



International
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▶ The six-step COVID-19 business continuity plan for SMEs

▶ **Date:** April 2020

This Tool is designed to support small and medium sized enterprises (SMEs) during the COVID-19 crisis. Chiefly that means by designing a bespoke “Business Continuity Plan” (BCP) for your business. The tool will enable you to:

1. Assess the level of risk and vulnerability of your business; and
2. Develop an effective risk and contingency system for the business.

This tool aims to establish the risk profile of your enterprises and the level of vulnerability to COVID-19 in terms of its impact on your **People, Processes, Profits** and **Partnerships** (the “4Ps”).

- ▶ **People:** lives of workers and family members
- ▶ **Processes:** enterprise operations
- ▶ **Profits:** revenue generation
- ▶ **Partnerships:** enabling environment to carry out business operations

The tool is mostly targeted at smaller enterprises with limited resources and structured in two parts.

1. The first part is a risk assessment that you can quickly do. It establishes the level of risk/vulnerability to your enterprises.
2. The second part of the tool is a six-step process – using an illustrative example of a fictitious SME - to assist you develop your own Business Continuity Plan.

Part 1: Establish your risk profile - Self-assessment

Indicate your answers to the yes/no questions below with an **X**. There are four sections composed of a total of 60 questions structured around the “4Ps” ‘People, Processes, Profits and Partnerships’. You can estimate your vulnerability level by adding up the number of times your answer was “yes” in each questionnaire.

Answer YES if you are not sure or don't know.

I. People: Risk Matrix

Safe working environment		
1. There are current personal safety risks such as a high number of COVID-19 cases in the geographical area of your operations.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
2. It is physically unsafe for workers to come and go from the workplace (e.g. using shared public transport etc).	<input type="checkbox"/> Yes	<input type="checkbox"/> No
3. There has been an increase in sick leave/absenteeism.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
4. Due to the nature of my business, it is not possible to re-arrange work so workers can work from home (telework).	<input type="checkbox"/> Yes	<input type="checkbox"/> No
5. You are experiencing difficulties sourcing sufficient sanitation facilities (washing facilities, sanitizers, hand gels, gloves, masks etc).	<input type="checkbox"/> Yes	<input type="checkbox"/> No
6. Vehicles used for your business (e.g. delivery, staff movement) have not yet been fitted with sanitizers and processes for regular cleaning.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
7. Workers have increased care/family responsibilities due to school closure or sick family members.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
8. There have been cases of internal transmission of COVID-19 by staff members or their immediate family members.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
9. Workers are less motivated due to a stressful working environment resulting from measures taken to address COVID-19.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
10. Workers are leaving their jobs because of potential or actual safety concerns and/or incidents.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
11. Discriminatory/stigmatization behaviour among workers have led to threats and intimidation of fellow workers.	<input type="checkbox"/> Yes	<input type="checkbox"/> No
12. Close physical contact with customers/suppliers is necessary.	<input type="checkbox"/> Yes	<input type="checkbox"/> No

- | | | |
|--|------------------------------|-----------------------------|
| 13. Workers have experienced personal trauma such as death or sickness of family members as a result of COVID-19. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 14. Close proximity in the workplace is necessary for production/service delivery purposes | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 15. There is no staff member responsible for daily review of official advice on risks and recommendations in relations to COVID-19. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 16. There are no or few procedures to conduct self-inspections to identify hazards that could result in COVID-19 spreading (e.g. regular health and safety check-ups conducted). | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 17. There are no or few regular audits in your premises to identify current or emerging hazards (e.g., areas requiring frequent physical touch). | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 18. Workers are currently not provided with direct training (or access to training) on COVID-19 preparedness and basic measures to protect themselves and others. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 19. My business does not have a process for reporting to public health authorities any known or suspected instances of workers or the public confirmed with COVID-19 on the business premises. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

Total _____ / 19

II. Processes: Risk Matrix

Buildings and machinery

- | | | |
|---|------------------------------|-----------------------------|
| 20. You have faced difficulties accessing the necessary equipment and machinery to run your business from suppliers. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 21. There has been disruption or significant delays to support services that you need for maintenance of key equipment and machinery. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 22. Your business (e.g. workers, equipment and livestock) is neither partly nor fully insured. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

Stock and raw materials

- | | | |
|---|------------------------------|-----------------------------|
| 23. A high percentage of your raw materials are imported. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 24. You have experienced delays in securing raw materials/ necessary production inputs through ports. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

25. You have experienced difficulties in securing your key stock and raw materials. Yes No
-
26. Your enterprise has been negatively impacted by increased government restrictions/demands (for example increased Health checks delaying delivery of products coming/going from your premise). Yes No
-
27. Your main stocks and/or raw materials are located in only one location. Yes No
-

