Stand Strong After COVID-19 Disruption: Steps to take now

COVID 19 is an unprecedented world-wide disruption in this era of globalization, impacting the bulk of small businesses everywhere. As a small business owner or entrepreneur what can you do now? Subsequent to the actualization of the Business Model Assessment, Build Team Capacity, and Systems your small business is a step closer in laying the groundwork for your business to come out strong after COVID 19 and on guard for any future emergency, natural disaster and unforeseen event or circumstance. Unfortunately, virtually no small business was prepared for the brutal COVID 19 Disruption. We stepped into a new world, with new norms and ever-changing reality.

What steps can you take to better prepare for the future? After diligently focusing on developing the first three steps, step four will consist on Contingency Planning. Per BusinessDictionay.com, a Contingency Plan is an "organized and coordinated set of steps to be taken if an emergency or disaster (fire, hurricane, injury, robbery, etc.) strikes".

What caught many small businesses unguarded? The lack of a Business Continuity Plan. The Business Continuity Plan is one of the most underrated elements in a small business, but in this new normal, all require one.

Step 4. Contingency Planning – Business Continuity Plan (BCP)

What is a Business Continuity Plan? Set of documents, instructions, and procedures which enable a business to respond to accidents, disasters, emergencies, and/or threats without any stoppage or hindrance in its key operations. Also called business resumption plan, disaster recovery plan, or recovery plan.   BusinessDictionary.com

What are the key objectives of having a Business Continuity Plan? Reduce impact of a disruption on business operations, knowing that the business can be closed completely, at half capacity or less. Areas impacted include:

- Business operation
- Workforce
- Customer base
- Supply Chain
- Financials – Cost Structure and Revenues
- Brand Identity (How you want to be perceived) and Brand Image (How you are really perceived)

Basic Steps in establishing the Business Continuity Plan (BCP)

1: Risk Assessment – Know your Business & Know the Risks

Initial step - SWOT Analysis for preparation of a Disruption:

- What is a SWOT Analysis? Situation analysis in which internal strengths and weaknesses of an organization, and external opportunities and threats faced by it are closely examined to chart a strategy. SWOT stands for strengths, weaknesses, opportunities, and threats. BusinessDictionary.com
  - Ask the "What if…" questions i.e. What if we have another COVID 19 disruption?
  - Define your Internal Characteristics: Strengths, Weaknesses
  - Define the External Factors: Opportunities and Threats External Threats include: Natural Disasters, Man-made Disasters, Infrastructures (public utilities and built - national, regional, state and local), Terrorism (physical and cyber), Politics, Laws and Regulations, Healthcare, Liabilities, Financial risks

Second step - Business Model Design Space: By Strategyzer

- What is the Business Model Design Space? Per Strategyzer, the objective of this workshop exercise is to visualize and map out everything that is going on in your business model's environment (the Market Forces, the Key Trends, the Industry Forces, and the Macroeconomic Forces). It is an immersion into the Business Model Design Space, which will help you prepare for your quest for new and innovative business models. By making it visual you will develop a more tangible understanding of your environment.
  - In this specific instance, the objective of the workshop exercise is to visualize and map out everything that will be going on in your business model's environment in the event of a disruption caused by a Threat (from SWOT) in order to develop a better and shared understanding of what influences your business model.
  - Outcome
    - A visual map of your Business Model Design Space
    - Deep discussions about your business model's environment leading to a shared understanding
    - A starting point to taking the next step in the creation of a Business Continuity Plan.
- What does the Business Model Design Space consist of?
  - Industry Forces
  - Market Forces
  - Key Trends
  - Macro-Economic Forces
- Who can help our small business work on a SWOT analysis and Business Model Design Space? The Business Development team, collaboration between Community and Economic Development (CED) and Farm, Food and Enterprise Development (FFED) coaches and facilitates the SWOT Analysis and Business Model Design Space. For more information contact Victor Oyervides at oyervide@iastate.edu or (319) 321-9623.

2. Business Continuity Plan Process: by Ready.gov of the U.S. Department of Homeland Security

A responsive, deliberate and mindful Business Continuity Plan process requires an investment of time and effort on behalf of a small business. A beneficial asset, for the education, planning and creation process, is the Business Continuity Planning Suite of U.S. Department of Homeland Security found at https://www.ready.gov/business-continuity-planning-suite.

