



SMALL BUSINESS CRISIS MANAGEMENT

The COVID-19 pandemic caused disruption and closures for millions of small businesses, forcing businesses to change and adapt to a rapidly evolving situation. The pandemic underscored the importance for you as a small business owner to prepare for any future unforeseen crisis. Here are some tips and guidance on how to make sure you and your business are ready.



Preparing your business for a crisis

Since most crises come without warning, you don't want to find yourself caught off guard. The best thing you can do to ensure business continuity is be ready for whatever comes your way. Here are some steps you can take.

Conduct a vulnerability audit.

Take the time to systematically review each part of your business to identify potential vulnerabilities and threats. Talk to your employees to get their feedback on potential vulnerabilities as they may have day-to-day intelligence that would be valuable.

Review your budget and forecasting.

Financial resilience is the key to making it through a crisis. The average small business has only enough cash to keep things running for 27 days. Make sure you've set aside an emergency fund and have identified areas where you can make improvements, cut costs, and shift funds to priority expenses to keep your employees and business afloat.

Speak to your business advisors about crisis management and planning.

Financial advisors, lenders, mentors, lawyers, and accountants are some of the key advisors businesses will need during a crisis. Talk to them about your plan and gather feedback based on their expertise. Ask your lender what you would need to obtain an emergency line of credit.

Create a contingency plan playbook.

A contingency plan includes two columns of 'What Can Go Wrong' and 'How I'll Fix It.' Include detailed plans and actions that you and your staff will take in the event of a crisis, along with the actions you'll need to take when the crisis has ended. Be sure to stock up on basic supplies and things you'll need to operate your business for yourself, your employees, and your customers.



Communicating with your employees and customers during a crisis

A crisis is a stressful time for you and your employees and over-communication is critical.

Clearly and frequently communicate with your employees.

Tell your employees what you are thinking, what plans are in place for employees, including those that have caregiving responsibilities, and how you will update them as the crisis continues.

Review your internal work policies.

Depending on the type of crisis, your internal policies and procedures may no longer be safe for your employees or customers. Be sure to check relevant city, state, and federal guidance on internal work policies and safety. It is important to communicate to your employees any changes and the reasons behind those changes to help them better understand and take any needed action.

Direct employees to relevant third-party resources if available.

In addition to city, state and federal resources, many third-party organizations provide relief and resources in times of emergency and crisis. Be sure to check local and national community organizations for any relevant resources to share with your employees.



Adjusting after the crisis

As new crises emerge you must continually adapt your business. Read below to learn more about what you should be thinking about and doing to ensure a smooth transition back to normalcy.

Make sure it's safe to reopen.

Your employees and customers are your number one priority. If you've experienced a natural disaster, make sure your business is physically safe to reopen. If a public health crisis has occurred, ensure that you follow all guidelines from local, state, and federal authorities, and operate with strict hygiene measures in place. If your business is unable to do so, consider operating online temporarily until your business space is ready to reopen or you can move to a different location.

Audit past policies and operations.

Once it's safe to reopen your business, assess if the crisis has fundamentally altered how your business operates. Depending on the crisis, some policies may need to be permanently changed or altered. Operating procedures may need to adapt to a new reality. Take time to draft a reopening plan and review any official policies.

Communicate your reopening plan to your employees and customers.

Once you've established that it's safe for your business to be open to staff, make sure you communicate early and often.

- **Generate Buzz:** Let your customers know what's happening too. If you're nearing a reopening date, generate buzz online with social media posts and emails.
- **Safely Host a Reopening Event:** When the time comes to officially reopen, consider holding a grand opening event and offer incentives for getting customers back in the door. Generating excitement and a return to normalcy will surely be great for yourself and your business, but also for your employees and customers.

Whether natural disasters, public health crises, pandemics, or cyber-attacks, crises can come with plenty of warning or at a moment's notice. Regardless, they can cause interruption to service and have the potential to create economic downturn for short or long periods of time. The best thing you can do for your business is to remain vigilant and be prepared. It's always better to err on the side of caution and take early preventive measures if you feel like a threat or crisis is looming. You'll be glad you did after it ends and your business is still operating or even thriving.