



GEC Risk Advisory
Transforming Risk into Value[®]

Building Resilience in Transformational Times: An Organizational Model

**Andrea Bonime-Blanc - CEO & Founder - GEC Risk Advisory
Canadian Municipal Water Consortium
Closing Keynote – October 28, 2020**

THANK YOU FOR HAVING ME!





OVERVIEW

- **Complex Interconnected Systemic Risk in the Age of Covid19**
- **The Rise of ESG + Technology Issues, Risks & Opportunities**
- **Building Organizational Resilience & Sustainability: A Model**

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Who Remembers Scylla & Charybdis?



Beware the “Purple Techno-Swan”

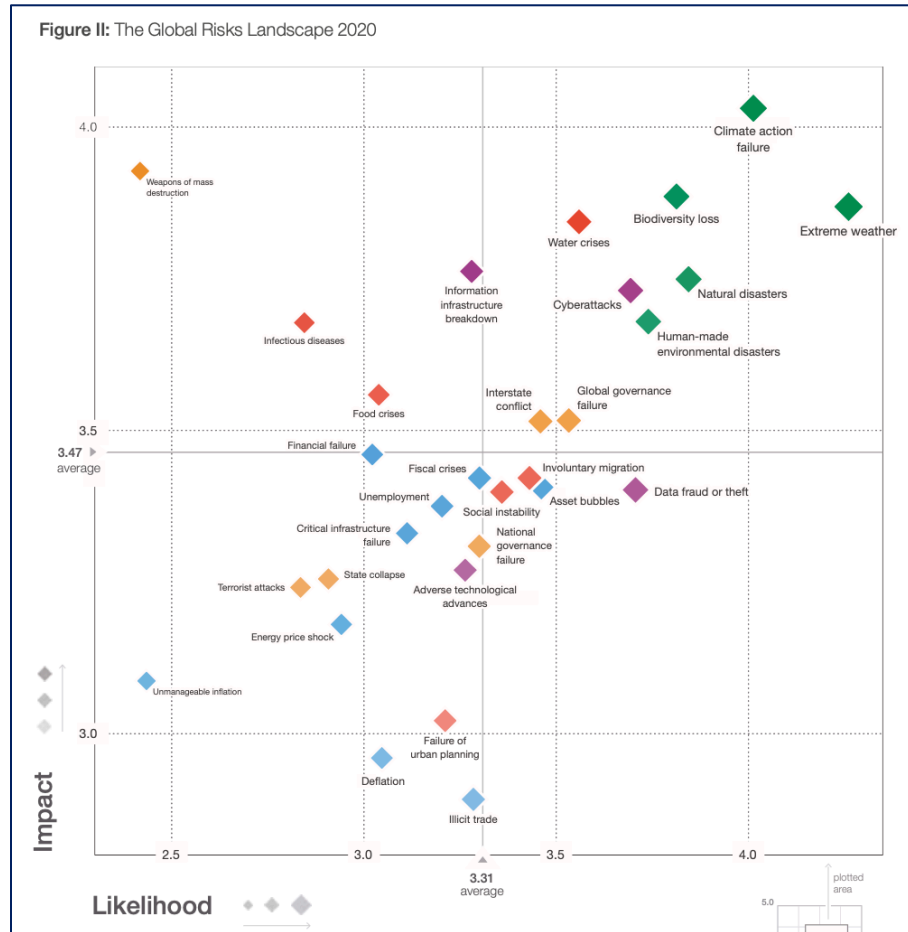


The ten megatrends of our turbulent times: A situational blueprint for leaders



SOURCES: CRISIS RESPONSE JOURNAL & A. BONIME-BLANC. GLOOM TO BOOM. ROUTLEDGE 2020.

World Economic Forum: Global Risks Report 2020



World Economic Forum: *Global Risks Report 2020*



World Economic Forum: *Global Risks Report 2020*

FIGURE 1.2

Long-Term Risk Outlook

Top 10 risks by likelihood and impact over the next 10 years

Multistakeholders

Likelihood	Impact
 Extreme weather	 Climate action failure
 Climate action failure	 Weapons of mass destruction
 Natural disaster	 Biodiversity loss
 Biodiversity loss	 Extreme weather
 Human-made environmental disasters	 Water crises
 Data fraud or theft	 Information infrastructure breakdown
 Cyberattacks	 Natural disasters
 Water crises	 Cyberattacks
 Global governance failure	 Human-made environmental disasters
 Asset bubble	 Infectious diseases