What resources are available at the Business Continuity Planning Suite website? The site contains the following resources:

A. Downloadable software designed for use by small businesses requiring the creation or improvement of a Business Continuity Plan.
B. BCP Training - a 30 minute course composed of 10 videos. Includes: Steps to undertake a Business Continuity Planning Process and each video gives an overview
  - Business Continuity Training Introduction
  - Business Continuity Training Part 1: What is Business Continuity Planning?
  - Business Continuity Training Part 2: Why is Business Continuity Planning Important?
  - Business Continuity Training Part 3: What's the Business Continuity Planning Process? Overview
  - Business Continuity Training Part 3: Planning Process Step 1
    - Step 1 is Preparing to plan - Including:
      - Identify the elements you already know:
      - Information about your company –
      - Organizational charts
      - Confidentiality requirements

- Information about your teams and team members
- Business insurance
- Vital records
- Raw material and supply lists
- Customer lists
- Processes and procedures
- Utility services
- Emails
- Critical software
- Contact information
- Account numbers
- Points of contact
- Suppliers, vendors and customers
- Fire, police and ambulance
- Hospital and poison control
- Manufacturing system providers
- Equipment and software providers
- Alternate storage sites

o Business Continuity Training Part 3: Planning Process Step 2
- Step 2 is Defining your objectives - Including
  - Determine your core mission
  - Calculating your recovery time objectives
  - Conducting an Business Impact Analysis
  - Business Continuity Plan Generator (software)
  - This step addresses how organizations should "define" their business continuity plan objectives.

o Business Continuity Training Part 3: Planning Process Step 3
- Step 3 is Identifying and prioritizing potential risks and impacts - Includig
  - What kind of threats put your business at risk?
  - What kind of proactive strategies can you implement to prepare?
  - What is important to your business and why?
  - Determine how you can prevent, mitigate or lessen the impact of your threats.

o Business Continuity Training Part 3: Planning Process Step 4
- Step 4 is Developing business continuity strategies - Including
  - Develop parameters for your strategies
  - Develop strategies to each risk
  - Identify strategies
  - Assign manager to lead tasks
  - Identify a location for management to operate
  - Means and equipment of communication
  - Relocation strategies
  - Recovery site options
  - Address employee and community needs
  - Critically evaluate your strategies
  - Strategies that are economically sound and realistic
    o Is it cost effective?
    o Integrate into daily operations?
    o Address multiple threats?
    o Can your staff implement it?
  - This step addresses how organizations should "develop" business continuity strategies.

o Business Continuity Training Part 3: Planning Process Step 5
- Step 5 is Identifying teams and defining tasks - Including
  - Determine team names and functions

- Develop a line of succession
- Develop team tasks lists

  o Business Continuity Training Part 3: Planning Process Step 6
    - Step 6 is Testing, exercising, evaluating and updating your plan - Including
      - Once your plan is completed it is time for step 6
      - Train, test and exercise
      - Make sure everyone understands the plan
      - Use task checklists to verify completion

After reviewing and studying the orientation, your small business is ready to build the Business Continuity Plan. There exists a variety of tools available for the creation of the Business Continuity Plan. For budget conscious small businesses, the downloadable software from U.S. Department of Homeland Security at https://www.ready.gov/business-continuity-planning-suite is a great tool at the outset. Another tool and resource, Pandemic Influenza Business Planning Toolkit, by Missouri Department of Health and Senior Services is found at https://health.mo.gov/emergencies/panflu/pdf/panflubusinesstoolkit.pdf. Per Missouri Department of Health and Senior Services, "The Pandemic Influenza Business Planning Toolkit is in the public domain and may be reproduced, fully or partially, without permission. Source credit is requested but not required".

Upon development of the Business Continuity Plan, your small business is required to train the team, test and maintain the plan, and revise and make any adjustments necessary on a consistent interval to ensure functionality and optimal preparedness. If COVID 19 Disruption has taught us (small business owners and entrepreneurs) anything, it is that business planning is essential. As stated in Step One of this series, right now is a time to be proactive and not reactive. A more suitable juncture to undertake such key issue as the Business Continuity Plan, especially if never addressed before, is in the middle of this unprecedented crisis.

Community and Economic Development and Farm, Food and Enterprise Development of Iowa State University Extension and Outreach have built a Business Development team to serve Iowans with direct Technical Assistance on assessing your Business Model. For more information contact Victor Oyervides, Retail Business Specialist, at (319) 321-9623 or oyervide@iastate.edu.

The set of "Stand Strong After COVID-19 Disruption: Steps to take now" Series is part of tools and resources that the Iowa Retail Initiative of Community and Economic Development of Iowa State University Extension and Outreach. To learn about these resources and the complete Iowa Retail Initiative program visit https://www.extension.iastate.edu/communities/iowa-retail-initiative and contact Lisa Bates, Community Development Specialist, at (515) 357-8185 or lmbates@iastate.edu.

Resources:
Business Continuity Planning Suite of U.S. Department of Homeland Security
https://www.ready.gov/business-continuity-planning-suite
Pandemic Influenza Business Planning Toolkit of Missouri Department of Health and Senior Services
https://health.mo.gov/emergencies/panflu/pdf/panflubusinesstoolkit.pdf

Our next topic in this Series - Stand Strong After COVID-19 Disruption: Steps to take now is "Wellness".

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