

Pandemic – Supporting the Scottish Economy – the central role of the Scottish Business Resilience Centre (SBRC)

Introduction

This document outlines key strategic problems affecting the optimum stewardship of the SME sector across Scotland. It matches solutions to those problems, identifies their benefits and argues for data-driven decision-making to secure the opportunity for Scotland to emerge with a post-crisis economic competitive advantage.

Scottish Business Resilience Centre (SBRC)

SBRC is a non-profit organisation that has a strong track record of working with the Scottish Government, the emergency services and all sectors of the business community across Scotland.

A more detailed introduction to SBRC is at Appendix A.

The Problems

Problem 1 – Inconsistency in SME crisis response and business continuity planning

Events have shown that many of Scotland's businesses, particularly at the micro to small enterprise levels, do not have sophisticated - if any - business continuity plans equal to the current crisis. Any plan should include effective approaches to:

- People management
- Communications
- Risk management
- Financial management, including cashflow
- Customer support
- Supply chain management
- Operations management
- Stakeholder engagement
- Brand reputation and confidence management
- Performance management
- Information and business intelligence

The implication is that, even this far into the crisis, many businesses do not have a sufficiently broad and objective understanding of where their vulnerabilities lie and, most importantly, how they can ensure survival and return to normal operations.

Solution

SBRC will provide a Scotland-wide, risk and business continuity assessment tool for SMEs to use, based on self-assessment combined with more detailed support from an expert advisor. The toolkit will initially be in text questionnaire format but, working with Dundee's tech community, SBRC will produce a fully-functioned mobile app that can be used by businesses of all sizes to work through assessment protocols, score themselves against scenarios, and benefit from a continuously updated integral library of help-sheets, reference material and links to relevant sources of support. The anonymous metadata from use of the app will feed into the national business analysis tool described below. The app will contribute to prompt and effective communications through a push notification service, allowing immediate broadcasts to all users where necessary, broken down to sectors.

A flowchart illustrating the above process is attached at Appendix 2

Benefits

This approach will:

- Increase business confidence through the operation of an appropriate risk and continuity tool kit
- Increase the likelihood that businesses will make informed and balanced decisions throughout the crisis
- Harness the skills and experience of Scotland's most distinguished and experienced business leaders to guide and support businesses of all types and sizes through the use of best practice and a managed structure to ensure consistency and accountability
- The use of mobile digital technology, in which Scotland excels, will allow for scalable solutions at increasingly marginal unit cost per beneficiary business, as well as providing a platform for future enhanced communication between the Scottish Government and the business sector.

Problem 2 - There is the absence of real-time and dynamic Scotland-wide comprehensive business risk and continuity information upon which Government can decide how best to:

- Support businesses, sectors and regions through the current crisis
- Re-start the economy. Like any complicated piece of machinery, re-starting the economy will require a sophisticated and dynamic understanding of:

- * Where the optimum leverage lies to re-start the major sectors and their contributors
 - * The correct sequencing of investment to ensure smooth progression back to normal operations and the seizing of new market opportunities
 - * The impact of investment decision making on the most vulnerable businesses and sectors, under different scenarios and following differing approaches
- Achieve a post-Covid 19 enhanced position so that the opportunities created by the economic pause have been utilised to invest in the sectors and skills that will best suit Scotland's economic ambition over the next decade.
 - Provide evidence-based tools for businesses and their workforces to assess and manage key risks across critical areas, including finance and people management.

Solution

SBRC will build an analytic tool that utilises data from the risk and business continuity assessment process which, when combined with other economic data, will create the essential information to support informed decision making towards an economically enhanced position throughout and particularly beyond the crisis

Benefits

- Data-driven decision making
- An objective and defensible basis from which to make difficult decisions on investment
- Optimum distribution, profile and sequencing of investment decisions
- Opportunity to target investment towards achieving the realisation of a *business as usual plus* model, whereby the Scottish economic structure has been enhanced to realise a national competitive advantage in the post-crisis phase.
- Provision of assessed intelligence to Scottish Government and other stakeholders to inform policy and practical actions in the business environment.=
- Maximise potential for restarting the economy and quickly exploiting competitive advantage in domestic and international markets.

SBRC has built a body of knowledge on multi-sector crisis management through its close working relationship with the emergency services, armed services and security agencies. Through its membership it can scale quickly and deploy senior experienced mentors to support businesses.

Problem 3 – Unsurprisingly, existing mechanisms for dialogue between government and businesses lack the range, pace and precision to meet the needs of this crisis

Solution

SBRC will act as the single point of contact between Government and SMEs by upgrading its communication capabilities:

- SBRC has an established communications platform, preparing press releases and online newsletters in conjunction with Digit and other Scottish media outlets. The IOD, HIE, Scotland IS, SCDI, etc, have all been invited to participate and to use the platform.
- On Tuesday 24th March the CEO of SBRC will chair a group of Scotland's business leaders by teleconference to present on the most pressing issues:
 - Cash flow
 - Financial modelling and borrowing
 - HR, making the tough decisions
 - Some good news stories on turning things around
 - Looking at things differently
 - Support available
 - Protecting IP and sharing IP for mutual benefit.
- SBRC is launching immediately a continuing a series of webinars, addressing the organisational health of businesses, help with making the practical decisions, keeping company and brand culture alive, managing remotely, cyber protection, organisational resilience, keeping employees, customers and suppliers informed. The webinar panels will comprise senior business leaders from Scotland and subject matter experts who have expressed their commitment to support the Scottish economy by sharing their experience and expertise *pro bono*.
- SBRC will design, co-ordinate, facilitate communications and build the community of participants and beneficiaries across Scotland, while linking into good practice elsewhere. SBRC will work with all agencies in Scotland, including SCDI, SE, HIE, IOD, chambers of commerce, etc. Also, with the National Cyber Security Centre (NCSC), the National Business Crime Centre (New Scotland Yard) and others, to ensure that Scotland benefits fully from the resources and expertise of UK agencies. Support in this regard has already been discussed and agreed, with warm support for the focused effort provided by this proposal.
- SBRC will act as focus and conduit for disseminating crime related risks. The City of London Police (COLP), the UK lead on fraud, confirms that criminal enterprises are exploiting the situation. Reports of pandemic-related fraud have increased by 400% during March, against previous monthly averages.