Categories

-  Economic
-  Environmental
-  Geopolitical
-  Societal
-  Technological

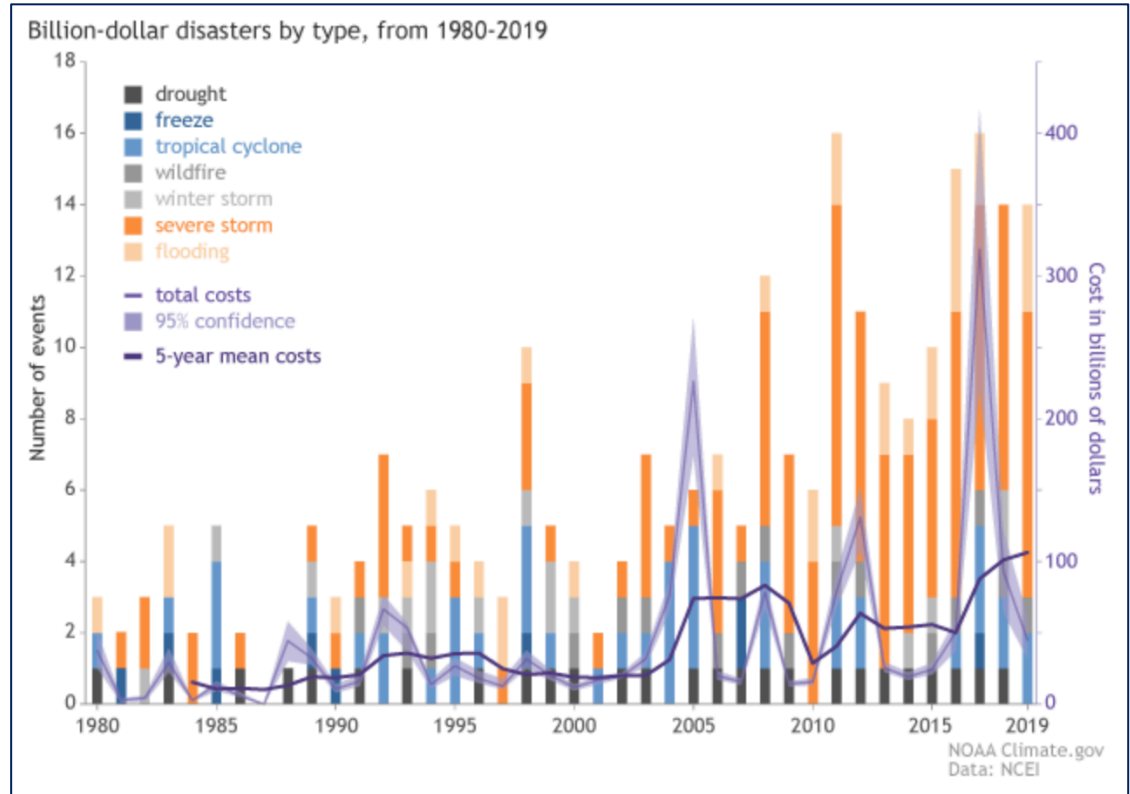
Ecological Apocalypse 2030?



THE UN SUSTAINABLE DEVELOPMENTS GOALS



THE PARIS CLIMATE ACCORD



SOURCES: UN, NOAA & A. BONIME-BLANC. GLOOM TO BOOM.. ROUTLEDGE 2020.

Covid19 – The Perfect Risk Storm

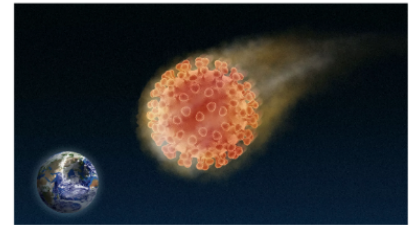
We Predicted a Coronavirus Pandemic. Here's What Policymakers Could Have Seen Coming.

Last year we ran a disaster scenario shockingly similar to the news now. Here's what experts realized the world is getting wrong, and how they can fix it.



