

# Resilience checklist

Stressed businesses in survival mode usually don't have enough cash to continue trading. It's critical to solve this first. Use this resilience checklist to strengthen your business, survive, then build a growth plan to thrive. Each step will cumulatively help your business move forward.

## 1. Identify the problem

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- Set up demand drop triggers
- Ask staff
- Review the levers to pull
- Set red flags
- Complete a SWOT analysis
- Lower cost of expenses



## 2. Find cash

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- Refinance
- Shorten your cash cycle
- Tighten payment terms
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- Set credit limits
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- Actively collect what you're owed
- Identify future cash flow



## 3. Sell more

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- Collaboration and partnerships



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- Delete unprofitable product or service lines
- Close parts of the business that no longer contribute
- Merge or be acquired
- Change your staff mix
- Collaborate





# Resilience checklist

## Step 1.

### Identify the problem

It's critical to identify what's caused the cash flow stress and prevent it from recurring. Unless it's imminent you're going to run out of cash and be unable to continue, (in this case, skip to Step 2 and come back), conduct a forensic analysis to find out the cause so you can fix it.

### Highlight the issue

For example:

- › External factors have caused a sudden drop in demand over which you have no control. Pandemics, earthquakes, floods, new inventions, and change in legislation can all impact your sales
- › A significant customer hasn't paid on time
- › A rise in the cost of overhead, production or purchasing has eroded your profit margin and customers cannot absorb a price increase
- › Your business is growing quickly, and you can't fund the growth with your working capital
- › Sales have been slower than predicted
- › An imposed fixed cost increase such as rent or lease costs which make the business unviable
- › Technological changes which make your products or services obsolete, for example, voice-over and translation firms are finding AI is taking their work away
- › Economic downturns or recessions that lead to reduced consumer spending, affecting sales and cash inflows
- › New regulations or compliance requirements which impose unexpected costs to comply, especially around sustainability and the environment
- › Sudden equipment failures or necessary repairs resulting in significant unplanned expenses
- › You bought expensive capital assets (machinery and equipment) which emptied your cash reserve
- › Legal disputes or settlements which impose unexpected financial costs and stress
- › Problems with suppliers, such as delays or increased costs which disrupt operations and lead to additional costs
- › Global IT cyber security shutdown or threats.

### Solve the problem as fast as possible

Find the issues impacting your business the most, then deep dive into solving the problem, and setting up preventative measures so it's less likely to repeat.

For example:

- › Ensure you have adequate business insurance coverage for various risks, including property, business interruption, and liability. Review our business insurance products. Talk to us to make sure you're covered
- › Develop a detailed Business Continuity Plan outlining how the business will continue operations during and after a disaster
- › Regularly back up critical business data and store it in secure, off-site locations or cloud services.
- › Implement robust cybersecurity measures, including firewalls, antivirus software, and employee training to protect against cyber threats
- › Develop an alternate supplier plan and consider reaching out to these businesses as back-up if your existing supplier can't deliver
- › Identify how to scale your business.

### Set up demand drop triggers

Cash flow or demand triggers are those things that lead to sales which give advance warning that a problem could be ahead if sales slow.

The demand trigger could be:

- › The number of new leads in your pipeline, in-bound queries from prospects, demos, meetings booked, or passing foot traffic slows
- › You're finding it much harder to close new customers
- › Less repeat business from existing customers
- › Existing customers are switching to the competition
- › Your inventory turnover rate (ratio of cost-of-sales to inventory) has slowed which leads to holding too much inventory (or worse, obsolete inventory)
- › Web traffic, social media activity, online queries have dropped.
- › Gross margin is reducing
- › Unhappy employees through increased staff turnover, in-fighting, petty arguments or an over-abundance of sick leave
- › Falling revenue per employee, which can imply disinterested or bored staff
- › Increase in customer dissatisfaction, returns, refunds and complaints which hints at poor delivery or fulfilment
- › Increase in downtime (staff or machinery) that can be a cause of inefficiency, poor scheduling or mismanagement.



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Decide which triggers matter to you, then focus on the handful of drivers that affect the performance of your business, are measurable, can be compared to a benchmark such as last year's figures or an industry average and most importantly, can be acted upon.

In each case, understand the cause and the action you're taking to avoid repeating the crisis.

## Ask staff

Ask your staff (or friends and family) what they think is going wrong. Often employees instinctively know what the problem is in a business and how to solve it. Involve them in the process of turning your business around as they also have a stake in your success.

