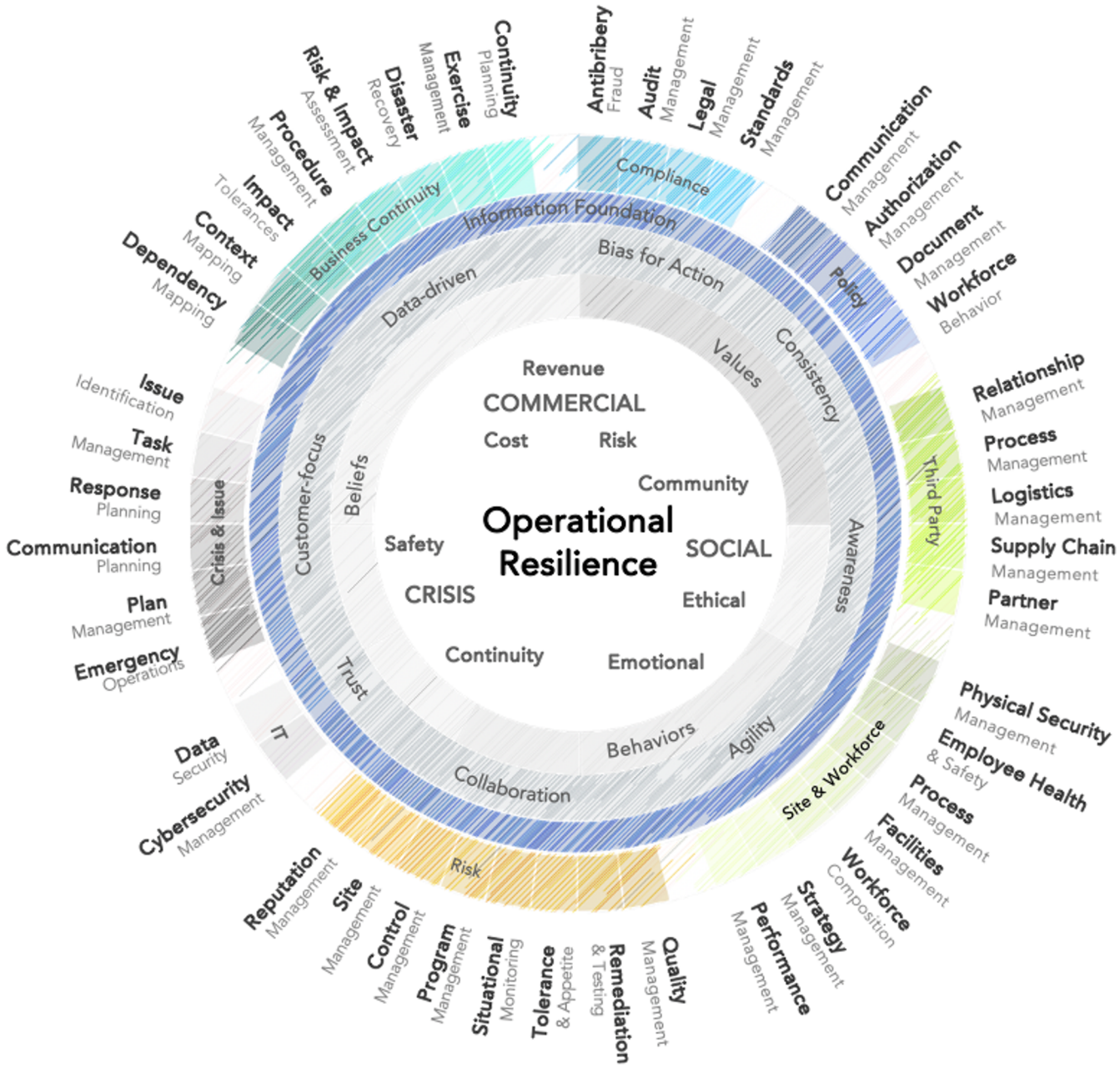


Define your North Star of Resilience

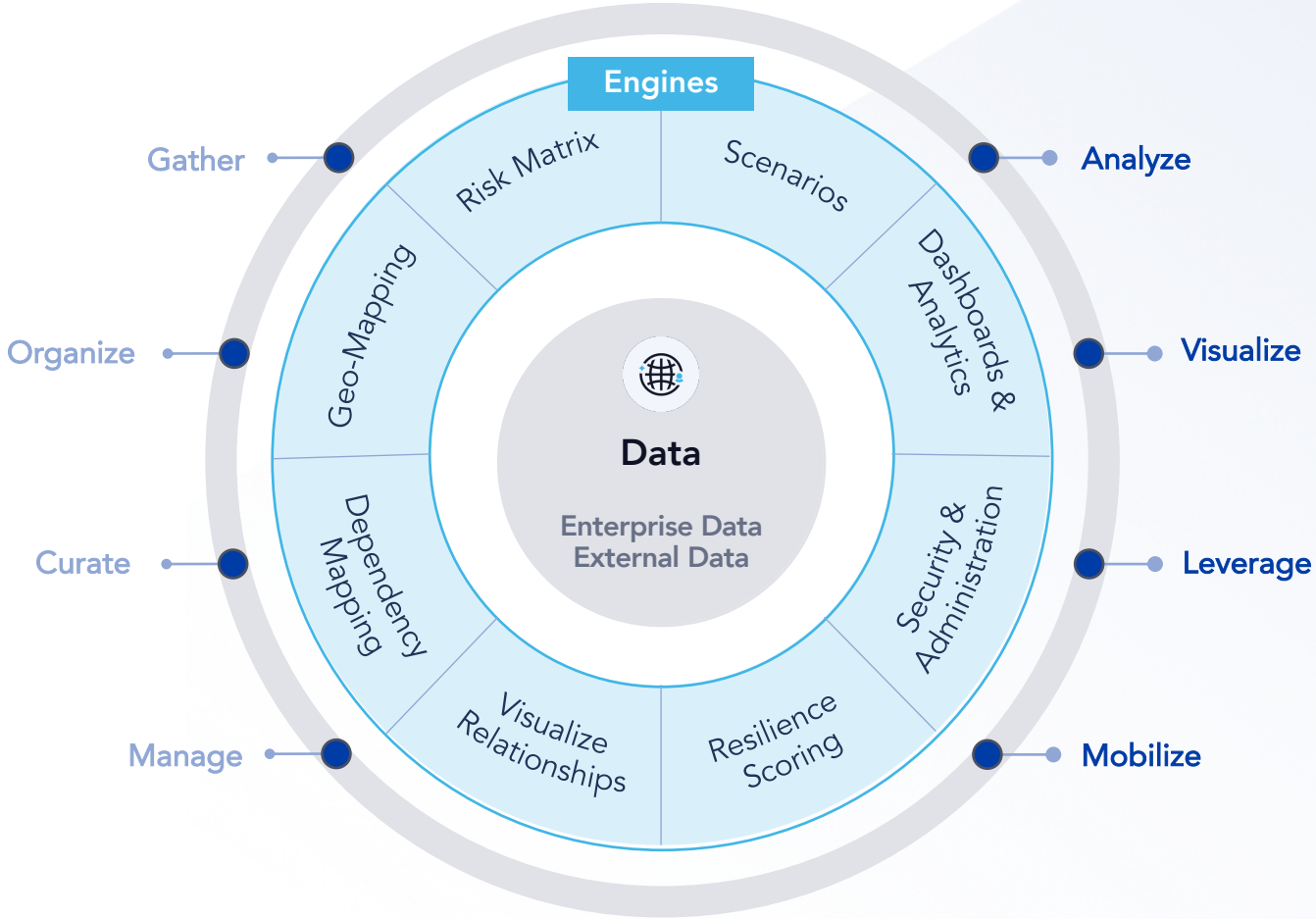
A **common definition** of what it means to be resilient.

Everyone is **working** in the **same direction**, irrespective of the business function.

Build **business insights** that scale across your industry and operating **ecosystem**.



Activate Your Data, Enable Resiliency



GATHER • ORGANIZE

Lay the foundation

Curate data from across your enterprise into one location and create your information foundation

CURATE • MANAGE • ANALYZE • VISUALIZE

Connect the dots

Identify important business services, understand what's required in delivering those services, and set the maximum amount of time disruption to the service can be tolerated

