Turbulence

Kupers, Roland, Mullie, Roland

Published by Amsterdam University Press

Kupers, Roland and Roland Mullie.
Turbulence: A Corporate Perspective on Collaborating for Resilience.
Amsterdam University Press, 2014.
Project MUSE. muse.jhu.edu/book/66354.

For additional information about this book
https://muse.jhu.edu/book/66354

For content related to this chapter
https://muse.jhu.edu/related_content?type=book&id=2936411

Creative Commons Attribution 4.0 International License.
Editor’s foreword

Roland Kupers

Faced with an increasingly turbulent world and armed with an intuitive insight as to what was driving the turbulence, the CEO’s of a group of multinational companies spanning across multiple industries joined forces to explore what their value could and should be in such a changed context.

Turbulence is at the same time familiar and somewhat frightening. Familiar when we dial up the volume on a water tap and the water suddenly no longer flows smoothly. Somewhat frightening when colliding airflows mix and lead to a bumpy flight. Something similar happens in socio-economic systems, interacting with the natural environment.1 When these systems are tightly coupled, they are likely to stumble across a threshold into turbulent behaviour. Stock markets crash, commodity prices leap, social unrest or extreme weather events occur. The insight the CEOs shared was that the ever-greater demands on food, water and energy systems, in the context of a changing climate, meant that in the future turbulence was likely to become a much more regular feature of the modern world.

In a turbulent world, it would no longer be enough to drive ever-higher economic efficiency and meet ever-more demanding customer needs. Those demands will not go away. What will be added is a requirement to make our socio-economic systems more resilient to the turbulence. To find out what this means and how multinational corporations can contribute, they assembled a project under the banner of the Resilience Action Initiative (RAI). In this book the companies share what they have learnt in their first two years of exploration.

Whenever I have described the story of RAI to people, they have inevitably rushed to the conclusion that the work is only about the resilience of the companies themselves. It is not. Certainly companies need to be resilient, but that is something they worry about continuously and which is part of the core task of management and the board. The premise for RAI is that companies effectively have a societal licence to operate over the long term, but only if they meet a fundamental social need. Cynics may well point to plenty of exceptions, but over time there is little doubt that very large companies are part of society and need to be connected with its long-term requirements. So the focus of RAI is not only on the companies themselves,

1 Scheffer (2009)
but on the resilience of the cities and regions in which they operate and where they eventually sell their products and services. The companies have found that by engaging with the resilience of their environment and that of their clients, they also strengthen their own resilience. As such the two are intimately linked.

This is a book written by practitioners. Most of the authors are senior managers in multinational companies or advisors. As such their prejudice is towards action, rather than towards theory or conceptualisation. This perspective on the resilience of cities and regions is therefore different than what one might find from an NGO or academic perspective. It is not necessarily opposed or in contradiction, but the framing is a corporate framing. This matters because the gap between science and practice – as well as sometimes between NGOs and practice – is often one of framing even though it sometimes is perceived as one of opposed interests. As such, we hope that this book contributes to bridging those gaps by providing a perspective that is less often documented.

The concept of resilience is not new. In the 1970s Buzz Holling was one of its pioneers at the Vienna International Institute for Applied Systems Science (IIASA) where he later became Director. In 1975 Jimmy Davidson, the head of Shell’s Group Planning, visited IIASA and concluded that resilience provides the necessary flexibility for societal and ecological systems: “[I]f this flexibility was not possible or if it was too expensive, one had to assess whether the investment was still justified against the risk of not having such flexibility.” Resilience cannot be made sense of without the realisation that a system cannot be entirely explained by understanding all its parts. Resilience can only be conceptualised as a property of an interconnected and complex system. These insights are far from new, but a more scientific approach has been catalysed with the founding of the Santa Fe Institute for Complexity Science in 1986. While complexity science itself is in its infancy, its impact on practice can already be felt, in such wide-ranging areas as traffic, epidemiology or public policy.

More recently the Resilience Alliance has connected a network of universities, governments and NGOs. The chair of its board, Brian Walker, has been an advisor to RAI and has written the epilogue to this book.

