Beyond Survival: A Small Business Resiliency Guide

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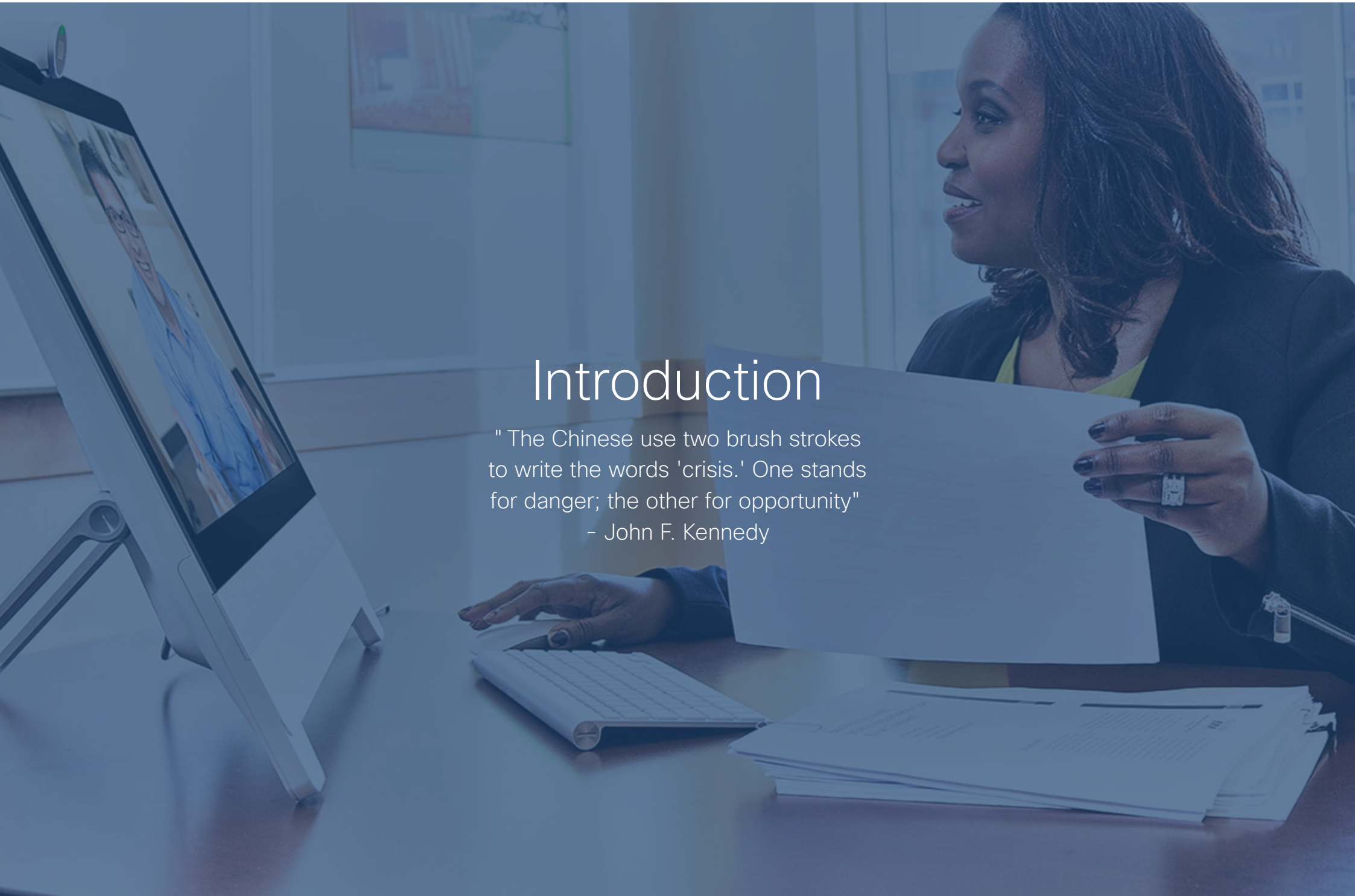
Introduction

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The past few months have been trying to say the least. By early April, more than ninety countries had requested bailouts from the International Monetary Fund (IMF)[1]. While all businesses feel the impact of this challenging economic climate, not everyone bears the weight equally. Small businesses are especially vulnerable.

