

Global Crisis Survey 2021

Building resilience
for the future

March 2021



pwc



Charting a resilience roadmap for 2021

Are you ready for what's next?

We're pleased to introduce PwC's Global Crisis Survey 2021, an assessment of the global business community's response to unprecedented social, economic and geopolitical disruption.

Between 20 August 2020 and 25 January 2021, more than 2,800 business leaders shared company data and personal insights on the impact of the crisis. Representing 73 countries and 29 industries, their observations create a compelling portrait of the tactics, tools and processes organisations put in place, and what's worked, what hasn't and why.

From altering corporate strategy to swiftly reshaping production capabilities, how did organisations react? What common threads are there among companies that are emerging stronger — and those that are struggling to tread water? How are businesses integrating what they've learned into a strategy for long-term resilience?

This year's Global Crisis Survey is our second collection of corporate crisis data and analysis. The first, published in 2019, revealed that 95 percent of respondents believed a crisis was imminent within the next two years. But our list of potential crises didn't include *pandemic*, which had dropped altogether from the threats business leaders said they feared. Until last year, the notion of a deadly virus igniting disruption worldwide wasn't showing up on many radar screens, underscoring the very nature of crisis.

But the challenge of crisis management is not to predict or measure every specific incident that could impact your business.

Rather, as 2020 dims in the rearview mirror, the inevitability and unpredictability of disruption have never been more clear. Businesses that prioritise and invest in building a foundation of resilience to address *any* type of crisis will be better positioned to weather what comes next.

73%

of respondents said their business was negatively impacted by the crisis

20%

said they're in a better place today than before the start of the pandemic

PwC's Global Crisis Survey 2021 examines the worldwide business community's response to the most disruptive global crisis of our lifetime: the COVID-19 pandemic. Find out how companies reacted, what they've learned and how they're preparing for what's next.

3 takeaways

We heard from more than 2,800 business leaders around the world. What stood out in their responses? Preparation, agility, an integrated crisis response plan and resilience have been essential as organisations continue to deal with the crisis — and will remain critical when we move into the post-pandemic period.

95%

of business leaders report that their crisis management capabilities need improvement

82%

of organisations said they had a shared vision and purpose for their efforts

1.

Organisations with a strategic crisis response plan in place can mobilise more swiftly, stabilise business operations and respond effectively to the shockwaves of disruption.

Two years ago, 95 percent of respondents to the first PwC Global Crisis Survey said they expected a crisis to hit within the next two years. But when the COVID-19 pandemic struck, more than 30 percent of respondents to this year's survey did not have a designated core crisis response team in place.

After living through the past year, organisations are getting the message. Overwhelmingly, 95 percent of business leaders report that their crisis management capabilities need improvement.

Thorough, thoughtful, strategic planning matters.

Despite the massive disruption wrought by the pandemic, 20 percent of organisations report that the crisis had an overall positive effect on their business. Some of that success is sector-driven.

But more than half of those who said they're better off in terms of financial position and shareholder value were significantly more likely to have relied on a dedicated crisis team to drive their response, reinforcing the importance of preparation, familiarity with team members' roles and responsibilities, and scenario testing.

And even with a well-defined team, organisations need an agile program that can flex to address various contingencies and types of crises. Only 35 percent of respondents had a crisis response plan that was 'very relevant,' which means the majority of organisations didn't design their plans to be 'crisis-agnostic' — a hallmark of a resilient organisation.

What should businesses do today to prepare for the next inevitable disruption?

- **Designate a crisis response team to lead your response.**
When a crisis hits, your team can mobilise and adapt quickly, execute a plan you've tested and refined, and keep your critical operations moving.
- **Design a crisis response plan aligned to your strategy, goals and purpose.**
A clearly delineated crisis strategy, shared with your entire organisation, signals the importance of moving beyond a check-the-box plan. With a fully socialised crisis response program, your people won't waste time and resources figuring out who's supposed to do what — particularly in the early hours of a crisis, when every moment is precious. And they'll understand the *why* of your plan as integral to your organisational vision and purpose.
- **Focus on continuous improvement and building an integrated resilience program.**
Review and refine your response in real-time and in after-action assessments. Incorporate what you're learning and adjust your actions so that you emerge stronger from this crisis — and ready for whatever may come next.

