



CAPE COD
COMMISSION

Cape Cod Business Recovery & Resilience Planning Toolkit



SERVICE-BASED BUSINESSES



A COVID-19 PANDEMIC RESPONSE TOOLKIT

Business Recovery & Resilience Planning Toolkit

A Toolkit for Service-based Businesses in Response to the COVID-19 Pandemic

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Prepared by Cape Cod Commission Staff and Revby LLC, a small business consulting and technical assistance firm.

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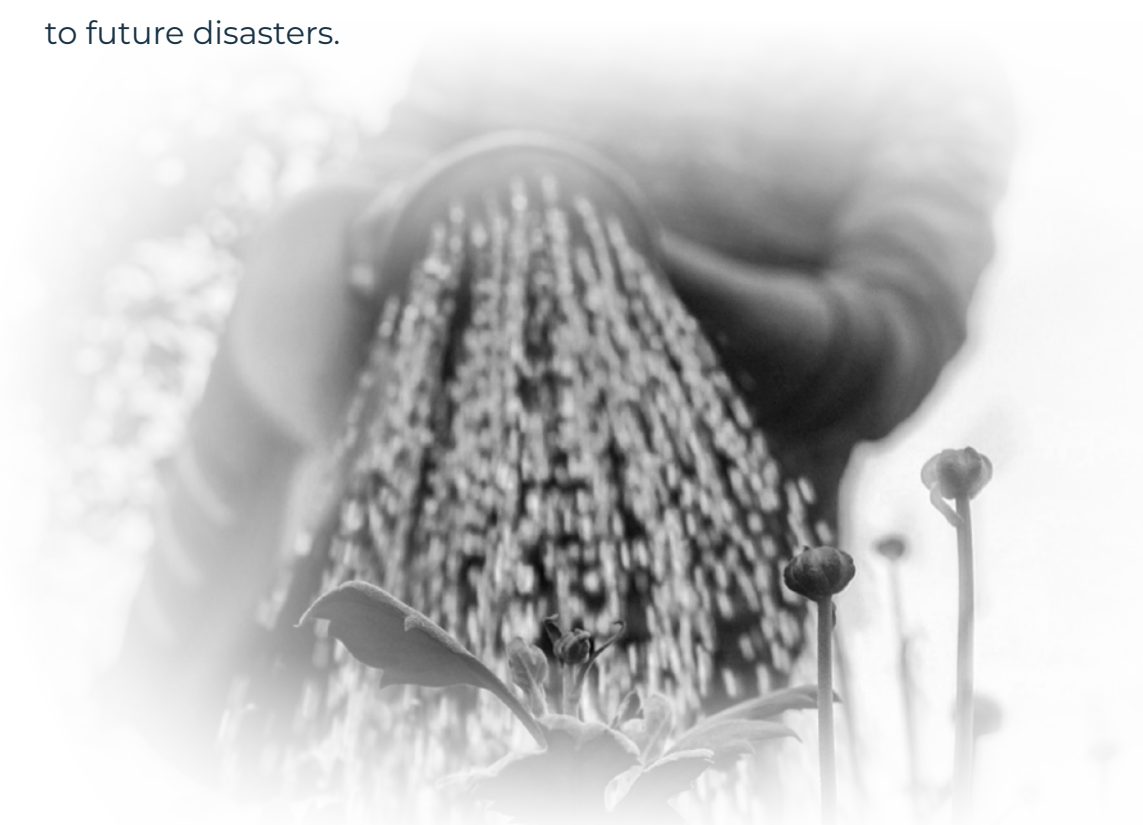
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About this Toolkit

PURPOSE

The COVID-19 pandemic produced a dual threat to lives and livelihoods across the globe. For Cape Cod's small businesses, the effects were amplified among community-based and seasonal businesses that traditionally rely on in-person commerce. This toolkit's primary purpose is to help Cape Cod small businesses build resilience amid the COVID-19 pandemic. The research-based frameworks, tools, and checklists provided are designed to support efforts by Cape Cod business owners and their teams to recover and to use the COVID-19 experience as a catalyst to prepare and respond to future disasters.





COVID-19 AND THE SERVICE-BASED INDUSTRY

The service-based industry includes many small business types: personal care services such as hair salons, nail salons, fitness centers, and spas; home services such as home repair and landscaping; and professional services such as business consulting, real estate, tax, and legal services.

On March 10, 2020, Governor Baker declared a state of emergency due to the COVID-19 pandemic. Soon after, on March 23, 2020, an emergency order was issued to require a temporary closure of non-essential businesses, which included some service business activity. Many service businesses were not able to re-open until phase II of the state's reopening plan.¹

Service-based businesses that rely on in-person interaction have had to adapt to social distancing requirements and find ways to provide services and experiences with limited physical contact.

1. <https://www.mass.gov/lists/press-releases-related-to-covid-19>



WHAT IS RESILIENCE?



As you begin use of this toolkit, we recommend starting with an understanding of business resilience definitions to get into a frame of mind that may allow you to define what resilience means for your particular service-based business.

