BUSINESS CONTINUITY PLANNING

SRJWW
Growing Business Growing People

- ## About Dianne Brown
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Business Continuity Planning

- What is it and why is it important?
- Developing your NOW, WHERE, HOW Action Plan

7 key areas to consider:
1. Cash
2. Asset Protection
3. Communication Plan
4. Employees
5. Customer Needs
6. Secure your Supply Chain
7. Secure/adapt your IT environment

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Business Continuity Planning

- COVID-19 fundamentally changed the way we do business now and in the future

- Highlighted importance of planning and adapting to change

- **Business Continuity Plan (BCP) outlines how your business will operate during unplanned disruptions in service**

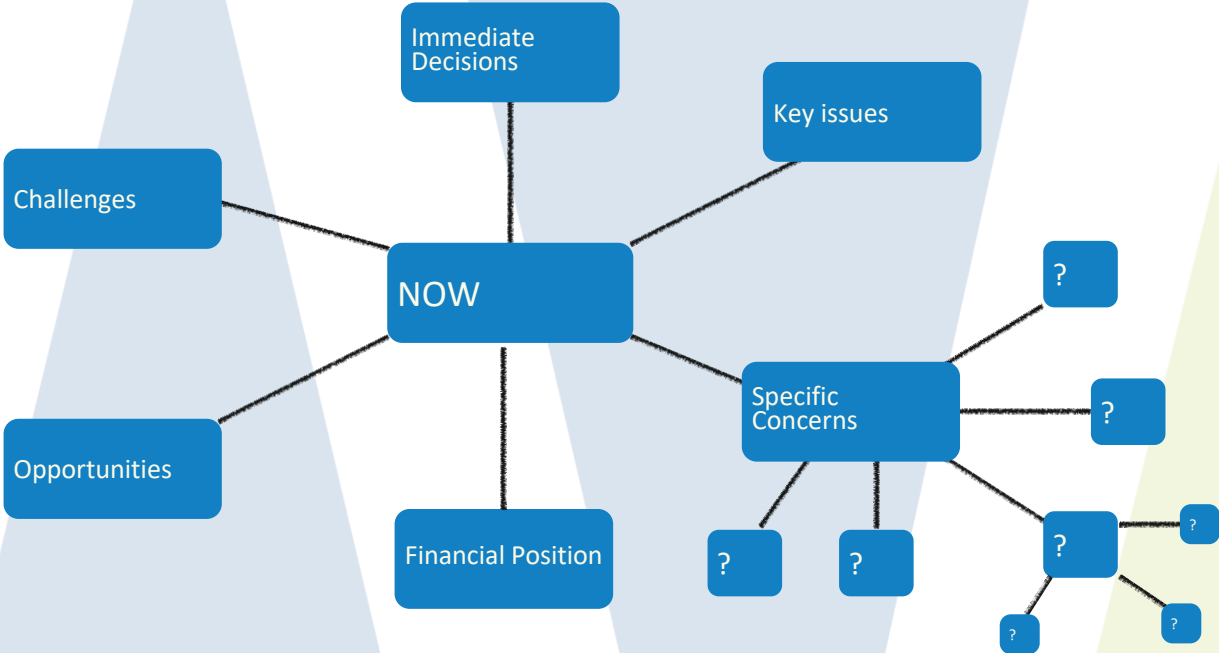- **Reduce impact on cashflow, supply chain, customers, employees & your brand**

NOW – MIND MAP

NOW Analysis

- Develop List of key contacts
  - Accountant
  - Solicitor
  - Bank Manager
  - Insurance Broker
  - Landlord
  - Phone/Internet provider
  - Business Equipment Support
  - IT Services & support

NOW Analysis

- Develop list of existing funding arrangements:
- Leased equipment/motor vehicles etc
- Bank Details & signatories etc
- Insurance details
- Ensure your Fixed Asset register is up to date
- Ensure your staff contact details are up to date and easily accessible

WHERE ANALYSIS

1. Current Vision

2. Impact of the event on the Vision

3. 3 Scenarios (Low-Medium-High or Short-Medium-Long term)

For example

Low severity – minimal disruption, business as usual

Medium severity – impacts 10-20% revenue, cash, capacity etc.

