

Client Advisory

Building resilience through business continuity planning

As the outbreak of COVID-19 (coronavirus) continues to evolve and the impact to New Zealand businesses, communities and individuals becomes increasingly evident, it's timelier than ever to take stock of your business' emergency and risk management procedures.

Business continuity strategies are critical to ensuring that your organisation is positioned to remain operational amid disruption, and that you can do the best you can to continue to support your customers.

You may already have a business continuity plan in place or with the unprecedented changes in recent weeks you might have identified room for improvement; either way all businesses should take the time to assess where their crisis response strategy is at.

Having a business continuity plan makes your business more resilient and could even help in securing lower insurance premiums as insurers are likely to consider your business as a lower risk.

Our brokers are risk specialists and have assisted numerous businesses to equip themselves for the unexpected. Below are a number of steps you can take to help build business resilience.

1. Put your people first

People are vital in every business and their wellbeing and safety are paramount. Know where they are. Listen to their concerns, communicate regularly and take steps to provide employees with assistance as best you can. In challenging times kindness and flexibility goes a long way.

2. Assess and understand

The first step is to take stock of the situation, review your plan if you have one and establish the potential impacts. You need to conduct a thorough risk assessment of all your operations and work through all contingencies to determine alternative plans and procedures to mitigate disruption.

Think broadly, including the impact on your customers and suppliers:

- What will you do if you, some or all of your employees become ill or if their home life is impacted? Identify critical people and have designated authorities.
- Evaluate your core business, IT infrastructure and technology access – what critical equipment and supplies do you need?
- Work through the likely impact on your suppliers or business partners? Including how robust your supply chain is and what your back up and alternative options are? Compile a list of key contacts and keep in regular contact. Consider cost implications should demand or scarcity affect prices as well as any potential delays.
- What vital documents do you need to access?
- Have you got cloud storage access/ backup systems & services?
- Review any contractual liabilities and how you will continue customer service and customer communications?

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3. Communicate clearly

How a business responds to a challenging situation can have lasting implications. Keeping all stakeholders: employees, partners and customers, clearly informed is important to ensure everyone understands what the key threats are, how they may be impacted and what action is expected from them. Timely, accurate and factual communication will help prevent panic and can help your business mitigate negative consequences. A poor response can damage brand trust, preference and loyalty.

4. Re-prioritise

Assess your current business plans, projects and resources and revise priorities and revenue forecasts. It's likely that you'll need to make a number of changes to ensure that your business can maintain working capital. Think about what you need to stop, start and continue in order to do this. Accept that

5. Think about the future

Any business disruption will have lasting effects so it is worthwhile thinking ahead to the steps you can take to help your business recover and grow. Accept that it isn't business as usual and probably won't be for the next while.

6. Review your insurance

Review your insurance cover and understand the terms and conditions of your policy. If you think you will need to make a claim, start recording evidence and gathering the documents the insurer will want to see in relation to this. The more prepared you can be the better. Talk to your broker for advice reviewing insurance policies and for support with preparing any potential claims.

One of our core responsibilities as a broker is to ensure you have all the information you need to make informed decisions about the risks your business faces. With the effects of coronavirus being felt in a number of ways by our clients across the country, we wanted to share some proactive advice to help you protect your business during this difficult and unprecedented time.

We hope you find the information above helpful, if you have any questions or if you would like to speak to us regarding business continuity planning please talk to your broker.