In the context of economic development, the US Economic Development Administration states that “economic resilience becomes inclusive of three primary attributes: the ability to recover quickly from a shock, the ability to withstand a shock, and the ability to avoid the shock altogether.”²

A Harvard Business Review article describes business resilience as, “a capacity to absorb stress, recover critical functionality, and thrive in altered circumstances.”³

Axelos, a global best practice firm, further defines resilience as the “ability of an organization to anticipate, prepare for, respond to, and adapt to both incremental changes and sudden disruptions...”⁴

What does resilience mean to you? Consider what it means for your business, your family, and your community as you complete the following exercises and work towards business recovery and resilience.

2. <https://www.eda.gov/ceds/content/economic-resilience.htm>

3. <https://hbr.org/2020/07/a-guide-to-building-a-more-resilient-business>

4. <https://www.bmc.com/blogs/itil-service-value-system>



A FEW OTHER TERMS TO DEFINE

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

Risk Mitigation: An effort to minimize a risk or minimize the impact of a risk.

Business Operations: A broad term that includes all the day-to-day and strategic level components that go into running a viable business that earns money and provides value.

Organizational Change Model: A framework that describes a change process, including elements that support successful change, in an organization or business setting.

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 and after a disaster.

Digital Strategy: A plan describing how your business uses online tools, software, and the internet in general to conduct business. A digital strategy is often created with growth objectives in mind, including growth in customers, audience, revenue, value, and efficiency.

POS (Point-of-Sale) System: A hardware and software system that enables a business to transact with customers (i.e., sell a product for a cash or credit card payment). Modern POS systems are often bundled with digital marketing, loyalty, financial analysis, and other valuable functions.

SaaS (Software-as-a-Service): In simple terms, this is software or an application that is accessed through a web browser instead of a local computer. This can also be referred to as being hosted in the cloud. SaaS services are an alternative to “on-premise” software, which requires your own computers or servers.

CRM (Customer Relationship Management): A type of business software that provides the ability to track customer details, customer behavioral data, and marketing, sales, and customer service activity. Modern CRM solutions are also SaaS solutions, which means they are hosted in the cloud and accessible through a web browser.

SEO (Search Engine Optimization): Refers to the ongoing work to make a business's online content discoverable by a target audience through a search engine (e.g., Google) without the use of paid advertising.



Quick Start Guide

WHAT YOU WILL LEARN

This toolkit will help you learn how to:

- Assess risks for various disasters including a pandemic
- Build resilience (for a business leader and for 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

HOW TO USE THIS TOOLKIT

This toolkit is organized with a core section that includes tools to assess your recovery and resilience preparedness, plan for future disasters, and learn how to test your plans for team awareness and procedural effectiveness. Further details on this toolkit's core section and additional sections are provided below.

Assess, Plan, and Test

This is the first and main section of this toolkit. It includes the following sub-sections:

Assess: The exercises in this section provide an opportunity to assess risks and resilience levels associated with disasters and typical business operations elements. A scored assessment tool to identify where you may need more attention is also included.

Plan: This section provides actionable checklists and templates to document your resilience and business continuity planning. It includes a Business Continuity Plan template that may be completed by business leadership and then kept on file for reference.

Test: Every plan should also have a testing plan. This section provides guidance on how you and your team can continue to evaluate the components of your plan to ensure they are working as expected.



Business Model Pivot Exercise

This section of the toolkit includes exercises to create change in one or more aspects of a business model in response to external change, such as a disaster or changes in the industry. A business model pivot may include introducing ways to diversify revenue streams.

Digital Strategy Checklist

This section of the toolkit provides guidance on identifying appropriate digital marketing and technology elements for strengthening multi-channel engagement with your audience and diversifying revenue streams.

Resources

This toolkit concludes with a curated set of resources for businesses in the service-based industry and general resources to follow and reference before and during a disaster.

Additional resources are available on the Cape Cod Commission's website, including materials from its COVID-19 Recovery and Resiliency Workshop Series (<https://capecodcommission.org/our-work/business-recovery-planning/>).

Where to Start



For those **just beginning** their resilience planning process, you may find it helpful to review and use this toolkit in order, from start to finish.



For those who **already have a plan in place**, you may find the checklists and templates helpful to validate your work and fill in any gaps as needed.



For those who are **in a critical business situation** and need guidance on how to keep your business open, you may find the Business Operations Planning Checklist, the Business Model Pivot Exercise, and the Digital Strategy Checklist valuable sections to focus on first.



Assess, Plan, and Test

ASSESS

Disaster Risk Matrix



The first Assess tool is a risk matrix designed to help you assess risk exposure to various disasters. Some events or disasters may present a higher risk and some a lower risk depending on the nature of your particular business. For example, many service-based businesses, particularly personal services like hair salons and gyms, traditionally depend on in-person engagement in a brick and mortar location, which can make them more vulnerable to the impacts of social distancing measures. An early step towards business resilience is to identify disasters that may occur and expose vulnerabilities.

Risk Matrix Tool Instructions

1. The first column lists various disasters. Review and identify which present higher risks for your business.
2. For each disaster, evaluate factors that may make your business particularly vulnerable. Note these factors, labeled as high-risk factors, in the second column.
3. The third column provides space to assess your risk mitigation practices. Use the open space to list your risk mitigation practices that are in place or will be implemented.

