

*By Stephen Jordan and Leann Hackman-Carty*

## **Tips for Alberta Business and Community Leaders Working to Address the Social and Economic Fall-Out from the Coronavirus**

When it comes to addressing the Coronavirus, it goes without saying that the number one issue is to protect public health as much as possible. For more information visit the Health Canada (<https://www.canada.ca/en/public-health/services/diseases/coronavirus-disease-covid-19.html>) and Alberta Health Services (<https://www.alberta.ca/coronavirus-info-for-albertans.aspx>) websites for regular updates.

However, as with many disasters, there is also an “invisible disaster” that affects businesses and communities due to changes in consumption, supply chain disruptions, social distancing, and other factors. Here are some basic tips and guidance for addressing these impacts.

### **For Businesses and Organizations**

- Don't panic. Make smart decisions. You want to ensure your business continues post-epidemic.
- Keep employees healthy. Review your employee HR policies and assistance plans and plan for contingencies. Issues to consider include absenteeism, presenteeism, communications, sick leave, employee travel, social distancing, and workplace hygiene.
- Increase level and frequency of office cleaning.
- Encourage social distancing. For example, lunch could be catered to minimize employees exposure to crowded areas like a food centre.
- Implement flexible working arrangements if you can
- Utilize Platforms that allow teams to collaborate and communicate effectively in virtual office environments. Meetings can be done over Skype, Google Hangouts, or Zoom, while real-time collaborations can be done using free platforms like Collabedit.
- Monitor and preserve cash flow. Look at all the costs of your business and reduce discretionary and non-essential expenses. Fixed costs such as wages, rent, utilities, financing costs and tax liabilities are not affected by a decline in sales and need to be properly managed.

- Mortgage holders, landlords and vendors may have forbearance and/or deferred payment programs. In some cases, you may be able to explore loan modification programs. Investigate low interest refinance options for higher priced debt.
- If you rent space, seek extensions from your landlord if unable to pay the rent on time
- Defer capital expenditures or work with vendors on longer-term financing options
- Shore up your line of credit and other assets
- Review your business disruption insurance coverage benefits and leverage them. Consult with your property and casualty providers and brokers.
- Prioritize communications. Provide facts. Communicate plans to employees, vendors, suppliers, customers, local officials, and media. This should include safety precautions you are taking to ensure stakeholder welfare.
- Be sober and serious, but do not be overly pessimistic or dramatic. Do not gossip or pass on unsourced rumors or possible fake news without significant caveats.
- Review and adapt your meetings and convening programs
- Review your supply chain options. Many business owners may not realize that their product or service relies on parts or components from China, so understanding your supply chain is a critical first step. Have a Plan B in case of disruptions in service from your primary vendor(s).
- If you are a vendor, develop contingency plans for production, inventory management, and logistics, not just now, but in terms of lead times and impact over time
- Work with customers and vendors to defer business instead of canceling it

### **For Local Authorities and EDO's**

Every community is different, so the following ideas should be customized for local conditions:

- Finance
  - Incentivize forbearance, credit extension, and deferred payment programs
  - Consider creating a stabilization and/or resilience incentive fund for qualified companies. Other potential financing programs to research with government and banks are: bridge loans, grant programs, forgivable loans and revolving loan funds.
  - Beware of promoting easier access to loans. At some point loans need paid back. This may actually make things worse for a small business. Don't set them up for future failure.
  - If your community has a foundation, set up a dedicated account to assist low and moderate income households and qualified small businesses
  - Explore tax credit or tax cut opportunities

- Communications
  - Develop robust strategic communications channels, information gathering, and exchange with key stakeholders
  - Over communicate rather than under communicate to reduce fear and expedite a return to normalcy
  - Coordinate a conference call/webinar with members of your business community to help them understand what resources are available to them. Make them available on your website in a high profile location.
  - Use your existing database to reach out to your business community. Find out what they need. Survey them online. Develop and or implement programs to meet their needs.
- Community Support
  - Support online neighborhood networks
  - Understand Provincial/Federal programs that may apply to your business community and promote them.
  - Set up a case management system for more complex cases
  - Convene topically-focused workshops (in the case of a pandemic, these should be offered online)
  - Encourage residents to buy gift certificates from local business now. Redeem them later. Cash flow is essential for businesses to get through this time.
  - Engage with community organizations, church groups, and volunteer groups to discuss safety and service protocols
  - Enhance mobile health unit schedules for at-risk neighborhoods
  - Develop a robust mental health support game plan
  - Incentivize innovation, research and development
- Longer-Term Planning
  - Encourage convention and meeting organizers to consider deferring and postponing, rather than cancelling events
  - Do not relax, but be vigilant once the first wave passes
  - Create a long-term planning group to think through future attractions, messaging and other strategies for encouraging residents and small businesses to remain and thrive in the community and to attract visitors
  - Consider how to implement/enhance these economic diversification strategies:
    - Aligning economic development resources and programs
    - Encouraging entrepreneurship & small business development
    - Workforce development
    - Increasing export activity
    - Establishing or enhancing regional clusters



The most difficult aspects of managing disaster response are often psychology-based. People may say that they are fine and not share their true feelings or intentions. Do not take psychology for granted. Panics can be contagious and self-fulfilling. This is why leadership behavior and communications are so important. Structure, competence and repetition inspire confidence. People fear the unknown.

Develop procedures that routinize safety and underscore your municipality and organization's commitment to your stakeholders' welfare. We do not fear cars, airplanes or the flu because they are known risks, we have taken precautions to address them, and people are trained and/or educated about processes and procedures to follow.

Major pandemics have happened every 10-30 years over the past century, and in many ways, our public health experts have done a better job containing the spread of coronavirus compared to previous outbreaks. The question is will we be able to contain the social and economic fallout as well too. The virus itself is nasty, but with proper context, behavioral modeling, communications, and prudent planning, steps can be taken to abate the fear and panic that comes with it.

Encourage people to think about the mid-term and long-term as well as the short-term time horizon. Too often, there is a tendency to address the presenting crisis, and not to manage for the desired end state. Plan to recover for the long-term.

*The Institute for Sustainable Development (ISD) is an "action tank" committed to advancing thought leadership and effective practices by capturing and sharing expert practitioner information and insights. ISD helps community leaders and corporate citizens turn ideas into action.*

*It is a 501c3 not-for-profit based in Washington, D.C.*

*[www.isdus.org](http://www.isdus.org)*