## Review the levers to pull

Every business has levers that tie to an improvement. For example:

- › The number of partnerships or strategic alliances
- › Industry levers, for example, companies in the construction industry form consortiums when tendering, agricultural businesses rely on high yields, manufacturers to have machinery operating at full capacity, and professionals billing hours
- › Qualified traffic from your website
- › The response rate to advertising
- › New customer targets and markets you're entering
- › Introduction of new products or services
- › Production and quality
- › Safety and employee wellbeing
- › Project or cost overruns
- › Delivery accuracy and completing projects on time
- › Downtime
- › Safety or incident rating and the number of accidents.

Decide which levers you can influence and are linked to better revenue and cash flow. Then set about improving each.

## Set red flags

Automate data you want to measure and set thresholds. If an indicator drops below a certain level, this triggers to investigate why.

Accounting software will make monitoring buying trends, cost of goods sold, gross profit, lifetime value and product or service costs easier. Marketing CRM software, search engine and social media platforms will help detect a slowing of demand.

Decide which drivers you want to monitor, set thresholds when to trigger concern, schedule how often you want to review and involve your team.

## Complete a SWOT analysis

A SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats) can help you gain an overview of your business and visualize where you and your competitors fit in your selected market. Completing the analysis can help you identify what is going right and what needs to be improved.

Use our SWOT Analysis Template to identify steps to action.

## Lower cost of expenses

Being leaner and meaner often requires lower overheads. Rank your most expensive overhead costs and start working your way down, applying cost-saving tactics in areas where you'll see the most reward.

You can try:

- › Sub-contracting instead of having full-time employees
- › Delete a product line or service if it's sold infrequently and is expensive to maintain or hold, allowing you to delete extra warehouse space, reduce employees, or sell machinery that's not fully utilized
- › Audit to spot wastage from inefficient processes or shrinkage from theft or poor management of consumables
- › Switch manual processes to digital operations to cut down on paper, printing and stationery, labor and the cost of inefficient workflow
- › Streamline your business through digitization or automation
- › Pinpoint inefficient costs such as energy costs or getting rid of obvious overcapacity, such as un-used phones, subscription costs and computer equipment
- › Measure the impact of advertising and the return on spend. Your marketing budget could be more beneficial if used in other channels with a more strategic approach

Claim everything you can as an expense. Work with your accountant to understand what you can claim, and ensure you keep all necessary documentation. Accounting software will help with this.



# Resilience checklist

## Step 2. Find cash and strengthen balance sheet

The stronger your business foundation, the easier it is to continue trading. Too much debt, low retained earnings, obsolete inventory or excess fixed assets can mean liabilities start to outweigh your assets, which is a major risk for on-going viability.

Cash is often tied up in receivables (debtors) or inventory (stock), so improving these parts of your business will help release cash to enable growth and survival.

### Improve your liquidity

Anything you can do that frees up cash will help the balance between assets and liabilities. Ways to improve liquidity include:

- › Managing your inventory more effectively. Too much inventory on hand and your cash is tied up in things you need to sell. Possibly you're also spending money on storage or warehousing. Implementing Just-In-Time (JIT) inventory methods where you receive goods only as they're needed without warehousing, will free up some of your cash.
- › Sell any assets you don't really use and deposit the cash in the bank.
- › Lease out assets you aren't using, such as equipment or real estate, generating cash without having to sell your assets.
- › Instead of buying assets, lease. A large, one-time purchase might use up a significant chunk of cash that could otherwise be saved if you lease.
- › Sell off excess or obsolete inventory. It's usually better to discount old or slow-moving inventory to get it off your books, than gathering dust.
- › If possible, determine if you can delay or extend the payment terms from your suppliers. Ideally you receive the money owed to you before you pay your bills.

### Forecast accurately

Complete our cashflow forecast template to determine when you'll run out of cash or use your accounting software cash forecast function. Get your financial advisor or accountant to help determine how much cash you need and where will it come from. Extending your cash runway is your first task, giving you breathing space to implement your survival tactics.

Calculate your breakeven to test different pricing, costs and margin scenarios to shorten the time to recover.

## Apply for Government grants and subsidies

You may be eligible for government grants or subsidies.