Total _____ / 8

III. Profits: Risk Matrix

Markets

28. COVID-19 disruptions are negatively impacting your clients and their ability to buy your products or services. Yes No
-
29. Official government measures relating to health concerns for the overall population are negatively affecting your business sales. Yes No
-
30. You have a high percentage of goods/services that serve non-domestic markets. Yes No
-
31. These markets are located in medium to high-risk countries. Yes No
-
32. There has been a decrease in sales to these markets. Yes No

Suppliers

33. Disruptions are negatively impacting on your main suppliers and their ability to supply inputs to your enterprise. Yes No
-
34. You have experienced disruptions in your supplies due to increased government restrictions. Yes No
-
35. You have only one supply route to access your key suppliers. Yes No
-
36. You do not have alternative suppliers that could provide goods and services in case of disruption. Yes No
-
37. You rely heavily on foreign suppliers for most of the key inputs and raw materials needed for your business (over 75 per cent of key inputs) Yes No

Society

38. There has been a rise in "societal" intolerance and prejudice as evidenced in the media, street demonstrations and political discourse, among others. Yes No

39. The current media environment has negatively influenced the working environment. Yes No

Economic environment

40. COVID-19 is impacting on economic activity that directly impacts your business or the markets you operate in or you expect it to. Yes No

41. Unemployment rates are rising in the markets you operate in. Yes No

42. There has been an increase in actual criminal activity or increased risk of criminal activity directed at your enterprise as a result of depressed economic activity. Yes No

43. There has been a sudden increase in the price of inputs and other goods required to conduct your business operations. Yes No

Total _____ / 16

IV. Partnerships: Risk Matrix**Public utilities (water, electricity, health, sanitation)**

44. There has been significant or ongoing disruptions of key public utilities (water, electricity, telecoms, health and sanitation) that has negatively impacted your business or the markets you operate in. Yes No

45. There has been significant or ongoing disruptions of key public utilities (water, electricity, telecoms, health and sanitation) that has negatively impacted your workers (i.e. sanitation facilities at home). Yes No

46. There has been negative or sudden change of the costs related to public utilities. Yes No

47. There has been an increase in corruptive practices for access to public utilities or public infrastructure (such as health care). Yes No

Third parties (customers, competitors and financial providers)

48. COVID-19 disruptions are negatively impacting your competitors and their ability to remain competitive. Yes No

49. There is limited or no scope to collaborate with competitors – to share health and safety practices/equipment. Yes No

50. There is limited or no scope to collaborate with competitors –to share stock. Yes No

51. There is limited or no scope to collaborate with competitors –to share equipment. Yes No

52. It is more difficult to access finance or the behaviour of financial services providers (e.g. increased lending obligations, less choice of providers, etc.) is negatively impacting your enterprise operations. Yes No

Public infrastructure (telecommunications, roads, ports)

53. Restrictions to accessing public infrastructure have been put in place that negatively impacts your enterprise or the markets you operate in or your workers. Yes No

54. There is increased costs of using key public infrastructure that negatively impacts your enterprise or the markets you operate in. Yes No

Political and regulatory environment

55. There has been any negative or sudden change of regulations (i.e. laws and regulations) that negatively impacts your enterprise or the markets you operate in. Yes No

56. There is an increased uncertainty in policy/regulatory environment that could negatively impact your enterprise or the markets you operate in. Yes No

57. Has there been any negative or sudden change of regulations (i.e. laws and regulations) that negatively impacts on your workers? Yes No

58. The government has not yet introduced subsidies (e.g. rent or wage subsidies) that could help my business and workers during the COVID-19 outbreak. Yes No

Overall health

59. Measures such as ‘State of Emergency’ or major restrictions on freedom of movement have been put in place or threatened to be put in place? Yes No

60. My business does not have a contingency plan for situations of crises. Yes No

Total _____ / 17

From this exercise, you will have identified which of the 4P's (people, processes, profits and partnerships) your enterprise is most vulnerable too (and which aspects or variables in particular). To calculate your total vulnerability, add up the times you answered "yes" in the four vulnerability self-assessments. Insert this sum in the cell below.

Risk score

People	Processes	Profits	Partnerships	Total score
/ 19	/ 8	/ 16	/ 17	/ 60

Interpretation of your score: your risk profile

This score does not rate whether your enterprise is good or bad. It is simply a benchmark of your enterprise and its vulnerability to COVID-19 that helps in the identification of areas where your enterprises' overall resilience to the COVID-19 crisis could improve. Most importantly it will tell you where you are most at risk – your workers, your supply chains, your reliance on third parties.

