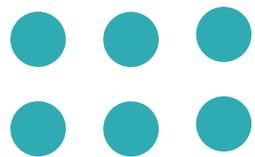




Risk and Resilience

- **Presented by Jo Tomlinson**
- Owner and MD of Business Works UK
- Certified Quickbooks Trainer
- Certified Profit Improvement Coach



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After 20 years in Industry analysing company data to support commercial business decisions, I founded Business Works with a vision to offer real-world solutions to businesses.

We have grown into a trusted partner for companies seeking a better understanding of their numbers, great customer service, and business growth.

With a team of 12, we are large enough to provide all the finance support SME business owners need, plus the value-added services that help them to flourish and grow.

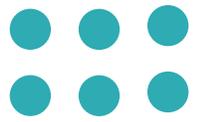


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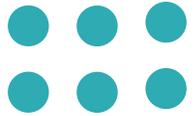
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Cyber Security Risks



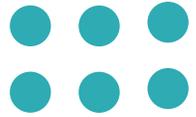
The Risk and Resilience cycle for small businesses

- Identify Risks – What could go wrong?
- Assess Impact – How likely is it, and how severe could it be?
- Mitigate – What can you do to reduce the risk?
- Plan Response – How will you react if it happens?
- Review and Adapt – Risks evolve, so your plans must evolve too.



Benefits of Building Resilience

- Reduce downtime in a crisis
- Maintain customer trust and loyalty
- Have fewer regulatory breaches or fines
- Improve financial stability
- Make better decisions under pressure



Risks - Financial

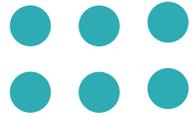
- Cash Flow
- Bad Debt
- Out of date/inaccurate numbers
- Forecasting



Risks - Financial

Mitigation

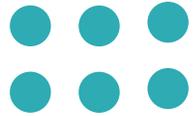
- Have up to date accurate data in our bookkeeping software
- Analyse and interpret this data to make good business decisions
- Forecast using this data, to ensure we maximize our potential and we don't run out of money
- Use targets as an early warning system, and where appropriate, take mitigating actions when results deviate from the plan.
- Have a robust Credit Control process



Risks – People related

Business owner – doing it themselves

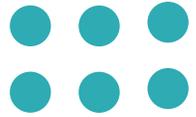
- Inefficient use of time – tasks outside of our expertise take longer and mean we are not focused on growth opportunities as our attention is spread to thin
- Mistakes – without the proper knowledge we could end up facing fines
- Legal and regulatory non-compliance – breaches can lead to penalties, legal action or reputational damage
- Poor Quality Output – customers may perceive your brand as unprofessional or unreliable
- Burnout and Stress – taking on too many roles increases workload and stress
- Bottlenecks and lack of scalability – difficulty scaling or selling



Risks – People related

Shared Ownership

- Disputes between owners
- Unequal effort or contribution
- Exit or death of a shareholder
- Deadlock in decision making
- Access to information or power
- Financial disagreements
- Family and friendship strain

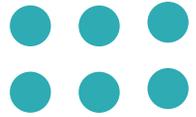


Risks – People related

Reliance on key personnel

Business owner, shareholder or key member of the team

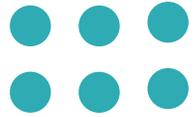
- Illness
- Death
- Resignation



Risks – People related

Reliance on key personnel

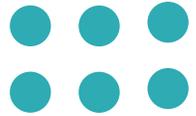
- Operational disruption – no one else knows how to do it
- Loss of clients – if the relationship is with one person
- Loss of knowledge – if only that person understands the systems or can make decisions
- Reputation and client confidence – if only one person knows how to do it
- Legal and compliance – if only one person understands the rules or deadlines



Risks – People related

Reliance on key personnel - Mitigation

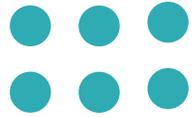
- Training other people
- Processes, procedures and systems
- Key person insurance



