



Resilience toolkit for small rural businesses

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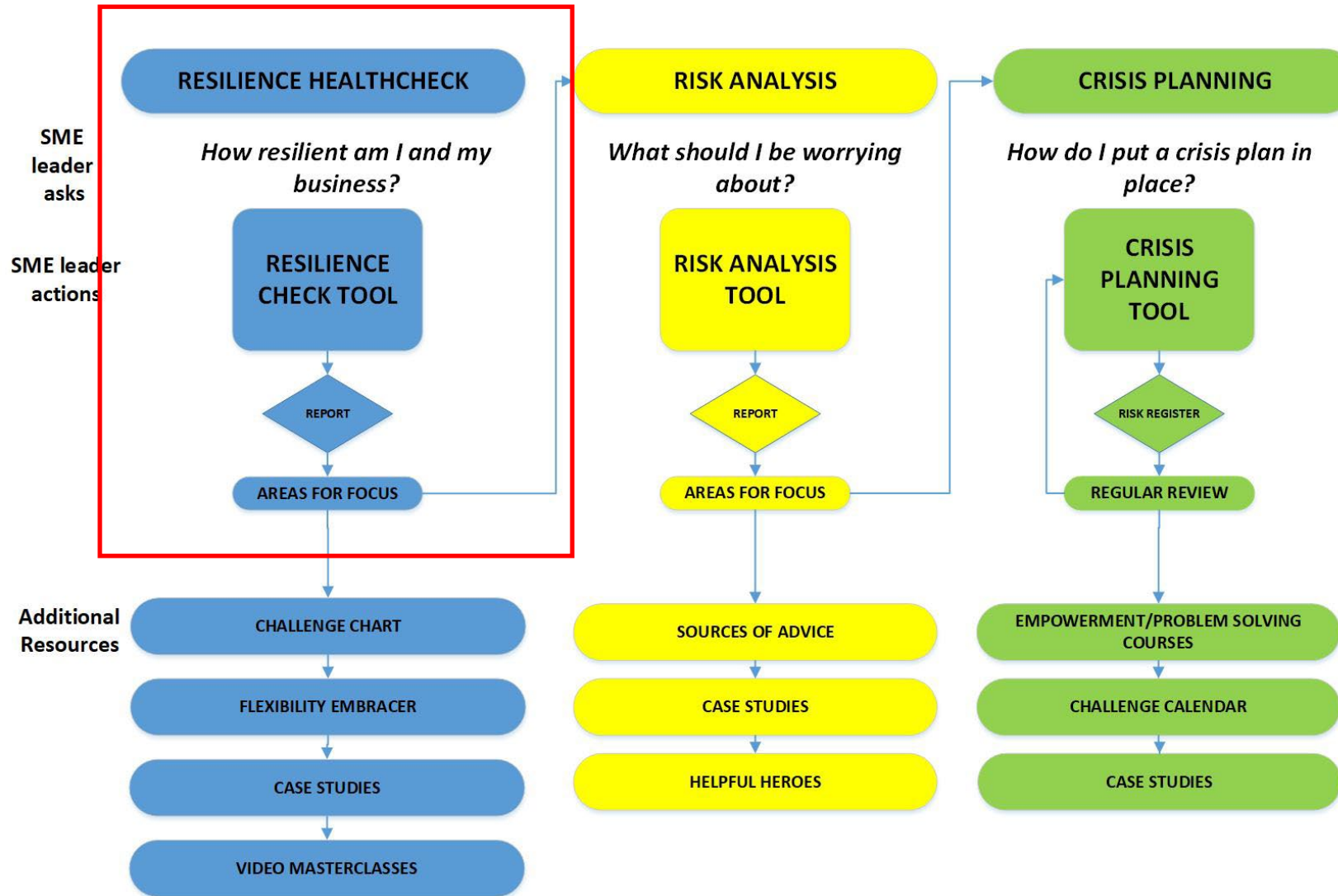
Background