We should have seen the coronavirus coming

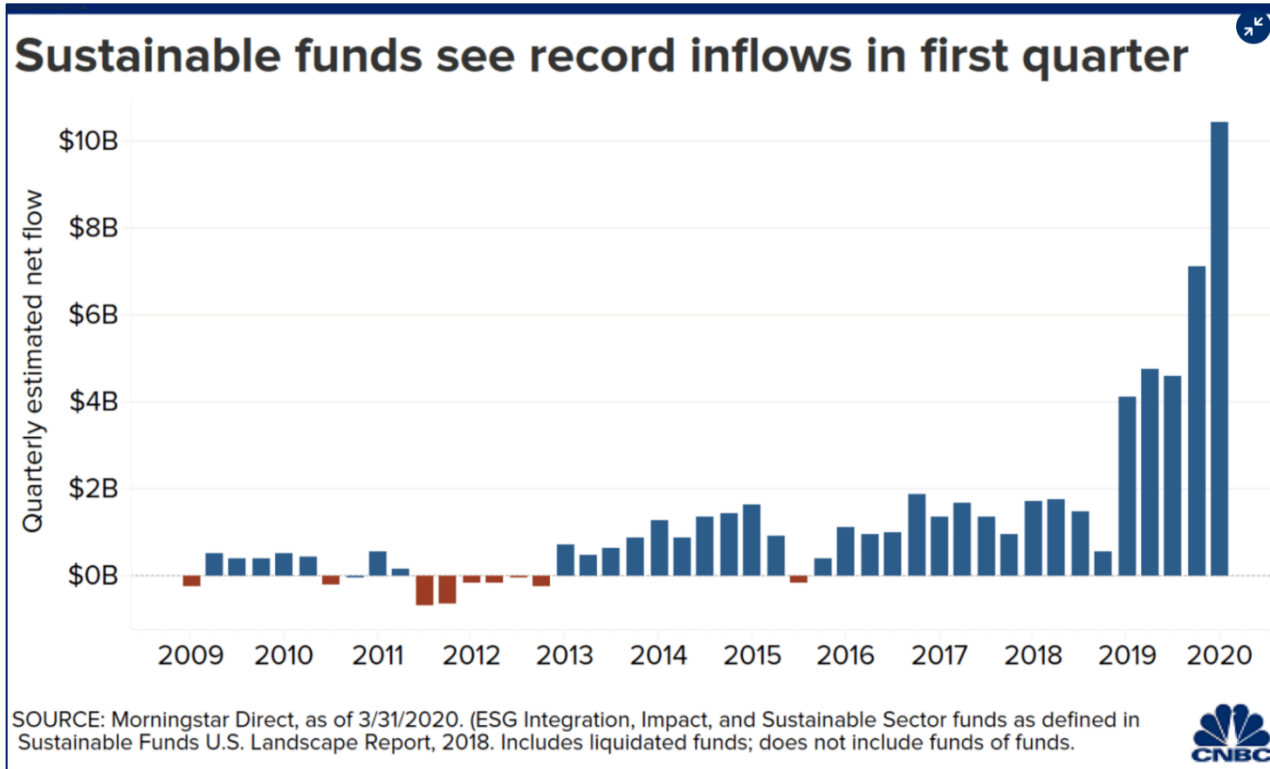
 Bryan Walsh



OVERVIEW

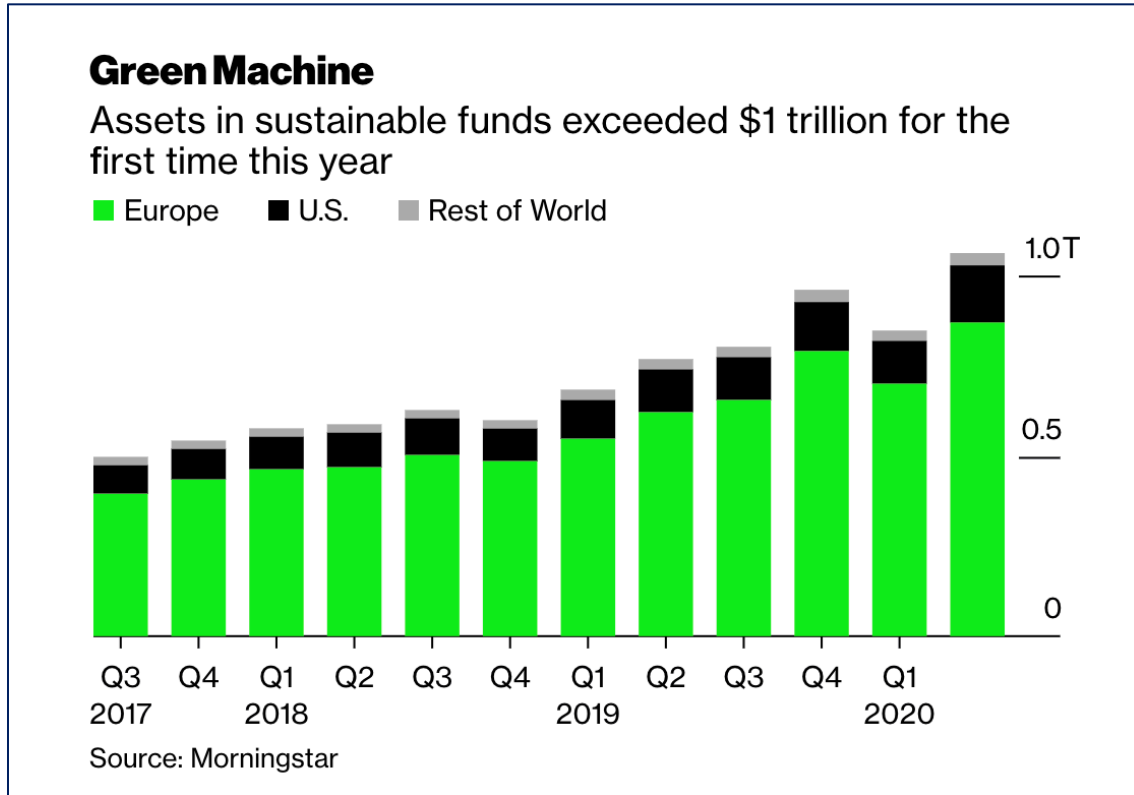
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ESG/Sustainable Investing Growing by Leaps & Bounds