ANALYZE • VISUALIZE • LEVERAGE • MOBILIZE

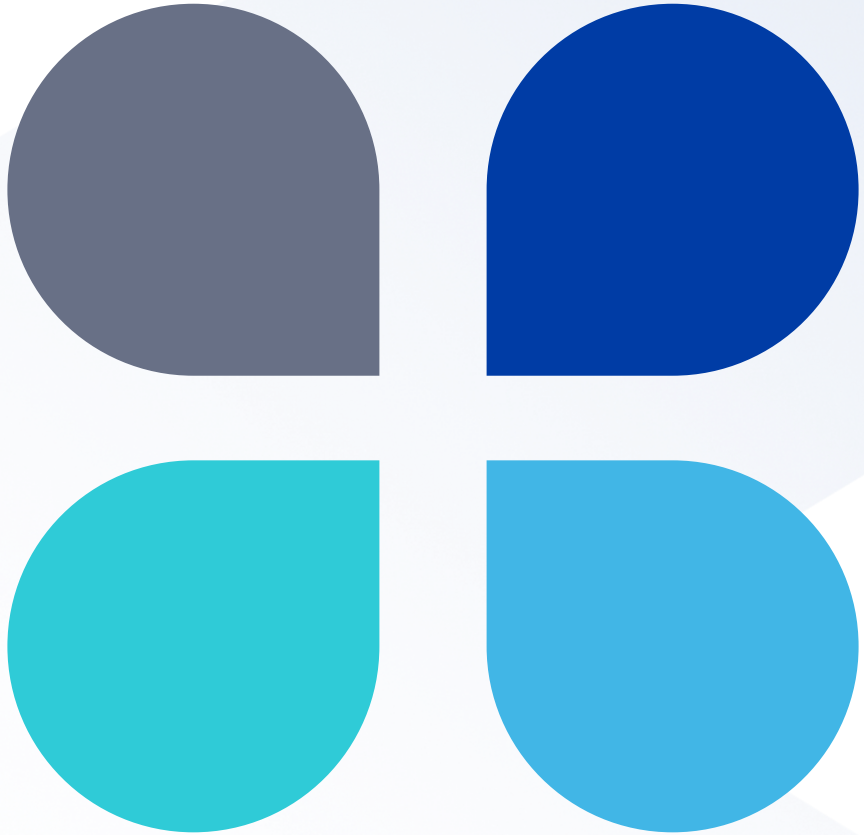
Test and act

Evaluate and build resiliency by understanding your ability to remain within tolerance, identifying gaps and making enhancements, mitigating threats, and tracking effectiveness over time

Building Dynamic Continuity

DYNAMIC RESPONSE CONSOLE

Leave static plans behind for a data-driven response tailored to every situation.



INTELLIGENT INCIDENT MANAGEMENT

Identify the full scope of an Incident and facilitate a consistent approach to logging Incidents and recognizing any potentially impacted assets or known outages

SCENARIO TESTING

Know the now status of important services, model 'what if' scenarios, rehearse, and measure response.

INTERACTIVE CRISIS COMMUNICATION

Streamline collaboration with key stakeholders when it matters most through interactive crisis communication.

On the Resilience Journey: Scenario Model, Test, and Improve

Well Beyond Meeting Regulatory Requirements

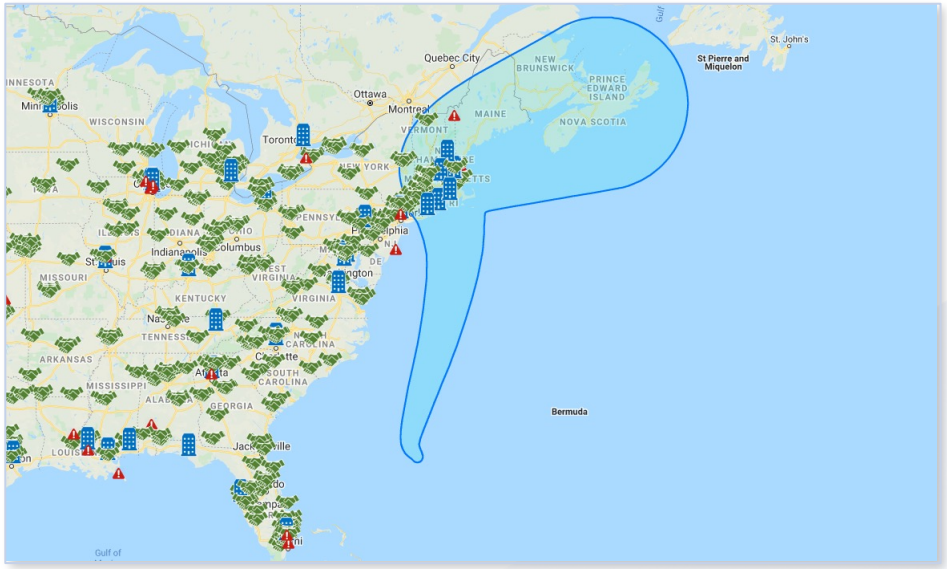
Running diagnostics on your environment to unlock value throughout your organization

1. **Prediction of changes in your risk landscape** based on key signals in your operations and operating environment.
2. **Improved sensing of when, where, and why action is really needed.**
3. **More informed preparation** (what is likely to break, and which responses are likely to work the best).
4. **More accurate testing** leveraging a simulated runtime environment.
5. **Respond with greater agility** with real-time generated runbooks based on the unique aspects of the active situation.
6. **Modeling business change to inform better commercial decision-making.**

Leverage a Data-Driven Approach to Response Planning

Enable your organization with the tools to confidently respond and recover from any disruption