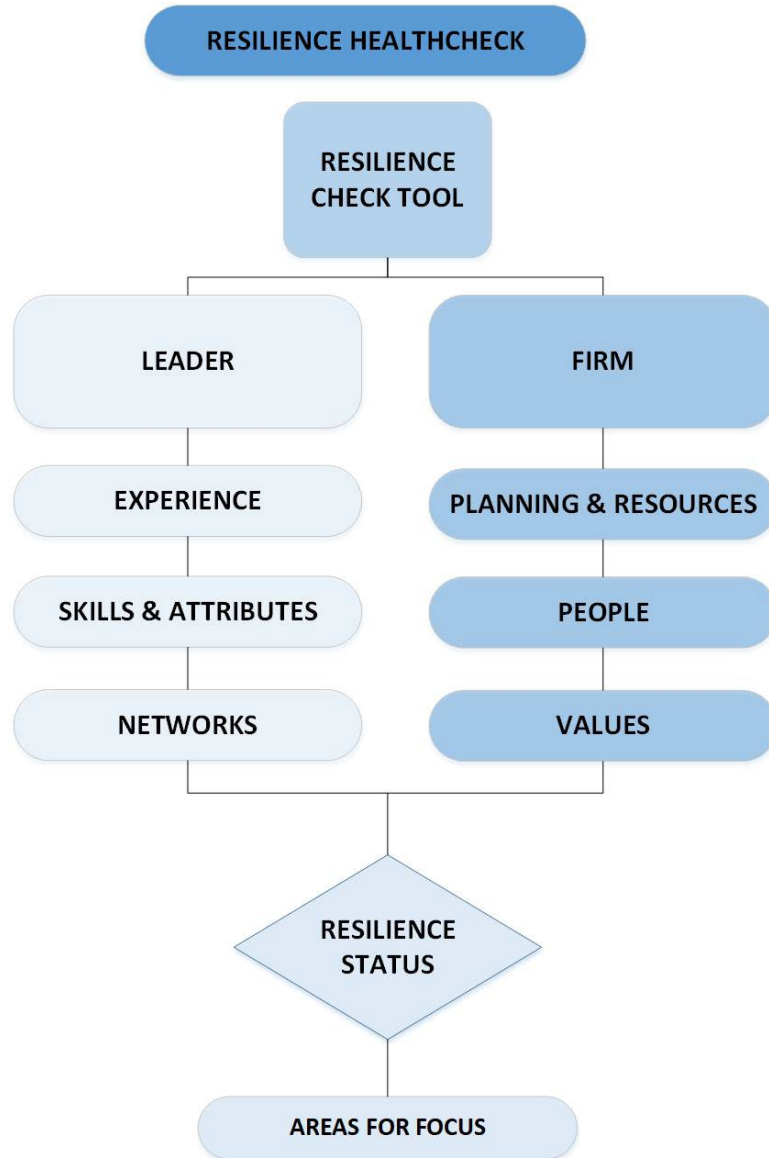
- Research with SMEs identified disconnect between **perceived** threats and **actual causes** of crisis (ERC, 2019)
- Some challenges that are common to all SMEs, some that are unique to their firm type, and usually a combination
- Available resilience resources tend to focus on a **single issue** (e.g., weather events) and to be targeted at **large firms**
- Need for **flexible** interventions to help build resilience, that can accommodate **firm and location-level variations**

Resilience toolkit - principles

- Developed specifically for small firms
- **Three-phase** toolkit, elements can work together or as stand-alone tools
- **Core elements** with option for **additional resources** so they can be tailored for different markets/user groups
- **Evidence-based**: All have supporting framework based on Academic and grey literature
- Adopts **accessible language**
- Straightforward to use, time efficient, delivers **immediate responses**