SOURCE: MORNINGSTAR

ESG/Sustainable Investing Growing by Leaps & Bounds



SOURCE: MORNINGSTAR

ESG/Sustainability - Here to Stay



February 6, 2020

Davos 2020 Catalyzes ESG: A Board Action Plan

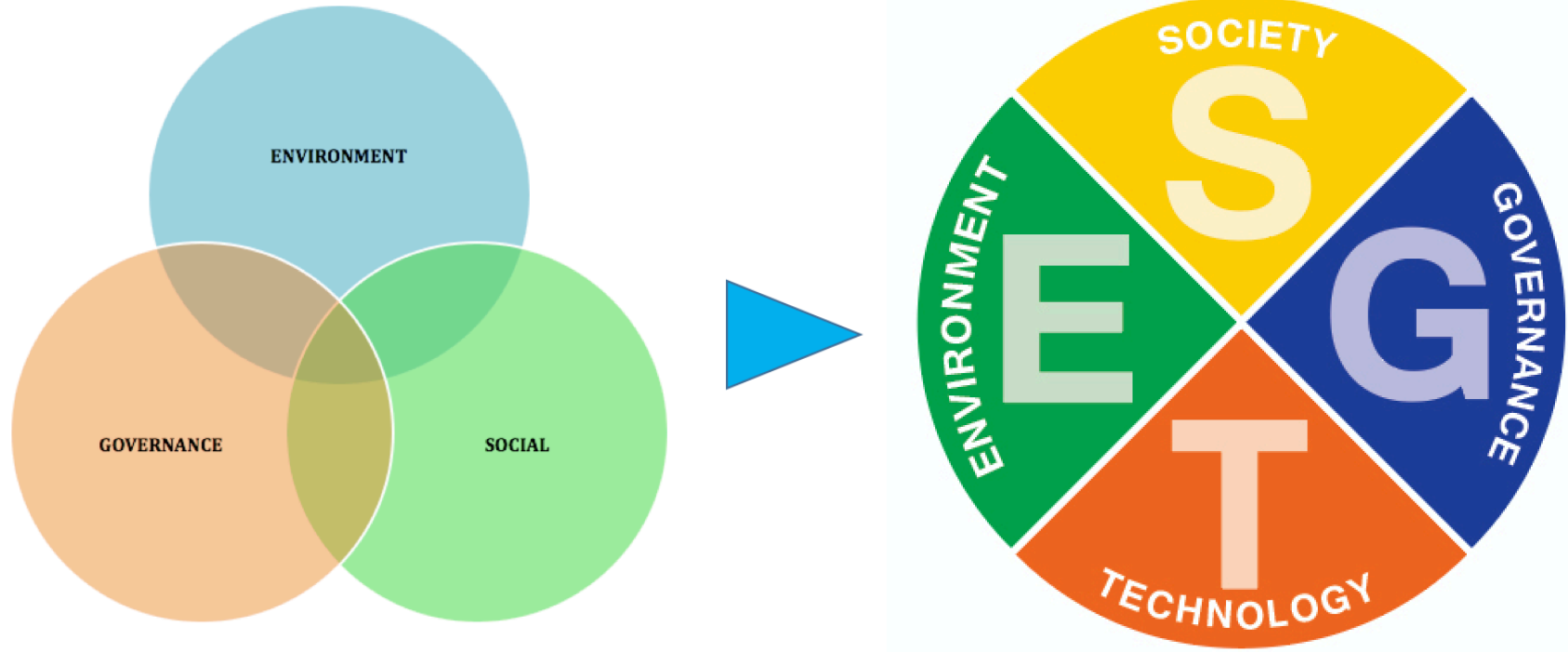
By [Andrea Bonime-Blanc](#)

Major ESG and Sustainability Developments Affecting Business

WHO	WHAT	WHEN
BlackRock's Larry Fink	CEO and Client Letters	2019 and 2020
European Commission	ESG Disclosure Directive	2019
FT	Moral Money Weekly Newsletter	2019
Bloomberg	Bloomberg Green Newsletter	2019
The Business Roundtable	Statement of Corporate Purpose	2019
US Securities & Exchange Commission	ESG Letters to Investment Funds Demanding More Information	2019
Goldman Sachs	Announces \$750 Billion Sustainability Investment Goal by 2030	2020
Goldman Sachs	IPO Board Diversity	2020
Edelman	2020 Trust Barometer	2020
Allianz	2020 Risk Barometer	2020
Bank of America Corp.	ESG Metrics Initiative	2020
Microsoft Corp.	Zero Carbon by 2050 Davos Announcement	2020
TCI Fund Management	"The World's Most Profitable Hedge Fund Is Now a Climate Radical"	2020
United Nations	Reigniting the Final Decade Push for the Sustainable Development Goals	2020

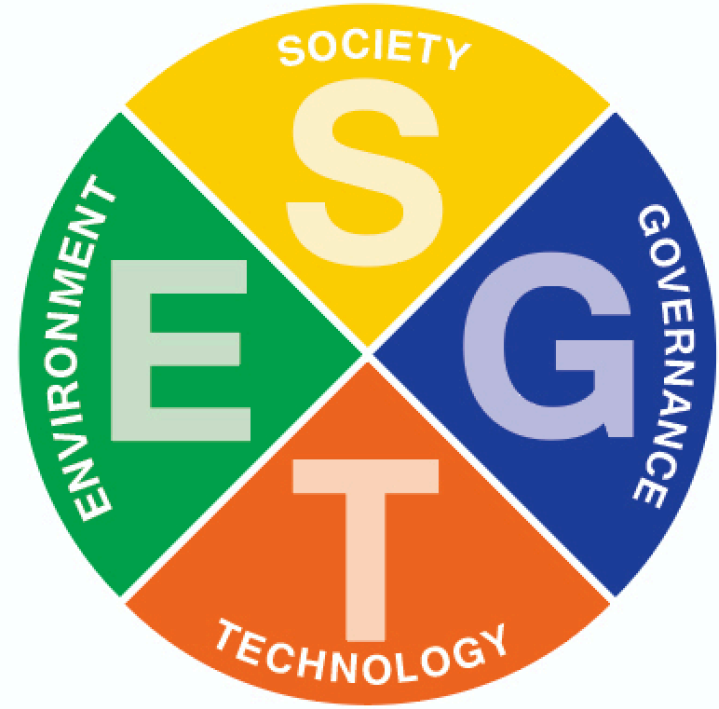
Source: [Andrea Bonime-Blanc](#), *GEC Risk Advisory 2020*

From ESG to *ESG + Technology* ...



SOURCE: A. BONIME-BLANC. GLOOM TO BOOM. ROUTLEDGE 2020.

