

ONE SMALL STEP, ONE GIANT LEAP

ANYTHING WORTH DOING AT ALL, IS WORTH DOING WELL

“THAT'S ONE SMALL STEP FOR A MAN, ONE GIANT LEAP FOR MANKIND

Neil Alden Armstrong,
first man to walk on the Moon

In 1961, the United States announced its plan to send man to the Moon after the Soviet Union successfully sent the first man into space. The plan was driven by the fact that if the United States could reach the Moon first, it would demonstrate that the United States was a leader in science and technology.

But why the Moon? In his famous speech in support of the space programme, President John F. Kennedy made the following remark, “We choose to go to the Moon in this decade and do the other things, not because they are easy, but because they are hard, because that goal will serve to organise and measure the best of our energies and skills, because that challenge is one that we are willing to accept, one we are unwilling to postpone, and one we intend to win...”. President Kennedy’s daunting challenge to his countrymen was met just eight years later when Apollo 11 astronauts Neil Armstrong and Buzz Aldrin became the first men to walk on the Moon on 20 July 1969.

When PIDM took the first step in our resolution planning journey in 2016, it may not have been as daunting as going on a trip to the Moon was back in the 1960s. However, just like Kennedy, we knew it was going to be a complex and challenging task that requires a significant level of commitment and determination. Resolution planning entails the drawing up of a resolution plan which is customised for each of PIDM’s member institutions.

A resolution plan includes a preferred resolution strategy and an operational plan which aims to articulate how the preferred resolution strategy is to be implemented during a resolution.

As part of the resolution planning process, a clear understanding of the member institution would be required and this may be garnered by way of a thorough assessment of the business model critical functions and interdependencies of the member institution.

PIDM would also need to ensure that the preferred resolution strategy for the member institution remains feasible and credible for implementation. Resolution planning hence requires careful preparation and close coordination between PIDM and our various stakeholders, including the member institution itself and the other regulatory authorities such as Bank Negara Malaysia, for it to be effective.

The Americans rejoiced in achieving the major milestone of being the first nation to send man to the Moon, but it was not without controversy. As anticipated by President Kennedy, the journey was indeed a hard and costly one. Critics felt that the cost was too high; the Apollo programme costs approximately \$20 billion dollars between 1961 and 1973. However, proponents argued otherwise; they agreed with President Kennedy that the difficult challenge may give rise to other consequential benefits and advantages, especially in the area of technological advancements. Technologies developed from the space programme were subsequently applied to many innovations which influence the daily lives of humankind. For example, the suit developed for astronauts to be worn under extreme weather conditions was also used to make suits to protect firefighters. Imaging and satellite technology used for space exploration was used in the medical scanning industry to save lives. The reverse osmosis technology that was used to recycle waste water in outer space has also helped to transform global waste water into clean and drinkable water.

Just as the difficulties posed by the mission to the Moon led to various technological advancements, the benefits that would be derived from the resolution planning exercise by PIDM’s member institutions could be immense, if done well.

“IN TRUTH, WHATEVER IS WORTH DOING AT ALL, IS WORTH DOING WELL; AND NOTHING CAN BE DONE WELL WITHOUT ATTENTION

Philip Dormer Stanhope, 4th Earl of Chesterfield, in his letters to his son on the fine art of becoming a man of the world and a gentleman

Resolution planning would help member institutions develop capability to support the implementation of prompt and orderly resolution. The information and insights gathered from member institutions through the resolution planning process would also help facilitate swift and informed decision-making by PIDM in a resolution. Early preparation, coupled with swift decision-making by PIDM, would in turn preserve the value of member institutions during times of crises. Insights gained during early preparation would also improve member institutions’ ability to undertake business as usual transactions, including for recovery planning.

And that is why – just as Kennedy chose to put man on the Moon more than 60 years ago – PIDM, as a strategic objective, has decided to embark on the resolution planning journey with member institutions. Even though it may be a complex and challenging endeavour, the outcome would be beneficial as preparatory efforts undertaken could be applied during a resolution. Just as mankind’s mission to the Moon has inspired man to reach new heights and achieve great things, what started as a small step in our resolution planning journey can help us build a stronger and more resilient financial system for all – as we brace ourselves, in multiple facets of readiness, to take a giant leap into the future.