

Business Resilience Tips in Unprecedented Times

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## Business Resilience Tips in Unprecedented Times

Businesses today face some unprecedented times. Some are thriving in this environment where many are just scraping by, really struggling and sadly, some have completed folded. As further uncertainty looms, one question remains, how does one ensure that our businesses not only survive but thrive and continue to grow even after this black swan event has done its worst. However, could we have been prepared for this? Could we have put measures in place to ensure that the impact of COVID -19 or any similar situation did not bring our businesses to their knees?

Economic downturns tend to last for approximately two years before an upturn is shown, with that said; we cannot omit or overlook the full-on effects on our country, the downgrade to economic junk status as well as the economic affects that COVID-19 has on our global and local economies. Therefore, whatever plans you make, or devise must extend beyond just your lockdown period and the immediate future thereafter, but should be a plan that considers at least 24 months of drastic policy and financial consideration.

### Business Resilience

Before we can unpack how to become resilient, let us look at the definition of Business Resilience as per McKinsey: “an enterprise wise term which encompasses crisis management, business continuity and responds to all types of risks that an organization may face, including addressing the consequences of a major incident.”

Truth be told, all organizations, irrespective of size, should by right undertake an exercise to address business resilience planning. It is hard to imagine certain scenarios around planning for the worst. What do you plan for; can you actually foresee the worst-case scenario? Well, if history is anything to go by, there is some scenario planning that one can undertake and use history to inform our resilience planning. Planning around certain areas like: Cyber Crime, Terrorist attacks, natural disasters and acts of God, Economic disruptions, compliance failures, disruptive technologies, supply chain failures. These are areas that can be mapped out, and historically speaking if these were, the Resilience plans and effectiveness thereof may in fact have been enough to weather this storm.

Understandably, many people assume that business resilience is a buzzword and is built on emergencies that have occurred. However, business resilience is a governance function that rests with the person responsible for managing risks within an organization.

It can be broken up into three areas:

Business resilience: A strategic risk management function, which integrates all areas of a business to develop a set of processes that is uniquely tailored for an organization.

Business Continuity and Disaster Recovery**:** A process driven approach that guides businesses in a response to incidents to continue operations. This includes finance and IT processes and backing up of work and information within the organization. These two (Business Continuity and Disaster Recovery), are often addressed separately and but fall under the same category of processing.

Value Identification plan: This part identifies the areas during these crises where opportunity may present itself, measures around exploiting new emerging market opportunities and the benefit outlay.

Having established what resilience is and the various factors that makes up business resilience, you may ask what now? Given that the COVID -19 impacts could not have been predicted, and maybe provisions and plans were not made, what do I do now?

Below are areas that may assist in your current response, hopefully it can help weather the storm and assist you with future planning and not just crisis management.

### Leadership

Let us take a moment to acknowledge that our leaders are under immense pressure. Pressure to succeed, pressure to make business sense of all of this chaos and pressure to ensure that livelihoods of those that are dependent on them are safe. Then of course it is acknowledging their own personal experiences and challenges and usually that is the last thing they take care of during crisis.

Let us discuss for a moment that in times of crisis, leaders must overcome what is known as normalcy biases and recognize this situation for what it is. Acknowledge the reality of the challenges that are being faced and not underestimate true impact of the crisis. Once this is done, take a moment to breath and really take it all in. Keeping in mind, our first response is usually to react, reactions built on emotion and panic causes us to make short-term decisions that may have long-term ramifications that could be catastrophic.

Your response during this time will largely be based on improvisation and must be amended based on sound facts, instinct and a lot of hope. Nevertheless, ensure that whatever responses you have address the crisis and look just beyond the crisis to recovery. During this period, planning is crucial, asking ‘what if’ in the worst and best-case scenario.

You have now looked at the impact on your business, the impacts on your finances and even on your human capital. Once you have devised a plan, act with resolve. Be intentional. Decisive leadership is of utmost importance to your staff.

Keep in mind that people go into survival mode during crisis. It is that fight or flight kind of thinking. (The toilet paper stockpiling comes to mind.) People will ask questions such as “what will happen to me?” or “what happens now?” “Is my job secured?” A true leader must acknowledge the personal and professional challenges that employees and even their third parties are experiencing.

Furthermore, leaders need to make sure that they communicate this, to ensure that their communication is clear and concise and acknowledge where people are at; and as honestly as possible address their questions and concerns by anticipating them. Maintain transparency in your communication and acknowledge when you do not have answers to some of the hard questions. Avoid over optimism as this can come across as disingenuous. As Amy Edmonson recently wrote: “Transparency is a ‘job for one’ for leaders in crisis. Be clear about what you know and what you are doing to learn more.”

### Operations and productivity

It is understood that during crisis operations and productivity are affected. Whether it is a change in the way we work (many companies have implemented Work Form Home Policies during the COVID-19 pandemic and lockdown); social distancing, the use of technologies that enable communications from a distance and even developing strategies to capitalize on our ‘as is’ vs ‘to be’ ways of working.

Moreover, we need to recognize that our external and internal environment may affect our levels of productivity. Usually the knock-on effect on the levels of our productivity has a direct correlation to the income that the company receives. Identify the areas in which productivity may be worst affected, and plan to mitigate the impact and risks as far as you can and implement it rapidly. Also, find the areas within your business that can function optimally, identify ways to leverage these and improve quality of service, communication with customers and even develop new offerings during this process. Areas where cost cutting can be instituted and areas where upskilling your staff to handle more during this time will alleviate the work load all round. Understand your teams; their strengths and weaknesses, how to leverage those to maintain business integrity, reputation and delivery of services as best that you can.