With less cash on hand and fewer resources, you entered this crisis more fragile than large enterprises. But you're also more agile. And that means you can implement change faster and recover more quickly. In difficult times, necessity is indeed the mother of invention, and this pandemic is no exception. As traditional methods of doing business were rendered irrelevant, small businesses in every industry began to reinvent themselves, and many are doing it with technology.

Small businesses represent 90% of companies and account for more than 50% of employment worldwide[2]. You are the backbone of our communities; when you're strong, we're all stronger. That's why we've created this resiliency guide—filled with industry insights, helpful resources, and stories of innovation—to empower you to weather this crisis and reframe your business for future growth. The greatest leaders are forged in times of crisis, and this crisis is like no other in recent history. Why not let it also be the catalyst for a recovery like none other?

Your path to recovery starts here.
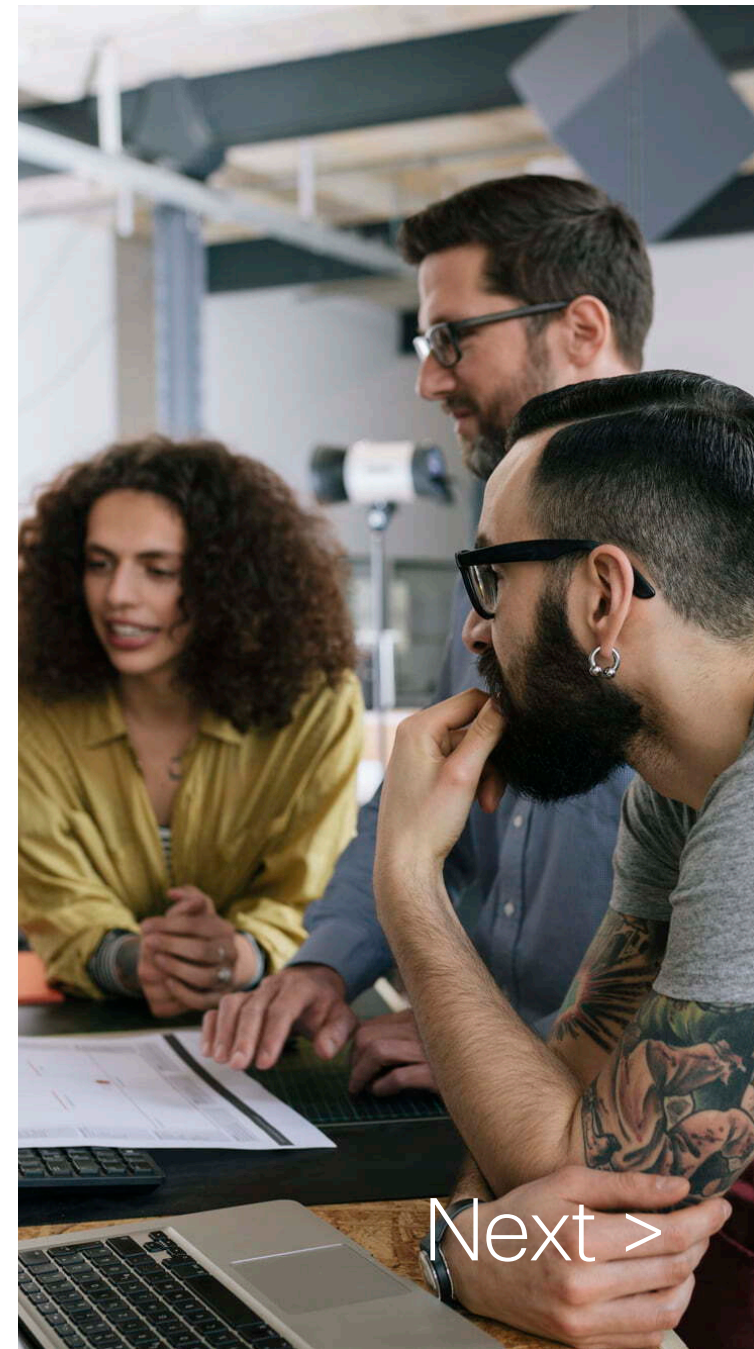
Small Business: Reinvented

