

Business Resiliency

Remaining Viable and Strong
in Spite of Disruptions

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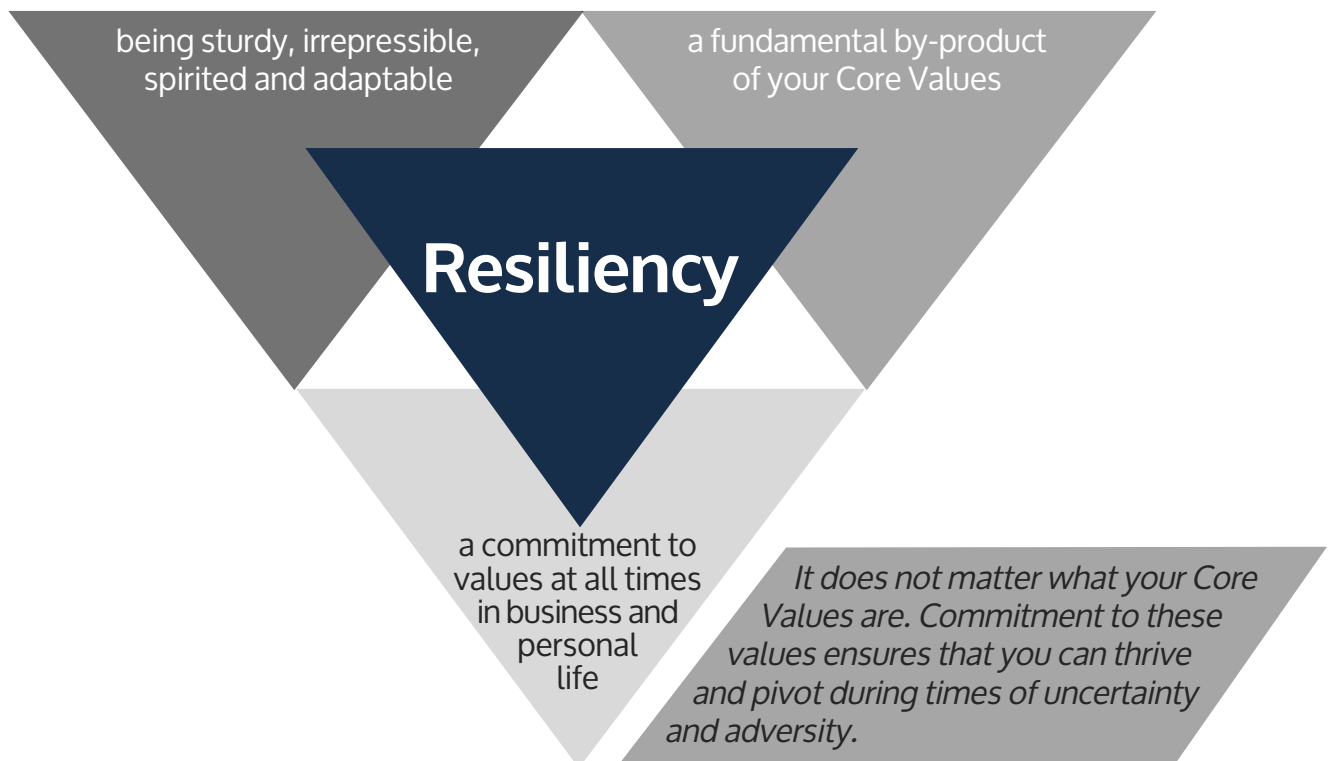


What is Business Resiliency?

You hear this term as one of the newest buzzwords. Is this just another term used in the consulting world? Does your business have resiliency? Many of you are likely saying, I don't even know what Resiliency means.

COVID-19 has propelled the concept, and the underlying significance of 'Resiliency' into the forefront of our daily lives. It's now the most common new buzzword in our society...we are bombarded with this notion in meetings, in professional publications, in continuing education courses, and on the news. Resiliency, it seems, is the new key to remaining viable and strong in spite of the disruptions caused by the pandemic. Is Resiliency the New Normal? I would argue that we are constantly evolving and changing and thus every day is a new normal.

There are many challenges in today's world. Challenges at work. Challenges with your career. Challenges with your social network. And of course, challenges at home, especially if you have young school-age children. As we contemplate our daily response to the opportunities and challenges we encounter (including COVID-19), we would argue that resiliency is likely nothing new at your business and it has been solidly embedded in your culture for many years.





Never Waste a Good Crisis.

-Winston Churchill

Are we in a crisis? For some businesses, this is definitely the state of condition they are in. For others, it may be less drastic or concerning. Regardless and as Winston Churchill stated in the 1940s during World War II, "Never waste a good crisis."

So what does this mean? This certainly does not mean to exploit an opportunity at somebody else's detriment. We must never behave in that manner.

However, the pandemic that we are all experiencing today and likely well into our future may be a great opportunity to make changes.



TO DETERMINE IF CHANGES MUST BE MADE, ASK YOURSELF THESE QUESTIONS:

What stage of recovery is your business at? 75% of pre-COVID revenues? 50%? 25%? This is something that you need to know and need to measure the direction your company is heading. The key question to ask, Do you really expect revenues to get back to pre-COVID levels?

How long can you operate at less than full capacity or 100% of pre-COVID revenues without cost adjustments?

Do you have a realistic Financial Plan?

Best practices indicate that a business should develop financial plans that incorporate 3-5 different Scenarios. Create Best and Worst Case Scenarios and then 2-3 in between.