Go back to your core values, your vision and mission. Keep them as the heading and the focal points and allow them to be further inculcated into the way in which your teams conduct themselves. Review your strategy and determine what can be fast tracked to go to market sooner, or what drivers can be adjusted to ride out the storm.

Keep costs low and quality high. Maintaining your reputation during crisis is inexplicably important. The way in which your address the crisis and made people feel (your staff and your customers) will be remembered well beyond the crisis, its effects and its recovery thereof.

### Technology

Apart from your strategy, this is probably one of the biggest enablers to conducting business. We utilize CRM (Customer Relations Management) systems, databases, our billing systems, our operating software’s etc. We track our user experiences; send surveys and the like. During crisis, our engagement with our customers is very important.

Determining exactly where they are will provide you with a measuring stick to determine exactly what their experiences are during crisis that assist you in a few ways:

1. You can determine/project your income from your clients and to what extent you can expect payments. Thus, meaning you can project and plan your cash flow during crisis.

2. You can better ascertain the needs your customers have and therefore are able to develop or fast track products or services that may alleviate stresses or issues and even generate a new stream of income.

Technology indeed brings people together. Utilize it, it does not mean go and spend money on expensive technologies, but rather ensure that you utilize what is available to you. Optimization of existing systems are key. Use the technology available to you to communicate effectively with your teams as well as your customers. Create fun and effective surveys, or newsletters, or just sincere communications that allows your communication to be more than just spam. Rethink your e-communication strategy.

Whilst we can look at the benefits of technologies that are available to use, also consider the risks associated with utilizing platforms and information.

Cyber Threats and Risks exists and certain platforms may be good for communication but should not be used to transfer company data or personal information as it may have compromised security and thus can lead to a data breach. Ensure that you read the security policies of these free platforms. Ensure that your company IT policies are strong. Ensure that your WFH (Work from Home) Policies are well written, clear and stipulates exactly what is expected of the employee working with confidential information. From the clean desk policy, ensuring that confidential information is not left lying around, not to transfer files or to share them over certain platforms. To ensure that the data files sent are password protected. As a company, you should be thinking about and establishing policies and procedures that govern how you work, and ultimately protect your company.

### Finance Management

Essentially this is the most critical part of determining whether your business will survive during crisis. It comes down to really understanding your financial situation, what options are available to you and what you can or cannot do.

#### Expense Management:

This involves taking a critical look at your expenses. Documenting your monthly expenses, variables and period expenses.

#### Revenue management:

This allows you to determine where your income sources are within your business (be it a service or a product) and then looking at the income expected to be generated around this product or service.

Moreover, you would need to revisit your revenue strategy and determine new areas of business and revenue. This is ultimately the best time to go through a Business Process Improvement exercise. Meaning you should really look at your business processes, determine the redundant processes, areas that can require improvement and how to save costs or once again generate new income streams.

#### Cash Flow management:

I do not think that this area requires much explanation. At this stage, this was probably the first step/approach that you would have taken during this crisis. What is important to note is that the government has made measures available to assist in the COVID-19 crisis. Although you should always know what your contingencies are, and if it is feasible to dip into any reserves, your business may have.

Can you run your business lean? Can you cut costs? What are nice to haves vs must haves?

*(You would notice a focus on new revenue streams or a common thread. This is mainly because in times of crisis we can either accept our fate or find opportunity in crisis. Therefore, reinventing your business and yourself, being agile and resilient is so important. There is a saying that goes” necessity is the mother of all invention.”)*

### Mental Wellbeing

In retrospect, we often look at our wellbeing. When stress, frustration, worry, and panic have ravaged our bodies and our state of mind. Having robbed us of peace and sleep and mentally weighing ourselves down.

Well, it is in this time that taking care of your mental health is the most important. Many are relying on you. You are required to remain of sound mind, be logical and make decisions that are informed, and not based on emotion or a state of mind with decreased rationality.

Whether you pray or meditate. Whether you take a long bath, or you read, find moments where you can declutter your mind and de-stress.

If you need to, find someone to talk to. A friend, a coach a psychologist or even a peer going through or having gone through something similar. Often times talking about your experience with someone who can truly empathize allows you to not only feel heard but also assists seeing the bigger picture. It pulls you out of your mental funk and comparing notes, makes you realize you are not the only person going through this. It gives perspective and often can provide a lot more clarity. Factually, you as a leader will go through many tough crises, but your mental resilience, and your growth and development in these areas are no less important than your strategy, your finances, your goals and ambitions. Take moments to reward yourself and to pat yourself on the back. Take moments to improve and to pursue more information.

Never take for granted what you bring to the table but never expect people to appreciate it.

Find a network of people to help you grow in different areas with a variety of strengths that you can call on. You are not an island, and you do not know everything. It is important to have that network that you can trust, share and grow with.

### Conclusion

Though nothing is cast in stone, and our journeys and seasons will change and evolve, we cannot always plan to the last detail our approach. What we can do is with enough foresight, planning, and agility navigate unchartered waters.

Each business is on a different journey and on a different trajectory, if you would like to share yours or if you have any questions or need assistance with your strategic planning send us an email at [strategy@veldcooper.com](mailto:strategy@veldcooper.com)