Why? *Because We Live in a Complex Interconnected World*



SOURCE: WEF & A. BONIME-BLANC. GLOOM TO BOOM. ROUTLEDGE

Why? *Because We're Missing Many Critical Issues*

Table I.1 A sampling of ESGT issues – a sneak preview

<i>Environmental</i>	<i>Social</i>	<i>Governance</i>	<i>Technology</i>
<ul style="list-style-type: none"> • Climate Change • Sustainability • Water • Air • Earth • Carbon Emissions • Energy Efficiency • Natural Resources • Hazardous Waste • Recycled Material Use • Clean Technology • Green Buildings • Biodiversity • Animal Rights • Pandemics 	<ul style="list-style-type: none"> • Human Rights • Labor Rights • Child Labor • Human Trafficking • Human Slavery • Health & Safety • Workplace Conditions • Workplace Violence • Product Safety • Fair Trade • Data Privacy • Discrimination • Harassment • Bullying / Mobbing • Diversity & Inclusion 	<ul style="list-style-type: none"> • Corporate governance • Leadership • Culture • Business ethics • Geopolitics • Corruption/ bribery • Fraud • Money laundering • Anti-competition/ anti-trust • Regulatory compliance • Conflicts of interest • Compensation disclosure 	<ul style="list-style-type: none"> • Cyber-security • Ai geopolitics • Data mining • Internet of things • Artificial intelligence • Machine learning • Deep learning • Robotics • Automated robotic processing • Military robotics • Surveillance • Dark web • Fake news • Deep fakes – visual • Deep fakes – audio • Biometrics • Wearables • Nanotechnology • Bioengineering • Crispr

Source: Author.

SOURCE: A. BONIME-BLANC. GLOOM TO BOOM. ROUTLEDGE 2020.

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Source: Author.

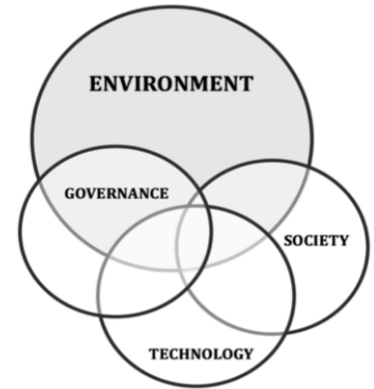
SOURCE: A. BONIME-BLANC. GLOOM TO BOOM. ROUTLEDGE 2020.

There is Embedded Risk & Opportunity: *In Environmental Matters*



A 'Cat and Mouse Game': PG&E's Long Record of Run-Ins With Regulators and Courts

Over more than two decades, the California utility has at times misled regulators, withheld data and hindered investigations—accumulating fines and judgments of \$2.6 billion



Environment: risk and opportunity



PSEG Holds One of Lowest Carbon Emissions Rates Among Largest U.S. Power Producers

SOURCE: A. BONIME-BLANC. GLOOM TO BOOM. ROUTLEDGE 2020.

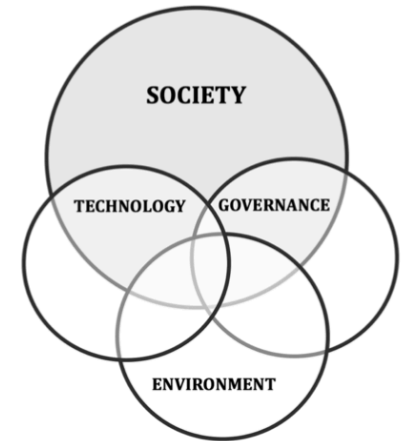
There is Embedded Risk & Opportunity: *In Social Matters*



Long before the Max disasters,
Boeing had a history of failing to
fix safety problems

L'ORÉAL

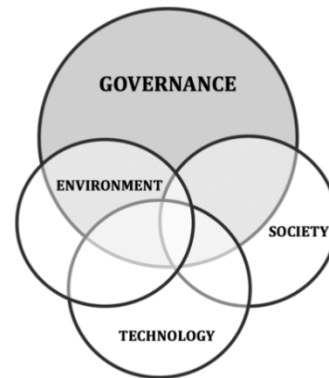
L'Oréal among the Top 10 of Thomson
Reuters Diversity and Inclusion index



Society: risk and opportunity

There is Embedded Risk & Opportunity: *In Governance Matters*

theranos



Governance: risk and opportunity

HEALTH

Ex-Theranos CEO Elizabeth Holmes gets a trial date: summer 2020

By REBECCA ROBBINS @rebeccadrobbins / JUNE 28, 2019



2

Salesforce

Information Technology

San Francisco, CA, US

Company Profile

FORTUNE
100
BEST
COMPANIES
TO WORK FOR®
2019

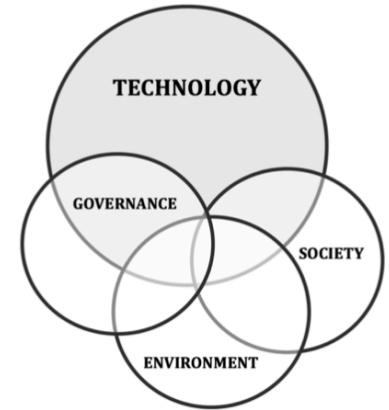
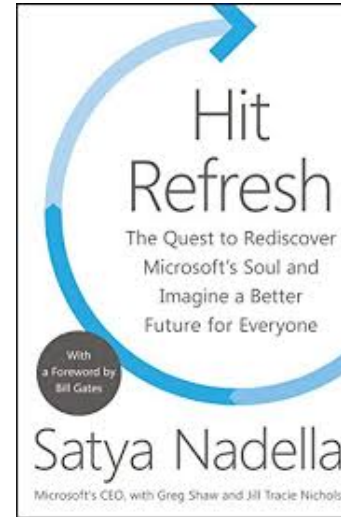
WHAT EMPLOYEES ARE SAYING

They truly care about empowering employee...