The first table below is a sample assessment. For each disaster, examples of risk factors and associated practices to minimize risk are included. The second table is a blank template for you to complete with the details of the risks and practices of your own business.



RISK MATRIX EXAMPLE

| Disaster/ Disruption | High-Risk Factors | Risk Mitigation Practices in Place |
|---|--|--|
| Pandemic and Other Health Hazards | Business operations rely on in-person interaction | <ul style="list-style-type: none"> Enhanced cleaning and sanitization measures and vendors in place Stock of personal protective equipment (PPE) supplies for employees and guests E-commerce business model in place |
| | Facilities may not allow for adequate social distancing | <ul style="list-style-type: none"> Limited access or capacity plans Online and contactless systems Outdoor space contingency plan |
| Fire | Physical assets (e.g., equipment, service-stations) crucial to business operations are concentrated in a single location | <ul style="list-style-type: none"> Physical assets are distributed in various locations Appropriate insurance coverage |
| | Facilities include multiple floors and/or multiple buildings | <ul style="list-style-type: none"> Intercom system for remote communication Clear evacuation route signage throughout premises Adequate staffing for size of premises |
| Flood/Hurricane/ Natural Disasters | Facilities are in a flood zone or adjacent to a water source | <ul style="list-style-type: none"> Rehearsed procedures to secure equipment and valuable assets in safer locations Established access to flood protection materials, such as sandbags |
| | Business facilities susceptible to natural disaster damage | <ul style="list-style-type: none"> Regular building inspection schedule Insurance policies in place Evacuation route planned |
| Safety and Security Threat | Frequent use of equipment that have higher risk of injury | <ul style="list-style-type: none"> Regular inspection of facilities and equipment to assess damage and risk of injury Maintenance schedule in place First aid/AED equipment on site and accessible |
| | Lack of secured lock and security system could lead to theft/vandalism/security breach | <ul style="list-style-type: none"> Robust lock, camera, and security systems established in consultation with a qualified expert or locksmith Regular site security inspection plan Appropriate insurance coverage |
| Cyberattack | Computers and software are older with no IT management | <ul style="list-style-type: none"> Appropriate software installed with automatic updates and backup procedures |
| | Business collects sensitive customer data, including credit card information | <ul style="list-style-type: none"> Cybersecurity training program for employees to recognize IT threats Presence of IT procedures and support contacts Cyber insurance policy in place |
| Power/Internet Outage | Absence of manual procedures in the event of a power or internet outage | <ul style="list-style-type: none"> Established procedures for transactions and managing critical operations without power or internet |
| | Business relies on a single power supply; unable to operate during outage | <ul style="list-style-type: none"> Access to a power generator Access to appropriate contacts at a power utility company |
| Civil or Labor Unrest | Smaller staff means missing one person can impact operations | <ul style="list-style-type: none"> Procedures and resources established to source temporary staffing when needed |



RISK MATRIX TEMPLATE

| Disaster/ Disruption | High-Risk Factors | Risk Mitigation Practices in Place |
|---|-------------------|------------------------------------|
| Pandemic and Other Health Hazards | | |
| Fire | | |
| Flood/Hurricane/ Natural Disasters | | |
| Safety and Security Threat | | |



RISK MATRIX TEMPLATE

| Disaster/ Disruption | High-Risk Factors | Risk Mitigation Practices in Place |
|--------------------------|-------------------|------------------------------------|
| Cyberattack | | |
| Power/Internet Outage | | |
| Civil or Labor Unrest | | |



RISK MATRIX TEMPLATE

| Disaster/ Disruption | High-Risk Factors | Risk Mitigation Practices in Place |
|-------------------------|-------------------|------------------------------------|
| | | |
| | | |
| | | |
| | | |



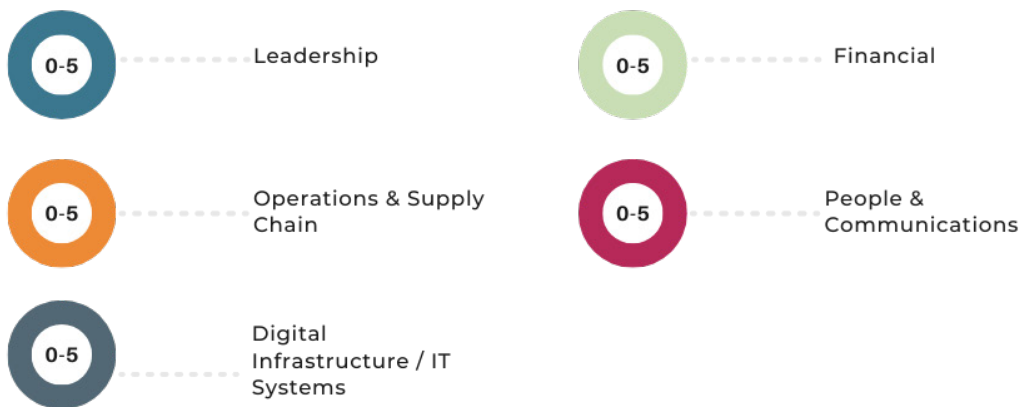
Business Operations Resilience Assessment



The second assessment tool is a scoring worksheet to evaluate resilience across each area of your business operations. Each section contains a sampling of higher resilience indicators with a subtotal score of up to 5 points possible and up to 25 points possible overall. A higher score indicates greater resilience.