Some examples:

- › [Small Business Innovation Research \(SBIR\) Program](#) provides funding for small businesses engaged in research and development (R&D) with the potential for commercialization. It focuses on high-tech innovations that align with the priorities of federal agencies. Their [Lab to Market Hub](#) serves as a centralized entry point to Federal lab-to-market services and funding programs across the Federal government.
- › [Economic Injury Disaster Loans \(EIDL\)](#) administered by the Small Business Administration (SBA), provide low-interest loans to small businesses affected by disasters, including natural disasters and economic crises.
- › [State Trade Expansion Program \(STEP\)](#) grants help small businesses explore export opportunities, including participation in trade missions, market research, international marketing campaigns, and e-commerce capabilities.
- › [USDA Rural Development](#) may provide funding to support small businesses in rural areas. Funds can be used for a variety of projects, including training, technical assistance, and infrastructure development.
- › [Minority Business Development Agency \(MBDA\)](#) provides grants and resources to help minority-owned businesses grow and compete. These grants often focus on access to capital, market opportunities, and training.
- › Grant Programs from State and Local Governments. Many states and cities have their own grant programs for small businesses, which can vary significantly by location. These may include innovation grants, small business relief programs, or industry-specific support (e.g., tourism, agriculture). Check your state's economic development website or contact your local small business development centers (SBDCs). You can find your [local SBDC chapter here](#).
- › [Grants.gov](#) is the primary portal for federal grants. Search for available grants by keyword or category.

Your first step is to contact your accountant, industry association or mentoring organization such as [SCORE](#), to identify what support is available.



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## Refinance

If you are currently paying a loan, talk to your bank about postponing capital repayments and pay only the interest portion of your loan until your business situation improves.

- › You may be able to refinance assets, by using business assets as security for the loan
- › Convert short-term debt with a higher interest rate like an overdraft, into a longer-term business loan to reduce monthly payments
- › It may be possible to borrow using your residential property as the main security.

## Apply for a bank loan

Borrowing may give you the cash you need to continue, even if it's short-term. If you already have these in place, there could be potential to increase the limits.

## Shorten your cash cycle

Your cash cycle is the time it takes you to receive payment for your product or service. The shorter your cash cycle, the faster cash comes into your business. Some businesses are easy: when you buy a coffee, the café receives the cash immediately. Some industries are harder; if you are contracting you often have to comply with procurement rules, which can have delayed payment processes.

To speed up the flow of cash you can:

- › Switch to cash payments or use shorter credit terms.
- › Offer your customers mobile and online payment options. If you've just finished a job, delivered a product or completed a service, ask for payment immediately while they are happy.
- › If you do invoice, ask for payment in seven days. If you do offer payment the following month, remove any reference to 30, 60, or 90 days overdue.
- › You should just have two amounts, due now and overdue. Don't let people think they can fill in the boxes to 90 days late.
- › Incentivize early payment with discounts or free products and services.
- › Ask for pre-payments or deposits.

## Tap family and friends

You could ask family, friends, or business colleagues to help with a temporary or long-term loan. It's best to put the agreement in writing and get everyone to sign, so that both sides are clear on an agreement. This sort of funding could strain personal or working relationships if things go wrong, so make sure all parties seek legal advice.

## Raise capital from investors

In times of financial stress, particularly cash flow shortages, businesses often find themselves searching for strategies to enhance liquidity without overburdening themselves with debt. One of the most effective ways to achieve this is through equity financing, bringing in new investors or issuing new shares to raise capital. Unlike debt financing, equity financing does not increase liabilities.

There are many others. Get professional help when deciding to raise capital.

## Manage credit customers

Know exactly how much you're owed day to day as customer overdue balances can sneak up quickly, becoming difficult for both the customer and you to manage.

Accounting software will help find out exactly how much customers owe your business. Along with customer details, you can set up your invoicing system so that:

- › Automated reminders let you know when a customer is late, so you don't forget
- › You can keep track of customers' payment histories, giving you more to go on when you are thinking about changing their credit terms
- › You are not at risk of extending them extra credit when they still owe you money
- › You can take fast action if you need to.

Talk to your accountant about the best software for your business. Ideally, it will be one that's compatible with the systems they use. You can also use specific software apps that will help you keep on top of debtors and send reminders.

## Tighten payment terms

The fastest way to see improvements in your cash flow is to tighten your payment policies.

- › Ask customers to pay by credit card immediately rather than invoicing
- › Set up an automatic debit for customers paying monthly, so you don't need to keep invoicing and chasing
- › Ask customers for deposits upfront to reduce your exposure to late payments
- › Ask customers for progress payments as you go, especially for large jobs
- › Move from credit sales to cash sales.
- › Add an online banking or payment request inside your accounting software to speed up the process.