‘Forming a crisis response team as early as possible — by learning from our sister company in China — helped our company prepare for the worst [and] keep manufacturing and supply chain in operation mode, while ensuring drug supply and availability.’

Pharmaceuticals and life sciences chief financial officer, Indonesia

2.

Break down silos. An integrated response is essential to executing a successful crisis management program and to building resilience.

Before the COVID-19 pandemic upended life worldwide, many companies addressed resilience planning as somewhat of a spreadsheet exercise: ‘Crisis plan. Communication plan. Business continuity plans. Check, check, check.’

That approach exposed many businesses to unnecessary risk when faced with the ravages of 2020. Structured in silos, resilience competencies and teams were disjointed, vulnerable and unequipped to coordinate the tactics, tools and technologies needed for an effective response.

Business leaders have taken notice.



Seven out of 10 organisations reported they’re planning to increase their investment in building resilience. Among risk leaders, we’re seeing that number trend as high as nine in 10. And there’s plenty of room to run: Only 23 percent of our respondents felt their various crisis management functions are very well integrated.

Where to start?

Among respondents who said they were negatively impacted by the crisis or in a worse position financially, **crisis management, business continuity and emergency planning** top the list of resilience strategy priorities.

Business leaders who reported being in a better place financially were significantly more likely to say that their organisation’s resilience functions were very well integrated.

‘Effective communication and collaboration cannot be emphasised enough,’ said the chief information officer of a healthcare company in the United States. ‘Breaking down silos has been difficult but worthwhile.’

How to get there? Examine your existing resilience landscape.

Think holistically about how to build resilience.

Begin to break down the silos and integrate your core resilience competencies. And put the spreadsheet back on the shelf.

3.

Organisational resilience is critical — not just to succeed, but to survive.



Curbside pick-up for our customers had been on our radar as something to develop, and we anticipated it would take a significant amount of time. However, given the urgent need to be able to put it in place in order to keep the business running, we did it in a weekend.'

Consumer products chief compliance officer, United States

Amid the upheaval of the past year, a new focus on resilience is taking shape. Facing unpredictable disruption, business leaders recognise that a foundation of resilience can make the difference between faltering or flourishing — in crisis and in peace time.

'Everyone is now aware of the evolution of resilience at the organisation,' reported the operations leader for a Swiss industrial products company, 'and we're now ready to take preventative actions against a future threat.'

Organisations in a better place today were significantly more likely to say they'd already given substantial attention to organisational resilience.

What does *resilience* mean, exactly? In simplest terms, it's the ability to bounce back from disruption. To persevere. But it's also about being prepared to enable and secure new possibilities. As the post-pandemic period begins to take shape in the coming months, organisations have an opportunity to rethink opportunities for the future.

And the outlook is positive: In [PwC's 24th Annual Global CEO Survey](#), a record-high 76 percent of CEOs believe global economic growth will improve in 2021.

That optimism aligns with Global Crisis Survey data revealing that three out of four companies are confident they can successfully integrate what they've learned through the crisis and invigorate their organisational resilience.

How to get there?

First, **elevate resilience** within the organisation. Many business leaders have told us that their resilience-focused teams, prior to the pandemic, were too far removed from the C-suite. Organisations are shifting to establish governance around resilience at the highest levels: designating a senior leader to 'sponsor' the resilience program and creating steering committees to oversee the program's funding, resources and authority to be successful.

Second, take a snapshot of your crisis management structure. Where are your strengths? Is your program thorough? Is it aligned with your **strategic priorities**? Design an integrated program that clearly defines roles and responsibilities for crisis management. And critically — your program should not be treated as merely a backup plan in case of emergency. It's important that your program is operating and improving 365 days a year. This means developing an integrated governance model and providing the right investments for resources, technology and maintenance.

Third, begin to foster a **culture of resilience** throughout your enterprise. Position organisational resilience over your core competencies and across your technology and operations, data, workforce and financial domains.

And finally, at the tactical level: Examine your **crisis response** strategy across your organisation. Do severity levels and escalation triggers align through all functions? Is the chain of responsibility well defined? Are all roles socialised throughout your teams? When you understand your risks and build in the correct plans, protocols and trainings, you're better equipped to launch a coordinated response to disruption.

