

Business continuity plans to secure the future of SMMEs

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Managing and growing a business is no easy feat, this task becomes even more difficult when you factor in recessions, economic downgrades and pandemics. But the hurdles entrepreneurs and their businesses are currently facing can also be an opportunity to pivot their companies and brands.



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Businesses can create better continuity plans to not only mitigate the current economic crisis but also ensure the survival of the next disruption. This is how:

Planning

Any business that wishes to make it to the next financial year needs to have a strategic Covid plan that includes a new operating model that will determine the organisation's future. The way business has always been done, has become redundant. Consumers act differently, they think differently, they respond differently to marketing or product offers, they make purchasing decisions differently, and they behave differently.

A well thought-out plan should, therefore, take this into consideration when setting new goals and objectives, desired outcomes, metrics for measuring your progress, timelines, and budgets. This process can be divided into basic planning; information gathering; decision making; writing; review; and approval.

But planning for the future cannot happen in a vacuum. This blueprint must be accompanied by a situational analysis or audit to determine how your business is currently affected by the challenges, specifically Covid-19 related difficulties. This in-depth process needs to look at the organisation's Strengths, Weaknesses, Opportunities, and (competitive) Threats (SWOT) and the Political, Economic, Social, Technical, Legal and Environmental (PESTLE) factors currently affecting the business.

While strategic planning can assist a business with its vision and defining its overall goals, the planning tool will not resolve systemic issues such as poor leadership and poor financial management.

Finances

One of the quickest financial wins that businesses can capitalise on during an economic crisis, is to cut out unnecessary expenditures. This would have been recognised during the situational analysis.

Rather than solely focusing on plugging the seeping holes, businesses must try to create other avenues that generate revenue using the resources currently available to the business. One way of doing this is to test new revenue and pricing models with their "super-consumers", those customers who spend significantly higher than the rest and are emotional about their purchases. This may require alternative revenue/pricing strategies, like gift cards and subscriptions, as opposed to traditional transaction-based models.

Digital

The digitisation of a company's offering cannot be overstated. As seen with the current landscape, businesses that already made the digital migration before the outbreak or had digital contingency plans in their Business Continuity Plans (BCP) fared slightly better than those operating from an analogue system.

While not every component of a business can be digitised, entrepreneurs must not wait for the next disruption before going digital. Their current and future BCP's must include a digital component if they wish to continue functioning beyond the crisis. This also includes looking beyond the current offerings of business and interrogating what new digital supplementary avenues the organisation can add to its services/products.

Innovation

Another way to increase gains is to accelerate innovation. Rather than waiting, companies that have near-ready products should move to launch them as soon as possible, whatever bugs there are can be ironed out using field data gathered from customers.

Entrepreneurs often shy away from change and rely on the already established methods to achieve their goals, but during a crisis what is required is the ability to recognise what your customers need and immediately move to provide them with it.

This immediacy also includes moving launch dates closer than the anticipated date to benefit from a captive audience eager for distractions.

Outsourcing

The lighter or more agile you are as an organisation, the easier it is to pivot or circumnavigate hurdles. The presence and management of human capital, while vital for business, requires a dedicated team of experts such as the Human Resource department, but for a lot of SMEs, this role often falls on the managing director or CEO, the same individual responsible for strategising the future of the company.

Outsourcing the elements of the business that are not involved in the core functions of an organisation to a third-party service provider can free up much-needed resources and afford organisations access to support teams it otherwise may not have.

No one can predict the future with 100% accuracy and any business continuity plans may only cover partial elements of any eventuality, but not having any plan in place or failing to learn from the current and past crisis is an infallible path to failure. Companies looking to grow from the economic crisis they find themselves in need to go on the offensive and find new ways of pushing forward.

It is in during dark times that legendary companies and leaders are forged.

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