" Small business isn't for the faint of heart.
It's for the brave, the patient, and the
persistent. It's for the overcomer."
– Anonymous

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In Italy, a start-up eyewear manufacturer can't keep up with looming overhead costs. In China, a clothing store reopens after three months under restrictions but struggles to move seasonal inventory. And in the U.S., a restauranteur has furloughed dozens of employees and closed two of three locations to make ends meet.

These are just a few of the millions of small businesses around the world struggling in the wake of COVID-19. Small businesses like yours drive job growth and a more competitive economy, but many are not equipped to survive this crisis due to limited cash flow, severely reduced demand, and looming overhead costs. This is a time of uncertainty. It's also a time of unprecedented opportunity. The actions you take now will

determine where you'll stand when this crisis subsides. One of your most important allies?

72% of all small business owners say the outbreak is likely to have permanent effects on the way they run their business.[3]

Technology.

Economic recessions are known for causing layoffs, business closures, and financial struggles. But they are also famous for forging visionary entrepreneurs and innovative start-ups. Technology has paved the way for the birth of some of the world's most successful companies.

During the financial crisis of '08, 1.8 million small businesses went under[4]. Others were born. The founders of Warby Parker leveraged technology to thrive as a direct-to-consumer retail and e-commerce business. Companies such as Netflix,

Wipro, and National Geographic did the same, reinventing themselves to survive the recession, stay ahead of the competition, and become successful businesses.

Countries and markets around the world are at different stages of the current economic crisis. Several of the largest emerging economies are still on the "upslope" of the pandemic, while others, such as Italy, are cautiously beginning to reopen. In the midst of it all, stories are emerging: Stories of small businesses using technology to course-correct through challenges and innovate on the fly; stories of small businesses that are now leveraging technology to move at the speed of demand and grow at scale.

Reimagining your small business requires adapting to the current climate, overcoming challenges, and adopting real solutions that can help you not only survive this crisis, but thrive long after it ends.

Let's take a closer look.

Adapt and Overcome

" If the wind will not serve, take to the oars."
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Overcoming the incredible challenges ahead of you is no small feat and adaptability will be essential in the coming weeks and months ahead. Connecting with peers and experts can help you understand what solutions are working for others so that you can adapt quickly and be decisive in the face of disruption.

> More than eight in 10 small businesses say using new technology is key to their company's survival and growth.[5]

In addition to cutting costs and seeking financial aid, many small businesses quickly adopted technology that under normal circumstances would take months to onboard. Nearly 90% considered these purchases critical to the survival of their business[6]. Still, adapting to a new digital reality shouldn't mean straining your resources to onboard every available digital advancement.

In order to quickly roll out innovations and drive business results, you need three things:

1. An empowered remote workforce

Nearly 75% of organizations[8] plan to shift some employees to remote work permanently, according to recent Gartner research. Once the pandemic is over, according to Global Workplace Analytics, 30% of the entire workforce worldwide[9] will work from home at least a few days a week.

Remote work continues to dominate the business landscape, but without the proper tools, workers are less efficient, productivity slows, and security is compromised. The frustrations of unreliable connections, an inability to connect, or being

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dropped mid-call leads some remote team members to "go rogue," cobbling together a collection of file-sharing and collaboration tools that may or may not be secure.

In addition to needing digital tools that allow teams to work well, organizations also need tools that allow them to work well together.