Resilience can serve as a guiding force for your organisation, helping you recover from a crisis more quickly — and, in peace time, bolster your strength and open **new opportunities** as you conduct everyday business.

77%

altered corporate strategy in response to the crisis

62%

used a crisis response plan during the pandemic

How the crisis unfolded

The early months of the pandemic: From the first identified cases of COVID-19 through lockdowns, states of emergency and other developments by country

2019

Timeline for 2019:

- December 13:** Thailand reports first COVID-19 case
- December 15:** Japan reports first COVID-19 case
- December 20:** USA and Republic of Korea report first COVID-19 case, Taiwan activates the Central Epidemic Command Centre
- January 27:** Canada and Germany report first COVID-19 case
- January 30:** India reports first COVID-19 case
- January 31:** UK and Sweden report first COVID-19 case
- February 1:** Czech Republic reports first COVID-19 case
- February 2:** Indonesia reports first COVID-19 case
- February 4:** Hungary reports first COVID-19 case
- February 11:** The World Health Organisation declares COVID-19 a pandemic
- February 23:** UK and Australia go into national lockdown
- February 24:** Thailand declares state of emergency
- February 25:** India and New Zealand go into national lockdown
- March 7:** Singapore goes into partial national lockdown
- March 16:** Japan declares state of emergency
- April:** Brazil and Sweden do not enter a government-enforced national lockdown or equivalent

December

January

February

March

April

2020

Timeline for 2020:

- January 31:** China first reports cluster of cases of Pneumonia in Wuhan, Hubei Province
- January 21:** Taiwan reports first COVID-19 case
- January 23:** Singapore reports first COVID-19 case and Wuhan goes into lockdown
- January 24:** France reports first COVID-19 case
- January 25:** Malaysia and Australia report first COVID-19 case
- February 23:** Korea declares highest alert level
- February 25:** Austria reports first COVID-19 case
- February 26:** Brazil reports first COVID-19 case
- February 28:** Mexico and New Zealand report first COVID-19 case
- March 15:** Austria goes into national lockdown
- March 16:** Canadians urged to stay at home and France and Czech Republic go into national lockdown
- March 18:** Malaysia goes into national lockdown
- March 20:** USA and Germany implement local lockdowns
- March 27:** Indonesian government gives regional authorities the power to impose local lockdowns
- March 28:** Hungary goes into national lockdown
- March 30:** Mexico declares state of emergency

Then and now

Beginning in March 2020, PwC asked global business leaders whether they expected the COVID-19 pandemic to have a significant or critical impact on their organisations. The effect hasn't been quite as severe in this regard as anticipated, but the fallout from the pandemic is historic, nonetheless — and its threats are still very real. Here's what business leaders said then, and what they say now.



Emerging stronger from disruption

Some organisations are better off now than before the crisis began. How'd they do it?

Given the ongoing economic and political turbulence as the pandemic stretches into 2021, it might be surprising to find that 20 percent of Global Crisis Survey respondents reported they're in a stronger position than before the crisis began. The reasons are myriad, including sector and region-specific factors. But a crisis can be a powerful catalyst for positive change.

What are those organisations doing differently?

Broadening their approach to risk and crisis, and applying a holistic strategy to organisational resilience by:

- Thoroughly examining their response to the crisis
- Incorporating insights and lessons learned into their long-term corporate strategy
- Actively building muscle memory to strengthen preparation and response capabilities

At the tactical level, organisations that experienced positive impact from the crisis share several commonalities.

They were significantly more likely to say they'd given substantial attention to discussing organisational resilience.

Acting on those discussions is the next step. Not surprisingly, the better-off respondents were more likely to have taken action already on gaps or inconsistencies the crisis uncovered. Overall, two out of five respondents had not yet conducted a full after-action review, but 69 percent said they will have one in place for the next crisis.

Top three areas for improvement identified by organisations that conducted an after-action review:

Crisis management



Business continuity management



Enterprise risk management



Source: PwC's Global Crisis Survey 2021

Another benefit of self-examination? Confidence. Companies that conducted an after-action review were significantly more likely to say they are very confident of their ability to implement lessons learned. On the flip side, only 12 percent of those who did not conduct a review shared that assuredness.