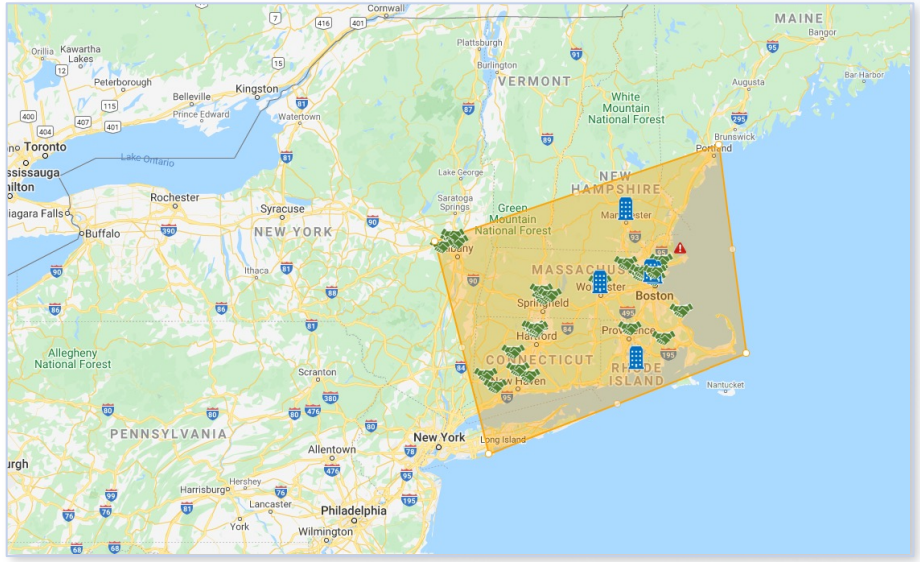
1. Streamline response and recovery by automating the manual process of compiling and sequencing many different plans.
2. Improve strategic decision-making by leveraging the most accurate, up-to-date data crowdsourced directly from function owners.
3. Adjust strategies in real-time, pivot as the situation evolves, and adapt to resolve each unique situation.
4. Enhanced visualization of response components enable a better understanding of which aspects are most critical to recover first.



Given recent climate events, executives want to understand how prepared the organization is for expected extreme weather conditions and improve response to the impact of those events.

Consider a Northeast weather event:

- Which sites and business resources would be impacted and how will it affect the business when those sites need to be closed?
- Where are the gaps and how can we mitigate impact?
- Are you prepared to coordinate a multi-plan or multi-site event?
- Which sites are most critical and need to be recovered first?



In Fusion, map where the hurricane is expected to hit to identify impacted sites

SCENARIO TESTING

- Run a scenario on those sites to identify impact on services and where to focus mitigation
- Share results and prove preparedness to executives
- Track improvements over time and demonstrate effectiveness in program enhancements

DYNAMIC RESPONSE CONSOLE

- Identify primary **sites** impacted and **automate** compiling a composite response.
- Validate target plans, sites, processes are included
- Mature & enrich the response by adding plan procedure level dependencies improving orchestration & order of recovery

Fusion Risk Management

Solution Demo

FUSION RISK MANAGEMENT

Getting Started with Scenario Testing:
What do you need in place before you start testing?

Identify important business services

What external services do you provide customers, where if disrupted, could pose a risk to the client, economy, or firm?

Settlement Transactions

Equities Trading

Credit Card Services

Map dependencies

What chain of activities are involved in delivering those important business services?

Site / Locations

Process & Business Functions

IT Systems

Vendor Services

Set impact tolerances

What is the maximum tolerable level of disruption to a service?

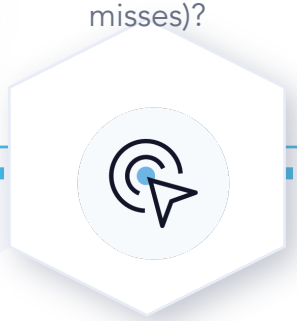
7 days of total disruption (i.e., zero capacity)

&

>$100M in direct financial impact

Test severe but plausible scenarios

Do you remain within impact tolerance in the event of severe but plausible disruptions (based on realistic assumptions, previous incidents, near misses)?



Loss of Facility, Vendor, IT Systems, People

due to

Extreme Weather, Civil Unrest, Pandemic, Cyber Attack

Analyze findings & build resilience

Where are your gaps? What improvements should you make? How are you trending over time?

Expand Alternate Facility and/or WFH

Establish Alternate Third Party

Improve Technology Resilience

Dynamic Response Console: Phased Approach

1

Generate Composite Response

- Compile a comprehensive Response based on the scenario & impacted assets (from existing Plans & Procedures)

2

Dynamically Generate Response Actions & Order

- Dynamically generate response tasks (plan content) from mitigation strategies & Procedure Library

3

Real Time Dynamic Response

- Re-invent traditional Plan Management by connecting real-time data across assets, enabling a dynamic response tailored to the specific situation independent of plans

Thank You

fusionrm.com

@fusion-risk-management

@FusionRiskManagement

@FusionRiskMgmt