



**ACUMEN**  
SOLUTIONS GROUP

Your bridge to insurance solutions  
[acumenins.com/](https://acumenins.com/)

# Are You Prepared for Future Shutdowns?



According to data from Harvard University and Brown University, almost 30% of small businesses in the United States closed in 2020 because of the COVID-19 pandemic. For some, it was only temporary. For others, it was permanent.

Unfortunately, the threat landscape is even broader than viral outbreaks. During the pandemic, hurricanes, floods and wildfires have also shuttered businesses on a regional scale.

The scope and frequency of pandemics may be unpredictable, but research from the journal *Science* forecasts that climate change will make natural disasters more common in the years ahead.

This means the need to prepare for business disruption has never been greater. You can start preparing for future shutdowns by prioritizing:

- Business model flexibility
- Customer interactions
- Employee communications

# Keep your business model nimble

The companies that have survived — and in some cases, even thrived — during the pandemic have been agile enough to pivot when challenges arise.

Think of retail shops that made in-person shopping by appointment only, used QR codes in window displays or switched entirely to online sales. Many restaurants adapted to curbside pickup, takeout and delivery, and some gave up physical space in lieu of food trucks. Entire offices went remote almost overnight, while others adapted their layouts to include dividers, contactless technology and one-way foot traffic.

Taking the following steps can help your business survive another shutdown.

## Immediate steps

- Open a business savings account with automatic deposits to increase rainy day funds. Forbes magazine recommends small-business owners save 7%-10% of their income to build cash reserves for covering slowdowns or shutdowns.
- Apply for a line of credit. You don't need to use it now, but taking this step will make it immediately available during an emergency.
- Perform a cost analysis regarding revenue, hours of operation and physical versus virtual work environments so you can add, shift or scale back resources accordingly. This can increase your profit now and provide a template to use during a crisis.

## Near-term steps

- Perform a postmortem on your business based on previous shutdowns. Then, prepare a "shutdown budget" so you're ready to cut expenses, renegotiate contracts, defer nonessential upgrades and request deferrals from banks, landlords, suppliers, etc. when necessary.
- Explore new forms of business that could take place during a shutdown — perhaps digital sales or prepayment and pickup options. Even outside of a crisis, this could help you reduce touchpoints, stabilize cash flow and discover new revenue streams.
- Keep a running list of potential business grants and loans so you're ready to apply. Immediately following a crisis, research new relief funds from local, state and federal governments as well as nonprofit and private organizations.

## Next steps

- Improve cybersecurity measures like multifactor authentication, mandatory software updates and all-staff training. In addition, look into cyber liability insurance to protect yourself from data breaches. Being proactive about cybersecurity can help protect against new vulnerabilities created by the sudden, expansive shift to remote work.
- Have a dedicated employee or third party keep tabs on local, national and global health and safety concerns to give you additional time to prepare for outbreaks, natural disasters and other emergencies.

- Strengthen your forecasting data and inventory management. Shortages in products, materials and labor have become common across industries. Advance knowledge can help you meet demand.

## Interact with your customers

Another big part of your strategy should be enhancing customer relationships at all times, not just in moments of crisis. Take advantage of multiple channels to communicate with customers and receive feedback and ideas, including:

- Email
- Phone
- Social media
- Website forms and web chats
- Online newsletters
- QR codes
- Printed materials

Be timely in your responses, celebrate positive comments and empathize with complaints. Remember that your customers are also going through a crisis.

For complaints, follow these best practices:

- Reply to the customer within one to two hours (and no later than 48 hours).
- If you made a mistake, admit it and address how you will fix it.
- Acknowledge complaints online (for example, on your Facebook page or Google review) so that customers see you taking complaints seriously. But don't engage in a public back and forth.
- When possible, reach out privately. Address the customer by name and mention the specific issue instead of using an automated response.
- After addressing the issue, follow up a day or two later to make sure the customer is satisfied with the resolution.

By fixing problems and delivering on promises, you can increase loyalty and keep customers with you during tough times.

Keep these big-picture communication tips in mind during a shutdown or emergency:

- Let customers know about your plans for addressing the crisis. Be honest about product delays or cancellations.
- Promote your local, regional or national efforts to help communities in need.
- Ask your customers what they would like to see from you. If it's doable, make it happen. If not, be transparent.

# Talk to your employees

When an emergency strikes, your risk will continue to grow if you don't prepare and support the people who run your business. That's why it's important to plan employee communications before a crisis. If a shutdown occurs:

- Proactively tell employees about workplace plans and next steps — immediate, short term and long term. As with customers, be open and honest with your employees.
- Explain how you are protecting employees' physical and emotional health.
- Ask employees about their concerns so you understand how best to meet their safety, work and personal needs. Provide multiple forums for them to communicate with you and each other.
- Remind them of pertinent employee benefits, such as an employee assistance program, mental health and wellness services, child and senior care, and other resources specific to the crisis at hand.

## Preparation is key

Readiness for future shutdowns should incorporate an agile business model as well as customer and employee communications. Regularly assess your preparations. Strategizing in advance could make the difference for surviving the next shutdown.

Talk to your insurance broker or benefits adviser about cyber liability insurance, expanding or shifting employee benefits, and other strategies to help you face crises and come out stronger.

---

### Acumen Solutions Group, LLC

(516) 986-3425  
[insurance@acumenins.com](mailto:insurance@acumenins.com)

### Acumen Solutions Group, LLC

600 Broadhollow Road  
Suite 200  
Melville, NY 11550  
[acumenins.com/](http://acumenins.com/)



---

CONFIDENTIALITY NOTICE: This email message is intended only for the person or entity to which it is addressed and may contain confidential and/or privileged material. If you received this electronic transmission in error, please be aware that any unauthorized review; copying, use, disclosure or distribution of this information is prohibited. If you are not the intended recipient, please contact the sender by reply email, then delete the original message, including any attachments, and destroy all copies.

This content is for informational purposes only and not for the purpose of providing professional, financial, medical or legal advice. You should contact your licensed professional to obtain advice with respect to any particular issue or problem.

Copyright © 2021 Applied Systems, Inc. All rights reserved.