Resilience toolkit





1. Resilience health check

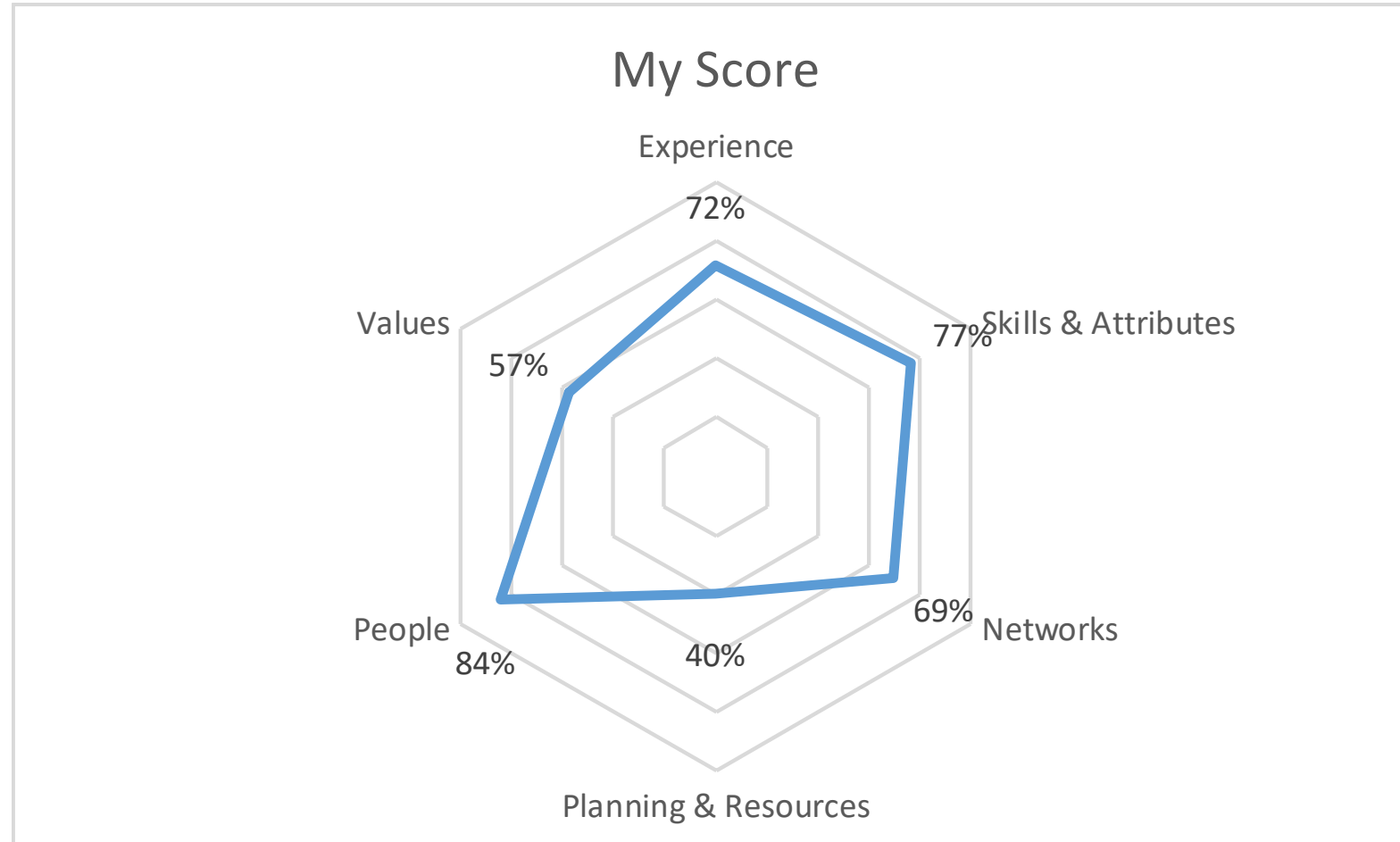
- Encourages small firms to consider their resilience status.
- Sees SME resilience as influenced by individual leader factors and firm-level factors, and evaluates both.
- Individual resilience seen as a product of experience, skills set and networks.
- Business resilience seen as a product of planning activities, people, and values.
- Simple self-completion grid for each element.

