



ONLINE JOINT SECTION COLLOQUIUM 2021

Post Pandemic Actuary - What have we learnt?

Building Consulting Resilience in Challenging Times by Effective Networking

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Agenda

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Introduction

- During challenging times like today, in the Consulting Industries, in order to serve its purpose as a way to create a resilience capacity among its members, participants should be provided with tools to evaluate issues such as the following:
 - Who's who in a country or region (inside or outside its scope)
 - If a joint venture is being explored with a candidate Consulting Firm, those tools would facilitate a risk mitigation process that would help identify, quantify and address the Consulting Firm's **S**trengths **W**eaknesses **O**pportunities **T**hreats via a formal "SWOT" analysis
 - A critical component of this analysis would be to assess the technical, cultural and professionalism level of the "target" Consulting Firm to determine the *a priori* suitability of forming a joint venture with them

Framework

- Most models depend on the particular definition used for resilience
- There are two ways to define resilience:
 - Ex-ante: *“the capacity to bounce back to a state of normality”* (Holling, 1973)
 - Ex-post: *“as an emergent property, when an organization learns to adjust to adversity and in the process, strengthens its capability to overcome future challenges”* (Wildavsky, 1988)
- Teo WL, Lee M, Lim W-S (2017), created model, called Relational Activation of Resilience (RAR) which:
 - Considers both the ex-ante and ex-post views of resilience
 - Was built on “...the literatures of leadership and resilience using a relational network perspective”

Framework

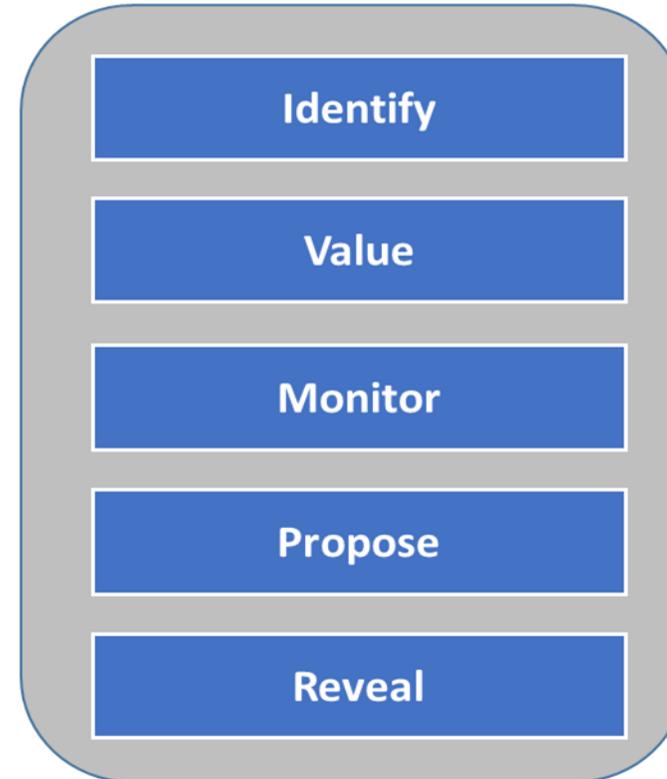
- Mancini A and Bonanno G (2009), present us with a scheme that also served as a basis for our model, given that human capital is the most important asset in a consulting firm
- Lundberg A, Johansson B (2015), presented a “Systemic resilience model”. This model incorporates “Functional Dependencies for Adaptive Capacity” discussed through the following processes:
 - Anticipating events
 - Monitoring changes, both positive and adverse
 - Responding optimally to such changes
 - Recovering from occasionally inevitable, temporary disfunction
 - Learning as quickly as reasonable what works well and not as well

