COVID-19 RECOVERY & RESILIENCY WORKSHOP SERIES

Cape Cod Business Resilience Workshops

ARTS, CULTURE, AND RECREATION BUSINESSES

More information at
capecodcommission.org/business

CAPE COD
COMMISSION

BUSINESS RECOVERY & RESILIENCY PLANNING

INDUSTRY WORKSHOPS

BUSINESS TOOLKITS

ECONOMIC RESILIENCY PLAN

Covid-19 impact on the industry

Temporary suspension of non-essential business, which included some cultural and recreation activity.

Affected the inherent nature of the industry group's social and experiential interactions and its reliance on tourism.

Impacted the main sources of revenue, including ticketing and donations.

Estimated losses of 2.7 million arts and culture jobs and more than $150 billion in sales of goods and services, between April 1 through July 31, 2020

-The Brookings Institution

Why Resilience Matters?

Covid-19

- The pandemic produced a dual threat to lives and livelihoods across the globe.

- The effects were amplified among community-based and seasonal businesses that traditionally rely on in-person commerce. Even more so among those without recovery and resilience plans.

Future Threats

- The Covid-19 pandemic proved that a disaster can strike at any time, unexpectedly, and can disrupt an entire business model.

- Businesses need to have a solid business resilience plan to be prepared for future interruptions
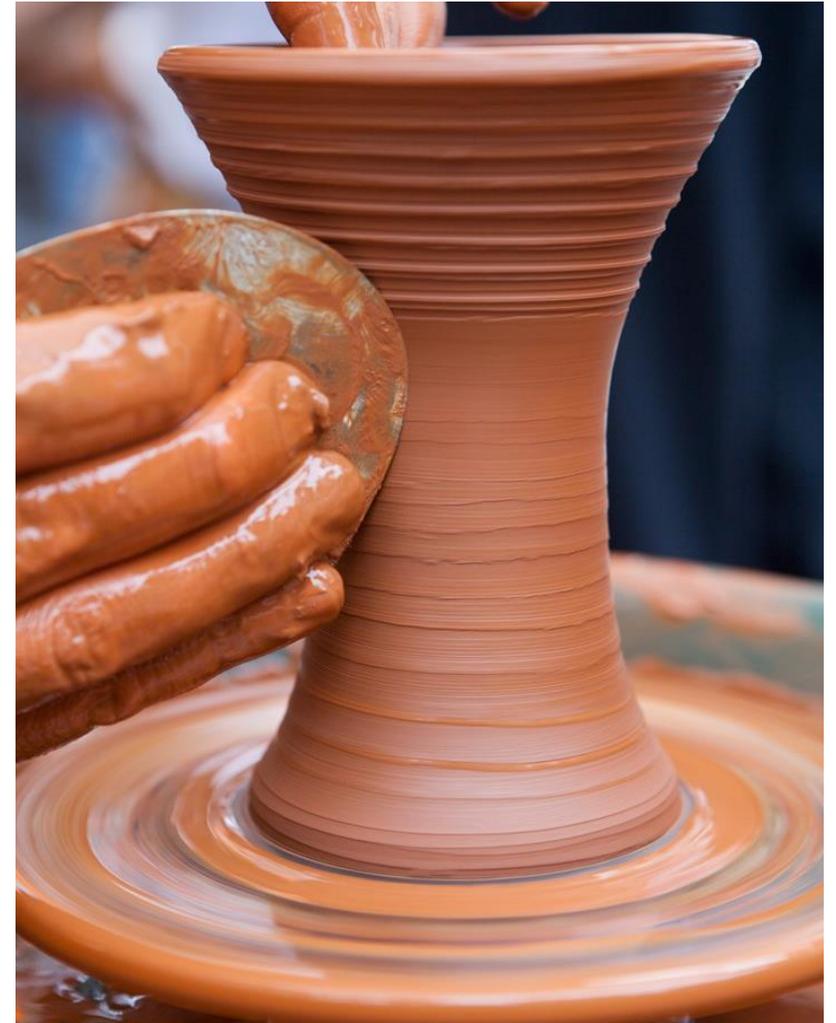
What is Resilience?