Health check self completion grid

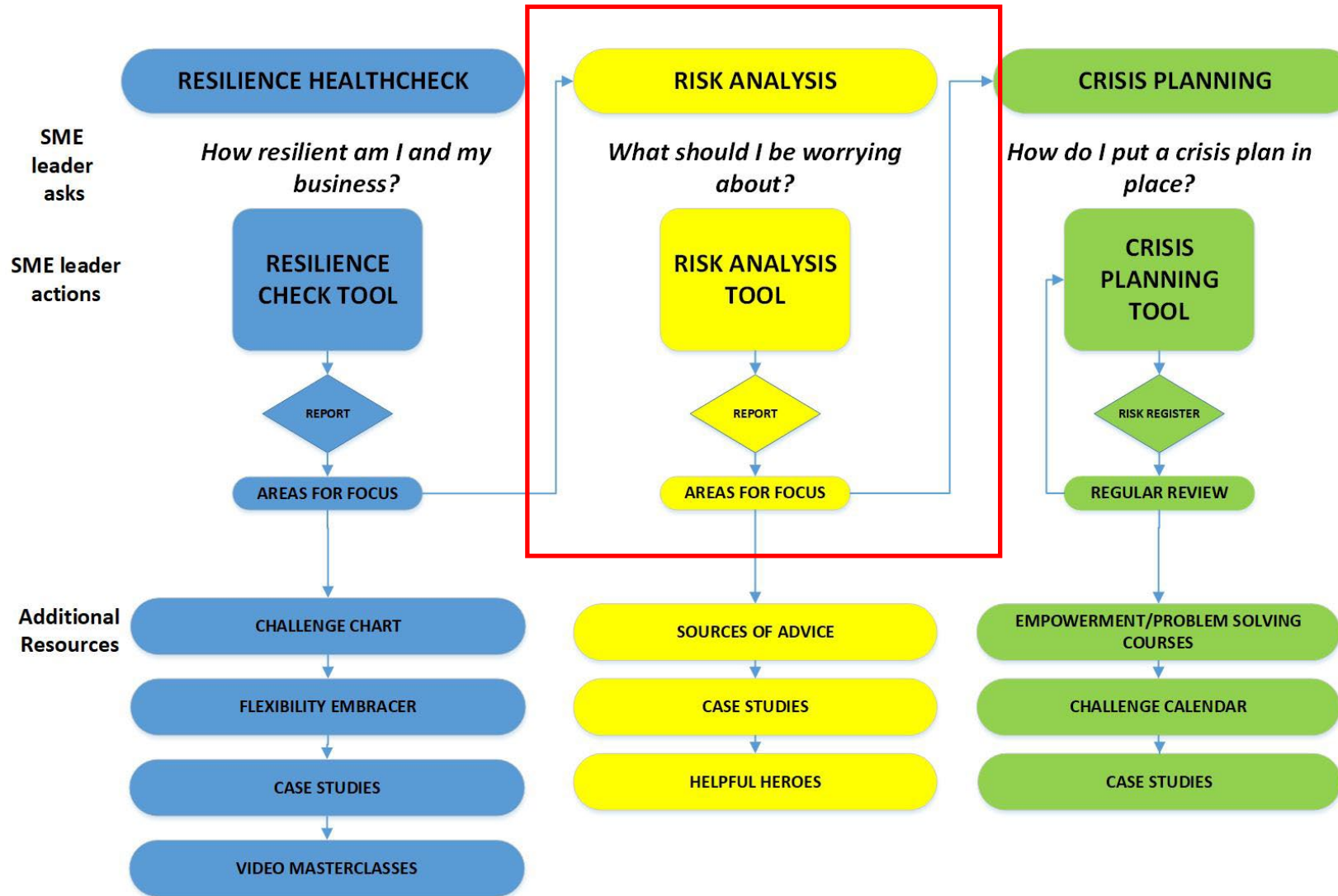
PEOPLE

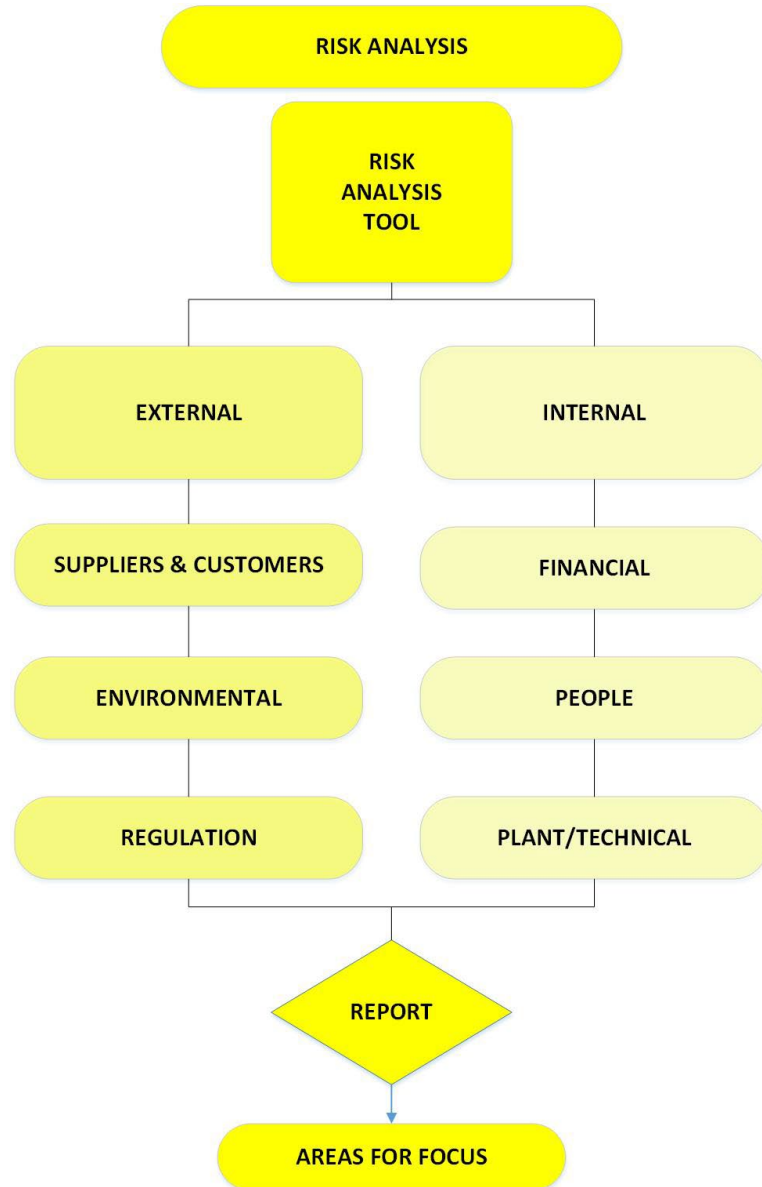
	1 Strongly disagree	2 Disagree	3 Neither agree nor disagree	4 Agree	5 Strongly agree	Our score
We have people in the firm who can think outside the box	1	2	3	4	5	
Our employees are able to take decisions quickly and to be responsive	1	2	3	4	5	
Our employees work effectively as a team	1	2	3	4	5	
We undertake team building activities such as group events, training and development	1	2	3	4	5	
Our people can work flexibly if needed	1	2	3	4	5	
We all share information widely and quickly in the firm	1	2	3	4	5	
People understand their colleagues' roles as well as their own	1	2	3	4	5	
Staff members cover for each other when required	1	2	3	4	5	
Team members trust each other	1	2	3	4	5	
Our staff members are not fazed by uncertainty	1	2	3	4	5	
TOTAL						

Health check output in combined radar chart



Resilience toolkit





2. Risk analysis tool

- Encourages SMEs to reflect on possible future risks.
- Asks leaders to consider two elements of risk: the likelihood of it happening and the severity of the impact it would have. This is an approach rooted in academic literature.
- Divides risk factors into those internal and external to a firm.
- Internal: those which the firm can influence – financial, people & plant/technical.
- External: those which the firm has less control over – supply chain, environmental and political/legal.