Below is overall view of your score. If you score yes to:

- 40-60** Your enterprise is highly vulnerable to the negative impacts of the COVID-19 crisis. Your enterprise is quite likely to be severely impacted, which may cause long-term disruption in the event of a deterioration of the situation. Your next plan of action should be to identify whether you are most vulnerable to internal or external threats and take measures to reduce risk and vulnerability to COVID-19.
- 20-40** Despite having taken some action to increase preparedness, your enterprise remains vulnerable. Understand whether your threats are internal or external and make sure to prioritize your elements of vulnerability when establishing your business continuity plan.
- 0-20** You are on the right path towards becoming more resilient, but there are still some areas where you could reduce your vulnerability. Make sure to establish your business continuity plan in a way to manage risk of your internal and external threats.

Part 2: Develop a six-step COVID-19 Business Continuity Plan

The following are the six steps needed to establish your business continuity plan (BCP):

Step 1: Identify your key products or services

What are your most important products or services? Consider the following criteria:

- ▶ Share of income they generate;
- ▶ Amount of clients demanding them; and
- ▶ Cost of non-delivery: negative financial, productivity and reputational consequences.

Step 2: Establish the objective of your BCP

What do you want to achieve by establishing your BCP?

Step 3: Evaluate the potential impact of disruptions to your enterprise and workers

How long can interruptions last before becoming unacceptable? What are the resources required and the suppliers, partners and contractors needed to conduct key operations?

Step 4: List action to protect your business

Use the 4Ps framework to do this. Actions to minimize risk to your: People, Processes, Profits and Partnerships (the “4Ps”).

- ▶ People: lives of workers and family members
- ▶ Processes: enterprise operations
- ▶ Profits: revenue generation
- ▶ Partnerships: enabling environment to carry out business operations

Step 5: Establish contact lists

More of your activity will be non-physical (WhatsApp calls, zoom meetings etc). Make sure you have accurate and update lists of all your key stakeholders.

Step 6: Maintain, review and continuously update your BCP

The following is an example of how a small business owner put together a BCP for her business

How a small business owner developed a BCP to mitigate the impact of COVID-19

Joyce Mkumura is the owner of company producing canned sardines in Mombasa on the Kenyan coast. She sells her products directly throughout Kenya and to larger firms who export. Joyce relies on consistent orders from three companies for about 80 per cent of her business. These companies due to their connections to the export market, send regular orders. As COVID-19 cases spread in Kenya Joyce developed a BCP to protect her business. She has a total of 30 workers.¹

Joyce completed the COVID-19 Risk Assessment test and realized her risk profile was high. She dealt with multiple suppliers on a daily basis. Her workers worked in close proximity. She was reliant on the port staying open for much of her sales. The rest of her sales mostly went to other Kenyan cities and she needed reliable transport links. Joyce realized she needed a BCP.

Step 1: Joyce identified her key products

For Joyce her main products are different types of canned sardines. Sales of these products are the sole means of revenue generated. Her client base is relatively small. She has three main customers who constitute 80 per cent of sales. The cost of non-delivery to these customers would have a very negative consequences on her business.

Step 2: Joyce established the objective of her BCP

The goal was to develop simple internal processes for her business that would provide key protections for the “4Ps”: people, processes, profits and partnerships. This meant:

- ▶ Maximize the physical and emotional safety of herself and her workers;
- ▶ Resume operations as quickly as possible following disruptions;
- ▶ Make sure that her key products are resilient to disruptions associated with COVID-19;
- ▶ Safeguard her supply chain; and
- ▶ Ensure that her enterprise fulfils its contractual commitments with clients.

Step 3: She evaluated the potential impact of disruptions to her enterprise and workers

She assessed the impact of disruptions to her key operations. What operations are required to produce and deliver her products and what is her tolerated downtime: how long can key operations be out of action before it becomes highly damaging to the viability of the business. She identified what operations were required to produce and deliver her products and where the risks where located? This involved a short stakeholder mapping exercise. There are five main stakeholders that are critical to her business: Workers, customers, suppliers, support services and regulatory authorities.

- ▶ Workers: Joyce has thirty workers that are drawn from the local community (fortunately they mostly live locally and walk to work).
- ▶ Customers: 80 per cent of her product is to three companies who export to foreign markets. The remaining 20 per cent is for the Kenyan market (15 per cent to wholesalers based in Nairobi).
- ▶ Suppliers: She is dependent on **three suppliers**. First a metal (tin) producer; second a printing company based in Nairobi for the labels for her products; and third and most important local fishers

¹ This is a composite example of a BCP based on the real experiences of enterprises in Kenya. Joyce Mkumura is however a fictional person.

who are grouped in cooperatives. All suppliers require regular communication, but physical contact is most regular with the fishers.