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## Always require a credit application

Many businesses expect other businesses to extend credit. That said, not all businesses are creditworthy, which is why you should require a credit application and then run a credit check. It'll help you better identify good and bad credit risks as well as prioritize collections.

## Conduct credit checks

You can reduce the risk of chasing up an overdue customer by implementing compulsory credit checks before you offer credit.

Beyond credit check results, other difficult examples are:

- › One large customer who are the main source of income. It can be safer to have several smaller customers to spread cash flow risk over your whole business
- › Friends and family who buy on credit, if there is a risk they will pay late.

Even if you're confident that a debtor will ultimately pay up, outstanding balances are a burden that your business should not be forced to carry.

## Actively collect what you're owed

Once you've resolved any barriers to payment, if the debt is still overdue, contact your customer. Start with a polite reminder or enquiry about the bill, as overdue payment may not be any fault of the customer, and then follow up as necessary.

Try one or more of the following:

- › Personal visit. A face-to-face encounter can often solve the issue or ensure you get priority treatment. It's also an opportunity to negotiate payment solutions. Perhaps the customer can pay by credit card instead of cash, or pay by agreed instalments, with the clear written understanding that partial payment will not be regarded as full or final settlement
- › Call your customer if it's too difficult to visit
- › Email a reminder.

Promptness and persistence are the two keys to getting paid. A single visit, call, or email may be fruitless, but persistent follow-ups may very well do the trick, once the customer realizes you aren't going to give up easily.

If all else fails, consider debt collection agencies or an attorney. Notify your customer one last time to let them know you plan to pass the matter over.

## Clarify terms of trade

Set up your own terms of trade and double-check they are clear. If your trade terms are confusing or if they open up the possibility of late payments, consider firming them up.

If you don't have terms, now's the time to spell them out. For example:

- › Outline when payment is due
- › Document any late payment fees and how they are calculated
- › Define any incentives for early payment.

## Set credit limits

Credit limits are designed to prevent debt from escalating out of control. First, put a credit limit on all customer accounts and then put an automatic 'stop credit' on any overdue accounts.

It's also sensible to train your staff in how to approach a customer who has reached their credit limit so that the account can be settled in an efficient and professional manner. You could also set up automatic reminders to gently notify customers reaching their credit limits.

## Identify future cash flow

Sketch out several cash flow scenarios to identify what your business would look like in the future when sales drop (or cease) over a period and develop contingencies in advance. For these scenarios, you could consider what costs you may no longer have, cuts you can make, what revenue you'll need to break even, and how long it will take to recover.

Each drop in sales will usually have a corresponding fall in variable costs (materials, cost of goods sold), but at some stage, you may find it's uneconomic to continue with certain products and services if the fixed costs are too high. In these cases, you may have to lower your overall cost base (reducing staff, moving premises, or discontinuing less profitable product lines).



# Resilience checklist

## Step 3. Sell more

Improving sales and revenue often solves most problems. If more money is coming in than going out, the business should never run out of money, buying you time to make improvements.

### Sell to existing customers

Focus on selling current products or services to your existing good customers. It should be the easiest to do as you have an existing relationship.

- › Identify the customers that spend more, are repeat customers, pay on time, are pleasant and easy to deal with, or provide you with referrals to prospects
- › Typically, it's 20% of customers that provide 80% of your revenue.

Contact your customer database with phone calls, emails, visits, social media or e-newsletters with special offers to cross-sell or up-sell to other product lines. If you are brave, tell them why. It's survival.

### Lock in customers

If possible, contract or set up recurring revenue from customers so it's harder for them to leave. Or better still, find ways to integrate what you do into their lives or business. The 'stickier' your products and services, the harder to unbolt.

### Ask for referrals

Some customers will be happy to refer to people they know who may want what you do. In survival mode, anything you can do to drive sales is fair game.

People trust their friends' or colleagues' opinions over a company's marketing efforts

### Identify alternate revenue streams

There could be ways to monetize unused or underutilized assets, such as renting out any equipment or space another business may need. There could be intellectual property another business will pay to license.

Other revenue streams could be:

- › New variations or extensions of existing products to appeal to different customer segments
- › Expand the range of services offered, such as adding maintenance, consulting, or customization services
- › Consider entering new geographical markets, either locally or internationally
- › Launch or enhance an online store to reach a broader audience. Create digital products such as e-books, online courses, or webinars that can be sold online
- › Introduce subscription-based models for products or services to create a steady and predictable revenue stream
- › Partner with other businesses to co-create products or services, share resources, and reach new customers.