BUSINESS OPERATIONS

Assess your business's operational resilience



Review each item under each category and note your score. A "Yes" answer gets a score of 1. A "No" answer gets a score of 0.

Some businesses, including sole proprietors or those with a small staff, may find that not every item listed is relevant to their business operations or resilience planning. If you come across items that do not feel relevant to your business, consider whether your business has a similar or alternative practice in place. Adjust the item to fit your business and score accordingly.



| 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 for an illustration of one example and a source to learn about others. | |
| 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.)? | |
| Do you keep physically active, get at least 7 hours of sleep regularly, and maintain a balanced diet? | |

| Financial | Score Yes=1 No=0 |
|---|---------------------|
| Do you have your financial statements accessible and up to date (e.g., cash flow, balance sheet, income statement)? | |
| Do you have a plan for restructuring or renegotiating financial commitments? | |
| Do you have multiple banking, fundraising, and working capital sources that can be utilized as needed? | |
| Do you have short-term cash reserves? | |
| Do you have comprehensive business insurance policies in place? | |

| Operations & Supply Chain | Score Yes=1 No=0 |
|--|---------------------|
| Do you have more than one revenue stream (e.g., multiple service categories, virtual services, multiple client audiences, or product sales)? | |
| Do you have alternate vendors, suppliers, or contractors as backups if your existing vendors become unavailable? | |
| Do you have a contingency plan to cover equipment failures and facilities/maintenance issues? | |
| Do you have alternate work or performance spaces available to use in case primary spaces are inaccessible? | |
| Do you have an emergency and evacuation plan in place? | |



| People and Communications | Score Yes=1 No=0 |
|---|---------------------|
| Do you have a career development, leadership, and cross-training program in place for employees? | |
| Do you have a crisis communications plan in place to inform staff, customers, suppliers, and other stakeholders of critical updates? | |
| Do you have access to your customers' contact information (e.g., name, email, phone number, etc.)? | |
| Do you have methods in place to regularly communicate electronically with your team (e.g., email group, Slack, WhatsApp, group text, etc.)? | |
| Are you following other businesses, organizations, influencers, and relevant authorities in your local community through social media or email newsletters? | |

| IT & Digital Infrastructure | Score Yes=1 No=0 |
|---|---------------------|
| Do you use cloud-based storage for business/customer data and backups (e.g., Google Drive, Dropbox, OneDrive, or other cloud-based software)? | |
| Do you have a digital strategy that includes your website and other relevant elements such as social media, a POS or CRM system, and other digital tools? | |
| Do you have a plan in place in the event of a power or internet outage? | |
| Do you have a technical support vendor or other technical support resource in place to respond to issues as needed? | |
| Do you have policies, such as in an employee handbook, that address use of technology and data security (e.g., password protection, user access restriction, privacy policy, non-disclosure, or confidentiality)? | |

| | |
|---------------|--|
| Total: | |
|---------------|--|



How to use your score

Add up your total points to estimate your current level of resilience. Use the table below to chart your path and make the most out of the tools and resources in this toolkit.

| Score | Recommendation |
|---|---|
| Score 0-10 Beginner level | You're in the right place to learn how to build your operations resilience. You may find it useful to continue through this toolkit in full and refer back to it as needed. |
| Score 11-20 Intermediate level | You have the foundation in place to build further resilience. You may find it useful to note in which areas you had lower scores and focus your attention on those, as well as refer back to this toolkit as needed. |
| Score 21-25 Advanced level | You have high levels of resilience but should continue to validate and improve your resilience planning. You may find it useful to focus on the Test section to ensure your plans remain up to date, as well as refer back to this toolkit as needed. |