---

2 Hollings (1973)
3 http://www.iiasa.ac.at/
4 Quoted in Wilkinson and Kupers (2014)
5 Colander and Kupers (2014)
6 http://www.resalliance.org/
The Rockefeller Foundation has championed multiple initiatives to put resilience into practice, most recently the 100 Resilient Cities initiative[^7] that provides direct support and connects resilience strategies in urban areas around the world. Other resilience initiatives are referred to throughout this book, but RAI stands out through its specifically corporate perspective.

Many companies have engaged with the idea of contributing to sustainable development, and the RAI companies have issued various sustainability reports and commitments. As such, the relationship between sustainability and resilience has come up repeatedly. We do not attempt to deal with this in the book, as the focus is resolutely on action, not debating concepts. Suffice it so say here that the two are related. Resilience is more clearly defined as the property of a system with certain dynamic attributes, and as such has more intellectual and practical running room. Sustainability is a powerful and intuitively appealing idea, but one sometimes struggles to add much practicality to it. However, ideas have both emotional, analytical and familiarity appeal, so the point is not deciding whether one concept is better than the other, but what is most effective in each circumstance. Personally, I have favoured resilience as an idea for a long time, as more actionable and more suitable for deepening our understanding.

As much as we live in a world infatuated with ‘newness’, the reality is that collective human thought moves slowly. It can take decades for an idea to reach the mainstream or to have widespread impact on the practical state of things. Witness ideas such as sustainability or climate mitigation. In the economic realm the validity of concepts such as privatisation, the primacy of shareholder value or market efficiency take time to root, but also wax and wane. For our purpose, we should recall that companies are very large institutions, which also need time to absorb a new idea and work out how it can make a difference in practice. Resilience is not just about *individual* engagement, but *institutional* engagement. While this may seem slow at times, this is what makes it impactful. People will refer to the fact that a particular company is part of their project or involved in their initiative. However, the depth of those kinds of participations can vary immensely and sometimes it is merely a single employee. Companies are large institutions in their own right, and engaging them comprehensively is time consuming, as well as a major effort. The challenge of understanding and designing resilience solutions is one for the long haul, which will require deep engagement of substantial parts of the institutions. Part of the RAI

[^7]: [http://100resilientcities.rockefellerfoundation.org/](http://100resilientcities.rockefellerfoundation.org/)
journey has been and will continue to be to deepen the roots of the idea in the various companies.

The book is structured as follows: After the preface by Peter Voser who took the initiative to convene the Resilience Action Initiative when he was the CEO of Royal Dutch Shell, followed by an introductory remark from Michel Liès, CEO of Swiss Re, Part I of the book contains a single chapter describing the activities and approach of RAI.

In Part II the tools and methods developed by RAI are listed. Chapter 2 contains the simple resilience frame that was developed and fine-tuned to engage project teams and look with them through the resilience lens. Chapter 3 further deepens the tools and applies them to consider how enterprise risk management becomes different in a resilience perspective. Chapter 4 is the result of a workshop convened by IUCN with a grant from the Rockefeller Foundation, which looked at cross-sector collaboration for resilience, and Chapter 5 lists examples for such collaborations and what success factors can be distilled from them.

In Part III aspects of resilience activities are described, ranging from green infrastructure in Chapter 6 and Nexus!, the resilience game developed for RAI, in Chapter 7. Due to the nature of its members as large companies, many of the projects that RAI considered tended to be large scale, so a project to experiment with bottom-up projects for resilience ran in parallel and is described in Chapter 8. Chapter 9 reflects on the first two years of RAI collaboration. Brian Walker, the Chairman of the Resilience Alliance, provides the epilogue.

As much as RAI focused on the challenges of translating the need for resilience into action, it cannot do this without the support of researchers furthering the science. As a small contribution, the royalties from the sales of this book are donated to the Resilience Alliance to support its research programmes. The contributions of the named authors are made individually, with mention of their affiliations, in the context of an overall corporate collaborative project. Finally, I would like to express thanks to the RAI companies for the privilege of exploring resilience with them,8 to Brian Walker for being such an inspiring thinking partner to RAI, to the Smith School of Enterprise and the Environment for generously extending Associate Fellow status and to the team at Amsterdam University Press for their support and their ability to publish this book in record time.

8 Roland Kupers Consultancy received payments from RAI companies for services during 2012 and 2013.