Next, look for wider opportunities to increase sales, as some industries or markets will perform better than others. There are several ideas you could investigate including:

- › Approaching new customer segments
- › Diversifying by branching into new products and services
- › Moving parts of your business online
- › Marketing in regions traditionally outside your area
- › Selling through online marketplaces
- › Using social media sales platforms (Facebook, X, Instagram, LinkedIn, YouTube etc).

Do whatever it takes to keep your business afloat until the market corrects itself back to business as usual.

### Increase new leads

By interacting with more people, you'll increase your chances of turning more of them into customers.

Create awareness by:

- › Attend industry events and conferences to meet potential customers
- › Re-develop your website for new search engine optimization opportunities
- › Develop new distribution channels
- › Actively promote your business with online advertising, social media platforms, and free trial offers
- › Run webinars or speak at events.

Anything you can do to reach new customers is a valid tactic.



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## Diversify

Identify what else you can sell to your customers that you don't offer. There may be businesses to partner with and promote into their database of customers (and vice versa). Suppliers may allow you to sell their products and services on consignment and pay a commission or margin, rather than buying the product and adding a margin.

## Repeat your best sales tactics

Identify the sales tactics that work best for your business. For example, develop standard sales scripts or getting the best salespeople to train others.

Implement a social media and online strategy to ensure you are driving customer traffic to your website

## Collaboration and partnerships

Strategic partnerships include finding a complementary business with similar customers, that will on-sell your product or service.

Identify possible business partnerships that demonstrate capabilities to add value to your company, whether that's marketing, licensing, supply chain and distribution, technology, or research and development.

## Step 4. Check your marketing

If the business isn't generating sustainable demand, possibly your marketing needs reviewing. It's useful to regularly review your marketing plan to make sure it's still relevant.

### Check your target market

Re-confirm who your current best customers are and if they changed. It's possible over time that you have significantly different customer groups. Review your current promotional messages and advertising to ensure they still suit the current market and are you targeting the kind of customer you want to do business with.

Also check customers are still viable and you're making a profit from each transaction. It can be possible to have long standing customers slowly become less profitable (they want discounts or demand too much of your time).

### Check your pricing strategy

Price is perhaps the biggest influence on how your customers perceive the value of your product or service. Find out if they still see your price as value for money and if there is an opportunity to increase prices.

If you find that your price is being squeezed, there are ways to reduce costs yet maintain margin, including:

- › Finding cheaper suppliers
- › Searching for new products

- › Offering services that don't have a direct low-price competitor
- › Deleting any fixed costs or unnecessary overhead
- › Targeting customers that are less price sensitive.

It's a good idea to review your prices and strategy on a regular basis and only lower them if you are forced to (worst case) and increasing them if you can continually improve what you do (best case).

### Check your promotion is working

You should have a pretty good idea by now which promotional methods are working. Spend more money on tactics that work and cut those ones that don't.

Other promotional methods you can experiment with include:

- › Collaborating and advertising with strategic partners
- › Joining and promoting clusters of complementary businesses.

There are still many businesses without websites who use word-of-mouth, networking and their reputation and credibility in their industry to generate sales.

Other businesses are completely online and have sophisticated inbound and outbound marketing software to generate and nurture leads.

There is no clear answer which is best; the only relevant point is to use whatever works for you.



# Resilience checklist

## Check you have measurable outcomes

A measurable outcome is one where the results of your marketing initiative can be quantified using data or other metrics. Having methods that are measurable enables you to evaluate their effectiveness and make informed decisions on future strategies.

Examples of measurable outcomes:

- › Sales revenue
- › Lead generation
- › Conversion rate
- › Website traffic
- › Net promoter score (NPS)
- › Email open and click rates.

Outcomes that aren't easily measurable include brand awareness, brand perception, emotional resonance, and influence on future behavior.

## Check customer feedback

Your current customers are great source of information about successful marketing tactics. After all, they've come to your business. Reach out to happy customers, such as after a sale is completed or a project is finished and ask them how they first heard about you. Use their answers to guide your future marketing efforts. If people found you on social media, make sure to continue with your social media. If they heard about you through word of mouth, it might be a good idea to encourage more referrals.

## Check you're the expert

When you become a thought-leader in your industry, people turn to you for your insights and ideas and are more likely to come to you because they trust you as an expert. Offer to speak at local industry events, tradeshows, workshops, webinars, or other events where you can share your knowledge and reach potential clients.