There is Embedded Risk & Opportunity: *In Technological Matters*



**The Cambridge Analytica scandal
changed the world - but it didn't
change Facebook**



Technology – risk and opportunity



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So, What is *Organizational* Resilience? My Definitions

Organizational resilience is the ability of an organization to provide and maintain an acceptable level of operation, service, and performance in the face of challenging conditions, disruptions, risks, and crises and to bounce back and recover quickly from them with minimal impact to the organization including to its reputation.

In contrast, brittle organizations view the absence of failure as an indication that hazards are not present or that the countermeasures designed are effective. As a result, they can be overwhelmed by discrete shocks, disruptions, minor interruptions, or deviations from standard operating procedures that resilient organizations are able to absorb and handle.¹¹

A Model of Organizational Resilience: The Generic



SOURCE: A. BONIME-BLANC. GLOOM TO BOOM. ROUTLEDGE 2020.

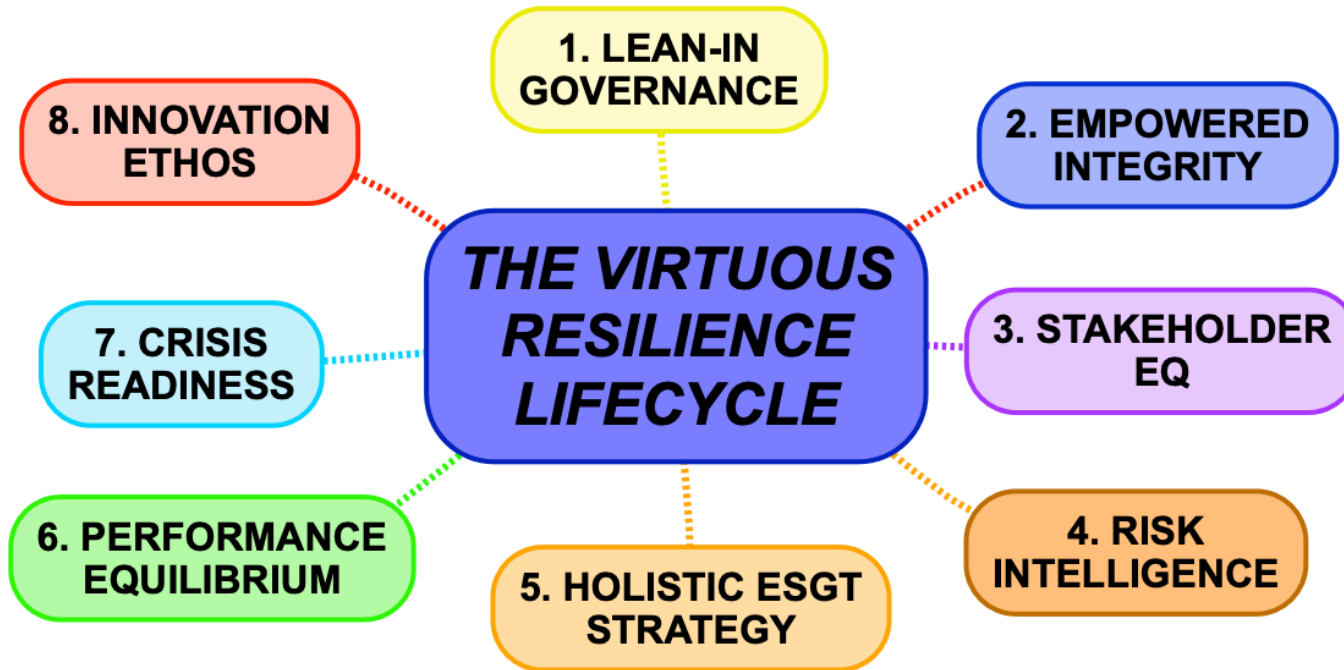
A Model of Organizational Resilience: The Vicious



Figure 7.14 The Vicious Resilience Lifecycle.

Source: Author and GEC Risk Advisory.

A Model of Organizational Resilience: The Virtuous



SOURCE: A. BONIME-BLANC. GLOOM TO BOOM. ROUTLEDGE 2020.