The Model

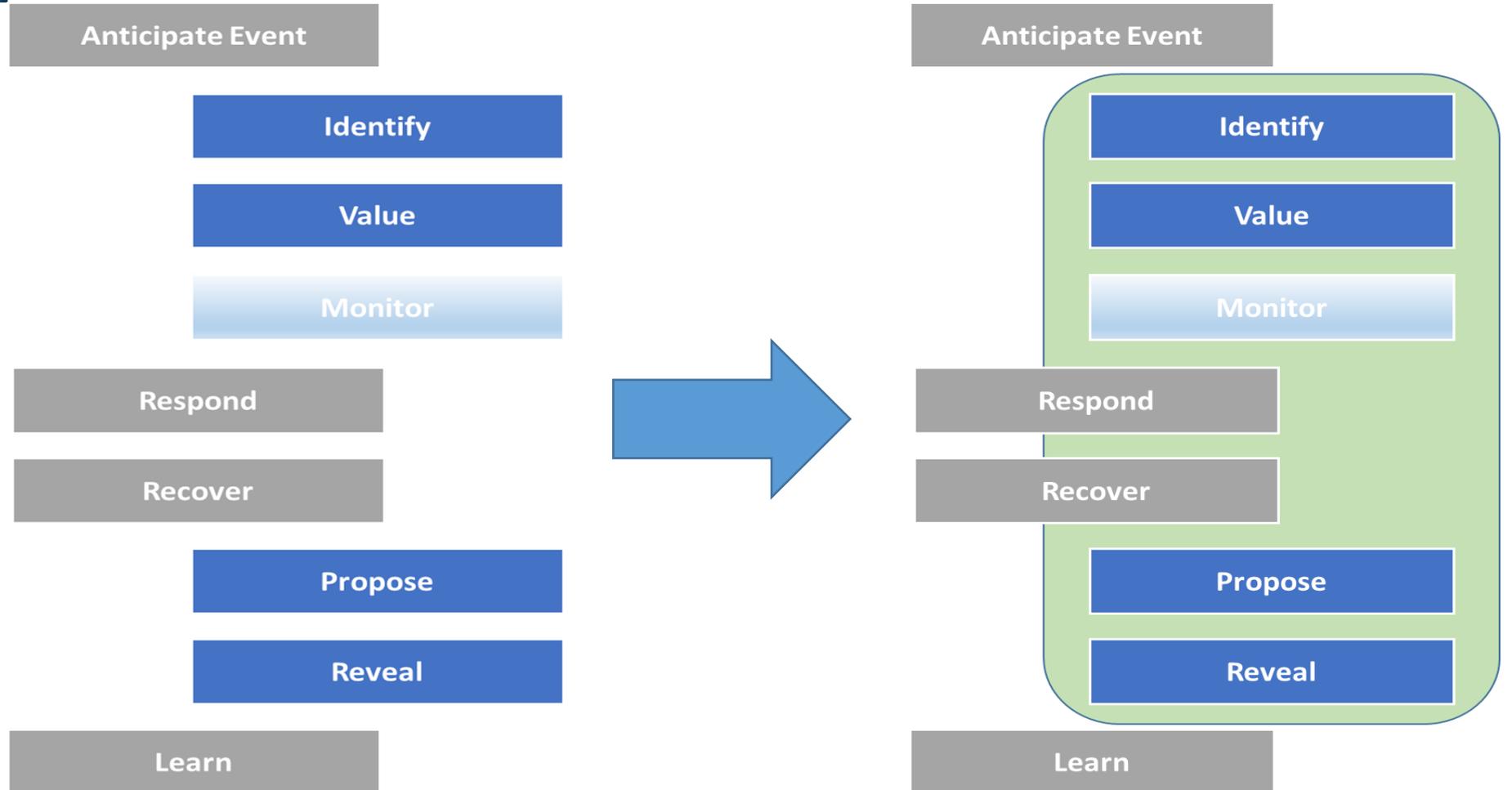
Functional Dependencies for Adaptive Capacity



