

9 Steps to

Safeguard Your Business



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By definition, emergencies are unpredictable — whether they're on the global or local scale. However, companies that fail to plan are the hardest hit by major disasters and even minor service disruptions. That's why having a [business continuity plan](#) in place is invaluable in the case of a crisis or an economic downturn. Planning for a wide array of circumstances will set you and your company up to rise above uncertain times, regardless of how long they last.

Any disruption to your business can have far-reaching consequences and introduce discord into otherwise streamlined processes. By creating a business continuity plan, you'll not only ensure that everyone knows what to do in the event of an emergency, but you'll also gain a clearer understanding of what's working well in your business and what can be improved.

*Whether you're in the midst of a crisis or simply crafting a continuity plan to protect your company against a potential emergency, these **nine steps** will help you safeguard your business for long term success.*

STEP 1

Assess the situation and forecasted impact



The first step in business continuity planning is to assess where things stand at present. Having a clearly defined and prioritized list of vital services and leadership on hand will set you up to start making decisions quickly if the need arises.

Your assessment should involve identifying the minimum **CORE functions** in your company. What are the essential services that you offer and that you need in order to maintain operations at a base level?

Similarly, you should work to identify **KEY team members** and craft a clear organizational chart that maps out responsibilities and chain of command. Emergency planning should factor in strategies for coping with the loss or prolonged absence of any key team member. Is there ongoing cross-training in place for others to step in should the need arise?

STEP 2

Preserve cash and evaluate your finances

To effectively plan ahead, access to reliable financial data about your business is critical, as is having a very clear understanding of your financials and balance sheet. You don't want to panic and start cutting costs without **strategically assessing** your options.

Preserving cash should be top priority during a crisis, so you need to identify essential and non-essential expenses. Having these clearly delineated will make it easy to decide what to cut if the time comes. Similarly, assess which products or services are top performing. When planning cuts, begin by simplifying your product line by getting rid of less profitable products. It may be prudent to reduce your inventory to those that are truly the workhorses of your business.

There's no doubt that being a Member of TAB has saved me money. My TAB Board Members have given me suggestions I would never have thought of myself. There are no clashes, no one competes, everyone just wants to help one another.

Colin Burney, Managing Director and TAB Member





STEP 3

Plan out cashflow, lending, and supply chains

Again, your cashflow is your lifeline during times of economic strain. Part of crafting an effective continuity plan is mapping out worst-case scenarios: what things will look like with a 25%, 50% or more reduction in business.

Focus on shifting to **long-term debt over short-term debt** by renewing loans. Locking in debt at low interest rates will serve you in the long term and in the immediate future by deferring your outbound cashflow. Having a **realistic sales forecasting model** based on a significant decline in revenue will help you make strategic decisions about where to cut spending.

Additionally, you need a clear map of your supply chain to plan for interruptions. Which component parts are vital and what is your typical on-hand inventory? How long can you survive a shortage of given materials?

STEP 4

Look for opportunities to pivot your business model

Whether you're building your strategy during a major event or during normal operations, it's always productive to identify areas of opportunity. Look for opportunities that have a **high financial impact** (profit margin) paired with a **low organizational impact/cost**, and that can be accomplished in the short-term. There might be **low-risk**, high impact projects to pursue, while longer-term projects may need to be furloughed.

Additionally, you should have a clearly defined twelve-month **operational business plan**. This helps everyone stay on track working to maintain the company's key goals and objectives.

STEP 5

Leverage your labour force



Be sure that you're supporting your employees in a way that fosters a supportive **company culture** even during times of great **stress**. While layoffs may be unavoidable, consider moving essential employees to part time. Similarly, periods of service interruption or slow down may be an opportunity to really focus on training.

Ultimately, you want to **strive for retention** and avoid a toxic work environment. Depending on the nature of a crisis, there may be significant reduction in available labour. So retaining the people you have, even if under restricted conditions, will be preferable to hiring.

STEP 6

Develop a communication plan for all stakeholders

The key to crisis management, and effective ongoing operations, is **clear communication** with everyone involved: customers, employees, shareholders and anyone with a stake in your company's performance. While this should be part of your regular operations, an effective **business continuity plan** should include detailed guidelines regarding accurate and timely distribution of information after a crisis occurs. This encompasses contact with employees, customers, vendors, public safety officials (as needed), and any other relevant third parties.

My TAB Board is very good at asking me the questions I don't want to answer! It's always interesting to hear their advice as it gives me new ideas for handling challenges. The fact that my fellow Members are helping me work on my business reignites my enthusiasm and keeps things fresh.

Kirsty Davies-Chinnock, Managing Director and TAB Member





STEP 7

Focus on customer retention

Particularly during an **economic downturn**, retaining loyal customers is a must. Start by **evaluating your target audience** to ensure you still provide loyal customers with products or services that meet their needs. You may even want to survey key customers to determine what they see as the challenges that lie ahead and the ways your company can continue to meet their needs.

With an eye on retention, you'll also want to create a plan for continuing to **deliver quality** products and customer service. **Assess your current operations**. Are there any areas of customer-facing support that need improvement? Be sure to head off any problem areas before complaints start to arise. Exceptional customer service will go a long way toward customer retention if times get rough.



TAB holds me accountable, while reminding me that no matter how much you think you know, you can't know everything. It's extremely helpful to get feedback from others who have considerable experience.

Tom Wechsler,
President and TAB Member

STEP 8

Keep marketing. Keep selling.

Your marketing budget should not be one of the first items on the expense chopping block. More than ever, times of economic strain are when you should lean into crafting an **effective marketing plan**. Tap into the current pain point for your customer base and find innovative ways to solve their problems.

Although it's wise to contain costs, failing to examine your key customers' changing needs can jeopardize your company's performance over the long term. Companies that clearly **understand customer needs**, and pivot to adjust strategies, products and services in response to shifting demand, are more likely to flourish both during and after a recession. By listening to your customers, you'll **find new opportunities** and quickly adapt your marketing and sales efforts to capitalize on them.

STEP 9

Have a trusted sounding board for big decisions

Particularly in the midst of a catastrophe, having a business coach or **peer advisory board** will serve you and your business immeasurably. An advisory board will give you access to colleagues and fellow business owners who may have experience with exactly the situation you're dealing with and who have weathered the storm. Even in unprecedented situations, the group will serve as a **community of comradery** and provide experienced, objective listeners to help problem-solve. If you're planning ahead to create an effective business continuity plan before a crisis, it's just as important to run ideas by other CEOs and business leaders who have experience navigating the challenges you're projecting.

I was feeling isolated and needed someone outside the business to talk to. TAB has helped me with some delicate issues I'd been shying away from, or just wouldn't have thought to address. In addition, I've developed some great new friendships in my TAB Board Members. They are such a diverse group, but all going through the same types of issues as me.

Darren Aggasild, Managing Director and TAB Member





In the best of times having a quality sounding board of peers is vitally important. During times of economic uncertainty, having access to fresh perspectives, expertise and support when you're facing big decisions is not a luxury — it's a necessity.

Positioning for Recovery

There's no doubt that recessions are hard on business. However, many of the world's top companies started in tough economic times and you too can position yourself to weather the storm. By following these nine steps, your company can emerge stronger in sunnier times. With streamlined operations and great understanding of customer needs, you'll be lean, efficient and well positioned to emerge healthy and ready for growth.

Why go it alone when you're faced with important, challenging decisions?

Become a TAB Member and experience the insights and benefits a peer business advisory group will bring you.



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