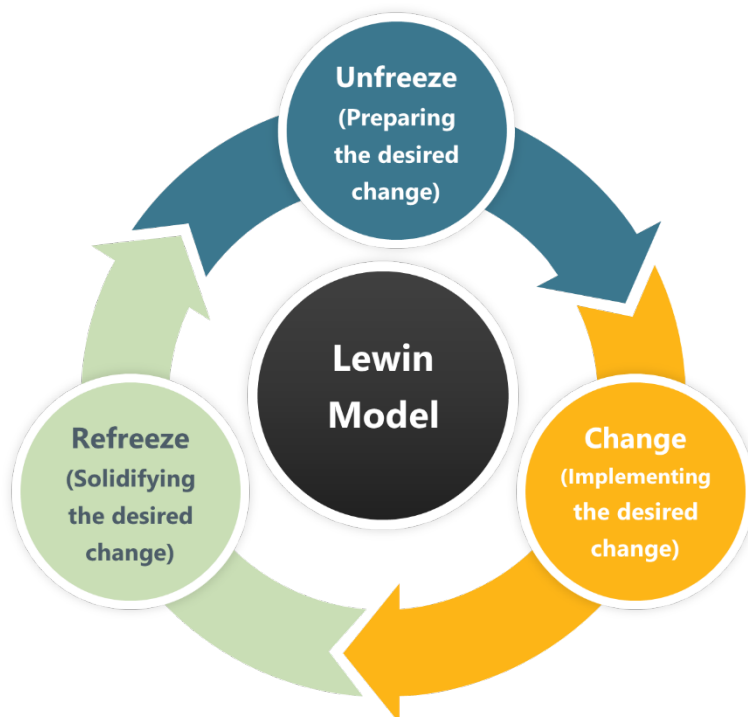


Figure 1: The Kurt Lewin change theory model is based around a 3-step process (Unfreeze - Change - Freeze) that provides a high-level blueprint on how to think about a change process in any business setting. For more details on Lewin's change model, visit <https://rebrand.ly/ntrce9s>. For additional discussion and resources on change management, refer to this article by Microsoft: <https://rebrand.ly/6cg6izu>



PLAN

Business Operations Planning Checklist



The following Operations Planning Checklist builds on the assessment in the preceding section. You may choose to focus on the areas where you scored fewer points or approach the checklist in full to get the most out of it. This checklist provides actionable, best practice suggestions under each of the operations categories explored in the previous assessment. You may choose to add additional items to your checklist that pertain to your particular business.

Check off each of the items you incorporate into your business resilience planning.

| Leadership | ✓ |
|--|---|
| Research and learn business organizational change models to adapt to your environment; refer to Figure 1 for helpful resources to get started | |
| 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 resilience, leadership, and change management training for yourself, managers, and other employees; refer to this course pack for suggested materials: https://degreed.com/pathway/ek95601yp3 | |
| 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 | |
| Set a schedule to analyze your financial commitments on a regular basis; develop a plan for restructuring financial commitments if necessary | |
| Follow federal, state, and local government support organizations through social media and email newsletters to stay updated on emergency funding sources and programs; refer to the Resources section of this toolkit for suggestions | |
| Design a financial management culture that incorporates sound budgeting processes and financial governance | |
| Review insurance coverage to protect your business and review existing insurance policies regularly; for in-depth information about choosing the right policies, visit sba.gov/business-guide/launch-your-business/get-business-insurance | |



| Operations & Supply chain | ✓ |
|--|---|
| Create multiple sources of revenue that reflect a mix of services or products, audiences, and both in-person and online sales | |
| Identify vendors in different geographic regions as alternatives | |
| Plan and document operating procedures in case of a power/internet outage, facilities issues, or equipment failure; ensure all staff members are adequately trained on manual processes and maintain contingency plans | |
| Identify alternate workspaces; procure facility protection materials and establish procedures in case of an emergency (e.g., sandbags, personal protective equipment) | |
| Perform emergency drills; encourage employee preparedness; maintain an emergency kit accessible at each location | |

| People & Communications | ✓ |
|--|---|
| Implement ongoing training programs for employees; identify, prepare, and cross train a possible skeleton crew (backup personnel for crucial business operations) | |
| Create communication templates for urgent information to inform internal and external audiences; assign responsibilities to team members | |
| Set up online tools to gather and manage customer information; for some businesses, a POS system or SaaS-based Customer Relationship Management (CRM) solution may be appropriate | |
| Adopt an electronic/online communication solution appropriate for your business to keep your team informed and encourage engagement | |
| Research and follow key organizations from your industry and in your community on social media and subscribe to newsletters for idea exchange and peer support; refer to the Resources section of this toolkit for suggestions | |

| Digital Infrastructure/IT Systems | ✓ |
|--|---|
| Implement cloud-based data solutions to ensure continued and remote access to business documents and other information; schedule data backups for computer equipment and on-premise servers, if applicable | |
| Conduct an audit of your online presence to identify gaps in your brand coverage; implement a core set of technology tools that improve productivity and customer experiences, and help you achieve other business goals; refer to the Digital Strategy section of this toolkit for guidance | |
| Establish standard emergency procedures in case of an outage or power loss (e.g., an alternate source of power such as a generator with enough fuel) | |
| Have a technical support vendor on contract or other resource readily available as needed for development and maintenance of your online and digital systems | |
| Develop technology use and data security policies for your employees to follow | |



Business Continuity Planning



According to the International Organization for Standardization, Business Continuity is “the capability of an organization to continue the delivery of products or services at acceptable predefined levels following a disruption.”⁵

Take your resilience planning to the next level by creating a Business Continuity Plan. This is a formal document that nearly all businesses, large and small, will find beneficial for maximizing resilience in the event of a disaster. The goal of a continuity plan is to outline a path for at least some level of business activity to continue during or following a disaster.

A Business Continuity Plan will look different for each business based on industry type, size, business model, location, risk, and other factors. This section of the toolkit provides a simplified template that may be adapted for most service-based businesses and can be further customized as needed. The content of your plan can be based on the assessment and planning exercises in the preceding sections of this toolkit.