Every crisis presents its own challenges — particularly a once-in-a-generation disruption. But with clear-eyed self-evaluation and a willingness to change, an organisation can build resilience to weather any kind of crisis and emerge stronger on the other side.

20% of global organisations said the crisis has had a positive impact overall on their business.

Who are they?

Data Driven



How did they do?

Strategic, data-focused and committed to building resilience through training and integrating lessons learned, *Data Driven* organisations said they're in a better place in terms of:

- Financial position
- Shareholder value
- Marketshare
- Trade/global engagement
- Operations/supply chain
- Brand/reputation

How did they do it?

These organisations were most likely to have:

- Established a pandemic plan prior to COVID-19
- Sought external support from forensics/investigations professionals
- Significantly altered their corporate strategy
- Designated a crisis response team prior to COVID-19
- Dedicated a team focused on the impact of long-term strategy

How can we get there?

- Crisis planning and preparation
- Forensics
- Crisis strategy and scenario planning
- Crisis response team
- Business resilience

In It Together



How did they do?

Prepared to examine their response to the crisis and attentive to the needs of their people, *In It Together* organisations said they're in a better place in terms of:

- Morale
- Diversity and inclusion
- Culture

How did they do it?

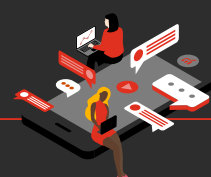
These organisations were most likely to have:

- Established an after-action review or lessons-learned process prior to the pandemic
- Considered the wellness and physical/emotional needs of their employees

How can we get there?

- After-action review
- Leading in crisis
- Crisis communication
- Simulations and exercises
- Crisis recovery
- Stakeholder mapping and engagement

Resilience Pioneers



How did they do?

Innovative, tech-driven and able to adapt to changing conditions, *Resilience Pioneers* said they're in a better place in terms of:

- Technology
- Organisational resilience
- Third-party risk management

How did they do it?

These organisations were most likely to have:

- Established a crisis response and business continuity plan prior to the pandemic
- Enhanced technology
- Agreed that the organisation can learn from the way it has responded to the pandemic

How can we get there?

- Business continuity
- Crisis preparedness assessment
- Crisis management
- Root cause analysis
- Ready Command

‘What is the single most important action your organisation has taken so far in its response to COVID-19?’

A focus on wellness was the leading answer by a landslide to this survey question. From moving to remote work and implementing safety protocols, to assisting workers with personal hardship, organisations put the spotlight on supporting health and safety.

Some industries were hard-hit; others managed to innovate and thrive. Some countries, cities and towns have suffered exponentially more upheaval than others.

Overwhelmingly, though, business leaders across all sectors and territories said their most consequential move was to protect their teams: 80 percent agreed (32 percent strongly) that their response to the crisis took into consideration the physical and emotional needs of their employees.

In Singapore, a technology company endured significant financial losses but retained 100 percent of its employees. ‘The company has invested so much in our workforce,’ said the senior vice president, ‘and they continue to be an integral part of our company’s recovery going forward.’

Organisations around the globe echoed that sentiment. In Australia, an industrial products firm launched a mental health program. A German automotive company’s assurances that jobs wouldn’t be cut, along with stronger organisational support, tightened the bonds between management and employees.

To be sure, promoting staff health is good business. As a US transportation and logistics company executive put it: ‘Once employees understood they were safe and comfortable, productivity zoomed.’

But with the entire world experiencing the collective trauma of illness and grief, lockdowns and quarantine, companies needed to adapt swiftly to keep business moving. For some organisations, that meant keeping their people safe at home — in some instances a wholly unfamiliar way of working.

A new personal resilience emerged as people dealt with unprecedented challenges: remote work and school, isolation from friends and extended family, and the endless adjustments, minor and monumental, wrought by the pandemic. That ability to adapt, to manage fundamental shifts in the way we live and work, is at the heart of individual and organisational resilience.

‘We have made logistics arrangements, food, and accommodations, and have paid 100% of salaries during the lockdown period for people who have not been able to attend work. We have also paid incentives to our resources. This has kept employee morale high.’

