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Building Institutional Resilience: The Crucial Role of Business Officers in Higher Education

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Building Institutional Resilience

- Learning Objectives
  - Understand the key factors that contribute to the resilience of an institution
  - Understand the business officer’s role in fostering and identifying areas where business officers can proactively contribute to institutional resilience
  - Examine financial management practices that enhance institutional resilience
  - Understand the importance of risk assessment and mitigation in building resilience

Building Institutional Resilience – What?

Resilience focuses on anticipating, preparing for, responding to, and recovering from disruptions, fostering the long-term sustainability and success of an organization

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Building Institutional Resilience – What?

01
Anticipating
Scan the horizon for emerging risks, trends, and disruptions before they hit.

02
Preparing for
Build the plans, capabilities, and reserves needed to absorb shocks.

03
Responding to
Act decisively in the moment to protect people, operations, and mission.

04
Recovering from
Return to stability, capture lessons, and emerge stronger than before.

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Building Institutional Resilience – Why?

- Regulatory Compliance
- Business Continuity
- Risk Mitigation
- Adaptability to Change
- Stakeholder confidence
- Cost Efficiency
- Employee Productivity
- Strategic Decision-Making
- Innovation and Growth
- Faster Recovery
- Crisis Preparedness
- Competitive Advantage
- Sustainability Edge
- Supply Chain optimization
- Reputation and Reliability

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Building Institutional Resilience – How?

- Key steps in building and managing Institutional resilience:
  - Identify critical operations
  - Catalog and map resources that support critical operations
  - Set impact tolerances:
    - Maximum period of time institution can tolerate disruption
    - Maximum extent of data loss institution would accept due to disruption
    - Minimum service levels institution would maintain while operating due to disruption
  - Scenario testing
  - Self-assessment and reporting

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Building Institutional Resilience – How?

- Critical components of institutional resilience:
  - Business Continuity Planning
  - Disaster Recovery Planning
  - Identifying and Assessing Risk
- Working with Emergency Management, Internal Audit, Compliance, and Enterprise Risk Management

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Building Institutional Resilience – How?

- The Risk Management Process:
  - Identify risks
  - Analyze those risks for the likelihood that it will happen, and what impact would be on your institution
  - Selecting risk treatment options
  - Implementing the risk treatment
  - Monitoring the selected treatment

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Building Institutional Resilience – How?

What Financial Management practices support Resilience?

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Building Institutional Resilience – How?

- What do you currently have in place?
  - Business Continuity Plan
    - Do you test? What form? How often?
  - Disaster Recover Plan
    - How does this impact your workflow?
  - Policies, practices, guidelines
    - Are these easily accessible to you and your teams?

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Building Institutional Resilience – How?

- Where do you fit in?
  - What is your role in the process?
  - How can you contribute to business continuity plans?
- What to know
  - Where are your plans located?
  - Are the plans accessible to everyone?
  - What practices are in place to maintain essential functions?

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Building Institutional Resilience – Your Turn

- Scenario 1:

It's a typical day at your institution, and you find yourself in a routine meeting when the CISO bursts into the room, sweating and red from exertion and panic.

"Our data has been compromised, and we're locked out of the financial system! We've discovered unauthorized access!"

What do you do?

Building Institutional Resilience – Your Turn

- Scenario 1 (cont’d):

It’s been an hour since the initial meeting. You get a call from a prospective student’s parent trying to submit information online for financial aid. You realize the deadline is today to submit, but with the compromised financial system, the institution can’t collect the required information.

You hear phones ringing throughout the office and see your inbox filing with the same concerns.

What do you do?

Building Institutional Resilience – Your Turn

- Scenario 2:

It’s a sunny Friday morning as you get to work, and you think of the fun plans you have over the weekend as you sit down at your desk. You look at your phone and see you have 15 missed calls and messages. Listening to the first message, it’s an irate employee who says they didn’t get paid yesterday.

As you try to open the application to see what’s going on, you get an error message and are locked out. You call IT only to find out that they’ve been dealing with a malware attack all night and the hackers are demanding a $25M ransom to release the code. You look at the calendar and suddenly realize it’s that time of month when all the payments are scheduled to go out.

What do you do?

Building Institutional Resilience – Your Turn

- Scenario 2 (cont'd):

As you are trying to work through the situation, Senior Leadership has decided not to pay the ransom and work with the backup information from the Disaster Recovery plan. Unfortunately, groundhogs have chewed through the underground cabling to the backup site and the institution has lost the last three (3) months of data backup.

What do you do?

Building Institutional Resilience – Your Turn

- Scenario 3:

You wake up and check your phone. First headline reads “President signs Executive Order revoking research funding at your institution”. Your Vice President of Research has emailed you several times asking how the institution is going to respond. The response from the Chancellor is only a vague reassurance that the institution will stay the course.

What do you do?

Building Institutional Resilience – Your Turn

- Scenario 3 (cont'd):

As you try to work through several possibilities to help make up for the Research shortfall, you realize that the institution had just signed several MOUs with partnering organizations. The agreements include the requirement for upgrades to current laboratory facilities. One of the scheduled upgrades was the demolition and rebuild of the Physics building. The demolition is scheduled to happen in 2 months.

What do you do?

Building Institutional Resilience – Now What?

- What resources are available?
- Who needs to be “in the room”?
  - How can you contribute to business continuity plans?
- How can you be prepared for the next “event”?
  - Define the problem
  - Prepare for the issues, not detailed scenarios/events
  - Set up relationships and communication plans ahead of time (not in the middle of a situation)
  - Practice, practice, practice

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Questions?

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