

A decorative graphic in the top-left corner of the blue header, consisting of white lines and circles resembling a circuit board or network diagram.

SME RESILIENCE: SURVIVING IN AN

A 3D bar chart with seven white bars of increasing height from left to right. A thick red line graph is overlaid on the bars, showing an upward trend that peaks at the sixth bar and then drops sharply to the seventh bar, which is tilted downwards. The text 'ECONOMIC DOWNTURN' is written in large, bold, black letters across the red line.

ECONOMIC DOWNTURN



INTRODUCTION

The Small and medium Enterprises (SMEs) that succeed don't just have a competitive edge, superior product, or management team with good decision-making skills. In most cases, they are the businesses that faced significant challenges that forced them to adapt, shift their strategies, and grow in new and often unexpected ways.

“In other words, they are the businesses with resilience.”

CAUTION

Unfortunately, 95% of SME Promoters/Leaders admit to needing crisis-management-capabilities improvement. If you're in a similar boat, then your business could be shuttered by the next calamity.



SME RESILIENCE DEFINITION

SME Resilience refers to a business's ability to anticipate, prepare for, respond, and adapt to disruptions to maintain continuous operations.

It involves managing risk and responding effectively to unexpected events that could negatively impact operations, such as emerging competitors, natural disasters, cyber attacks, or financial crises.

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HOW TO BUILD BUSINESS RESILIENCE

Building business resilience involves creating systems and processes that make it easy to respond quickly, effectively, and efficiently to unexpected disruptions.

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5 Ways *SMEs* are Building Resilience

1. CREATING RESILIENT OPERATIONS

SME's are redesigning their operations and supply chains to be more flexible and resilient. This includes having global and regional suppliers and cross-training their workforce to manage different areas of the business in the event of workforce shortages.

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2. ADOPTING INDUSTRY

Going digital is an affordable and agile way to maintain productivity and connectivity with each other and customers. Those that haven't already are digitizing their operations to make them more efficient.

3. ALLOWING SPENDING TRANSPARENCY

Businesses can improve their spending strategies by increasing transparency around capital and expenses. For instance, tech-based methods speed up cost transparency, reducing the effort of performing calculations manually from months to weeks or days. Other digital approaches may include procurement spending analysis, inventory rebalancing, and capital spending diagnostics

4. EMBRACING WORKPLACE AUTOMATION AND TECHNOLOGY.

More companies are allowing employees to operate remotely using collaborative tools. Businesses are also using automation to remove repetitive tasks to allow workers to be more efficient. This shift will require training employees to use new technologies.



5. BECOMING AGILE.

Fast-changing shifts in consumer demands and industry structures requires businesses to adapt fast. This may include reimagining how you run your operations to bring value to customers. Some examples include rapid product development, customer experience innovation, and digitization.

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STEPS TO CREATE A BUSINESS RESILIENCE PLAN

INTRODUCTION

Creating a business resilience plan is essential for any organization looking to ensure its survival in a downturn economic. Here are some tips for creating a comprehensive and effective business resilience plan:

1. IDENTIFY POTENTIAL RISKS:

- ❖ Before creating your resilience plan, understand the types of disruptions your business is susceptible to. This might include natural disasters, cyber attacks, supply chain issues, or economic crises.
- ❖ In compiling a list of risks for your business, consider your industry, competition, geography, and any regulations you may be subject

2. ASSESS THE POTENTIAL IMPACT OF EACH RISK:

❖ Once you have identified potential risks, assess the potential impact of each one and prioritize them accordingly. This will help you to create a plan that's tailored to your organization's needs.

3. DEVELOP A RESPONSE PLAN:

❖ Create a comprehensive plan for responding to and recovering from disruptive events. This plan should be as detailed as possible, including details such as who's responsible for each step and what resources are needed.

4. INVOLVE ALL STAKEHOLDERS IN THE PROCESS:

❖ Include all stakeholders, such as employees and investors, in the process to ensure a successful outcome. This way, everyone knows their role in responding to disruptive events.

5. TEST THE PLAN:

❖ Regularly test and practice the plan to ensure it's up to date and effective. This can be done through drills, simulations, tabletop exercises, and more.

6. REVIEW AND UPDATE THE PLAN:

❖ Your business resilience plan should be a living document that's regularly reviewed and updated. As your business evolves, so will your risks, and your plan should be flexible enough to adapt to these changes.

7. CONTINUOUSLY MONITOR THE ENVIRONMENT FOR CHANGES:

- ❖ Monitor external factors such as regulations, technology trends, customer needs, and the competitive landscape to anticipate potential risks.
- Once you have a business resilience plan in place, you can focus on monitoring how well it works.


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HOW TO MEASURE SME'S RESILIENCE



INTRODUCTION

Measuring business resilience will determine how well your business will stand against whatever life throws its way. To effectively measure your business's resilience, assess the following areas:

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- **Response time:** Monitor how quickly your business detects and responds to disruptions. This includes both internal responses, such as IT security threats, and external responses, such as natural disasters or economic crises.
 - **Recovery time:** Assess how quickly your company recovers from disruptions. This includes restoring services, retrieving data, and returning to normal operations.



7. CONTINUOUSLY MONITOR THE ENVIRONMENT FOR CHANGES:

- **Adaptability:** Evaluate your organization's ability to adjust its operations to changing circumstances. This includes adapting processes, adjusting budgets, and responding to new regulations or customer needs.
- **Risk management:** Monitor how well your organization can identify and address risks. If you struggle to manage risks, then there may be gaps to fill or better management processes to put in place.



7. CONTINUOUSLY MONITOR THE ENVIRONMENT FOR CHANGES:

- **Financial stability:** Evaluate how well your business maintains its financial well-being during a crisis. The ability to generate consistent revenue, maintain cash flow, and manage expenses is critical during unexpected events.
- **Supply chain:** Evaluate your business's ability to maintain a stable supply chain during unexpected events. If your suppliers are unreliable, consider adding new or additional options to your network.



7. CONTINUOUSLY MONITOR THE ENVIRONMENT FOR CHANGES:

- **Employee morale:** Identify how well your organization retains employees during a crisis event. If it struggles, then it could be that employee morale needs improvement.



CONCLUSION

Business resilience is all about how well you can foresee and plan for potential risks. But don't just plan ahead — practice ahead to keep your workforce on its toes.

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*Thank
you!*