- ▶ Support Services: These include a trucking company that she uses and a security company.
- ▶ Public utility and regulatory authorities: These include the regulatory Food Standards body that issues licenses; the taxation authority and a local government departments that oversee health and safety standards.

This exercise showed Joyce how dependent her businesses is on external actors remaining healthy and in the case of her suppliers, support services and customers, able to stay in business. She quickly realized that she could potentially go bankrupt within four to six weeks if she was badly disrupted. She assessed “what would be the impact of not conducting her key operations?” She looked at each of the stakeholders above and realized that any disruption to *them* would mean a disruption to *her* business.

She assessed her main potential **disruptions** as follows:

- ▶ Workers falling sick (hers/suppliers/support services);
- ▶ Government restrictions on freedom of movement could affect her (and her suppliers) ability to get to work;
- ▶ Government restrictions on accessing the port could affect her customers’ ability to get her products to market;
- ▶ Inability of government utilities to provide services (water and electricity were of chief concern); and
- ▶ Drop in demand for her products.

She thought about the events that were outside her control and how they could impact her suppliers and what were within her control that she control to some extent. On the negative side, she was highly dependent on others, chiefly her suppliers and she has no influence over government restrictions that may come. On the positive, the demand for tinned/canned products was rising.

Step 4: Joyce took actions to protect her operations

People

- ▶ She decided to limit the contacts points to a single one in her business and set up a sanitation point there so she and her workers were less exposed.
- ▶ Apart from safety/sanitation measures she reviewed the standard ways of working and adapted social distance criteria. This would require new shift arrangements which she discussed with the workers.
- ▶ She prepared for increased absenteeism.

Processes

- ▶ While leading the overall initiative, she asked workers to volunteer for the following tasks: ensuring sanitation points were well stocked daily; establishing a temperature checking station at entrance for all workers/suppliers/customers/visitors; daily consultation with suppliers and customers to assess their situation and any changes that have occurred; and making sure everybody was familiar with ways to stay safe at home.
- ▶ She discussed with all customers and suppliers what their safety systems where and that they were adhering to the new regulations.

- ▶ She still paid some suppliers (fishers for example) in cash. She used this as an opportunity to move all payments (ongoing or incoming) into a digital format.
- ▶ She backed up all of her data regularly or automatically and kept it additionally at home in case she had to self-isolate.

Profits

- ▶ She noticed that demand for tinned/canned products was rising. There was an opportunity here for increased sales. She negotiated an agreement with a local five-star hotel, for cold storage space for key inventory and secondary secure space for final products. Her final products had a longer shelf life which was a real advantage.
- ▶ She discussed with her main suppliers the fishers Cooperative who told her they had agreements with other cooperatives along the coast. If the Mombasa region was badly disrupted, alternatives sources were available and agreements were in place to enable this.
- ▶ She worked out her daily operational costs (payroll, rent, supplies, etc.) and made simulations based on the financial needs if key disruptions occurred.
- ▶ She had regular conversations with the bank that had provided her with credit. The bank was aware of her “BCP plan” and was proving more flexible with loan requirements as a result, if these were needed.

Partnerships

- ▶ She discussed with her three main (exporting) clients. She suggested that they ask the Federation of Kenyan Employers and other business associations to have discussions with the government to get some clarity that the port facilities can stay open.
- ▶ She struck an agreement with four other SME owners to share safety measures and practices for each of their businesses. They agreed to a common set of procedures to keep workers safe. They also agreed to share the cost of getting information on how to handle workplace issues like changes to working time, possible redundancies; and other HR issues.
- ▶ She discussed with the taxation authorities the possibility of tax deferrals which she had heard about in the media.

Step 5: Joyce established contact lists

- ▶ She listed key contact numbers of authorities and third parties (police, emergency services, firefighters, nearest hospitals, insurance company) that could provide help during emergencies.
- ▶ She made a list of her workers, their positions and contact details (mobile phone and email address) as well as worker’s emergency contact details.
- ▶ She made a list of her clients, suppliers, contractors and government agencies she worked with, including the contact person and details (mobile phone, email address and street address), all of which allows her to communicate.
- ▶ She selected communication methods to connect with her workers during the COVID-19 crisis (Facebook, WhatsApp, Google forms) and established a staff emergency call tree.

Step 6: Joyce maintained, reviewed and continuously updated her BCP

She reviewed and updated her plan every week to:

- ▶ Update the objective of her BCP and to improve its effectiveness;
- ▶ Update her risk assessment, strategies for business continuity and other procedures contained in the BCP; and
- ▶ Ensure continual improvement of all the processes included in her BCP.

▶ Contact

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