> Bad times create conditions for greatness. They also create a great deal of noise. You're likely being flooded with information right now about how to navigate this crisis. Survival should be your highest priority. As you look to onboard tools and technologies, only do so if you have enough cash to cover payroll, rent, and inventory.

Today's workforce spends 80% of its time in meetings, phone calls, and emails[10]. Integrated technologies like smarter collaboration tools, improved conferencing platforms, and more reliable calling resources empower teams to collaborate efficiently while equipping individuals to contribute where they're most productive.

To create a more inclusive team experience, the technology you choose should integrate into existing tools for easier adoption. Platforms should be cloud-connected for global consistency and easy access. Solutions need to provide the necessary context to help expedite collaboration, and the tools must be reliable, secure, and compliant while eliminating the friction points that cripple productivity.

According to a National Small Business Association (NSBA) survey of more than 980 U.S. small businesses, between March and April the number of business owners and their employees working remotely doubled[11], a trend that is widely expected to continue. This was the case for Second Harvest.

Case Study:
Second Harvest

Before the pandemic hit, all 200 Second Harvest of Silicon Valley employees worked at the office. Today, more than 50% work remotely from home. Most employees, including the IT director, didn't believe they could work effectively from home due to the amount of face-to-face interactions they require. To make the switch to remote work, Second Harvest's IT department had to make sure there were enough resources for its employees, from deploying laptops to upgrading firewalls and VPN licenses. Since the pandemic started, Second Harvest has seen a significant increase in security threats compared to the previous year.

Having the necessary security solutions in place to mitigate cyberthreats has been invaluable to the Second Harvest team and allows them to focus on their mission of ensuring the community has the food they need to thrive

Learn more in our Technology to Help Your Small Business Stay the Course e-book

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Louise Schonberg opened Karameller, a small candy shop in Vancouver, in 2015. The shop quickly became a cultural and communal gathering place for Swedish expats living in the area.

Although her website had been built for e-commerce, Schonberg hadn't given it much thought until the pandemic hit and she was forced to close her store.

Fortunately, the team that built her online storefront enabled it with Wi-Fi, video, and DNS security. These tools allowed her to quickly transition her focus to online sales. Karameller saw its highest monthly sales in April 2020, despite the pandemic, averaging online orders three times larger than in-store purchases. And through curbside pickup, handwritten notes, and personal deliveries, Schonberg has not only stayed in business, but continues to fill cultural gaps and retain connections with Vancouver's Swedish community.

2. A secure e-commerce platform

The pandemic has transformed the way consumers shop and small businesses are responding by offering products and services online[12]. E-commerce order growth is up 54% compared to this time last year[13], and according to Shopify, brick-and-mortar stores have been able to replace 94% of their in-store sales online[14]. Your ability to deliver truly exceptional online customer experiences starts with choosing the right e-commerce platform for your business. Evaluate your options with the following considerations in mind:

Speed – As page load time increases from one to five seconds, the probability of bounce increases 90%[16]. To avoid losing consumers to a competitor, your e-commerce site should load in fewer than three seconds[17].

Compliance – If your business transmits or stores cardholder data, you'll need to ensure that your e-commerce site follows PCI compliance requirements. A SaaS or cloud-based e-commerce provider will handle PCI for you.

Supply chain – More than 40% of retailers expect product delays due to COVID-19 and an additional 40% expect inventory shortages[18]. Look for a platform that optimizes for e-commerce and last mile, last-minute delivery.

AI & Automation – Create a frictionless experience for returning customers, segment consumers, and assess customer lifetime value to better target and personalize digital campaigns.[19]

Nearly one in four consumers say they won't feel comfortable shopping in a mall for more than six months.[15]

Reliability – Downtime can have a detrimental effect on your revenue and your reputation. When your network goes down, your business goes down. That can equate to hundreds or even thousands of dollars in lost revenue per hour. Look for a platform that offers 99.99% uptime.