Some businesses, including sole proprietors or those with a small team, may find business continuity planning to be a challenge. Please keep in mind not every section may be relevant or important to your continuity goals. However, each section should challenge you to think about how you and your business can respond during a crisis and the resources, including people, you may need.

You may extract your completed template and save it as a shared file, digitally and in print, accessible to all on your team.

Note: *If you are not ready to complete a Business Continuity Plan, you may return to this later and prioritize other sections of this toolkit.*

5. <https://www.continuityforum.org/content/page/what-business-continuity>





A. Types of Significant Business Disruptions and Risk Mitigation Matrix

Use this table to outline any established mitigation strategies and response plans for the listed disruptions. You may draw upon the risk matrix from the earlier section to help complete this.

| Significant Business Disruption | Risk Mitigation and Safety Measures <i>(Action before a disruption)</i> | Response Plan <i>(Action during a disruption)</i> |
|---------------------------------------|--|--|
| Pandemic and Other Health Hazards | | |
| Fire | | |
| Flood/Hurricane/ Natural Disasters | | |
| Safety and Security Threat | | |
| Cyberattack | | |
| Power/Internet outage | | |
| Civil or Labor Unrest | | |
| | | |
| | | |
| | | |



B. Emergency Contacts and Mission Critical Roles

Identify the people with decision-making authority who should be alerted of an unexpected disaster. The contacts may include the business owner(s).

Primary Contact Person

| | |
|---------------------------|--|
| Name | |
| Title | |
| Address | |
| Business Phone | |
| Business Email | |
| Personal Phone/Cell Phone | |

Secondary Contact Person

| | |
|---------------------------|--|
| Name | |
| Title | |
| Address | |
| Business Phone | |
| Business Email | |
| Personal Phone/Cell Phone | |



Mission Critical Role Contacts

| Critical Role | Primary Contact | Business Email | Personal Email | Mobile Phone |
|---------------|-----------------|----------------|----------------|--------------|
| | | | | |
| | | | | |
| | | | | |

Location(s) of Complete Staff Contact List

Staff contact list should include, at a minimum, full name, cell phone number, personal email address, home address, and emergency contact information.

Digital location: _____

Print copy location: _____

C. Leadership Succession Plan

Use the following space to outline a temporary leadership contingency plan to be activated if the business's leader(s) temporarily lose the capacity to lead business operations due to a significant business disruption.



D. Crisis Communications Plan

A clear and established crisis communication plan is a critical part of a business continuity plan. Use the following table to assign responsibility for communicating with key stakeholder audiences and to identify the appropriate primary and alternate communication channels.

| Audience | Company Contact <i>(person responsible for message and delivery to audience)</i> | Primary Channel | Alternate Channels |
|--|---|-----------------|--------------------|
| Staff | | | |
| Customers | | | |
| Partners/Suppliers | | | |
| Creditors/Investors | | | |
| Media | | | |
| Neighboring Businesses/Industry Contacts | | | |
| Local Government/Support Organizations | | | |
| | | | |
| | | | |



E. Data Management and IT Systems

List the data management software, hardware, and systems that your business employs and document a recovery plan in the table below. In the “Downtime Workaround” column, you may note when a workaround should be implemented (e.g., “if internet is down longer than ½ hour, implement a cellular connected mobile phone credit card reader”).

| System/Data Vendor | Downtime Workaround | System Admin URL | Disaster Recovery Procedure |
|--------------------|---------------------|------------------|-----------------------------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

Cybersecurity Planning, Training, and Recovery Plan

Outline how your business will plan for disruptions, train staff, and recover from cybersecurity incidents.



F. Physical Facilities and Alternate Work Location

Assign a primary contact to manage, review, and maintain safety measures at your facilities for regular safety and security purposes. Use the table below to record primary contact information for one or multiple locations.

| Location Name | Address | Primary Contact Responsible | Email Address | Phone |
|---------------|---------|-----------------------------|---------------|-------|
| | | | | |
| | | | | |

Use this space to outline emergency evacuation procedures. A building evacuation map may be inserted here as well.



List an alternate work location to be used if your usual workspaces are inaccessible (e.g., alternate office space, meeting space, or production space). This section may also include a remote work plan.

| Location Name | Address | Primary Contact Responsible | Email Address | Phone |
|---------------|---------|-----------------------------|---------------|-------|
| | | | | |

Remote Work Plan



G. Financial, Insurance, and Legal Contacts

Use this table to record your current business subject matter experts' contact information (e.g., financial advisors, insurance specialists, legal partners etc.).

| Institution Name | Primary Contact | Email Address | Phone |
|------------------|-----------------|---------------|-------|
| | | | |
| | | | |
| | | | |
| | | | |

H. Testing and Evaluation

Use this space to outline your quarterly or annual schedule for testing your Business Continuity Plan for areas to improve or update. See the next section for resources for testing and evaluating your plan.



TEST

Test & Evaluation Checklist



Every resilience and business continuity plan should include a strategy for testing and updating the plan. Having a testing strategy is a best practice alternative to waiting for an actual disaster to see whether a plan works.

