

The Future of Business Resilience

Section 1

The need to transform and build resilience

Section 2

An action plan to assess and strengthen your resilience

Section 3

How Microsoft can help you become more resilient, rapidly

Section 4

Customer stories

Today’s leaders understand that they need to fundamentally rethink and change how they operate.

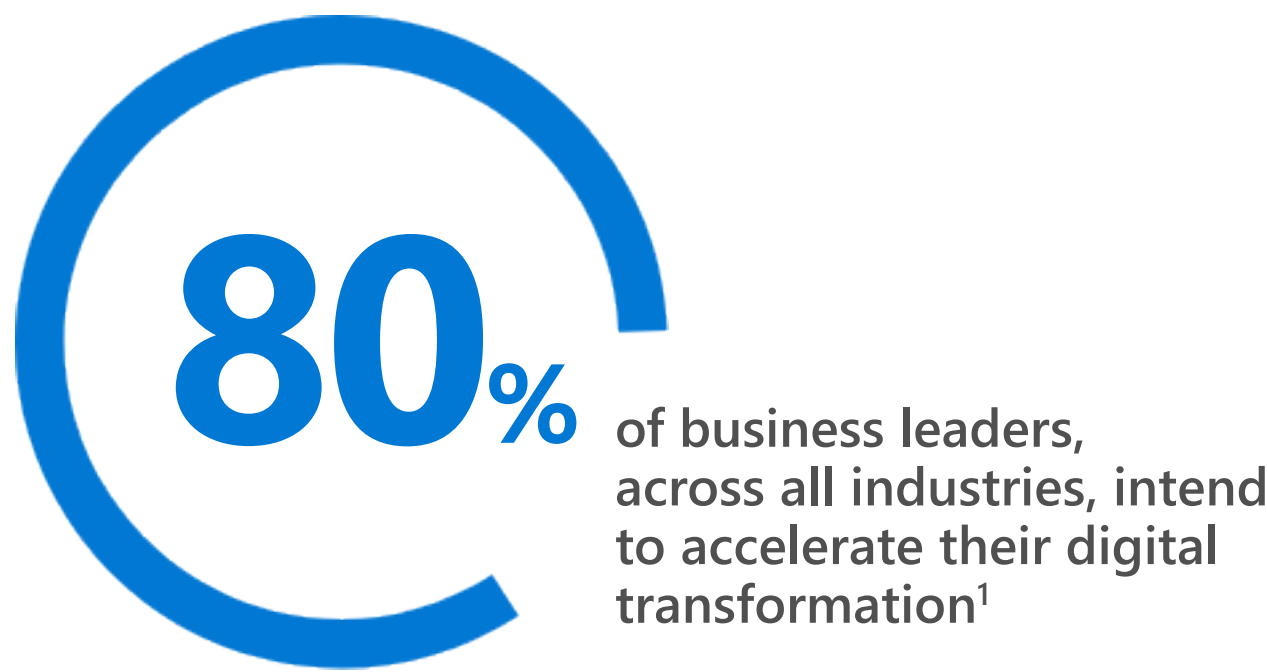
Organizations that are successful in navigating these changes have one thing in common: they are resilient.

Microsoft’s mission is to empower every person and every organization on the planet achieve more.

This means strengthening resilience across your people, teams, and organization.

▼ Section 1

The need to transform and build resilience



Digital transformation is more urgent than ever

Even organizations that were farther along in their digital transformation journey before the pandemic now need to move more quickly. The imperative isn’t just to transform, but to improve agility, speed to market, and stability—to achieve faster return on investment.

“We’ve seen two years’ worth of digital transformation in two months.”

Satya Nadella
CEO, Microsoft

FY20 Q3 Earnings Call

Build resilience and improve your bottom line

Moving forward, every organization will need to both embrace digital technology and build digital capability to be resilient and thrive in the face of change. Research shows that investments in key digital resilience levers result in **aggregated cost savings of 15 to 25 percent**.¹

| Agility | Productivity | Stability | Performance |
|------------------------|-------------------------------|---------------------------------|---|
| 40–50% | 20–30% | UP TO 60% | 12–20% |
| faster speed to market | higher workforce productivity | fewer IT errors and less rework | additional earnings before interest and taxes |

Every organization’s journey is unique

Every organization is on a journey to respond to the crisis, recover from it, and reimagine their business—and no two organizations will look alike.

