

# Business Insights

## FINANCIAL RESILIENCE:

### Keep your Business Running During Disaster

#### Strategies to boost business performance today and minimize future disruptions

A severe business interruption — which could be caused by anything from a natural disaster to a major supply chain disruption — never comes at a convenient time. As we covered in a previous Business Insights [article](#) (*Disaster Preparedness: Safeguard Your Business with Effective Risk Management*), it's essential to have a general business continuity plan and adequate insurance to minimize downtime and financial losses. Beyond those basic measures, targeted financial strategies and tools can be game-changers in keeping your operations running during a crisis.

After all, a complete shutdown is not an option for most businesses, even when the city floods or a fire breaks out in the warehouse. There are still bills and employees to pay, revenues to collect, and potentially urgent purchases to make. Taking steps today to streamline your financial processes can not only provide immediate and ongoing business benefits, but it could also keep your company from falling apart when disaster strikes.

Consider implementing these strategies before it becomes an emergency.



#### → Ensure ongoing cash flow and liquidity

Cash is the lifeblood of any business, and the ability to keep money circulating freely is paramount during a disaster.

- Work with your bank to establish a business line of credit, which can provide immediate funding if your cash flow is disrupted. A corporate credit card can also come in handy for smaller incidental expenses.
- Consider setting up a sweep account, which automatically pools excess cash from your company's primary operating accounts and can serve as another source of easily accessible funds in an emergency.
- Take steps to reduce your company's use of paper checks, as the postal service and other delivery methods are often disrupted during natural disasters. Opt for ACH (electronic) payments to and from customers and vendors and use direct deposit to ensure employees get paid on time. Consider working with a merchant services partner to enable your business to accept credit card payments.
- If your business takes in significant amounts of cash (common in retail and restaurant environments),

consider installing a smart safe. These devices can protect cash from fire and water (to a degree) and can also be linked to your bank account to issue provisional credit as cash is deposited.

#### → Maintain visibility and system access

Disaster situations often result in empty offices when employees can't come to work. But that doesn't mean business has to grind to a halt.

- Implement cross-training to ensure entire financial processes aren't entirely dependent on a single person. If your primary person is unavailable, you'll have another employee — ideally in a different location — ready to step in.
- Make a copy of important financial information (account and routing numbers, key treasury and banking contacts, etc.) and store it in a safe location away from your office.
- Work toward adopting cloud-based financial software, ensuring your team can access critical systems and conduct business remotely when necessary.



### → Automate routine processes

Automation tools can help you set up many financial processes to run themselves practically, so you'll have fewer things to worry about during a crisis.

- Take advantage of robotic process automation (RPA) to automate repetitive tasks such as verifying invoices for payment and administering payroll.
- Ensure critical files and financial data are automatically backed up to the cloud, not saved on local hard drives alone.

- Automated security tools that continuously monitor for financial fraud can be especially valuable when a crisis demands your complete attention.

Disaster preparation doesn't require excessive spending on products and services you may never use. Any of the recommendations above can help your company work more efficiently and save money every day, even if you're lucky enough to never face a major disruption. If and when a crisis comes knocking, your business will be ready.

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