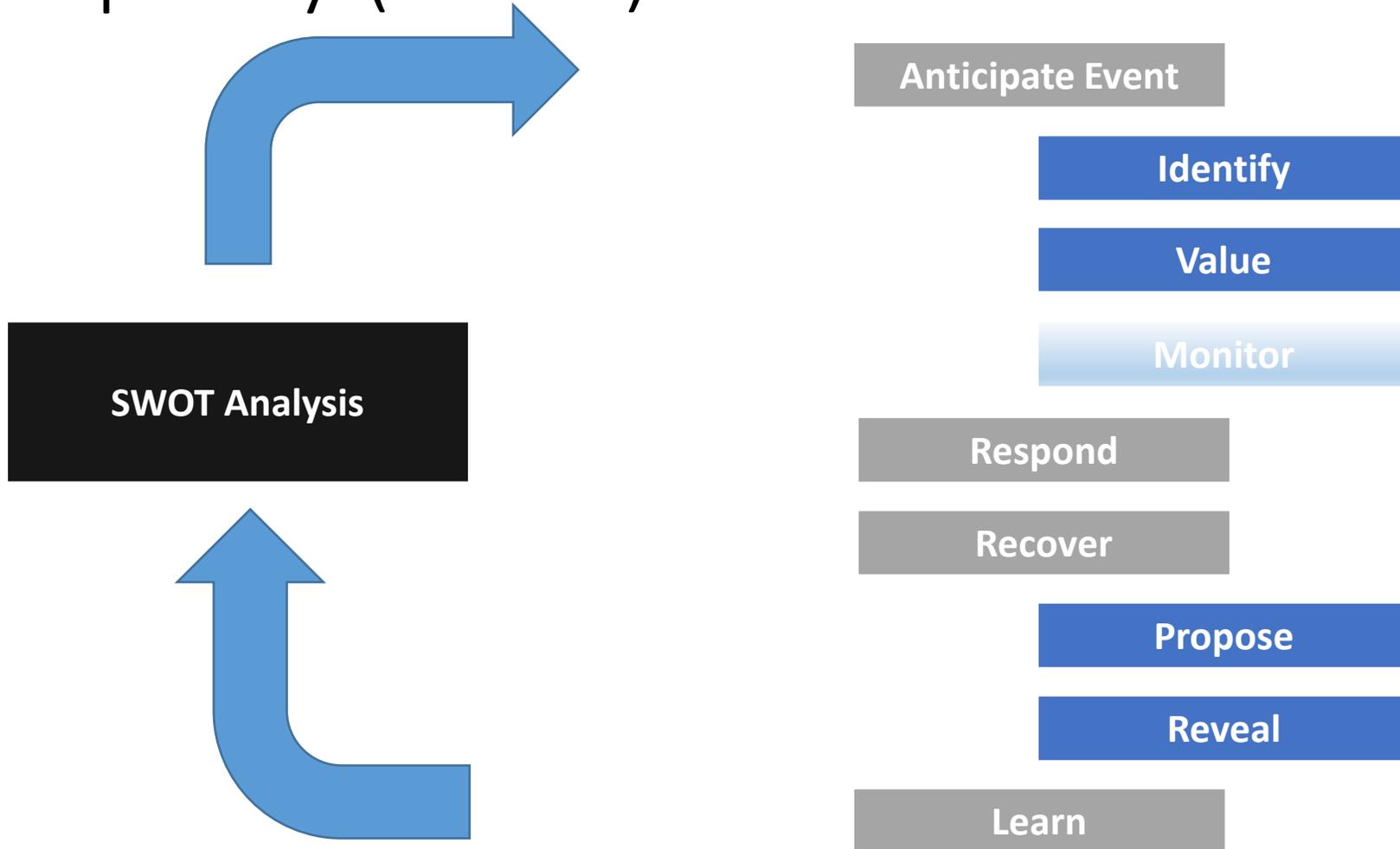
Operational Risk Management



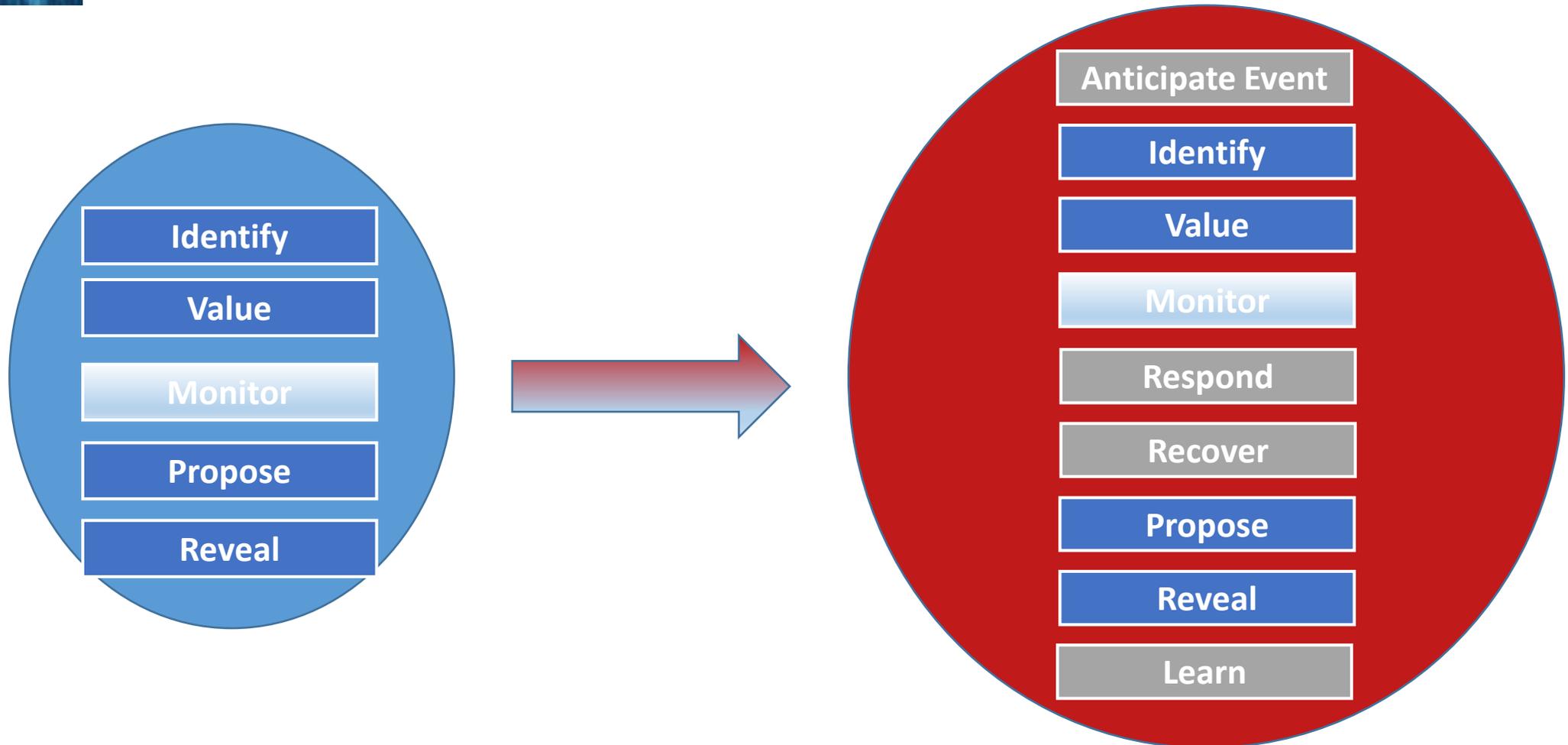
The Model



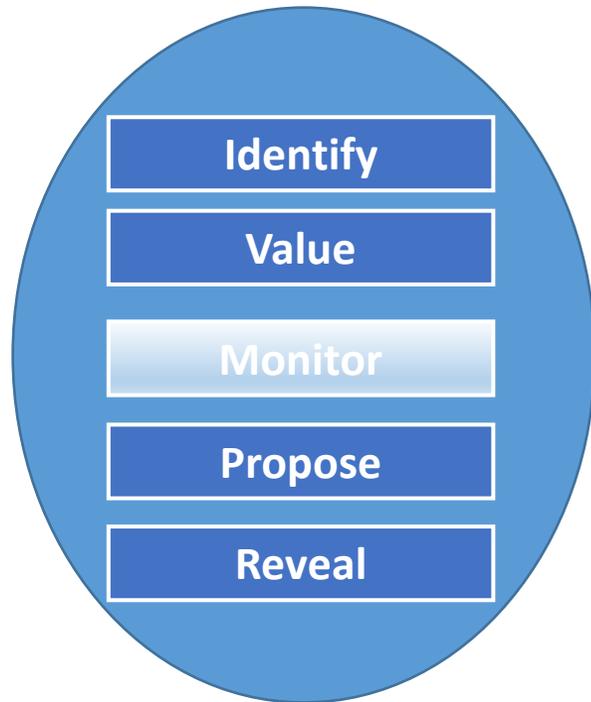
The Operational Risks Adaptive Capacity (ORAC) model



A proposed methodology for use of networks to build operational resilience



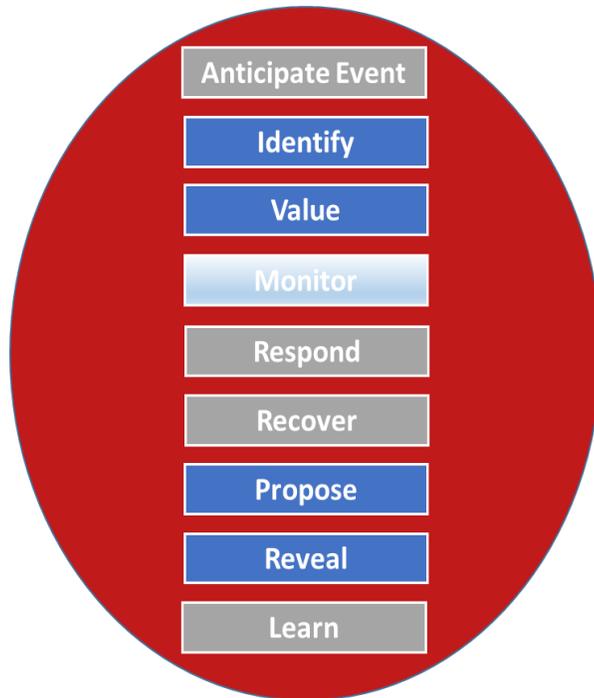
A proposed methodology for use of networks to build operational resilience