Employee safety and ensuring business continuity are immediate priorities for every organization.

As organizations move from the respond to the recover phase, they should focus on adjusting quickly to the new realities on the ground.

Leaders should plan to make targeted investments for the reimagination phase. Research shows preemptive transformations are 14 percent faster and have 50 percent higher return on investment than reactive ones.²

Every business can take action across all phases today to help ensure business continuity and build sustained competitive advantage. Organizations that navigate all three phases successfully are more likely to emerge from this crisis with a larger market share than before.





- ▲ Section 2
- ▼ An action plan to assess and strengthen your resilience

Thriving in the face of change requires resilience across six dimensions

As you transform, it's critical to strengthen resilience across all areas of your organization.

Protect and grow the top line

Rapidly identify and respond to changing customer needs with data-driven marketing, sales, and pricing.

Develop agile operations

React quickly and manage disruptions in supply chain, logistics, facilities, manufacturing, development, and corporate functions.

Enable people

Empower employees to be more productive, collaborate effectively, and stay connected in all circumstances. Adapt with new approaches to talent management and development.

Accelerate data and digital platforms

Increase the modularity and availability of core IT infrastructure and applications. Make insights more accessible to enable data-driven, AI-enabled decisions across silos.

Enhance cybersecurity

Safeguard digital assets and react quickly to security breaches in an increasingly distributed environment.

Strengthen financials

Ensure financial liquidity with an operating expenditure-driven cost model, reduced total cost of ownership, and data-enabled policies to manage cash and working capital.

Business continuity and growth

Robustness on a foundational level

Key enablers for stability and adaptability

[The Digital Path to Business Resilience](#), by Boston Consulting Group

A three-step approach to strengthen resilience

COVID-19 has increased cost pressure on most organizations. For example, **90 percent of leaders expect stricter funding policies for their transformation.**¹

Given these constraints, as well as the need to accelerate change, leaders need to achieve more with less. Prioritization is critical and we suggest a three-step approach.

1 Where do you need to address immediate continuity imperatives?

Tackle immediate priorities to respond to the lockdown, such as keeping employees safe and ensuring continuity in sales and operations.

Address key imperatives in preparation for reopening markets to be able to reignite your business in the right markets at the right time.

2 What is your resilience ambition?

Decide your required level of resilience based on the impact of COVID-19 on your sector and the expected amount of future digital disruption you should prepare for.

Determine where to build best-in-class resilience to thrive in the marketplace, using resilience as a differentiating factor.

3 Where should you invest to build sustainable resilience?

Assess your maturity on all six resilience dimensions to identify gaps between your ambition and your current resilience maturity.

Tackle resilience dimensions on which you are exposed, such as vulnerabilities to cyberthreats or scattered data that slows down decisions.

Invest to become future-ready on resilience dimensions that are necessary to weather crises and differentiate yourself in the marketplace.

[The Digital Path to Business Resilience](#), by Boston Consulting Group

Assess your maturity and target state on all six resilience dimensions

For each resilience dimension the capabilities typically seen in organizations are “exposed,” “viable,” and “future-ready.”

At a minimum, organizations should be “viable,” if not “future-ready,” in each dimension and prioritize those that are “exposed.”

This is particularly true for cybersecurity and financial strength, where vulnerabilities could deeply interrupt or even terminate an organization.

Once an organization is “viable” on each dimension, it can build toward its full ambition: becoming “future-ready” in the dimensions needed to weather other disruptions and differentiate itself to thrive in the future.

Protect and grow the top line

Limited online and remote sales. Marketing using simple targeting without automation.

Develop agile operations

Traditional operations with little or no ability to adapt quickly to new process requirements or disruptions.

Enable people

Culture of physical presence with limited IT enablement. People working in traditional line and project structures.

Accelerate data and digital platforms

Legacy-heavy platform and scattered data. Business and IT work in silos with low agility.

Enhance cybersecurity

Cybersecurity not centrally coordinated. High exposure to threats, especially in supply chain and remote work.

Strengthen financials

Limited cash management leading to liquidity stress. Delayed processes and inhibited agility due to lack of digitization.