"The ability of an organization to anticipate, prepare for, respond to, and adapt to both incremental changes and sudden disruptions"

- Axelos

Toolkit Purpose Statement

- To help Cape Cod small businesses build resilience amid the Covid-19 pandemic

- Provide research-based frameworks, tools, and checklists designed to support efforts by Cape Cod business owners and their teams to recover and to utilize the Covid-19 experience as a catalyst to prepare and respond to future business interruptions.

Toolkit Overview

"Assess, Plan, and Test"

Assess:

- **Business Interruption Risk Matrix**
- **Business Operations Resilience Assessment**

Plan:

- **Business Operations Planning Checklist**
- **Business Continuity Plan Template**

Test

- **Test & Evaluation Checklist**

Business Model Pivot Exercise

Digital Strategy Checklist

Resources:

- Arts, Culture, and Recreation Businesses Specific
- General Resources

Additional Term Definitions

Risk Matrix: A table to visualize risks against various factors. This toolkit provides a risk matrix to assess potential business interruption events against factors that heighten risk of business impact and factors that may mitigate business impact.

Business Operations: Day-to-day and strategic level components that go into running a viable business that earns money and provides value.

Business Continuity Plan: A formal, documented plan with information and procedures on how a business or organization can continue to operate at some level during a significant, unplanned disruption.

Business Interruption Risk Matrix

- Review interruption events; identify higher risk events
- Evaluate factors that create risk in your business
- Assess practices you have in place that may risk exposure
- Use open space to list other factors and practices

Business Interruption	High-Risk Factors	Risk Mitigation Practices in Place
Pandemic and Other Health Hazards	In-person interaction is a core part of business operations	• Enhanced cleaning and sanitization measures and vendors in place; Stock of PPE supplies for employees and customers
	Facilities may not allow for adequate social distancing	• Limited access or capacity plans • Online reservation system • Outdoor space contingency plan
	(open space to fill in)	*(open space to fill in)*
Fire	Physical assets (e.g., art collections, products, or equipment) stored in a single location	• Physical assets are distributed in multiple locations • Appropriate insurance coverage
	Facilities include multiple floors and/or multiple buildings	• Intercom system for remote communication • Clear evacuation route signage throughout premises • Adequate staffing for size of premises
	(open space to fill in)	*(open space to fill in)*
Flood / Hurricane / Natural Disasters	Facilities are in a flood zone or adjacent to a water source	• Rehearsed protocol to secure equipment and valuable assets to safer locations • Access to flood protection materials, such as sandbags, is established
	Business facilities susceptible to natural disaster damage	• Regular inspection schedule and insurance policies in place • Alternate work location planned • Evacuation route planned
	(open space to fill in)	*(open space to fill in)*
Safety and Security Threat	Frequent use of equipment that has a risk of injury	• Regular inspection of facilities and equipment to assess damage to repair or replace as necessary • First aid / AED equipment on site and accessible

Business Operations

Assessment

BUSINESS OPERATIONS

Assess your business's operational resilience

- 0-5 Leadership
- 0-5 Operations & Supply Chain
- 0-5 Digital Infrastructure / IT Systems
- 0-5 Financial
- 0-5 People & Communications

- Worksheet to assess resilience in each core operations area
- Sampling of higher resilience indicators listed under each category
- Note your score next to each item
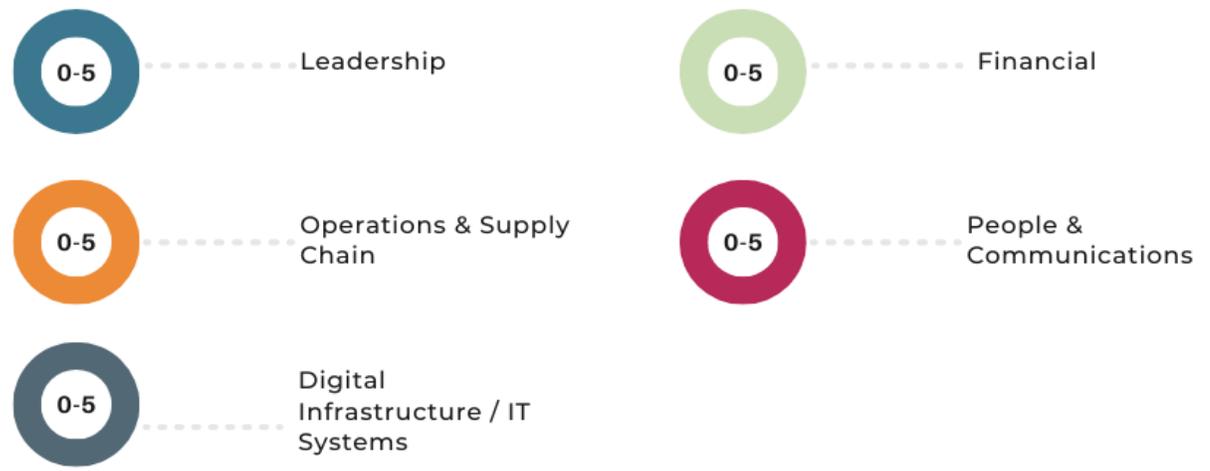
Leadership	Score Yes=1 No=0
Are you familiar with at least one organizational change model? (e.g., Lewin's change model). See Figure 1.	
Do you have a reliable support system and a trusted network in your industry?	
Are you able to accept change, effectively lead through change, and adapt to a new environment?	
Do you have a daily practice to release work-related stress? (e.g., meditation, journaling, etc.)	
Are you physically active, get at least 7 hours of sleep regularly, and eat a balanced diet daily?	