While the operation runs the business as usual, it should constantly monitor its network to:

- Learn Who's who: lines of business, reputation, area of scope, where it's based, etc.
- Is any member currently facing an extreme shock event? Should this be the case we must learn: What describes the event, the region where the operation works, how - and how long it has been dealt with locally, has it made formal changes in its procedures to cope with the event. If so, how successful have those procedures been in tackling the problems? Has it reached a transitional point (that is, a point where it can say it shall soon arrive at a new normality?)

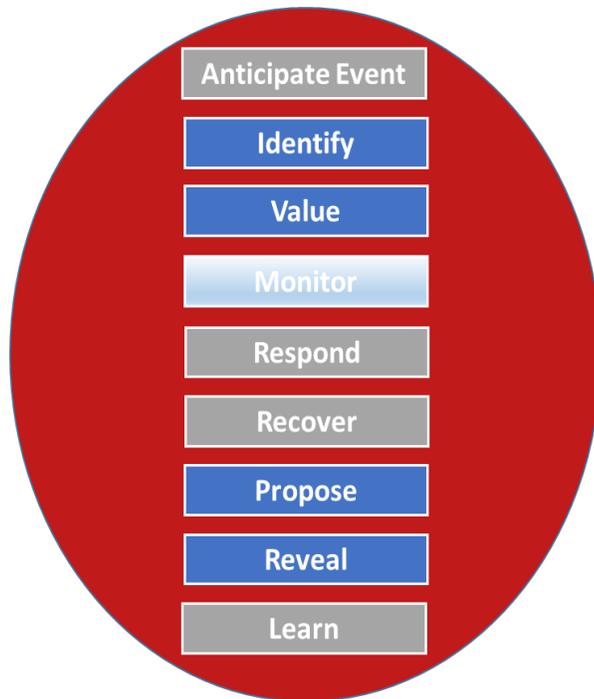
A proposed methodology for use of networks to build operational resilience