Build your reputation as an expert by creating content, blogs, publishing whitepapers or speaking at conferences.

## Check each point of contact

Each point of contact (also known as touchpoints) with your customers is another opportunity to build a relationship, highlight your value, and establish trust. Mapping out your points of contact enables you to optimize experiences, identify areas of improvement, and ensure consistency across interactions.

To map out your touchpoints, start by listing how a customer might interact with your business from the moment they first discover your business to your post-purchase support. A flowchart, journey map or other visual representation may enable you to better understand the customer experience.

Group your touchpoints based on their customer journey stage. Assess the quality of interactions across all points of contact to identify ways to enhance the customer journey and ensure your branding and service quality are consistent.

## Check social media

You can build a following for free or at very low cost using social media such as LinkedIn, X, YouTube, Facebook, TikTok and Threads. Find out what social media platforms your target market is on and have a profile there. Post relevant and engaging content, provide additional value for your followers and engage with them to build your relationship.

## Check strategic alliances

Complementary businesses are those whose goods or services are related to yours but are not in direct competition with you. They can be a source of high-value referrals and leads. Strategic alliances or partnerships could involve you referring work to each other, partnering to offer higher-value or premium goods or services, offering webinars and workshops together, hosting joint promotions, or collaborating on thought-leadership pieces.

## Check highest-return customers

Your highest-return customers are those who provide you with the most revenue over time. They are likely already loyal to your business, love what you do, and are easily motivated to continue spending with you. They may also refer other clients to you and provide you with vital feedback and insights into their experiences. You can explore purchase frequency, average order value, lifetime value, referral rates, and overall engagement so you can tailor your strategies to your highest-return customers.

## Check customer loyalty programs

Customer loyalty programs are typically a simple and effective way to keep happy customers returning to you and encourage them to spend a bit more money. You can offer points programs in which customers earn points that are redeemed for discounts or other rewards, tiered systems that offer increasing perks and benefits, cash back or rebate programs, or membership clubs.



# Resilience checklist

## Step 5. Change your business model

If technology or your customers have changed the way they buy or consume, you may need to change the way you sell.

### Review trends

Start by understanding your current business model, key value proposition, customer segments, revenue streams, core competencies and cost structures.

Dedicate time to researching and discovering new trends.

- › Keep up to date with your marketplace by attending industry events, webinars and conferences
- › Connect with other business owners to learn how they're solving issues
- › Check out any apps that might apply to your company from app online marketplaces to see what technology is introduced to your industry.

Then see if you can:

- › Leverage technology to automate, which could include using software for customer relationship management, supply chain, and data analytics to make better decisions
- › Invest in faster or more efficient equipment. Conduct a cost/value analysis to calculate the long-term savings available from upgrading. Improving your capital equipment may unlock opportunities for larger contracts or tenders
- › Explore partnerships to share resources, expand networks, and increase productivity through collaborative efforts
- › Take advantage of any new trends, such as the use of AI and robotics that is transforming some sectors.

Regularly evaluate the effectiveness of your business model and make data-driven adjustments to enhance productivity.

### Deepen the distribution channel

If you sell through a particular channel, for example, you wholesale to retailers or charge by the hour, there may be opportunities to widen how and what you sell.

For example:

- › On-selling software or services in exchange for a recurring monthly or annual fee
- › Sell from online marketplaces (like Amazon) by posting products for sale, reaching new audiences efficiently and at a low cost

- › A retailer could start importing products and sell to other retailers
- › Manufacturers could sell through the wholesaling distribution channel or open a direct-to-consumer channel.

Identify how a customer can buy what you sell, then decide if you can play in that space.

### Identify new ways of selling

Consumers and businesses have been increasingly moving their lives and operations online. This, combined with the ease and low cost of technology, has led to business model productivity innovation, such as:

- › Drop shipping, where you on-sell someone else's products without buying or holding the stock. Due to the absence of intermediaries you can have thousands of products for sale and never have to touch them
- › On-demand business models like Uber charge customers for a product or service only when they need it
- › Partner business models like Airbnb, where the business relies on the sharing, reusing, or rotating resources between individuals or other companies
- › Online advertising models where you give away information or services for free in anticipation of converting free users into paying customers or picking up online advertising revenue.

### When to change

See if or how your competitors or similar established businesses in other countries are shifting their business processes. It may be a sign you must adapt your business model.

Before you make the shift, test first. Then, start implementing your business strategy slowly to try and amend your cost structure and revenue streams before relying on a brand-new model to drive your business forward.

