

BUSINESS CONTINUITY STRATEGIES

FOR SMES DURING TIMES OF
WAR



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Strategies for SMEs to Maintain Operations During Times of War: Ensuring Business Continuity Without Relocation

In times of war, small and medium enterprises (SMEs) face profound operational challenges, often struggling to stay afloat while ensuring service delivery and maintaining client trust. For businesses operating in conflict zones, it may seem that relocation is the only viable option. However, with thoughtful planning, strategic decisions, and effective crisis management, SMEs can continue their operations without relocating, preserving jobs and contributing to the local economy. Here are key steps and actions SMEs should consider to navigate such turbulent times effectively.

1. Create a Robust Crisis Management Plan

Assessment and Risk Mapping: Begin by conducting a comprehensive risk assessment. Identify the potential threats to infrastructure, supply chain, workforce safety, and customer accessibility. This will enable the business to prepare for specific risks, such as interruptions in electricity, internet access, transportation, or communication.

Response Protocols: Establish a clear response plan that outlines the roles and responsibilities of each team member in case of a crisis. This protocol should include actions to take during an attack or immediate threat, contingency plans for supply chain disruptions, and procedures for employee safety and communication.

Coordination with Authorities and Partners: Build relationships with local authorities, non-governmental organisations, and other businesses. Cooperation can lead to information sharing and potentially quicker responses to changing situations, improving the business's ability to remain operational.

2. Develop a Business Continuity Plan (BCP)

A Business Continuity Plan (BCP) is essential for minimising downtime and maintaining operations in adverse conditions. The BCP should cover:

Alternative Supply Chains: Map out local and international suppliers who can step in if your primary supply chain is disrupted. Establish relationships with multiple

suppliers and, where possible, negotiate flexible terms. This way, if one supplier becomes inaccessible, you have others to rely on.

Backup Facilities: Identify potential backup workspaces within the same region or neighbouring areas that are less affected by conflict. Securing alternate locations will enable continued production or service provision in case the primary facility is compromised.

Flexible Staffing Options: During times of war, it may be necessary to reduce on-site staff or reassign them to safer locations within the country. Offering flexible working arrangements, including remote work where possible, can help maintain productivity. Training staff for multiple roles can also provide coverage if key team members are unable to work.

3. Implement Digital Infrastructure and Remote Operations

Digitising operations allows SMEs to manage their business remotely and ensure the continuity of key processes, including customer service, order fulfilment, and financial management.

Cloud-Based Systems: Shift to cloud-based systems to store important business data and facilitate remote work. With data on the cloud, employees can access critical information from any location, even if the physical office becomes inaccessible.

Automate Core Processes: Automation can minimise the need for in-person staff by taking over repetitive tasks, such as customer communication, inventory updates, and invoicing. This reduces reliance on physical presence and allows employees to focus on critical areas that require human intervention.

Secure Communication Channels: Secure communication is vital during wartime, especially when coordinating with remote employees, clients, and suppliers. Invest in encrypted messaging and email platforms to maintain confidentiality and operational security.

4. Focus on Employee Well-Being and Safety

Employees are the backbone of any business, and prioritising their safety is crucial for operational continuity during a conflict.

Clear Communication Channels: Establish reliable and regular communication to update staff on the situation, including safety protocols, operational changes, or relocation measures. Use multiple platforms—such as messaging apps, email, and social media—to ensure information reaches everyone.

Emergency Support: Provide support resources, including medical assistance, mental health counselling, and financial aid if possible. Many employees may experience heightened stress, and ensuring their physical and mental well-being is essential for maintaining morale and productivity.

Flexible Working Hours: In conflict zones, maintaining regular working hours may be challenging. Flexible shifts or shorter working hours can help employees balance work with personal responsibilities and safety concerns.

5. Adapt Service Delivery Channels

During war, it may be necessary to rethink how your business delivers products and services to customers who may also be affected by conflict.

Localised Service Hubs: If your business serves clients in various parts of the region, consider setting up small, localised service hubs closer to customer clusters. This reduces transportation costs and mitigates the risk of interrupted deliveries.

Remote and Virtual Services: For businesses providing professional or consulting services, pivoting to virtual platforms can ensure continuous service delivery. Videoconferencing, virtual consultations, and remote assistance allow you to serve clients without risking physical presence.

Collaboration with Local Partners: Partnering with other businesses or local organisations can facilitate resource sharing and help overcome logistical challenges. For instance, collaborating with a local delivery service can support timely order fulfilment even if your distribution capabilities are limited.

6. Ensure Financial Resilience

Financial resilience is crucial to keep the business operating despite fluctuations in revenue or increased costs associated with operating in a conflict zone.

Cash Flow Management: Conserve cash by renegotiating payment terms with suppliers and creditors. In times of uncertainty, it's essential to have liquidity to cover unexpected expenses or drops in revenue.

Access to Emergency Funds: Seek access to emergency funds or lines of credit that can provide financial cushioning if cash flow is disrupted. Explore government grants, loans, or aid packages designed to help businesses survive in conflict zones.

Reassess Pricing Strategy: Adjust your pricing model to account for increased operational costs. While it's essential to remain competitive, don't underestimate the impact of war-related costs on your pricing structure. Transparency with customers can also help them understand any necessary price adjustments.

7. Maintain Strong Customer Relationships

Keeping your customers informed and reassured about your business operations can strengthen loyalty and provide stability during volatile times.

Transparent Communication: Inform customers of any operational changes, delays, or modified service terms due to the ongoing conflict. Regular communication fosters trust and reduces frustration if issues arise.

Flexible Return and Refund Policies: To accommodate customers impacted by conflict, consider flexible return, refund, or cancellation policies. This demonstrates empathy and may encourage clients to stay loyal even if disruptions occur.

Customer Support Enhancement: During wartime, customers may experience heightened anxiety and uncertainty. Enhance your customer support efforts to address questions or concerns, which will reinforce confidence in your brand despite external circumstances.

8. Leverage Community Support and Engagement

In times of war, community solidarity can be a powerful asset for SMEs. Engaging with the local community can help foster a sense of unity and contribute to business resilience.

Support Local Initiatives: Participate in community relief efforts or support humanitarian initiatives. This not only benefits the community but can also strengthen your brand's reputation as a reliable and compassionate business.

Engage in Local Business Networks: Collaborate with other businesses facing similar challenges to share resources, knowledge, and strategies. Business alliances can lead to collaborative problem-solving, strengthening resilience across the community.

Advocate for SME Support: Advocate for local or international support for SMEs in conflict zones. Many governments and international organisations offer grants, loans, or logistical support for businesses operating in unstable environments.

Conclusion

While times of war pose significant challenges to SMEs, these actions can help businesses maintain operations and serve their communities without relocating. Through careful planning, flexible adaptation, and a strong focus on employee and customer well-being, SMEs can build resilience against the adverse effects of conflict. For many businesses, staying operational is not just about financial survival but also about sustaining the social and economic fabric of their communities. The path is challenging but achievable with a proactive, well-structured approach and a commitment to resilience.