A secure e-commerce platform is what enabled Vancouver-based Karameller to reinvent its

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business model and continue to grow at scale, despite being in the midst of a global pandemic.

3. A robust cybersecurity network

A network that scales as your business grows enables you to add new features and functionality as you need them. Designing your network with reliability and redundancy in mind will provide your business the continuity it needs to recover quickly from unplanned events. It can also help protect your brand's proprietary information and its reputation. You can learn more about setting up a small business network here.

When it comes to network cybersecurity, many

> ## 75% of small businesses don't have the personnel to address IT security.[22]

small businesses consider themselves too small to be targeted. The truth is that cyber criminals have significantly shifted their efforts towards small businesses in recent years[20].

In 2019, 78% of small businesses suffered a cyber

attack[21] . Cybersecurity is not a one-size-fits-all proposition, however. The first step is to understand what systems are critical to your operations. For a retailer that might be a point-of-sale system; for another business, email might be most important. Identifying your critical infrastructure in this way gives you a clear hierarchy for where to start your cybersecurity initiative

Fortunately, putting robust defenses in place doesn't mean you'll need to onboard every solution on the market. Taking the time to understand the needs of your small business and working with a technology partner who can customize cost-effective solutions will allow you to build a more efficient infrastructure. That's exactly how New Castle Hotels & Resorts was able to act quickly when COVID-19 struck.

Small Business Security Resources

View a checklist of the five cybersecurity tools that can help empower your business here.

Learn more about small business security resources here.

Get the Cisco 2020 Big Security in a Small Business World report here.

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Case Study:
New Castle Hotels & Resorts

New Castle Hotels & Resorts operates more than 20 award-winning upscale hotels in the U.S. and Canada. Alan Zaccario, VP of IT and Cybersecurity, single-handedly manages day-to-day IT and security functions. The company recently refreshed its security with disaster response and business continuity in mind. It was a much-needed update made in the nick of time according to Zaccario. "When the scope of the pandemic became evident," he explained, "we were able to move corporate operations offsite to home offices within hours." Since onboarding Cisco security, the company not only enabled a secure transition to remote work for their employees but also reduced the time compromised systems are on the network from days to just hours.

Resiliency for the Future

" Fall seven times, rise eight."
– Japanese Proverb

The COVID-19 pandemic forced small businesses around the world to ditch long-term plans for digital transformation. Instead they flipped a switch, putting a remote workforce in place and providing teams with tools and technology essentially overnight. Although the majority of countries and businesses are still very much in crisis management mode, some businesses are exploring how they can turn these last-minute transformations into long-term solutions that position themselves for growth on the other side, according to the World Economic Forum.

You're a visionary at heart. And as a small business owner, you're probably thinking ahead and wondering how best to move forward. Here are three actionable ways to create a more resilient business for the future.

" Incredible positives are emerging that show the potential of a digitally transformed world." [23]

Resiliency for the Future

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Develop a Business Continuity Plan (BCP)

A BCP outlines how you'll continue critical operations in the event of an unplanned disruption or disaster. Keep in mind that most incidents that could interrupt your ability to conduct business effectively are close to home: a major weather event that takes out power, a burst pipe that causes flooding in your offices, a fire nearby that closes local roads, or a cybercriminal who attacks your infrastructure. Your BCP should include contingencies for processes, assets, human resources, business partners, and any other aspect of your business that might be impacted. A disaster recovery plan is a key component of your overall BCP and should include strategies for handling IT disruptions to networks, computers, servers and mobile devices.

Here are some free templates to help you get started.

Leverage the Power of Social Media

Social media is a highly effective marketing channel, ideal for reaching your intended audience, strengthening customer relationships, and sharing relevant industry information. But with limited resources, how can you leverage social media to expand your reach and grow your business? Here are some tips to get you started.

1. Use hashtags strategically

Engaging on hashtag feeds can build exposure to your brand. Associate up to three hashtags with your LinkedIn company page so that you can react and comment from your brand's perspective, exposing your name to a wider audience. Identify three to five hashtags that are top of mind for your business and add them to your social posts to expose a larger audience to your content.