EXPOSED

Ensure you are at least viable on each dimension.

Multichannel offerings and remotely enabled sales force, based on data-driven decisions and some automation.

Digitally augmented operations to quickly identify and react to changes and external shocks.

Flexible workforce able to collaborate and work in all circumstances. Use of dynamic talent-sourcing models and focus on learning.

Continuously available and fault-tolerant data and digital platform, based on cloud infrastructure.

Trained cybersecurity experts. Technologies implemented for employees working remotely or on-site, threat protection and detection, and recovery.

Cash office with rigorous governance. Robotic process automation and AI-optimized processes that increase speed and forecast accuracy.

VIABLE

Decide where you want to become future-ready.

Customer journeys integrated across channels, with self-serve, personalized recommendations, and automation.

Fully digitalized, highly automated, and Internet of Things-enabled operations with end-to-end visibility, from supply chain to corporate functions.

Smart and agile ways of working with tech-augmented workforce. Strong sense of connection and shared purpose.

Architecture based on application programming interfaces and microservices, with fully functional data lakes that enable rapid innovation.

Cybersecurity treated as a CEO-level priority. Security operations center in place. Secure supply chain and e-commerce platforms that include partners.

Early liquidity warning system and asset-light business model. Digitized processes for control, audit, and planning.

FUTURE-READY

[The Digital Path to Business Resilience](#), by Boston Consulting Group



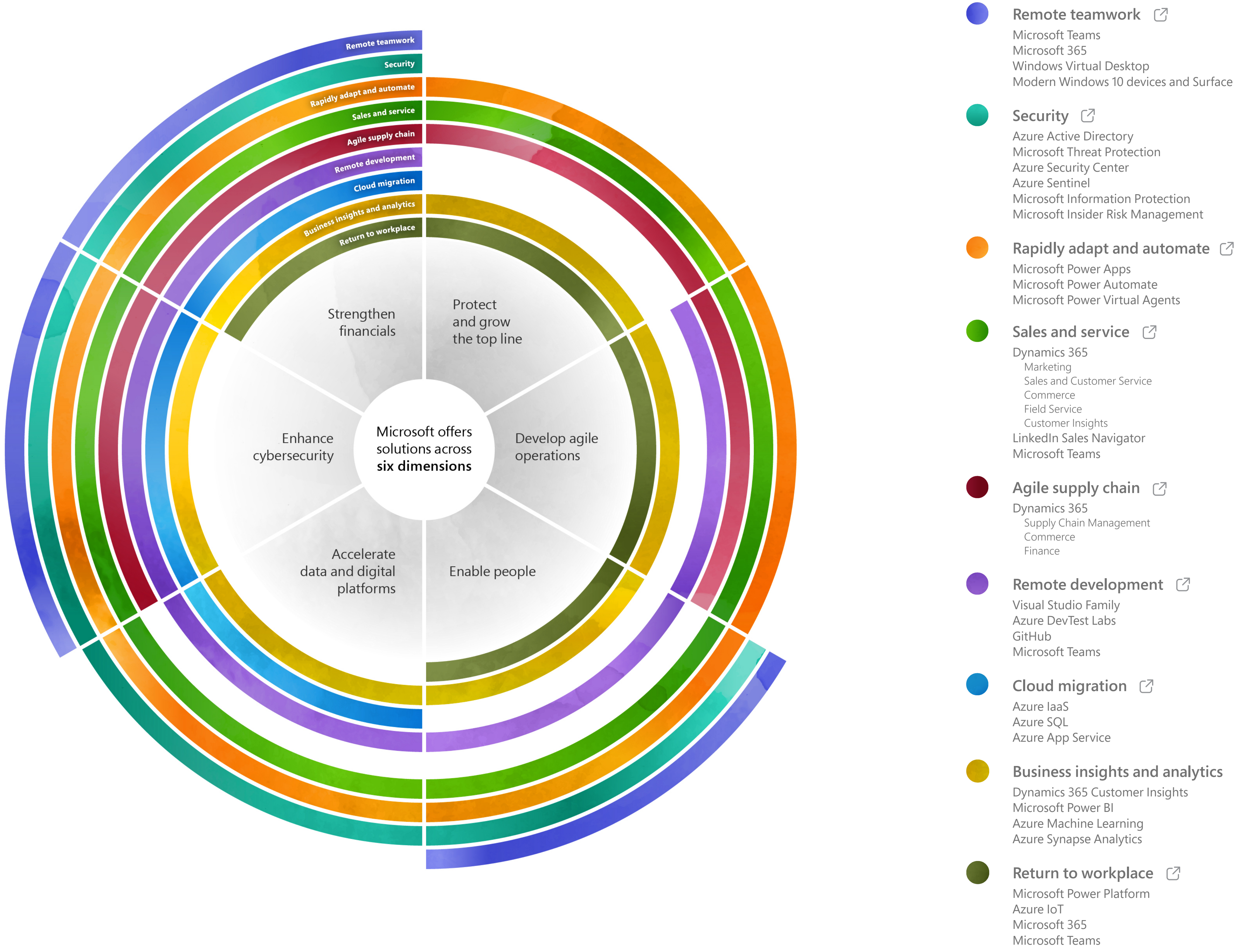
▲ **Section 3**
▼ **How Microsoft can help you become more resilient, rapidly**

