

Business Resilience

Business Resilience: Bend but do not break

Unfortunately and fortunately, life happens. Resilience is necessary for dealing with personal experiences, as well as, professional experiences. As we all know, for most of us the lines are blurred. If there is an event that requires resilience in one area, it will have an impact in all other areas of our lives. The blurring of the lines is more apparent in the world in which we are living today. How many of us are working from home with children who need help with their school work? All the while, you need to run a business and keep your employees engaged. Now more than ever, it is critical to be resilient and plan for the next event. Do not fool yourself, it is coming.

What is resilience? The definition I like the best for a business owner is: “a quality or state of being flexible”. Even without the coronavirus, every day brings a new challenge. In order to create a resilient business, you, as the founder, must be very thoughtful and have a short, medium and long term view. Make a plan. Remember a plan is not a static document but is fluid, adjusting to your ever changing business while providing guidance. Keep in mind that once this event has ended, everyone will need to restart and figure out how to regain what has been lost (people, time and money). We will also need to reset and determine what is the new normal and most importantly how to survive and thrive in it.

If it makes it any easier to comprehend how to move forward in a crisis, a company in growth mode is not much different than a company trying to recover from an unexpected negative event. Growth causes disruption to what you are doing now. Growth involves change and the unknown. Facing something different or new requires a plan, foresight,

flexibility and fortitude.

In order to prepare your company for any event (good or bad), you need to look at it from the top down and bottom up. As the leader, you need to set the tone on how to be resilient, flexible, thoughtful and proactive. If you are not prepared how can you expect others to be prepared, aligned with you and ready to help? Use your entrepreneurial mindset. When you started, you needed your small band of colleagues to follow you and believe in you no matter what. In a time of crisis, you need people to trust in you and your choices. Unwavering focus and being task oriented are a survival skill you needed when you started. Sometimes, the only way to get a difficult task done is to put your head down and put one foot in front of the other. Every entrepreneur faces challenges almost every day. If a founder gave up when they were told "no" or "you cannot do that", very few businesses would launch or still be around. Today's challenges are no different. Remember you, as an entrepreneur, have the capacity to recover quickly from difficulties.

Building a solid foundation will help keep the company stable and able to weather any storm with better results. If there are cracks in the foundation any event (even a small one) can cause instability. Having a good working knowledge of all aspects of your business is imperative to determine the ability of your company to bounce back from an event. You may think that you know what others do, but there is no way you can know it all. Having written processes and procedures can be very helpful. Keep in mind the person who is affected by an event will have an impact on others. You cannot afford to have a missing piece bring down the entire team. Identify team members who will become your task force to assist you and others.

Having an understanding of your finances and available cash is critical to survival. How often have you heard: "save for a

rainy day”? Cash flow and keeping money in the company is important but knowing how much to keep in can only be accomplished if you know your past, present and projected cash demands. All businesses are cyclical. Understanding your historical numbers and what drove those results is very important for identifying trends and planning for the future. Where your company gets its cash reserve is critical. Investing and re-investing your own money versus the company profits must be carefully considered. Do not tie up too much of your personal capital. It is very risky to put both your personal financial situation and your company in financial uncertainty.

Your team, both employees and advisors, is the glue that holds it all together. Having the right mix is imperative to survival. People with historical knowledge will help you understand how the company made it through prior disruptions. New people can re-energize your core group and bring a fresh perspective.

Your brand is defined as a result of everything your company does. If you are well established in the marketplace and have a loyal customer following, they will support you even in the bad times. When a customer knows that you deliver a high quality, consistent product or service, they will be more likely to stick with you when there is a blip.

When looking back on the past few weeks, some people might think that I am crazy because I started a new senior management position last Monday. That same day the organization told hundreds of its employees to stay home (indefinitely). As scary and uncertain as that day was in many ways it turned out to be a great week to start. I interacted with people, I might not have met for months as I pitched in to help in any way I could. I immediately was part of the team. I was forced to learn so much about the organization and its programs “on the job”. Most importantly, the organization’s actions in this crisis and the passionately

committed employees reaffirmed that I made the right decision by joining them. They have a visionary leader, a dedicated group of people and a solid, well respected brand. What more could I ask for? This is just one simple example of how we can all make a difference if we pitch in, are flexible and have faith in our team and lead courageously.

This crisis will one day be in the past. We need to embrace the experiences. They give us insight; make us stronger and more resilient.