2. Tap into your existing network

Invite your connections to follow your company pages. You can also notify employees about important company posts to boost organic reach and engagement. Empower employees and loyal customers to become brand advocates, sharing company social posts on your behalf.

3. Amplify content with paid ads

Paid social media ads allow you to reach a much broader audience of potential customers than organic social alone. They also enable you to target unique audiences by title, function, industry, and more. You don't need a background in advertising or deep pockets to set up effective ads and begin generating new leads. Boost, sponsor, and promote social post with the highest engagement across all social profiles.

For more great insights watch the LinkedIn Learning Social Media Marketing for Small Business class online. Social media engagement humanizes your brand, differentiates your business from the competition and builds trust among your

audience. Get five tips for becoming a savvy social media marketer here.

Studies and success stories show that being a lifelong learner is crucial for business success and is an integral part of entrepreneurship. New technology, new marketing techniques, changes in regulations or systems all require growth.

Lifelong learning and self-directed learning readiness are both keys to business success.[25]

> LinkedIn Learning has seen a huge increase in small business skill development spanning soft skills such as strategic thinking and remote working to basics like Excel.[24]

Small businesses like yours have been hardest hit by the COVID-19 pandemic. Ongoing learning can help you hone your management, sales, marketing, finance, and self-care skills. In addition to the Social Media Marketing class, LinkedIn Learning offers many other free courses to help you navigate the challenges of today's economy.

If you're looking for additional resources and support, Cisco's small business resource center connects you with peers and industry experts around the world and keeps you up-to-date on the latest resources and solutions to drive your business forward. Discuss product roadmaps, influence product direction, participate in early adopter trials, get advice, and share your expertise around Cisco technologies.

Throughout this crisis, you've worked tirelessly to navigate uncharted challenges and keep your business running securely. Along the way, you've acquired quite a bit of knowledge. Now it's time to take what you've learned and use it, along with the right technologies, to build a stronger, more resilient business. "This moment is not to be lost," states a recent McKinsey article[26], going on to advise that those who step up their game will be far better off and more ready to confront both the challenges and opportunities that lie ahead.

Visit Cisco's curated Small Business portfolio here.

Conclusion

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Small Business Recovery Checklist

As you begin your journey to a full recovery, look for integrated tools and technologies that can simplify your efforts and position your small business to grow at scale.

Secure, remote workforce tools

- Cloud-connected platform
- Wireless networking
- Virtual conferencing
- Reliable IP phone system
- Protected file sharing
- Collaborative virtual workspace
- workplace monitoring to ensure social distancing/employee safety
- VPN, Endpoint and DNS protection

E-commerce tools

- Payment and information security
- Internet Payment Service Provider
- Compliance visibility
- Robust analytics
- Scalable hardware

Companies spend during a recession not to profit, but to capitalize on recovery. Now is not the time to think small. With the right partner and a secure, complete solution in place, you're more than ready to use tools and technology to grow your business at scale in any environment. As you begin to build your business recovery plan, look for solutions specifically designed for small businesses that address your networking, security, collaboration, cloud, and Internet connectivity needs. We've included a checklist to guide your search.

Ready to get started? Cisco and our network of partners area ready to help you connect, compute, and collaborate securely, so you can focus on what matters most—growing your business. Learn more about our Cisco Designed portfolio of products for small businesses.

Cybersecurity network tools

- Firewalls
- DNS protection
- Endpoint protection
- VPN protection
- Password protection or user identity
- Cloud-based security

Business Continuity Plan components

- Disaster recovery plan
- Contingencies for
    - Processes
    - Assets
    - Human resources
    - Business partners
- Strategies for handling IT disruptions to
    - Networks
    - Computers
    - Servers
    - Mobile devices

Have questions or want to learn more about which Cisco Designed for Small Business products might be right for you?

Contact our sales team >

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Thank you for reading

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