Risk

SUPPLIERS & CUSTOMERS

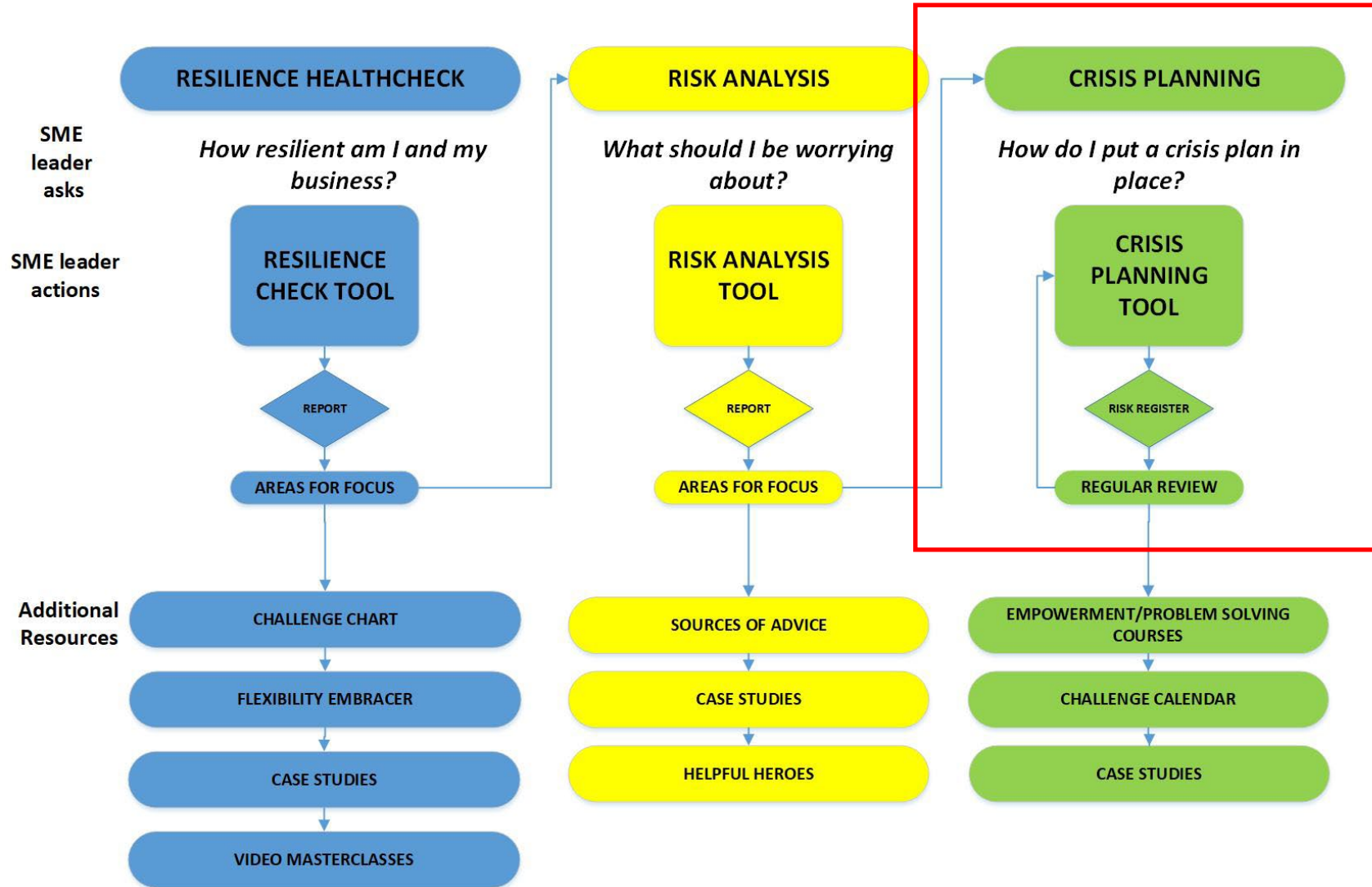
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	SERIOUSNESS (S)			LIKELIHOOD (L)			MY SCORE
	1 Low	2 Medium	3 High	1 Low	2 Medium	3 High	S X L
Total loss or failure of one supplier	1	2	3	1	2	3	
Increase in cost of materials from one supplier	1	2	3	1	2	3	
Disruption of supply of materials	1	2	3	1	2	3	
Reduction in quality of materials	1	2	3	1	2	3	
Short or inaccurate delivery of supplies	1	2	3	1	2	3	
Loss of one customer	1	2	3	1	2	3	
Loss of several customers	1	2	3	1	2	3	
Failure of a customer to pay	1	2	3	1	2	3	
Appearance of a new competitor	1	2	3	1	2	3	
Competitor undercutting on price	1	2	3	1	2	3	
Appearance of a substitute product	1	2	3	1	2	3	
Loss of a distributor	1	2	3	1	2	3	