Microsoft is uniquely suited to partner with you on your journey

Our end-to-end, integrated portfolio of cloud solutions across **Microsoft 365**, **Dynamics 365**, and **Azure**—together with **Microsoft Power Platform**—is built on a foundation of security and privacy, and helps every organization in every industry build resilience and improve the bottom line.

| Integrated portfolio of solutions | Familiar and easy to use | Built-in security | Differentiated value |
|---|--|---|--|
| End-to-end, integrated portfolio reduces need for point solutions. | Quick to deploy and adopt (speed to value). | Secure, end-user productivity. | Lower total cost of ownership. |
| Trusted, extensible cloud platform across application infrastructure, data and AI, productivity and collaboration, and business applications. | People-centered design and familiar user experience. | Best-in-class intelligent protection against cybersecurity threats. | Reduced complexity of point solutions optimizes costs. |
| | | Comprehensive solutions across people, devices, apps, and data. | Capital expenditure shifted to operating expenditure. |

Our solutions help you strengthen resilience across your people, teams, and organization



Investing in workforce skilling

Expanding access to digital skills is critical to a successful economic recovery.

To help address this need, Microsoft launched a global skills initiative aimed at bringing digital skills to 25 million people worldwide by the end of 2020.

Our comprehensive initiative brings together resources from LinkedIn, GitHub, and Microsoft to help people acquire the digital skills so vital to today's jobs.

Learn more at aka.ms/skills.

Microsoft solutions help you quickly build key capabilities

| Protect and grow the top line | Develop agile operations | Enable people | Accelerate data and digital platforms | Enhance cybersecurity | Strengthen financials |
|--|---|---|--|--|--|
| Omnichannel and personalized go-to-market approach. Data as lighthouse to sense where and how the market is changing. Pricing optimized and personalized using real-time data. Integrated end-to-end customer journeys, enabled by self-service and automation. | Visibility into supply chain and production risks on a daily or real-time basis. End-to-end and highly automated operations planning and orchestration. Flexible and redundant supply chain to react to disruptions quickly. Developers can ship code confidently and securely from anywhere by automating the entire development lifecycle. | Employees work and collaborate remotely, onsite, and autonomously. AI and algorithms used to complement humans. Workforce skilled in digital capabilities, driven by rapid upskilling programs. Developers code, collaborate, and ship from anywhere. Real-time data, self-service tools, and on-going management for a safe return to the workplace. | Simplified, cost-effective, and flexible data and digital platform. Cloud infrastructure to rapidly scale operations up and down. Improved operational stability and network resilience. High-quality and real-time data and democratized access. | Trustworthy computing in remote working, finance, and admin operations. Protected digital assets in increasingly connected and distributed paradigm. Secure collaboration technology and protocols protect data at rest and in transit. Secure ecosystem across supply chain and distribution partners. | Asset-light, operating expenditure-driven cost structure (such as using cloud and software as a service). Cash planning with AI-based forecasting and clear liquidity management processes. Frequent IT investment portfolio triage to identify and end non-critical programs. Cost optimization that comes with a single technology provider versus point solutions. |



Manufacturing • Japan • Rapidly adapt and automate • Microsoft Power Platform

“Power Apps gives us new capabilities and ways to adapt quickly ... and an incredibly fast way to innovate.”