### Tap into your ecosystem

You will have a wide range of people and businesses that surround your operation that may be able to help you sell more. This includes suppliers, re-sellers, contractors, government (local and national) and employees, all who have a direct benefit in you staying in business. Reach out to everyone in your own unique 'ecosystem' to find new ways to sell. Learn more on developing new business models and how to reinvent after a crisis.



# Resilience checklist

## Step 6. Restructure

If drastic action is required, consider keeping the parts of your business that work and reinvent or re-structure your business to adjust to the new normal. Take a close look at what can be salvaged and then act like a new start-up to build a new, stronger business on the foundations of the old.

### Audit and be honest

Gather insights from customers about what they value most. Their opinion can guide decisions on what to keep or enhance. Outsource any tasks that are not part of your core competencies, such as payroll, IT, or customer service, to focus on key business activities. Look for opportunities to innovate within your product line, such as introducing sustainable practices, adding new features, or developing entirely new offerings.

### Secure funding

Explore government grants, low-interest loans, or other emergency funding options to provide the liquidity needed for restructuring. Implement more stringent financial controls to ensure that every dollar is spent efficiently. Go back to Step 1. Find Cash if you need funding to implement any restructuring that will set your business on a new path.

### Delete unprofitable product or service lines

Identify which products, services, or divisions are still profitable to focus your resources on these areas. Decide based on hard data such as sales and profitability, not emotional factors like original locations, oldest serving staff or favorite products.

### Close parts of the business that no longer contribute

If some parts of the business are not salvageable, consider selling or closing those divisions while retaining the profitable ones. Being leaner so the business as a whole survives, may require cutting some of the unproductive components of your business.

- › If you don't already, split the different parts of your business into separate financial revenue and cost centers so you can see which are low or loss-making
- › Decide if the unprofitable segment has the potential for future profitability through restructuring, or if it's better to exit

- › Wind down operations to minimize disruption to customers and employees. This could include slowly reducing production or services offered over time
- › If immediate closure is necessary, communicate this decision carefully and manage the operational impact
- › Inform employees as early as possible, explaining the reasons behind the closure and offering support such as redundancy, job placement assistance, or retraining. Get HR advice before you do this
- › Communicate with customers to inform them of the closure, how it will affect them, and what alternatives you can offer
- › Notify suppliers and partners about the closure to manage expectations and renegotiate contracts
- › Sell off assets from the closed part of the business, such as equipment, real estate, or inventory
- › Ensure that the closure complies with local employment laws, environmental regulations, and any industry-specific requirements.

Use the closure to refocus on your core business areas, where you have a competitive advantage and higher profitability. Be proactive in managing any potential negative impact on your brand, ensuring that the closure doesn't harm the broader perception of your business.

### Merge or be acquired

If restructuring alone is insufficient, evaluate the potential for merging with another company or being acquired to ensure long-term survival. You may find merging offers access to more capital, helping you invest in necessary upgrades, technology, or expansion.

Other benefits include:

- › Economies of scale, such as combined purchasing power or shared administrative services
- › Access new markets and customer bases
- › Better technology or innovation you couldn't afford on your own
- › Enhance brand and reputation.

Good examples are:

- › Businesses with potential but lack resources to scale
- › Accountants and lawyers merging to offer wider services
- › Manufacturers might merge with a competitor or a complementary business to leverage combined production capabilities
- › A biotech company may have insufficient funding for further research infrastructure.



# Resilience checklist

## Change your staff mix

A restructure most likely means letting some staff go. If they form a large part of your overhead, releasing non-productive staff or deleting parts of your business will allow you to pare down staff costs.

Get specific HR advice before you start the process, as there are rules to follow to ensure staff are treated fairly. However, you can reduce your headcount if the business is at risk of closure.

## Collaborate

Joining with other businesses can increase savings by sharing resources, people, ideas and capacity. The agreement can be formal (a contractual obligation), informal (referring work to each other and verbal agreements), significant (sharing suppliers and long-term customers) or ad hoc (coming together project by project).

Collaborating can help you:

- › Divide tasks based on strengths and expertise, to focus on areas where your employees can contribute the most
- › Faster decision-making as multiple stakeholders can provide input and feedback in real time. This prevents delays caused by waiting for approvals or feedback
- › Encourages a creative environment to bounce ideas,

often resulting in more innovative solutions that may not have been possible in isolation

- › Introducing new products, services and markets by selling your own range to their customers or channels
- › Reducing costs by gaining volume purchase discounts
- › Enhancing capacity to bid on larger contracts by offering broader services or presenting a larger business with enhanced capability
- › Outsourcing production, so you don't need to spend money on infrastructure
- › Accessing new business models and ways of selling to increase revenue.