Benefits

- The prompt provision of advice that is clear and practicable will maximise the potential for businesses to survive, retain and enhance the skills of the workforce and have capacity for growth when more favourable conditions return. This applies to businesses of all sizes and all sectors.
- Single conduit for critical communications, enhancing business confidence and optimising timely action while enabling Scottish Government to set the agenda.

- Maintain focus and effort in mitigating criminal activity that would further undermine the wellbeing of businesses, communities and individuals.
- Provide an intermediary to facilitate communication between government and the business community to enable focus in core public health and safety responsibilities.
- Creation of a senior advisory board
- Tangible product/service to complement Scottish Enterprise Covid-19 Helpline:
- Designated single point of contact to help SMEs access expert information/support
- Membership mobile platform /app for communications and online access to resilience advice
- Creation of [moderated] business resilience wiki as part of or parallel to a learning/support platform

Costs and funding

There are two parts to the funding requirement:

Phase 1 – set-up – Growth towards matching the Covid-19 threat and risk; seizing the opportunity for post-Covid 19 competitive advantage

Timescale – April to October 2020

SBRC will require additional operational funding to:

- Significantly upscale its current communications and advice platform and associated capability and capacity
- Mitigate the demonstrable risk from increased Covid-19 criminal activity including but not limited to cyber and physical threats to already vulnerable businesses in Scotland
- Replenish and replace the skills and capacity that will be lost as colleagues from Police Scotland and SFRS are for good reason, redeployed to duties within their respective service.
- Assimilate and deploy skilled and experienced personnel who are no longer in public service but who wish to contribute to the national crisis by supporting businesses and communities, many of whom are willing to work with SBRC *pro bono*.
- Design, deliver and sustain the management processes, systems and operational procedures to ensure that this holistic support mechanism is appropriately equipped, tasked and co-ordinated.
- Fund the development and delivery of the Crisis Response Toolkit, underpinning App and expert business mentor support programme
- Develop the analytical and modelling business risk and continuity planning tool accompanied by sufficient analytical capability to provide timely and informative reports that facilitate data-driven decision making

The best estimate of required resources to deliver the above increased capability and capacity is:

- £500k set up costs to design and deliver the online platform/app, analytical reporting capability, Webinars and related support
- £200k to provide a mentor for 200 key businesses either by sector or region for 6 months

Phase 2 – maintain connectivity and stewardship of the SME community throughout the period October 2020-April 2021

- £200k to support 200 businesses with a mentor for a further six months

It is important to note that the above costs are a best estimate made in advance of the required deep-dive into how the SME community are planning Covid-19 business continuity and a fuller understanding of the opportunity that the economic pause affords, to re-position Scotland to emerge from the crisis with a competitive advantage.

SBRC envisages the provision of a fund against which evidenced expenditure can be set. This fund will fall under the aegis of the governance body detailed below.

Governance

SBRC board sub-committee meeting (virtually) weekly. To include SG appointees and working through a fixed agenda.

SBRC will appoint a dedicated programme manager, reporting to the board sub-committee, with the appropriate skills and experience to deliver the three inter-related work streams set out above.

Performance Reporting

SBRC will develop a weekly reporting format that tracks delivery of the benefits outlined above and monitors resource utilisation.

Next steps

Cognisant of the need to reduce risk, optimise opportunities and deliver expeditiously the above benefits, SBRC have already taken steps to identify the leads for the overarching programme and three constituent workstreams. An illustrative flow-chart is provided at Appendix B – subject to adjustment.

Following a decision on funding, this management team will rapidly break-out and advance, the more detailed delivery programme.

The team will use context adjusted Agile approaches to fast-track development of minimum viable products and services which will be consistently developed to best match the current and near-future demands.

An outline delivery plan seeking SBRC board sub-committee approval will be provided within five working days of a positive funding decision

Appendix 1

The Scottish Business Resilience Centre (SBRC)

Founded in 1996, the SBRC is led by CEO Jude McCorry (lately CEO of the Data Lab), supported by a board comprising senior leaders from public services, the banking sector, the supply chain industry, utilities and the small business sector.

The Centre comprises a core team of direct employees complemented by secondees from Police Scotland and the Scottish Fire & Rescue Service (SFRS). SBRC includes members from all regions of Scotland and has an unparalleled network across the private and public sectors, including the principal professional and trade bodies. It has a close working relationship with the Scottish Government, public services, universities and the third sector.

The Centre has a strong cyber security capability and is ideally suited to dispersed working. As the name indicates, the Centre specialises in all aspects of business resilience and crisis response, having developed a model that is now being emulated across the regions of England and Wales.

Appendix B