Measuring Your Organizational Resilience Lifecycle

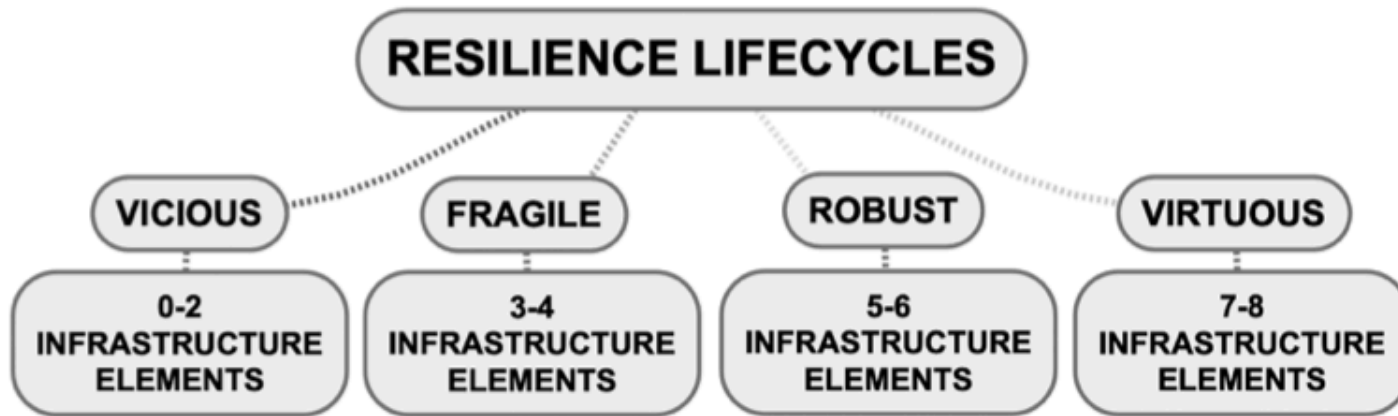
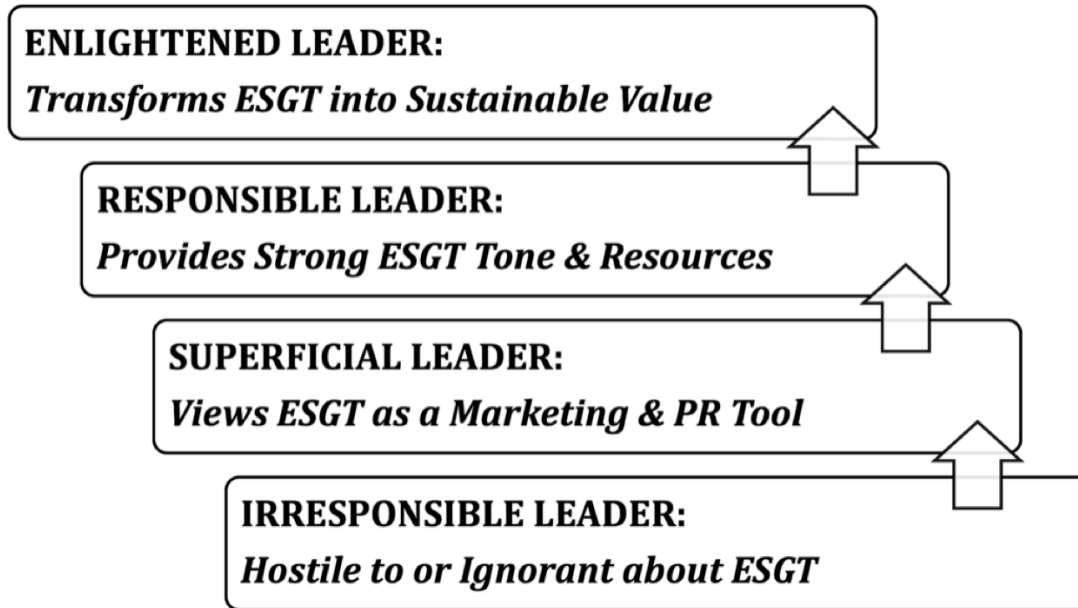


Figure 7.21 Resilience Lifecycles: diagnostic.

Source: Author and GEC Risk Advisory.

A Resilience & Sustainability Leadership Typology

FIGURE 2.6
AN ESGT LEADERSHIP TYPOLOGY



SOURCE: A. BONIME-BLANC. GLOOM TO BOOM. ROUTLEDGE 2020.

A Resilience & Sustainability Leadership Typology

FIGURE 2.6
AN ESGT LEADERSHIP TYPOLOGY



ENLIGHTENED LEADER:
Transforms ESGT into Sustainable Value



RESPONSIBLE LEADER:
Provides Strong ESGT Tone & Resources

SUPERFICIAL LEADER:
Views ESGT as a Marketing & PR Tool



IRRESPONSIBLE LEADER:
Hostile to or Ignorant about ESGT



SOURCE: A. BONIME-BLANC. GLOOM TO BOOM. ROUTLEDGE 2020.

What Does “Resilient” Leadership Look Like?

Table 7.1 The Resilient Leadership Manifesto: the 10 Commandments of Resilient Leaders

1. Resilient Leaders integrate ESGT into their organization’s strategy.
2. Resilient Leaders empower and support a cross-functional team of ESGT experts to run an ESGT Value Chain approach to issue, risk, opportunity and value creation.
3. Resilient Leaders “walk the talk” supporting ESGT not only verbally but substantively – through proper budget and resources.
4. Resilient Leaders aspire to become at least “Responsible Leaders” and at best “Enlightened Leaders”. (See Chapters 2 and 8 for more on this leadership typology.)
5. Resilient Leaders focus on building and institutionalizing a culture of integrity.
6. Resilient Leaders remain attuned to and savvy about global megatrends that affect their organizations.
7. Resilient Leaders understand and cater to their most important stakeholders – not one most important one but the top 3–5.
8. Resilient Leaders allow for mistakes to be made and for a speak-up/listen-up culture to grow in furtherance of continuous improvement, innovation and sustainability.
9. Resilient Leaders look at the long-term horizon as well as mind the store in the short term.
10. Resilient Leaders welcome ESGT oversight – whether from a board of directors, governors, trustees or other governmental entity.

Source: Author.

SOURCE: A. BONIME-BLANC. GLOOM TO BOOM. ROUTLEDGE 2020.

