

Business Operational & Commercial Resilience Checklist



January 2021

There are several key challenges for business leaders to address in order to plan, move forward and grow.

Last year impacted many businesses from operation shutdowns, supply-chain disruptions, cashflow pressures and staffing issues.

During the initial response phase, business leaders were faced with making improvised decisions to minimise the short-term impact.

Now several months later, businesses are faced with navigating the next phases of business recovery and rejuvenation.

Below outlines our suggested approach to resilience and recovery. Armed with these insights, businesses may be in a better position to prepare themselves for business disruption and find their competitive advantage.

Operational Resilience

- Business disruption on operations is centred on people, supply chain, technological, governance and risk control.
- Businesses need to seize the opportunity to reinvent and permanently change the way they operate by redefining success and how to measure it effectively.

Key Challenges Faced:

- Past lockdowns have restricted movement between suppliers and customers.
- Immediate assessment of resources available and required to achieve success.
- Improve internal processes (to get more done with less resources or tap into strengths).
- Determine which parts of the business, by product or service, needs to be temporarily halted.
- Limited understanding of how much working capital may be tied up in inventory.
- Managing high-risk contracts with suppliers, and or service providers.
- Need to use new and untested suppliers in unfamiliar markets with unknown integrity or history due to supply constraints.
- Review whether collaboration tools and remote working solutions are robust enough to cope with demand.
- Leverage real-time data to provide insights into rapidly changing behaviours of customers.
- Increased opportunities for fraud given weaker controlled environment imposed by remote working.
- Reinvent processes, controls and systems to reflect the 'new normal' and lessons learnt during the crisis.



Checklist for Building Resilience:

Ensure you are prepared and your business is resilient with the below checklist.

Narrow down the core business and how to protect it from further disruptions.

Conduct a strategic review of the existing operating model, with aspirations to innovate and rebuild a plan for the recovery phase.

Re-assess commercial agreements and be prepared to re-negotiate for terms that minimise risk.

Ensure feedback and continuous improvement mechanisms are in place.

Shift the mind-set from crisis mode to the 'new normal'.

Identify and adopt best practice developed during the time of the crisis.

Reinforce the business' core values with all stakeholders, particularly customers, suppliers, service holders and staff.

Offer a program to support the mental health and wellbeing of staff and reduce reliance on workers' compensation.

Foster a culture of innovation (using a bottom up approach) to gain a competitive advantage.

Identify the point of differentiation from your competitors and revise the marketing plan.

Implement company policies and processes that support flexible working.

Rely on real-time data to help raise early alerts of potential disruptions and issues to proactively manage performance and drive prompt resolution.

Consider replacing high risk or low value-adding processes with automated alternatives if feasible.

Restructure supply chains to be more flexible and agile in order to cope with a crisis.

Provide customers with ability to access information using social media channels to reduce the volumes of inbound calls and frustration at long wait times.

Review IT risks and control frameworks, particularly in the area of fraud.

Prepare a risk controls health check to test that everything is working as expected. Make adjustments to mitigate risk to appropriate level.

Identify vulnerabilities and develop viable solutions for activities which were severely disrupted.

Undertake dynamic risk assessments to understand the impact of risks on operations.

As you move your business away from the challenges faced in 2020 and plan for the future, there are a lot of steps to take, which can seem daunting at the offset.

To help you create a clear recovery plan with ease to increase your business resilience for the future, you can contact one of our specialist Advisors at your local firm listed below.

Australia

Adelaide Office

Level 3, 153 Flinders Street Adelaide SA 5000
GPO Box 2163, Adelaide SA 5001
p +61 8 8139 1111, f +61 8 8139 1100
receptionSA@nexiaem.com.au

Brisbane Office

Level 28, 10 Eagle Street Brisbane QLD 4000
GPO Box 1189 Brisbane QLD 4001
p +61 7 3229 2022, f +61 7 3229 3277
email@nexiabrisbane.com.au

Brisbane South Office

1187 Logan Road, Holland Park QLD 4121
PO Box 63, Mount Gravatt QLD 4122
p +61 7 3343 6333, f +61 7 3849 8598
email@nexiabrisbane.com.au

Canberra Office

Level 7, St George Centre, 60 Marcus Clarke Street
GPO Box 500, Canberra ACT 2601
p +61 2 6279 5400, f +61 2 6279 5444
mail@nexiacanberra.com.au

Darwin Office

Level 2, 62 Cavenagh Street Darwin NT 0800
GPO Box 3770, Darwin NT 0801
p +61 8 8981 5585, f +61 8 8981 5586
receptionNT@nexiaem.com.au

Melbourne

Level 12, 31 Queen Street Melbourne VIC 3000
p +61 3 8613 8888, f +61 3 8613 8800
info@nexiamelbourne.com.au

Perth

Level 3, 88 William Street, Perth WA 6000
GPO Box 2570, Perth WA 6001
p +61 8 9463 2463, f +61 8 9463 2499
info@nexiaperth.com.au

Sydney

Level 16, 1 Market Street, Sydney NSW 2000
PO Box H195, Australia Square, NSW 1215
p +61 2 9251 4600, f +61 2 9251 7138
info@nexiasydney.com.au

New Zealand

Christchurch

Level 4, 123 Victoria Street, Christchurch
PO Box 4160, Christchurch
p +64 3 379 0829, f +64 3 366 7144
office@nexiachch.co.nz

www.nexia.com.au

The material contained in this publication is for general information purposes only and does not constitute professional advice or recommendation from Nexia Australia. Regarding any situation or circumstance, specific professional advice should be sought on any particular matter by contacting your Nexia Advisor. Liability limited by a scheme approved under Professional Standards Legislation other than for the acts or omission of financial services licensees.