

4 ways to build resilience during trying times

Entrepreneurial businesses both small and medium have been particularly hard hit in these challenging times, and many are now facing an existential threat. However, there are ways to rethink their business models and adapt to a world which is unlikely to return to its old habits.



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Azim Omar, Partner and Growth Markets Leader at EY South Africa who advises many of South Africa's most successful startups and scale-ups, says: "The entrepreneur and business owner must realise that they simply must do things differently now because the world has changed for good."

Omar said that while SMMEs can apply for funding assistance, this was likely only to alleviate challenges in the short term, and that a more fundamental overhaul was needed.

He states that all companies need to plan how they will weather the storm by breaking down the stages into:

- what is needed to be done immediately to survive;
- what should be done next to rise up post the pandemic; and
- then look at how do you re-invent your business for the new world.

He flags four key areas that businesses need to review rather than simply waiting for the pandemic to end.

Change in mindset

“It's important to acknowledge there is no going back and that businesses now simply have to change their approach for what's coming next.”

He cited the example of a gym chain in the UK which quickly switched to video classes to keep people working out. "Many gyms have lost over 97% of their revenue in the past few months but this particular business has only seen a 25% drop, and it is likely to survive and reinvent as they quickly accepted the new way of working."

Technology fit

He suggested, as a priority, conducting a technology review to assess how technologically fit your business is for the new way of working. Often businesses are surprised that the old way of doing things can be done better and cheaper by using technology. "We have seen the massive adoption of video conferencing tools like Zoom and Microsoft Teams for instance. If you can use the cloud, or software or an app on your phone to manage your stock or even your time, then use it. It will certainly help make your business more resilient and better prepared for any continuity challenges."

Productivity focus

Closely related to the wider adoption of technology is the now greater importance of productivity. Even before this crisis, Omar noted smaller entrepreneurial businesses saving time and money by adopting Skype meetings and remote working, thereby reducing general office overheads and commute time. Smaller businesses save both time and money by using online solutions and working remotely instead of having their staff commuting in traffic and driving to every client meeting.

“ In the post-corona world, we are likely to see a great shift to more outcomes-based work. People will care far less whether you are at work for 12 hours a day, wear a suit and tie or have 10 meetings a day. They will focus on results and sound productivity mainly as the foundation of good results beyond this difficult phase. ”

Connect and collaborate

"If you are a smaller business, Omar advised outsourcing where you can to improve productivity. Many smaller businesses tend to be generalists so we find that the founder will do the sales, manufacturing, admin and manage the IT." But he strongly advises people to stick to their core skills and to outsource the rest to collaborative companies. This approach will save entities an enormous amount of time and money whilst reducing business risk. It will also ensure greater productivity and a sense of community as businesses work together in the market.

"As we are responding to the impact of Covid-19 now, business must be looking to the next - as 'back to normal' will never be the same again," concluded Omar.

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