Business Continuity Planning

Postponed, cancelled, closed: the use of these words has accompanied the COVID-19 virus outbreak, as both local and international businesses feel its impact.

Business continuity refers to maintaining business functions or quickly resuming them in the event of a major disruption. A Business Continuity Plan (BCP) is a plan-of-action a company puts in place that can be relied upon in the event of an emergency, when tension and stakes run high. It outlines the policies, procedures, and instructions an organization must follow in the face of such disasters, covering items such as business processes, assets, human resources, business partners, and more. While the final product will be different for every company, a typical BCP might include evacuation plans, communication protocols, contact lists, key asset inventories, and anything else that would be important for employees in a crisis.

- A continuity plan is vital for your business to tackle the coronavirus outbreak.
- The plan should assess and adopt best practices to slow the disease's spread.
- Companies need to be prepared to work remotely in the event of a staff member getting sick.

In some places, usually busy restaurants, bars and other spots where people gather now sit empty, while many global industry conferences and major events will no longer be held. The temporary impact of these changes could have far-reaching consequences for some organizations.

The critical recommendation for all businesses is to create and adopt a business continuity plan. It's essential to decide what should happen in the short to medium term, and consider the longer-term impact, as we don't know how long the virus will be around or how it will evolve.

1. Put Your People First

The health and well-being of your employees is your top concern. It is possible that COVID-19 will sicken some employees and force others into quarantine. Address their immediate needs first, and then begin to think about operations with a remote workforce. It is critical to establish a strategy that enables employees to continue to function without endangering them.

It may also be necessary to offer greater flexibility to normal working expectations.

You will want to verify that you have the tools, technology, capacity, and security measures in place to support a remote workforce. With the possibility of people increasing the amount of time they spend at home (known as social distancing), you may want to move more of your in-person meetings to video meetings. Make sure your phone and computer equipment are set up to work for video. In terms of video meeting software, FaceTime is a popular option for iPhone users, but if you need to show your screen, you can also consider Zoom or Google Hangouts. According to The Verge, Google said "that it would be rolling out free access to 'advanced' features for Hangouts Meet to all G Suite and G Suite for Education customers globally through July 1st. That means organizations can host meetings with up to 250 participants, live stream to up to 100,000 viewers within a single domain, and record and save meetings to Google Drive."

2. Assemble Your *A-Team*

A BCP is only as effective as the people who put it into action. It's critically important to be specific about who will be directly involved, from the plan's owner to those it affects. Getting these people on board during the planning stages can help with creating a stronger, clearer plan and a consistent message. Appoint at least one Point Person or selected team members to devise a response strategy and coordinate pandemic readiness activities. It may also be necessary to identify backup personnel. If you don't already have one as part of your business continuity plan for small business, create a backup plan in the event that you get sick and are unable to perform your job. Identify and lock in a few people whom you can trust to step in for you if needed.

A note of caution: while others may be involved in the plan's execution, it's imperative that the most senior leadership is involved—and seen as involved—in the company's decision-making. This will help to quell any fear and misinformation that can arise in such scenarios.

3. Communicate

When faced with a catastrophe, people want clear, straightforward steps that they can follow and know they've covered their bases. It's best to leave as little to interpretation as possible, and considering diverse perspectives will help make the plan as detailed and clear as needs warrant. Create a communications plan that includes providing employees and customers with regular situation updates as well as actions taken. Stay up to date, and take care to ground your communications in official and verifiable news sources, such as the Centers for Disease Control and Prevention (CDC) and World Health Organization (WHO). By staying informed, you can better prepare for what's coming and gain a sense of control (even if just a little) over the rapidly evolving situation. And being equipped with the facts will help you educate (and calm) any nervous inquiries and clients.

Proactively manage your client relationships. Strong relationships are everything in the face of uncertainty, especially with setting expectations and avoiding losing customers. Over communication in these situations, so if a client is feeling unsure, they can lean on you, the professional. If you've been doing a good job of relating to your clients and building that trust, it should be easier to reach an ideal outcome for both you and your client. Set your audience's minds at ease and let them know that you're prepared to handle whatever comes your way. Acknowledge the coronavirus and that it's something your business is aware of and thinking about.

Don't forget to think through the impact on your brand and what would need to be updated, including messaging and imagery on your website and social channels.

4. Review Existing Plans and Policies

Before taking any action, pause to review your existing Business Continuity and Disaster Recovery Plans. If the plans are sufficiently thorough, they should address a variety of contingencies that could disrupt the firm's businesses, including potential pandemics. Plans should also be sufficiently flexible and reflect the firm's size, complexity, and business activities. It will ensure the firm's process and controls are identified and followed during a pandemic event.

Strong and clear policies will help to legally protect your business from unforeseen circumstances like the coronavirus:

- Revisit your cancellation and rescheduling policies
- Consider a Force Majeure clause in contract or agreement documents (Also important to note is that we are NOT in Force Majeure land right now.) A Force Majeure clause (1) specifies the events which enable either party to declare a force majeure/act of God event, (2) how a party should notify its counterparty about the occurrence, and (3) the consequences after a force majeure event has occurred. A force majeure clause should apply to each party in an agreement.
- A Safe Working Environment clause tells your clients that your company maintains a safe work environment at all times and complies with all health and safety laws, directives and rules and regulations. Thus, you can reserve the right to discontinue service in the event some unsafe conditions arose such as areas affected by communicable diseases.
- A Failure of Company to Perform Services clause ensures that your clients understand the procedure should you not be able to perform your services.

5. Prioritize Key Business Functions

Next you'll want to assess your business processes, determine which areas are vulnerable, map dependencies, and estimate the potential losses if those processes go down for a given amount of time—from hours to weeks or more. You can start by identifying the critical products and services your company delivers and the customers or clients they are delivered to. This will help with prioritizing those parts of the BCP that pertain to the business's most high-value assets, functions, and relationships.

6. Know your Financial Position

An important part of business preparedness in the face of coronavirus and creating a business continuity plan for small business is knowing the ins and outs of your finances. This will help you to understand how much business you can afford to lose each month and start making plans if needed. Answer the following questions to start getting a better picture of your finances.

What is your projected monthly revenue each month over the next 3-6 months?

What are your monthly costs (business and living expenses) each month over the next 3-6 months?

How much income do you need at a minimum each month over the next 3-6 months to maintain a positive cash flow?

If your projected cash flow is in the negative over the next 3-6 months, do you need to identify new revenue streams? While you may be a ways away from needing to implement new steps, they are still worth thinking about now to help increase your preparedness. With that in mind, start thinking about other ways you could bring in revenue if business slowed down.

Identify ways to supplement income. It's always good to know how you can supplement your income if you truly need to. Research the different options available for small businesses.

Having an emergency fund to tide you over for 3-6 months is important for a solid business continuity plan for small business. If you don't have one, start today. Take a look at your financial position from the analysis steps above. How much do you need to maintain a positive cash flow each month? Use that as a starting point to set your monthly savings goal. Once you've set a goal, identify ways to save and build your reserves.

7. Pivot your business strategy

Again, it might not make sense to start pivoting at this very moment, but making plans to do this now can be very helpful if this may be needed in the future.

Your local ND SBDC, ND PTAC, and VBOC service centers are here to assist you in every way. Please connect with an Advisor to ask questions, build your strategy, and/or work through your finances. We are here to make sure you and your business succeed!

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