Business Operations Assessment

- Worksheet to assess resilience in each core operations area
- Sampling of higher resilience indicators listed under each category
- Note your score next to each item
- **Use scoring system to identify areas that need attention**

Financial	Score Yes=1 No=0
Do you have your financial statements (cash flow, balance sheet, income statement) accessible and up to date?	

Operations & Supply chain	Score Yes=1 No=0
Do you have a diverse set of offerings/revenue streams?	

People and communications	Score Yes=1 No=0
Do you have a career development, leadership, and cross-training program in place for employees?	

IT & Digital infrastructure	Score Yes=1 No=0
Do you have a robust digital marketing strategy that includes your website, social media, POS or CRM systems, and other digital channels?	

Business Operations
Plan Checklist

Leadership	✓
Research and learn business organizational change models to adapt to your environment.	
Build a trusted network of industry peers to share best practices and a network of business professionals with expertise outside of your core capabilities that can serve as part of your extended team.	
Conduct leadership and change management training with managers and other employees.	
Maintain perspective and build a personal resilient mindset.	
Maintain a healthy lifestyle and self-care routine so you may be your best self in stressful situations.	

Financial	✓
Maintain current financial statements (monthly and yearly basis) that can be accessed at any time.	

People & Communications	✓
Implement ongoing training programs for employees. Identify, prepare, and cross-train a possible skeleton crew (backup personnel for essential business operations).	

Operations & Supply chain	✓
Create multiple sources of revenue (e.g., multiple services, experiences, and audience/customer segments; in-person and online)	

Digital Infrastructure / IT Systems	✓
Implement cloud data solutions, so customer and business data are accessible anywhere. Include data backup protocols for computer equipment and on-premise servers.	

Business Continuity Plan (BCP) Template

- Simplified template that may be adapted for most Arts, Culture, and Recreation small businesses and can be further customized as needed.
- **Note:** You may extract your completed BCP template and save it as a shared file, digitally and in print, accessible to everyone on your team.

A. Types of Significant Business Disruptions & Risk Mitigation Matrix

Use this table to outline risk mitigation strategies your business has in place to prepare for various business interruption events with corresponding response plans to be activated should an event occur.

Significant Business Disruption	Risk Mitigation and Safety Measures (Action before a disruption)	Response Plan (Action during a disorder)
Pandemic and Other Health Hazards		
Fire		
Flood / Natural Disasters		
Security Threat		
Cyberattack		
Power / Internet outage		

Business Continuity Plan (BCP) Template

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B. Emergency Contacts and Mission Critical Roles

Identify the people with decision-making authority who should be alerted of an unexpected business interruption.

Prim

D. Crisis Communications Plan

A clear and established crisis communication plan is critical as part of a business continuity plan. The following table assigns people responsible for communication to key stakeholder audiences and identifies the appropriate primary and alternate communication channels.

