



## Is Your Business Resilient?



### Quick Tip

Brainstorming situations that could threaten your business is a short exercise with significant value.

Damar Hamlin went into cardiac arrest after a tackle during Monday Night Football on January 2, 2023. The emergency medical response was immediate and effective. Praise God! The coaches and on-field referees suspended play and moved the visibly traumatized players to their locker rooms. The fans were quiet, the announcers somber. It was obvious the game needed to be cancelled.

Nearly an hour after the injured player had been transported, the players were still in the locker room, the fans were still in their seats and the commentators were fumbling to find something to talk about. The unspoken question was “why are you still watching?”

Everyone was watching for the NFL to do the right thing. Why did it take so long?

A business crisis can happen any day. It could be a single problem, a combination of problems or compounding issues that send your business spiraling out of control. Regardless of your business size, take these four steps before a crisis happens to become more resilient.

## **What could go wrong?**

You know your business. The simple step of brainstorming threatening situations has significant value. Consider what specific situations, disasters, or crises could impact:

- Employees
- Physical or technical infrastructure
- Information
- Products and financial assets
- Reputation

By developing a list of potential business situations you have more clarity on the challenges you could face. Don't panic! You don't need to solve everything right away.

## **Engage and prioritize**

Evaluate and assign ratings (high, medium, low) to the list of situations for two criteria; (1) how likely is this situation to occur, and (2) how seriously would this impact our business? Plot each situation on a matrix of these two criteria. This is a great exercise to engage your team and partners to establish a common understanding of the business risks and to discuss in-depth how to become more resilient.

- Low probability, low risk situations: Awareness is the most important outcome. Identify a decision-maker to determine if additional planning is needed.

- Low probability, high risk situations: Create a high-level plan to execute with speed. Establish a RACI\* and have accountable and responsible stakeholders outline the steps for making and communicating decisions.

- Higher probability, higher risk situations: Prioritize and convene a small team of stakeholders to evaluate each situation and to design and document a resilience plan.

Before you start planning, consider opportunities to eliminate or mitigate the risks that you have identified.

## **Can you Eliminate or Mitigate risk?**

To reduce the cost of a resilience plan and preparations, consider eliminating or mitigating risk, especially for those business situations that have a moderate to high impact to the business and probability of happening.

**ELIMINATE:** While rare, there may be some business risks that you decide not to accept. An example may be locating your business facility in a flood plain. Unless you are getting significant financial benefit from taking the risk, consider a different location to avoid higher costs for mitigation (e.g., insurance, structural improvements) and extensive resilience planning.

**MITIGATE:** The impact of many potential business situations can be partially or completely mitigated. Strong physical and technical security measures, well-functioning technology, robust financial controls, or documented procedures and cross-trained resources reduce the likelihood and/or impact of weather events, theft, cyberattacks, embezzlement or the lack of personnel. Mitigation measures often have the benefit of simultaneously reducing the risk of several business crisis situations.

After considering risk elimination and mitigation opportunities, reevaluate the risk rating assigned to each potential business situation to determine if resilience planning efforts are properly prioritized. Then begin your formal planning. Read more about developing resilience plans in my [blog](#).



### **For Christian Business Leaders:**

The primary reason for business resilience planning is to fulfill our commitments to our customers, our employees and our community in times of trouble.

We have respect for people and their goods by operating our business in a way

that is honorable, considers our duty to neighbor and keeps our promises. This requires planning for potential crises.

We have faith that we will have what we need when trouble comes. We can't know what tomorrow will bring but if we have set a sound business foundation and made plans for troubled times, we should not be anxious about the rest. Read more "Do Not Be Anxious"

## A Case in Point

Mitigation or Resilience Planning?



Southwest Airlines experienced a "service meltdown" in October 2021 and initiated manual business continuity processes for flight scheduling to come back to a normal state. The company had to initiate these manual processes again over the 2022 Christmas holiday. However, widespread extreme weather made it impossible to maintain a working flight schedule and the company had mass flight cancelations over multiple days. In this situation, mitigation rather than reliance on business continuity processes, was needed. Read more about the problems they faced in this [Dallas News](#) interview with Southwest CEO, Bob Jordan on January 16, 2023.



### Additional Resources:

Get a great starter kit for Small Businesses: "Make Sure Your Business Never Screeches to a Halt Again", a brief case study on my website and a published workbook by Mary Kay Hyde-Bohn.

FEMA website [READY.GOV](#) is a helpful resource with questions and templates for businesses to evaluate risk and develop a response plan. It also includes general business continuity information, planning workshop templates and response toolkits for common disasters such as flood, hurricane, tornado, and earthquakes.

The [Small Business Association Emergency Preparedness website](#) also has resources and access to business counselors to help with resilience planning.

If you are interested in certification or need some help finding resources, contact [ACP-International](#), a nonprofit dedicated to help businesses improve resilience.

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## *About Annette*

*Annette is a business transformation coach focused on aligning your business to your values, improving leadership and increasing operational effectiveness. Her Transformation Tips newsletter shares business advice, resources and best practices.*



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