Risks – Customers/Clients

Concentration

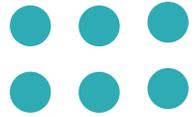
Customer Concentration Level	Indicator	Risk Level
No single customer >10% of total revenue	Broad, balanced base	Low risk ✓
Top 3 customers ≤30% combined	Moderate exposure	Medium risk ⚠
One customer >25–30% of revenue	High dependency	High risk ✗
One customer >50% of revenue	Critical dependency	Very high risk 🚨



Risks – Customers/Clients

Length of contract

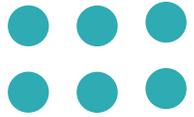
- Repeat business and retainers
- Written contracts, estimates or proposals – these are powerful tools when mitigating risk associated with non-payment and disputes.
- Predictable payments terms which are say 30 days (rather than longer payment terms)
-



Risks – Customers/Clients

Bad Debt

- Credit check all new clients, and repeat this regularly.
- Set credit limits, and enforce them
- Have a robust credit control process and follow it
- Have written, signed agreements before you start work
- Keep payment terms as low as you can
- Have a diverse client base.



Risks – Suppliers

Reliance on Key Suppliers

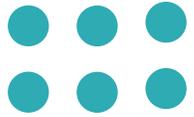
- Price increases or unfavorable terms
- Quality control issues
- A suppliers financial stability
- Geographical risks, especially if your supplier is overseas. You may need to consider trade restrictions, war or weather on your supply.



Risks – Products

Product based risks

- Quality or performance – could lead to returns, and refunds but also reputational impact
- Safety – could it cause injury or damage to property
- Regulatory non-compliance – lots of safety standards to comply with
- Intellectual Property (IP) infringement – or in fact protection of your own IP
- Copyright or patent – will someone copy your product
- Change in market demand – could lead to product write offs



Regulatory Risk

- Data Protection – handling personal data (customers, employees and suppliers)
- Employment Law – covering things like unfair dismissal, discrimination, wages and health and safety
- Health and Safety – in the workplace for employees, customers, suppliers or other people coming onto your premises.



Regulatory Risk

- Tax Compliance – VAT, PAYE, Corporation Tax and self-assessment filings
- Environmental Regulations – waste, emissions etc
- Product safety standards
- Customer protection – misleading advertising, unfair terms etc
- Corporate Governance & Company Law – breaches of the Companies Act



Regulatory Risk

- Use professional advisors
- Do relevant training
- Have clear policies, procedures and contracts
- Undertake Risk Assessment



Cyber Security Risk

- Lack of dedicated cyber-security staff
- Less mature governance
- Increasing use of cloud service
- Remote working



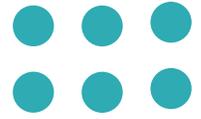
Cyber Security Risk

- Phishing/social engineering – employees are tricked into giving up credentials, or clicking malicious links
- Ransomware & double-extortion – data is encrypted and threats made to release data
- Entry via a supplier – The supplier is hacked, and then used to access the often weaker links of the SMB



Cyber Security Risk

- Insider threats, weak access controls & credentials – not using 2FA (multi-factor authentication is an easy win for hackers, along with weak passwords and re-used credentials).
- Remote working – home networks and personal devices could be the weak link in the chain



Act of God – Force Majeure

- Fire
 - Flood
 - Etc
-
- Disaster Recovery



Resources

- Pricing for Profit
- Bookkeeping for Business Owners
- Directors Duties
- Financial Management
- Tax Deductible Expenses
- Company Structure
- Associated Companies
- VAT registration and rules
- MTD
- Accessing Capital for Growth
- Forecasting
- How much is your business worth
- Selling some or all of your shares
- Shared Business Ownership
- Profitability
- Project Evaluation
- Directors Loans v Dividends
- Cash flow v Profit
- Risk and Resilience

Thank

You



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