Chris Ingalls
Business and Solution Architect

Improving employee agility

Resilience challenge
Toyota’s business units felt IT processes inhibited their agility to deploy their own solutions fast and to their demand.

Microsoft solutions used
Employees can develop low- or no-code apps, custom-made to their business and automation needs without IT involvement and alignment with help from Microsoft Power Apps.
They can also ensure quality and non-redundancy of employee-built apps prior to organization-wide availability with Microsoft Power Automate.

Impact on resilience
Over 400 apps developed by employees
Saved 100,000+ paper sheets with digitalized processes
Equipped workforce with digital skills to envision digital solutions



Healthcare • United States • Security • Microsoft 365 • Azure

“The beauty of Microsoft 365 tools is that they make it easy to help secure health information while empowering care teams.”

David Finkelstein
Chief Information Security Officer

Securing healthcare communications

Resilience challenge
St. Luke’s wanted to enhance the patient and employee experience through highly secure communications that help protect sensitive data.

Microsoft solutions used
St. Luke’s leverages full security coverage from Microsoft security solutions using Microsoft 365 and Azure.
The company centrally monitors their security posture and can now effectively prioritize necessary actions, such as easily wiping St. Luke’s apps and data from employees’ devices.

Impact on resilience
20 to 30 percent productivity increase
Visibility into unmanaged, third-party software
Data protection as key differentiator



Manufacturing • United States • Agile supply chain • Dynamics 365

“With Dynamics 365, we save nearly \$2 million per year in IT service and support fees compared to our previous, highly customized solution.”

Mark Hodkinson
Vice President of Finance

Streamlining costs and operations

Resilience challenge
Bel Fuse wanted to find an easy to use and affordable enterprise resource planning (ERP) solution to unify the company’s finance and operations processes. The company’s previous solution was highly customized and expensive to maintain.

Microsoft solutions used
After careful evaluation, Bel Fuse found that Microsoft Dynamics 365 had the right capabilities at the right price for the company’s needs. The company deployed Dynamics 365 Finance and Dynamics 365 Supply Chain solutions.

Impact on resilience
\$2M saved per year in IT service and support fees
Increased flexibility to adapt to vendors and adjust inventory
Deeper and more precise view into supply chain



Government • United States • Remote teamwork • Microsoft 365 • Microsoft Teams

“I truly see that our Microsoft solutions are going to take us well past this current challenge of being forced to have everybody work from home during the COVID-19 pandemic as we, as a society, adapt to a new work style.”

Lynne Riley
State Treasurer, Georgia Office of the State Treasurer

Ensuring business continuity

Resilience challenge
Given the critical nature of its business, the Georgia Office of the State Treasurer (OST) needed a technology solution to allow employees to do their jobs from anywhere.

Microsoft solutions used
OST chose Microsoft 365 Government, which offers a robust set of capabilities, while meeting necessary regulatory controls. They also invested in Microsoft Teams, Windows Virtual Desktop, and Surface devices to provide employees with highly secure, continuous, seamless access to information and contacts.

Impact on resilience
Lower costs and administration for third-party solutions
80% cost savings from phone system migration
Reduced security threats due to lower email usage



Public Sector • Australia • Sales and service • Dynamics 365

“It’s enabling our workforce to work from home, which is what we all want.”

Holly Brown
National Lead for Systems and Process Improvement

Enabling customer service

Resilience challenge
When COVID-19 struck, the Red Cross needed to acutely connect more than 10,000 volunteers to opportunities to help vulnerable people in urgent need.

Microsoft solutions used
Volunteers connected with team leads and people in need, enabling well-being checks and providing food and psychological first aid with Dynamics 365 Customer Service and Power BI.
Volunteers were able to work from home and check their tasks in their app, helping to keep distance and avoid spreading COVID-19.

Impact on resilience
Ability to scale to meet demand instantly
Rapid implementation in only one week
Foundation to become fully omnichannel

1 [The Digital Path to Business Resilience](#), by Boston Consulting Group
2 [Preemptive Transformation: Fix It Before It Breaks](#), by Boston Consulting Group

Learn more at microsoft.com/resilience