What is the Ultimate Goal of Resilience? *The Transformative Organization*

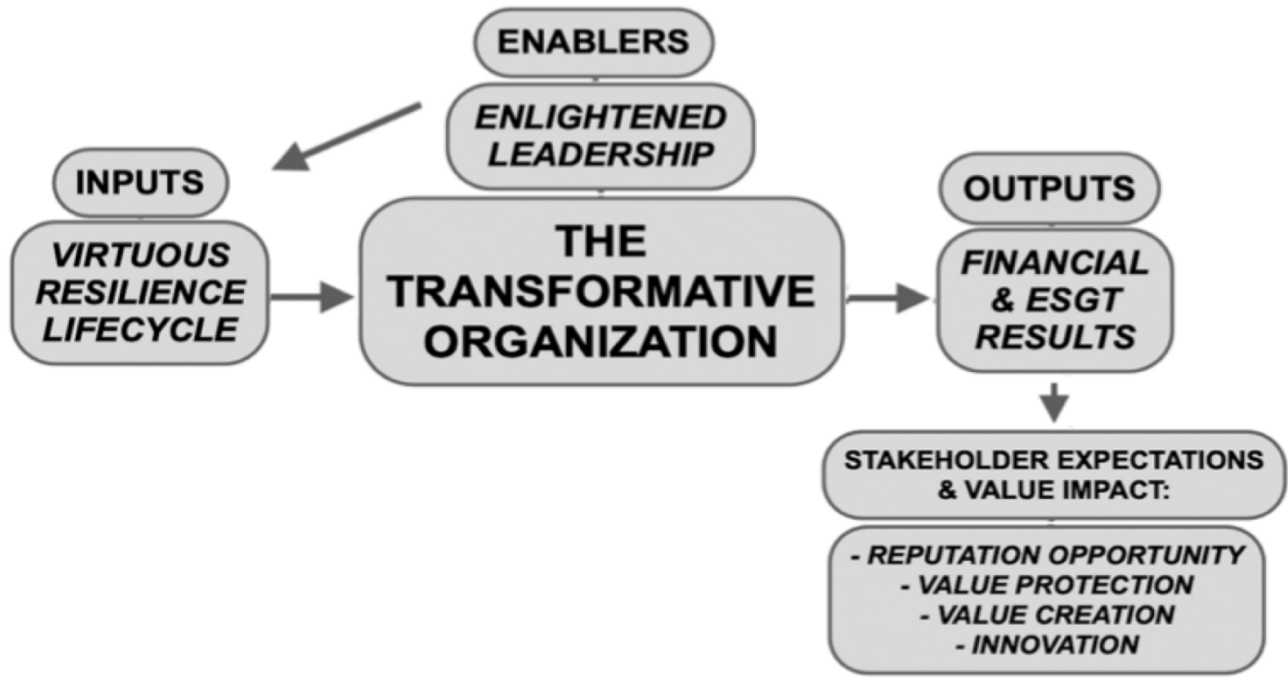
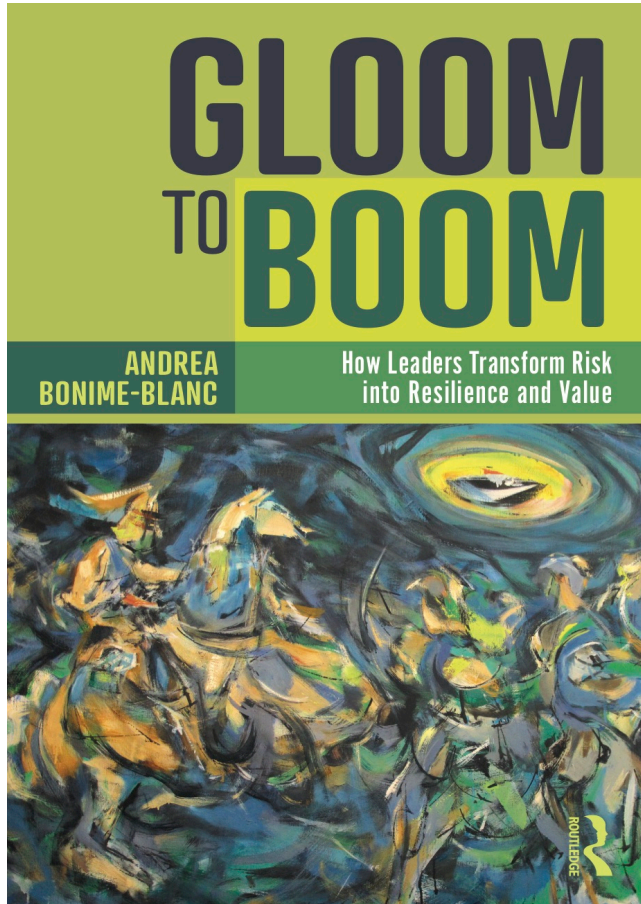


Figure 8.22 The Transformative Organization.

SOURCE: A. BONIME-BLANC. GLOOM TO BOOM. ROUTLEDGE 2020.



THANK YOU!

ANDREA BONIME-BLANC
CEO & Founder
GEC Risk Advisory

Board Member
Global Strategist
Start-Up Mentor
Author

 **@GlobalEthicist**

 [https://www.linkedin.com/in/andreabonimeblanc/
abonimeblanc@gecrisk.com](https://www.linkedin.com/in/andreabonimeblanc/abonimeblanc@gecrisk.com)