High severity – over 50% revenue loss

HOW

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Business Continuity Planning
1. Cash Flow

NOW	WHERE	HOW
Determine current level of liquidity • Known cash inflows • Fixed v variable expenditure • How many months before you utilise all available cash & facilities? • Determine areas of inefficiency within your business	Scenario Planning 1. Low = minimal disruption 2. Medium = 10-20% downturn 3. High = 50% or more	• Prepare Cash Flow Forecasts • Access all available funding (Government Support + Grants) • Consider payment deferrals (rent, banks, ATO etc) • Review debtor terms and collect outstanding debtors • Identify any assets that can be easily converted to cash • Review pricing structure and margins • Complete a Waste Audit • Consider any additional short term financing arrangements to address potential cash flow shortfalls and additional reporting obligations • Identify and monitor financial KPI's

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Business Continuity Planning
2. Protection

NOW	WHERE	HOW
• Review your existing asset protection strategies • Review your existing insurance policies and identify existing Business Interruption Insurance inclusions	• Individual assets protected • Business and personal insurances adequate and current	• Meet with your Accountant to ensure your structure supports individual asset protection – including consideration of "gift and loan back arrangements" • Ensure your Enduring Power of Attorney (EPOA) and wills are updated and signed copies located • Meet with your Insurance provider to review and update

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Business Continuity Planning
3. Communication Plan

NOW	WHERE	HOW
• Identify key stakeholders (customers, suppliers, employees, funders etc) • Evaluate existing channels for stakeholder communications	• Clear message identified and communicated: - Event that caused business interruption - Your plans to deal with it - How it will impact that particular stakeholder group - Your road to "recovery"	• Develop your BCP in conjunction with management team • Ensure communication plan addresses issues associated with job security • Develop targeted communication plans for each stakeholder group and distribute

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Business Continuity Planning
4. Employees

NOW	WHERE	HOW
• Identify current and future employee skill sets and existing capability gaps • Identify what level of workforce resource you need in short, medium & long term • Identify virtual workforce arrangements including IT platforms • Identify government requirements regarding employee safety • Identify existing employee health & wellbeing programs and additional government support programs • Identify tools to manage performance • Consider alternate talent pools to supplement workforce (casual/contract/outsource)	• Efficient, skilled workforce maintained that ensures all capacity, capability and affordability issues addressed	• Develop action plan to address capability gaps • Utilise workforce scenario planning to confirm requirements • Engage external HR support to ensure compliance with legal & government requirements and develop action items to stay current. See Support for businesses in Australia | business.gov.au • Develop action plan for employee support and training • Develop action plans to roll out employee support tools

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Business Continuity Planning
5. Understand your customer needs

NOW	WHERE	HOW
• Identify any potential changes to your customer consumption patterns and customer base • Identify how you will engage with existing and potential customers to attract new business • Identify how you will service/deliver to existing and potential customers • Identify any reputational shift (your business + industry) and what opportunities/challenges this poses.	• Customer preferences revised and opportunities maximised for new income streams • New delivery mechanisms/channels identified and implemented • Customer communication plans in place	• Complete customer and product portfolio analysis and implement identified strategies/actions • Complete competitor analysis and address gaps

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Business Continuity Planning
6. Secure your Supply Chain

NOW	WHERE	HOW
• Determine impact on your key suppliers • Determine production/inventory requirements for short v medium v long term based on forecast scenarios • Identify additional needs/arrangements in your supplier network	• Supply Chain secured to address each forecast scenario • Supplier terms negotiated and adjusted accordingly	• Review inventory management system to ensure you can track visibility of inbound materials and advance warning of problems • Review supplier investment and collaboration strategy • Review supplier terms to minimise cash flow impact • Develop supplier communication plan • Develop future investment plan to better mitigate future risk (automation etc)

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Business Continuity Planning
7. Secure/adapt your IT Environment

NOW	WHERE	HOW
• Identify capacity of existing IT infrastructure • Identify critical (and future) hardware and software requirements • Identify security risks in current and future applications (including impact on suppliers) • Identify potential IT support options (outsourced IT vendors, managed service providers etc) • Identify industry trends	• Secure IT environment to enable seamless digital processes • Employees skilled at maximising efficiencies associated with digital platforms • IT policies and procedures documented and communicated	• Complete IT audit of existing systems and identify areas for efficiency gains • Complete Cost v Benefit analysis of IT scoping recommendations • Develop staff training plan for new platforms • Review and update IT policies and procedures • Review employee processes to identify opportunities for greater digitisation (recruitment, onboarding etc)

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Business Continuity Plan Additional Resources

- See Business Moreton Bay Region/SRJWW "Disaster Scenario Planning for Small Business" Webinar

[Disaster Scenario Planning for Small Business - Business Moreton Bay Region](#)

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Thank you for tuning in.

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