Risk analysis output

	SERIOUSNESS (S)			LIKELIHOOD (L)			MY SCORE
	1	2	3	1	2	3	S X L
	Low	Medium	High	Low	Medium	High	
Total loss or failure of one supplier	1	2	3	1	2	3	1
Increase in cost of materials from one supplier	1	2	3	1	2	3	3
Disruption of supply of materials	1	2	3	1	2	3	4
Reduction in quality of materials	1	2	3	1	2	3	6
Short or inaccurate delivery of supplies	1	2	3	1	2	3	6
Loss of one customer	1	2	3	1	2	3	3
Loss of several customers	1	2	3	1	2	3	9
Failure of a customer to pay	1	2	3	1	2	3	2
Appearance of a new competitor	1	2	3	1	2	3	6
Competitor undercutting on price	1	2	3	1	2	3	4
Appearance of a substitute product	1	2	3	1	2	3	9

Resilience toolkit





3. Crisis planning tool

- Aims to allow small firms to continue to function during and after adversity.
- Template-based tool to encourage a contingency planning mind-set.
- Has two foci: the creation of an essential data file and the establishment of clear plans for specific critical risks.
- Data file offers quick access to essential information without recourse to firm's usual systems.
- Critical risk plan identifies actions, assigns ownership and allocates resources necessary in the event of an identified potential crisis.

Critical risk plan template

CRITICAL RISK PLANS

CRITICAL RISK PLAN		
RISK IDENTIFIED		
OVERALL SCORE (FROM RISK ANALYSIS)		
IDENTIFY LIKELY IMPACTS: (Which persons, functions and organisations will be affected and how)		
ACTIONS		
COMMUNICATIONS: (Which individuals, organisations and agencies should be informed. E.g., staff, suppliers, customers)		OWNER:
IDENTIFY HUMAN RESOURCES REQUIRED: (Who is required to work on recovery plan. Could be internal or external to the firm)		OWNER:
IDENTIFY FINANCIAL RESOURCES REQUIRED: (Cash/credit/finance required to overcome challenge)		OWNER:
IDENTIFY OTHER RESOURCES REQUIRED: (e.g., plant, equipment, premises required to overcome challenge)		OWNER:
DATE PLAN ESTABLISHED		
NEXT REVIEW		

Resilience toolkit - summary

- **Evidence-based** toolkit designed to help businesses:
 - Assess their own **resilience**
 - Identify future **risks**
 - Establish **crisis plans**
- Example of **practical outcome** from academic research
- Successfully tested with SMEs and digitised during late 2021
- Online launch via NICRE website due early 2022



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