Use the checklist below to begin to outline a test and evaluation plan. Some businesses, including sole proprietors or those with a small staff, may choose to test and evaluate with trusted partners and adapt the checklist as appropriate.

| Test & Evaluation Checklist | ✓ |
|---|---|
| <p>Schedule: Establish an annual schedule to test your resilience and business continuity plan</p> | |
| <p>Meet: As part of your testing plan, meet with your team to create scenarios, scrutinize feasibility, and evaluate plans for effectiveness</p> | |
| <p>Scenario Drill: Create practice scenarios for different event types and test components of your resilience and continuity plans</p> | |
| <p>Evaluate: Analyze the results of your drills, including how effective everyone was in their roles, how long it took to communicate and regain control over business operations, and how your alternate resources or partners responded; this may also include an evaluation of performance at temporary locations</p> | |
| <p>Update: Have a procedure in place to modify your plans as:</p> <ul style="list-style-type: none"> ■ business models change ■ employees change ■ your suppliers change ■ your customers change ■ technologies change ■ risks change | |



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.” – Gartner⁶

Service-based Business Pivot Trends During the Pandemic

- **DIY/at-home kits** became a popular way for service-based businesses to pivot or expand to product sales during the pandemic, as businesses leveraged professional expertise to provide value to customers in new ways.
- **Virtual sessions** emerged as an effective tool for continuing services during the pandemic. They allowed some businesses, such as law firms, fitness studios, and financial services to both continue to serve existing customers and expand service to audiences beyond the local community.

A disaster may be a catalyst for incorporating necessary or desired changes in your business model, a process known as a “business model pivot.” A business model pivot may be necessary if your usual way of doing business no longer provides a reliable stream of revenue or no longer provides value to your audience.



The following exercise, based on business model pivots that were successful during the COVID-19 pandemic, provides a concise framework for a brainstorming exercise that can be performed by business owners, leaders, and/or any team members you may like to include.

6. <https://www.gartner.com/smarterwithgartner/create-a-resilient-business-model-in-the-face-of-covid-19/>



Business Model Pivot Exercise Instructions

1. Use the four steps described in the table below to structure your brainstorming session. The first step seeks to increase awareness of yourself and your business while the second step seeks to increase awareness of your customers and the external environment’s opportunities. During the third step, brainstorm new activities based on your new levels of awareness. The fourth step helps develop your action plan to implement new activities.
2. Refer to the previous business model pivot trends and the innovation examples below the checklist to gain some inspiration on new ideas for your business.

| Business Model Pivot Exercise <i>(Conduct as a brainstorming session)</i> | ✓ |
|---|---|
| 1. Identify your business’s core capabilities, strengths, existing resources, and professional network | |
| 2. Consider how your customers’ needs have changed, where they are, and what new customer opportunities have been created given the new environment | |
| 3. With the material from steps 1 and 2 in mind, identify new ways to deliver value; prioritize those that can realistically be implemented (see innovation examples for inspiration below) | |
| 4. Line up the right staff, resources, and funding to execute your new activities | |

Need inspiration to get started on brainstorming ideas for change?

A study by the Hanken School of Economics analyzed innovations associated with the COVID-19 pandemic implemented by over 200 businesses around the world. It found that service changes employed by businesses during the pandemic fell into certain innovation categories; several of the most common categories are described in the list below.⁷ Industry examples observed in seasonal business communities similar to Cape Cod are also provided.

7. Heinonen, K. & Strandvik, T., 2021. Reframing service innovation: COVID-19 as a catalyst for imposed service innovation. Journal of Service Management. <https://www.emerald.com/insight/content/doi/10.1108/JOSM-05-2020-0161/full/html>.



Innovation categories:

- **Delivery:** Innovative ways to physically deliver products, such as contactless delivery
Example: A boutique hair salon created tailored take-home color kits for their customers, which allowed them to add a new revenue stream and new clients. The salon also enhanced their online presence by improving their website and social media presence.

- **Physical distancing:** Safe, social distancing protocols that still support your brand and enable a quality experience
Example: A day spa added new booking policies, implemented health protocols, and developed a comprehensive re-opening plan. The business added a hygiene hostess to ensure all surfaces were regularly cleaned, providing comfort and peace of mind for existing customers and attracting new customers seeking high safety standards.

- **Remote presence:** Innovative ways to deliver services and experiences virtually
Example: A small law firm shifted to all virtual client meetings with the goal of continuing to operate 100% virtual offices post-pandemic.

If you feel an urgent need to adapt your business model and could use inspiration for new ways to deliver value, consider some of these innovation categories observed during the COVID-19 pandemic.

You may also refer to the Cape Cod Commission's Business Recovery and Resilience website (<https://capecodcommission.org/our-work/business-recovery-planning/>) and materials for additional examples. Recordings and slides from two service-based industry webinars are available, with the first providing examples of pandemic business model pivots in the industry and the second providing an example of a business model pivot exercise.



Digital Strategy Checklist

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

- McKinsey & Company⁸







A robust digital strategy can equip businesses to respond to shifting cultural trends and consumer behavior, as well as build resilience to disasters that affect in-person activity. During a disaster such as a pandemic, a digital strategy is critical for swiftly leveraging alternate revenue streams when traditional operations are compromised.