Engineering and construction chief executive officer, India

80% agree

that their organisation has considered the wellness, physical and emotional needs of employees during the pandemic

Source: PwC's Global Crisis Survey 2021

At a Canadian financial services firm, business leaders found value in acknowledging employees' need for the 'freedom and flexibility to perform their jobs while balancing against the changes in family lives.' And a banking company leader in the United Kingdom said that 'looking after staff and ensuring well being and morale is top priority.'

How we fully emerge from the pandemic has yet to be written. But the common thread of organisations focusing on the wellness of their workers should continue when life — and business — gets back to normal.



Building resilience

Continuous improvement:

92%

of organisations that had an established after-action review process in place prior to COVID-19 and that have conducted a formal after-action review of their pandemic response also plan to have a process in place for future disruptions.

TOP 5

What action did you take when you realised the pandemic was going to have a major impact?

- 1 Improved ability to conduct **operations remotely** **65%**
- 2 **Enhanced technology** **55%**
- 3 Carried out **headcount reductions** **40%**
- 4 Modified **communication/stakeholder engagement** **38%**
- 5 **Deferred major investments** **36%**

TOP 5

What action are you planning to take now?

- 1 **Accelerate transformations** in organisational areas identified during the crisis **96%**
- 2 Make **changes to corporate strategy** in response to COVID-19 **77%**
- 3 Quickly **adapt strategy** to respond nimbly to major interruptions and **implement changes** **77%**
- 4 Actively work on **increasing resilience** in the near future **69%**
- 5 **Implement an 'after action' review** process for future incidents **69%**

Rules of engagement are radically different as stakeholder communication needs evolve.

More than three-quarters of organisations surveyed said they communicated effectively with their external partners during their crisis response — a healthy majority. But there's a vast difference between a periodic data-share and truly engaging with stakeholders.

Companies who fared better overall dug a bit deeper than routine communiques. These organisations were more likely to:

- Identify relevant information in a timely manner
- Tailor stakeholder initiatives based on their response strategy and priorities
- Engage frequently to understand the impact stakeholders were experiencing

Internal communication performed even stronger, with 81 percent of respondents confident their organisation communicated effectively with employees throughout the pandemic.

Some unexpected benefits can arise from more interaction, as well. In Hungary, a professional services provider said that pre-crisis, all-hands sessions had been rare. But with the onset of remote working, the firm successfully launched a new series of enterprise-wide meetings and workshops.

'It definitely brought us closer to each other, and we discovered synergies and hidden opportunities,' said the respondent. 'Now our colleagues are much more involved.'



Digitisation, predictive analytics, artificial intelligence:

Data tools and capabilities are critical, particularly as remote work feeds the need for clear decision-making channels and fuels the risk of cyber attacks.

75% of respondents said technology has facilitated the coordination of their organisation's crisis response team.

So long as you have well-structured and maintained crisis management teams, and work through issues regularly, you can apply this methodology to all crises.

Energy chief security officer, United Kingdom

How sectors have fared

Which sectors have taken the hardest hit?

Hospitality and Leisure

86%

Higher Education

83%

Organisations in these sectors experienced 'negative' and 'significant negative' impact:

Industrial Manufacturing and Automotive

80%

Government and Public Services

77%

Financial Services

76%

Energy, Utilities and Resources

76%

Consumer Markets

72%

Health Industries

65%

Technology, Media and Telecommunications

61%

Source: PwC's Global Crisis Survey 2021

The return

Is ROI quantifiable in a crisis — even a disruption as devastating as the COVID-19 pandemic?

PwC's Global Crisis Survey 2021 reinforces what we've learned over decades of supporting clients across every sector and through all types of disruption:

With organisational resilience built into your DNA, you can emerge from a crisis stronger, prepared to secure new possibilities and ready to take on what's next.

Organisational resilience: your ROI

- ▶ Ability to anticipate and identify threats
- ▶ Faster response activation
- ▶ Clarity of roles and plans
- ▶ Confidence through muscle memory
- ▶ Access to critical data and insights
- ▶ Reinforced purpose and values
- ▶ Strengthened trust with stakeholders
- ▶ Ability to emerge stronger

To learn more

Visit our [Global Crisis Centre](#) to assess how you can be confident in your ability to turn crisis into opportunity.



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