How often should you be updating your Financial Plan?

In today's environment, financial plans need to be updated no less than quarterly and best practice indicates every 1-2 months.

Do you understand your company's Enterprise Risk Management? What are the external and internal risks that if they occur or occur again could devastate or cripple your Business Model? What do you have in place to manage and mitigate these risks?

Do you have the right people in the right positions performing the right duties and assigned the right responsibilities?



Find Opportunities for Change

The changes to consider as you answer these questions could be in terms of a change in work process; a change in the service or product line offering, or changes in the delivery model. The key is to aggressively find opportunities with the current paradigm shifts that we are experiencing to make changes.



CHANGE IN THE DELIVERY MODEL

- » Is there a new way to deliver or sell your product(s) or service(s)?
- » Do you develop an electronic platform via internet, social media, etc.?
- » Do you always have to interact with your customers via face to face or can you utilize electronic mediums such as Zoom?



ADD OR DELETE SERVICES OR PRODUCTS

- » Determine your cash cows, greatest opportunities, and losers
- » Get rid of your losers
- » Invest in your greatest opportunities
- » Keep riding the cash cow
- » Determine profitability and opportunities by service or product line



MOVE INTO OR OUT OF GEOGRAPHIC MARKETS

- » Similar to products and services (Dogs, Cows, and Stars)
- » Prioritize your markets
- » Determine profitability and opportunities by market



UNDERSTAND AND SORT YOUR CUSTOMERS INTO GROUPS

- » Focus on your "A" customers
- » Minimize effort or push away your "C" customers who provide little value, but take much time and effort



Find Opportunities for Change (cont.)

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ADJUST YOUR COST STRUCTURE

- » Determine what costs are not necessary
 - » Need to be careful so employees still feel valued while completing this analysis
 - » You do not want any employee to feel they do not add value
- » Ask the hard questions
 - » Maybe have someone outside your organization ask the hard questions
 - » Only one wrong answer to these questions is "That's the way we've always done it."
- » Can someone else do it cheaper and more effectively?



SELL UNDERPERFORMING ASSETS

- » Utilize basic "Return on Investment" (ROI) principles
- » If you sell, can you use those funds to invest in other opportunities?



MOVE AWAY FROM FIXED COSTS, BE MORE NIMBLE AND FLEXIBLE

- » Sell real estate for non-revenue producing services
- » Outsource services
- » Focus on your core strengths and let someone else focus on their strengths



Building Business Resiliency

Now that you have asked some difficult questions and realize that you need to strengthen your Business Resiliency, how do you go about doing this?

TRUSTED RELATIONSHIPS

Build trusted relationships with partners, peers, executive team, and MOST IMPORTANTLY, your staff. You can do this by asking questions, being curious, and listening.

PURPOSE

Why is your business here and why are you here? What purpose does your business serve? What is your purpose? Is there something bigger and better for you to be doing?

MINDFULNESS

Your mind is full of ideas, worries, fears, etc. Mindful focus is important. There are only a few things that are critical. These items are different for each business and each person. Determine what they are and stay focused.

NIMBLENESS

Is there a willingness to change and be flexible? You cannot sit back and wait for pre-COVID to return. You must be adaptive.

FOCUS

Understand what is important or what is critical. All too often, middle management is too focused on today and senior management is too focused on tomorrow. Provide middle management with the resources necessary for them to do their job and support front-line staff. You need to communicate rather than converse with your team. Communication is the exchange of information and includes both listening and sharing. Conversing is casual and informal and likely not an intellectual exchange.

DIVERSITY

Surround yourself with people that think differently than you. There's a great book on leadership that digs into this subject called, *Team of Rivals* by Doris Kearns Goodwin. Your goal should be to build a team that challenges each other and challenges the status quo. Innovation will occur with diversity through collaboration. You must think outside the box and continue to ask "Why?".



Where Do We Begin?

What can we do to begin **BUILDING RESILIENCY?**

ENVISION THE FUTURE!

Spend time envisioning the future. Where do you need to be in 1 year? In 2 years? In 5 years? This does not necessarily mean where do you WANT to be, it is where do you NEED to be.

Create a Business Resiliency Team

Learn, Learn, Learn

Learn as much as you can by attending seminars, reading, researching, etc.

Ask the Hard Questions

You may need someone from the outside to help with this.

Identify Strengths, Weaknesses & Opportunities

- » There are no threats, just opportunities
- » Ask others to identify these as well. The answers may vary.

Focus on the Culture

- » Display Teamwork – cooperating with co-workers and assisting customers
- » No Drama – have a healthy mindset...focusing on positive responses and reactions
- » Make Sacrifices – have concern for teammates & clients; a willingness to help in any way
- » Be Flexible – tolerance and understanding of changing business protocols
- » Positive Attitude – bringing a great approach to work every day



Top 5 Next Steps

- Create a **BUSINESS RESILIENCY TEAM** that is diverse and has a clear and stated purpose with actionable agendas and then hold the team accountable to delivery.
- Develop a **ONE-PAGE, 90-DAY PLAN** with 3 actionable goals and metrics to determine success.
- QUANTIFY YOUR ENTERPRISE RISK** and articulate steps to manage and mitigate these risks.
- Develop a high-level **FINANCIAL PLAN** that incorporates the 90-day goals and your Enterprise Risk and identifies the resources necessary.
- STICK TO YOUR CORE VALUES!**



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