The following checklist may be used to guide the selection of digital engagement tools, software, or services that are a good fit for your business. Sample Google search queries tailored to service-based businesses are included for further research and may be adjusted to fit your particular business and needs. The Cape Cod Commission's COVID-19 Business Recovery and Resilience website provides further information, with the recording and materials from the first industry-specific workshop including examples of digital products and solutions (<https://capecodcommission.org/our-work/business-recovery-planning/>).



8. <https://www.mckinsey.com/business-functions/mckinsey-digital/our-insights/the-digital-led-recovery-from-covid-19-five-questions-for-ceos>





| Email Marketing/Customer Data Strategy | ✓ | Further Research |
|--|---|--|
| Maintain a patron/audience/customer contact list with email, name, phone number, and address for marketing purposes; consider implementing a loyalty program to incentivize patrons and customers to provide their information | |  Sample Personal Services Google Query |
| Have a plan to leverage your customer information; you can choose to segment clients geographically, behaviorally, demographically, etc. | | |
| Tailor your email marketing content to its recipients | |  Sample Professional Services Google Query |
| Implement a service to manage email marketing campaigns (e.g., Constant Contact, Mailchimp, etc.) | | Sample Professional Services Google Query |

| Website/E-commerce/Online presence | ✓ | Further Research |
|--|---|--|
| Establish a relationship with a website development professional for ongoing assistance or manage yourself using a no-code web builder platform (e.g., Wix or Squarespace) | |  Sample Personal Services Google Query |
| Maintain a 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. | |  Sample Professional Services Google Query |
| Ensure your website is optimized (through SEO) for discoverability on Google and other search engines | | Sample Professional Services Google Query |
| Ensure all website pages work well on a mobile device | | |



| Social Media | ✓ | Further Research |
|--|---|--|
| Establish a relationship with a social media professional for ongoing assistance with content creation or manage your social media presence using design and management tools (e.g., Canva, Hootsuite) | |  Sample Personal Services Google Query |
| Identify and understand platforms that align with your customer audience (e.g., Facebook, Twitter, Instagram, Yelp) | | |
| Ensure that you are posting content relevant to your main audience and using relevant hashtags | | |
| Consider a social media content management platform to save time managing multiple social media accounts and posting schedules (e.g., Hootsuite, Buffer) | |  Sample Professional Services Google Query |
| Use business accounts instead of personal accounts | | |

| Hardware/Point of Sale (POS) Systems/Software | ✓ | Further Research |
|---|---|--|
| Consider POS systems that are compatible with other apps and websites that you use in your business | |  Sample Personal Services Google Query |
| 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 | | |
| Use cloud-based storage solutions ensuring that files are not just on-site | |  Sample Professional Services Google Query |



Resources



The final section of this toolkit provides industry-specific and general resources for further research and to follow as part of your business resilience plan.






SERVICE-BASED BUSINESS RESOURCES

| Industry Resources | |
|---|---|
| <p>Hello Alice: Beauty & Wellness Industry Resource Center</p> <p>https://covid19.helloalice.com/beauty-wellness</p>  | <p>Hello Alice: Professional Services Resource Center</p> <p>https://covid19.helloalice.com/professional-services-resource-center</p>  |
| <p>Constant Contact: Small Business Action Plans</p> <p>Real Estate, Home Services, Travel, Health & Fitness, Salon, Spa & Barber, Pet Care Services, Consulting, Child Daycare, and other service-based businesses</p> <p>https://www.constantcontact.com/smb-action-plans</p>  | |









GENERAL RESOURCES

| COVID-19 Resources | |
|---|---|
| <p>Massachusetts COVID-19 Resources and Guidance for Businesses https://www.mass.gov/info-details/covid-19-resources-and-guidance-for-businesses</p>  | <p>Cape Cod Commission: Cape Cod & COVID-19 Resources https://capecodcommission.org/our-work/cape-cod-covid19</p>  |

| Local & Peer Networking Resources | |
|---|---|
| <p>SCORE Cape Cod https://capecod.score.org/</p>  | <p>Community Development Partnership https://capecdp.org/</p>  |
| <p>Cape Cod Chamber of Commerce https://www.capecodchamber.org/</p>  | <p>Cape Cod Young Professionals https://capecodyoungprofessionals.org/</p>  |
| <p>Alignable: The Small Business Referral Network https://www.alignable.com/</p>  | |



| National and State Level Resources | |
|---|---|
| <p>Centers for Disease Control and Prevention https://www.cdc.gov/</p>  | <p>Federal Emergency Management Agency (FEMA) https://www.fema.gov/</p>  |
| <p>U.S. Department of Housing and Urban Development https://www.hud.gov/</p>  | <p>Massachusetts Emergency Management Agency (MEMA) https://www.mass.gov/orgs/massachusetts-emergency-management-agency</p>  |
| <p>U.S. Chamber of Commerce https://www.uschamber.com/</p>  | <p>U.S. Small Business Administration https://www.sba.gov/</p>  |
| <p>U.S. Chamber of Commerce Foundation: Resilience in a Box https://www.uschamberfoundation.org/resilience-box</p>  | |

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