

Business Continuity Preparation: Three Steps to Outperform in Uncertain Times

As Boards and CEOs, the task is clear: To lead organisations – teams – that will outperform in uncertain times. When faced with volatility, leaders that take initiative and move rapidly will succeed more. Whilst every external challenge may be unique, every leader's toolbox needs a ready prepared response to radical change: **A business continuity plan that is effective and can be executed faster than your competitors.**

The required initiatives and execution speed will come from a plan that is properly specified and a leadership team at ease with uncertainty. Forming an effective response, before disruption hits, is critical if your leaders are to be ready to move fast whenever conditions demand: to lead your teams and care for customers, to protect the business and to make positive changes for the future. Working through this three-point plan with your leadership team, will ensure they are ready when conditions demand. So your team will outperform, when it matters most.

The Way Ahead Series, by Mercuri Urval

Our team advise and support thousands of leaders across all sectors, as they find their organisations Way Ahead. In this series of articles our CEO, Richard Moore, distils practical advice from real leader successes and challenges. Advice focussed on how leaders can ensure their organisations – teams – outperform, through and beyond whatever uncertainty lays ahead.

1.

Leading Your Teams and Customer Care

To look after your people and customers, the better prepared you are the, the more resilient your response will be:

- a. Develop a contingency communication strategy and channels to employees and customers: Open, empathetic and clear messaging. What is the one main channel you will use to communicate to ensure alignment?
- b. Know which leaders and experts will be in your rapid response team and establish policies that will guide proper 'crisis' decision making. How exactly will you adjust management and decision practices to enable higher speed?
- c. Keep colleagues, customers and suppliers safe and well informed with key leaders ready to focus on continuity by applying new working practices. What new working practices will you need?
- d. Explain new working practises repeatedly. Make new tools rapidly available to colleagues, customers and your supply chain. What new daily work habits will your team need to adopt?
- e. Digital education of employees. In the face of most disruption remote working will be a core capability. Customers and partners need to practice using technology for continuity when business conditions are 'normal'. Beyond the tools themselves, how well practiced in remote and digital working are your people, your supply chain, your customers and your leaders?

2.

Ensure a Robust and Agile Financial Plan

To protect your business, a solid buffer, cost flexibility and swift action is key:

- a. Assess your balance sheet and develop scenarios to safeguard your business financially – before and during any future disruption. Based on these know what necessary steps will allow you to rapidly adapt your business to new conditions. The ability of cost to co-vary with income is a central priority for all leaders now. How much cost can you adjust with 1 month, 3 months or more than 6 months? And so, what size of buffer do you need?
- b. You may have to remove cost, scale-up for a sudden spike in demand or work harder to keep the continuity of supply – or a combination of all three. If you have to take drastic steps to serve customers differently, what is your access to flexible workers, technology solutions and extra 3rd party capacity?
- c. Plan to defend against short term revenue decline and retain power for increased growth in the future – or refocus and energise your front-end teams. How will you protect your revenue generating core?
- d. Know how you will monitor liquidity and manage working capital forecasts. What contingency plans and reporting will show you quickly when reality deviates from your scenarios? Which measures are most predictive?
- e. Be ready to review government and regulatory changes and secure further funding as required. How will you rapidly analyse funding and regulatory opportunities and threats?

3.

Instigate Changes That Will Turn the Disruption to Your Advantage

Even in the darkest or most distracting moments, focus on growth and innovation:

- a. Know what advantage you will seek when barriers to change are reduced. Who will work on what comes next and be ready for the rebound or next stage challenges that will come? What opportunity does disruption create that enables you to reposition or strengthen your organisation for the future?
- b. Review your geographical footprint and market focus. Where should you focus your more limited resources, or where will scale up be required? Who will take care of it?
- c. Understand your current change and business programmes in depth. In the face of disruption what strategic projects will you stop, start, accelerate or mothball?
- d. Analyse how you will and develop the core revenue creation of the company long-term. How will you grow, whilst others struggle to survive?
- e. Renew your organisations purpose and direction as required, so it fits an altered reality once the disruption has passed. If you should reposition, how, where and when?

This three-point plan will secure a solid base and swift response to disruption. By being ready, your team can stay ahead. And that is vital if your organisation is to outperform through uncertainty.

Extracted from a Series of Articles by Mercuri Urval CEO, Richard Moore "Way Ahead"