Company Contact

H. Testing and Evaluation

Use this space to outline your quarterly or annual schedule to test your Business Continuity Plan for areas to improve or update. (hint: proceed to the next section of this toolkit for guidance on creating your test plan)

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business's

Industry Contacts

Test & Evaluation

Regular practice of testing your plans also helps to **instill resilience as a matter of process and culture**, not just a one-off activity

Test & Evaluation Checklist	✓
Schedule: Establish a quarterly or at least annual program to test each element of your resilience and business continuity plan	
Meet: Include in your testing plan an all-staff meeting to create scenarios, scrutinize feasibility, and evaluate methods for effectiveness and data accuracy	
Scenario Drill: Create practice scenarios for different event types and test components of your resilience and continuity plans.	
Evaluate: Analyze the results of your drills, including how effective alternates did in their roles, how long it took to gain control, communicate internally and externally, and how your resources/partners responded. It may also include the evaluation of performance at temporary locations.	
Update: Have a procedure in place to modify your plans as: o business models change o employees change o your suppliers change o your customers change o technologies change o risks change	

"Even before COVID-19 hit, 92% of companies thought their business models would need to change given digitization."

- McKinsey & Company

Virtual and live streaming access to exhibitions, events, concerts, and tours. **Covid-19 accelerated a digital transformation already underway**. For some businesses, digital alternatives provided a silver lining opportunity to reach new audiences and customers outside their local community.

Social media platforms became meeting places for artists, performers, enthusiasts, and audiences to **gather, share content, and express themselves** to their community.
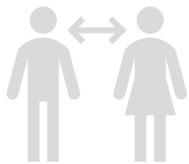
Smaller format – Some recreation businesses shifted their focus to new programs for **smaller groups to accommodate safety protocols** while providing personalized experiences.

Trends observed during Covid-19

Business Model Pivot Exercise

"Business model resilience is often missing from traditional business continuity plans. Organizations plan for disruptions to resources and processes, but don't recognize that business models can be just as big a threat to the continuity of operations."

– Gartner

Use this checklist as a tool to guide a brainstorming exercise among business leaders and the entire team.

Business Model Pivot Checklist	✓
Take inventory of core capabilities, resources, and network	
Consider where your customers are, how their needs have changed, and what new customer segment opportunities there may be in a changing environment	
Identify new ways to deliver value	
Line up the right staff, resources, and funding to execute	

Business Model Pivot Exercise - Example

Build Internal & External Awareness

1. Core Capabilities & Resources

- ✓ Art & culture organization with a long-established practice of providing in-person, interactive experiences
- ✓ Comprehensive customer data
- ✓ Established website and social media channels
- ✓ Well-trained staff who can adapt to changing circumstances and constraints and provide quality dine-in and dine-out customer experiences

2. Understanding Customer's Needs

- ✓ Local patrons have limited options for activities outside the home
- ✓ Out-of-town patrons may not be able to visit; they don't know what is happening on Cape Cod right now; can only learn through digital channels
- ✓ Educators are struggling with virtual classes

Plan & Implement

3. New Service / New Value

- ✓ Rebrand engagement experiences that can be provided through on-demand and livestreaming formats
- ✓ Shift attention to content creation for website and other digital channels, with messaging segmented by audience; emphasis on educators in the region and nationally (approach by solving a problem)
- ✓ Emphasize activities that parents and teachers can offer to kids -- "Art for Kids"

4. Resources to Implement Plan

- ✓ Reposition existing staff to focus on content creation
- ✓ Hire a person to implement livestreaming services
- ✓ Hire additional help to manage email and social media
- ✓ Obtain disaster-relief funding (e.g., PPP, SVOG, etc.) to support payroll and other eligible operations expenses

Business Model Pivot Exercise

Get Inspired by Innovation Categories Observed during the Covid-19 pandemic

Social initiative: Opportunities and activities that tap into societal altruism

Delivery: Innovative ways to physically deliver products, such as contactless or remote delivery

Physical distancing: Safe, social distancing protocols that retain your brand experience

Remote presence: Innovative ways to deliver services and experiences virtually

Entertainment: Activities to counteract boredom or offer distraction from a crisis

Health and well-being: Shift of brand experience or resources to a focus on mindfulness and stress reduction

Professional consultation: Pivot of a traditional product or service into expert guidance and resources for self-service / at-home experiences

Social connection: Innovations that tap into humans' need for social interaction and social value

Education: Opportunities for interactive, distance learning, and knowledge development

Digital Strategy Checklist

Digital / eCommerce strategy is critical to today's operations as business switching online. Business must incorporate and maintain robust digital strategy.