Partnering with other businesses that offer complementary services or products can expand your reach and customer base without a significant increase in costs.

## Final Thoughts

Closing a part of a business is a challenging decision that requires careful planning, clear communication, and a focus on the long-term health of you as the owner, employees and the wider ecosystem you operate in. By handling the process thoughtfully, you can minimize disruption but know that ultimately, the changes you're making are for the better, so you can reinvent and grow in the future.

## Step 7. Get help

You don't have to do this alone. You'll have your own networks to talk to and they should be your first port of call, such as friends, family, other business owners, your industry association, accountant, business advisor and possibly attorney. But there are several organizations in the USA that offer valuable resources, mentorship, and financial assistance outside your inner circle.

### Small Business Administration (SBA)

The SBA offers a range of services from financial aid and loan programs to disaster recovery assistance and educational resources. Local SBA offices can provide in-person guidance and connections to resources tailored to specific business needs. Use the [SBA search tool](#) to find local assistance and learn about their various programs.

### SCORE

SCORE is a nonprofit organization that partners with the SBA to provide free, confidential mentoring to small businesses. With a network of volunteer business experts, SCORE offers workshops on topics like business planning, marketing strategies, and financial management. Their one-on-one mentoring is invaluable for startups and established businesses. Enter your ZIP code in the [SCORE finder](#) to access resources and find a mentor.

### Small Business Development Centers (SBDCs)

SBDCs are funded by the SBA and located in communities across the country. They provide no-cost business consulting and low-cost training, helping with business plans, market research, and funding. SBDCs are especially useful for businesses looking to apply for SBA-backed loans. Find your nearest SBDC through the [SBDC locator](#).



# Resilience checklist

## Chambers of Commerce

Local Chambers of Commerce are essential for networking and advocacy. They provide business owners with opportunities to connect with peers, attend workshops, and influence local policies. Chambers also host events that can help businesses gain visibility in their community and build relationships with potential customers. Search for your local [Chamber of Commerce](#) or [join here](#).

## U.S. Export Assistance Centers (USEACs)

For businesses looking to expand into international markets, USEACs provide specialized support. They offer guidance on export logistics, market research, and trade financing. USEACs connect businesses with federal export programs and can assist with securing export loans through the SBA's export loan programs.

Find your [nearest USEAC here](#).

## Women's Business Centers (WBCs)

WBCs, supported by the SBA, are designed to help women entrepreneurs start and grow their businesses. They provide training, mentoring, and access to capital. The centers also assist with navigating government contracting opportunities and building a support network. Find your [local WBC through the SBA website search tool](#).

## Veteran Business Outreach Centers (VBOCs)

VBOCs offer resources and training for veteran entrepreneurs. They provide assistance with business plan development, market research, and procurement opportunities. VBOCs are also well-equipped to help veterans access SBA loans and other funding tailored to veteran-owned businesses. Explore resources for veterans on the [VBOC website](#).

## Minority Business Development Agency (MBDA)

The MBDA focuses on helping minority-owned businesses grow through access to capital, federal contracting opportunities, and advocacy. Their business centers offer strategic consulting, networking events, and can help minority entrepreneurs navigate the complexities of government procurement.

Find a local center on the [MBDA website](#).

Engaging with these resources can be a game-changer for small business owners looking to build a more resilient enterprise. Whether you need help with funding, expanding into new markets, or simply refining your business plan, these organizations offer guidance and support every step of the way.

## Other organizations to help

Join your industry association to connect with your peers and get specific help for your industry segment.

Advisory boards give you feedback, advice, and recommendations on exploring new markets, switching business models, strategic partnerships, re-structuring your balance sheet, scaling up, or developing new products and services.

The National Association of Corporate Directors (NACD) offers resources and training that can be beneficial for small business owners looking to create advisory boards. Their materials help businesses understand governance structures and the role of board advisors. [Find your local chapter here](#).

They wouldn't necessarily implement the tactical plan. Instead, with their skills, resources and knowledge, they would suggest how to build extra capacity in your organization but leave it to you and your staff to focus on making informed decisions.

# Resilience checklist

## Notes

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**Note**  
This is a guide only and should neither replace competent advice, nor be taken or relied upon as financial or professional advice. Seek professional advice before making any decision that could affect your business.