- **Anticipate Event**

To anticipate an event that can either weaken or threaten our operation, one relies most heavily on the information from our latest SWOT analysis

A proposed methodology for use of networks to build operational resilience



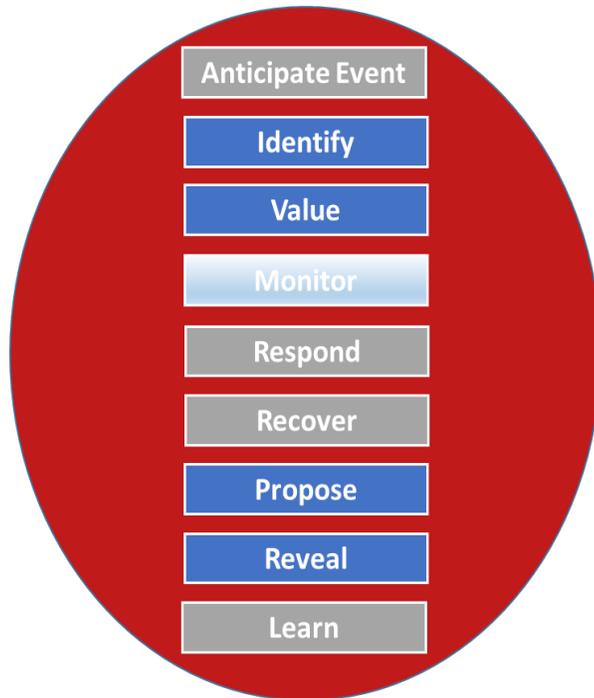
- **Respond and Recover**

The network will now play a different role where now, leaders will now have to establish which members of their network shall form part of what is known as a transitional network.

To choose its members, leaders will now have to:

- *Rely upon the characteristics of each potential participant*
- *Incorporate new members under the basis of mutual and swift trust*
- *Include participants whose reputation speaks for itself, who have dealt (or are currently dealing) with events similar or identical to the one the operation is facing, and who could provide an insight to enable collective meaning-making and sense-making of the situation.*

A proposed methodology for use of networks to build operational resilience



- **Learn**

Regardless of the operation's initial risk assessment of the adverse event, after dealing with it, one should perform an aftermath analysis. This analysis will normally give rise to changes to existing procedures, or to entirely new procedures. At this stage, it is imperative to internalize, advertise and keep a record of all findings.

If the event required a transitional network, the leader should publicize how the organization dealt with the adverse event to those who formed part of the solution, as a sign of gratitude and to encourage further network collaboration in facing new threats.

A Winning Hand: The Royal Flush



Further Reading

- Lundberg A, Johansson B (2015), Systemic resilience model, Reliability Engineering and System Safety.
<http://dx.doi.org/10.1016/j.ress.2015.03.013>
- Mancini A, Bonanno G (2009), Predictors and Parameters of Resilience to Loss: Toward an Individual Differences Model. Journal of Personality 77:6.
<https://doi.org/10.1111/j.1467-6494.2009.00601.x>
- Teo WL, Lee M, Lim W-S (2017), The relational activation of resilience model: How leadership activates resilience in an organizational crisis. J Contingencies and Crisis Management. 2017;25:136–147.
<https://doi.org/10.1111/1468-5973.12179>

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감사합니다 Natick
Danke Ευχαριστίες Dalu
Thank You Köszönöm
Спасибо Dank Gracias
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ありがとう

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