- Email Marketing / Customer Data Strategy

  ❑ Maintain a customer contact list with email, name, phone number, and address for marketing purposes. Consider implementing a loyalty program to incentivize customers to provide their information.

- Website / eCommerce / Online presence

  ❑ Ensure all website pages and navigation experience work well on a mobile device.

- Social Media

  ❑ Consider a social media content management platform to save time managing multiple social media accounts and posting schedules (e.g., Hootsuite, Buffer)

- Hardware / Point of Sale (POS) Systems / Software

  ❑ Consider POS systems that integrate well with other apps and websites that you use in your business.

Digital Strategy Checklist

Checklist with corresponding Google Search Queries may be used as a tool to build your business digital resilience and guide decision making on your business technology and software.

Website / eCommerce / Online presence

☐ Establish a relationship with a website development professional for ongoing assistance.

☐ Maintain a company branded website rather than relying solely on third-party sites so you have a direct channel for content, messaging, and engagement.

☐ Optimize local marketing channels such as Google My Business, Yelp, etc.

☐ Ensure your website is SEO optimized other search engines.

☐ Ensure all website pages and navigat mobile device.

Sample Google search for further research

Arts & Culture

Hardware / Point of Sale (POS) Systems / Software

☐ Consider POS systems that integrate well with other apps and websites that you use in your business.

☐ Implement an antivirus solution for company computer hardware

☐ Create a policy to manage user access, password protection, and confidentiality of company and customer sensitive information

☐ Conduct regular maintenance and software updates

☐ Utilize cloud storage solutions ensuring that files are not just on-site

Sample Google Queries for Further Research

Arts & Culture

Recreation

Toolkit Summary

- Assess risks for various business interruption events, including a pandemic
- Build resilience across leadership and business operations
- Plan and execute business continuity before and during a crisis
- Pivot a business model
- Engage a digital strategy
- Connect with general and industry-specific resources for further learning and network building

Toolkits will be available in Mid-May 2021 on the Cape Cod Commission website. http://capecodcommission.org/
All webinar attendees will be notified.
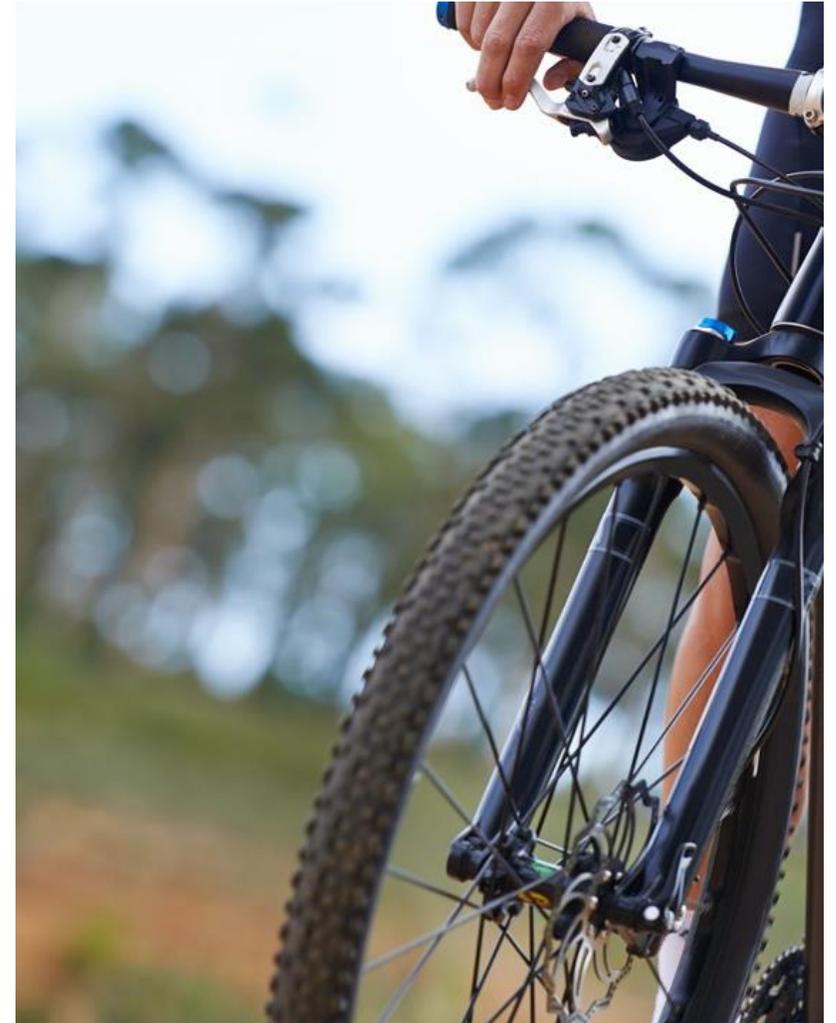
Shuttered Venue Operators (SVO) Grant

Eligible applicants may qualify for SVO Grants equal to 45% of their 2019 gross earned revenue

• Live venue operators or promoters
• Theatrical producers
• Live performing arts organization operators
• Relevant museum operators, zoos and aquariums who meet specific criteria
• Motion picture theater operators

Must have been in operation as of February 29, 2020

sba.gov/svogrant

Pandemic-related Funding

Paycheck Protection Program (PPP)

- **Deadline**: May 31, 2021
- **Forgive-able loan** to help **cover payroll and certain other eligible expenses** over an 8 to 24 week period
- For small businesses **open as of February 15, 2020** (including sole proprietors, self-employed and non-profits)
- Apply with an SBA-approved lender

Economic Injury Disaster Loan (EIDL)

- **Deadline:** December 31, 2021
- **3.75% for businesses** (fixed) 2.75% for nonprofits (fixed)
- Term: 30 years
- Payments deferred one year; interest still accrues
- No pre-payment penalty or fees
- **For small businesses with 500 or fewer employees** (including sole proprietors, self-employed and non-profits)

Consider outsourcing through Freelancer / Contractor platforms such as Upwork.com

- Website / eCommerce setup
- Social Media
- Content creation / blog articles
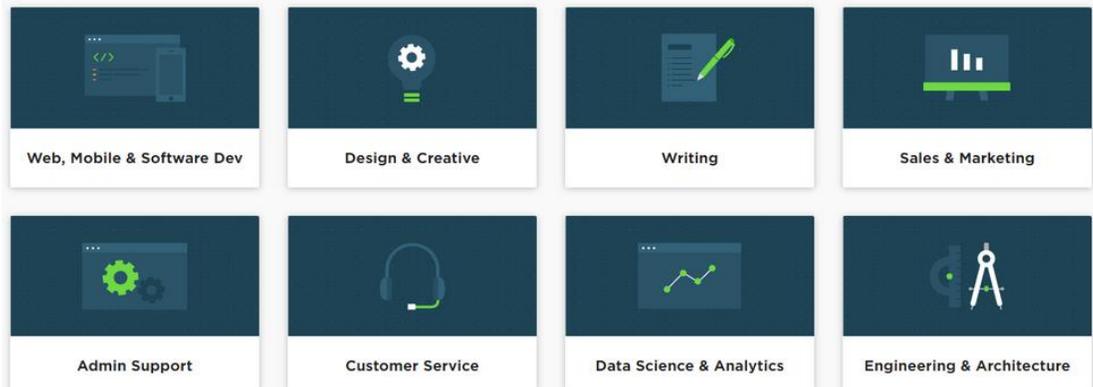
Ongoing **Execution** of your Business and Digital Strategy

Additional Resources

Arts, Culture, and Recreation Resources

National Endowment for the Arts: Covid-19 Resources for Artists and Arts Organizations

Arts Foundation of Cape Cod

Outdoor Industry Association

General Resources

Cape Cod Commission Covid-19 Resources

https://rb.gy/qnebeq

Massachusetts Covid-19 Resources and Guidance for Businesses

https://rb.gy/pdfbjo

Massachusetts Emergency Management Agency (MEMA)

https://rb.gy/ott3uj

U.S. Chamber of Commerce Foundation: Resilience in a Box

https://rb.gy/utw6v7
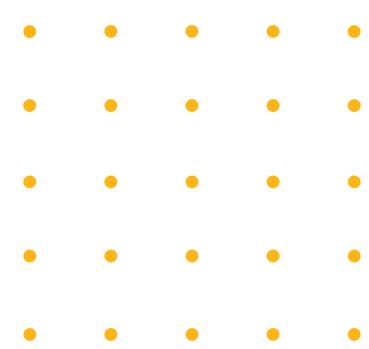
Q&A

THANK YOU!
TIME FOR QUESTIONS

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