



Identifying Gaps in Preparedness:

How to Bolster Your Business Continuity Plan



Introduction

Today's reality has forced businesses to quickly implement and put their continuity plans to the test. And it's become crystal clear which of their business processes are critical to maintaining operations.

Accounts payable (AP) tops that list, as businesses literally can't function without processing payments.

So, we were curious— how are leaders handling the current situation and adjusting the way they work? What critical technology gaps have they seen, and have they been able to pay their bills?

That's why we polled senior management from 500 U.S. companies to see how their companies had prepared, and here's what we found.

Those who are struggling with business continuity are not alone. Nearly 34 percent of companies we polled either had no plan in place or are working with one that isn't comprehensive.

Only 37 percent actually had the necessary technology to enable employees to work from home, and only 54 percent felt equipped to continue paying their bills while working remotely.

If you, too, have experienced gaps, don't worry. It's not too late to bolster your plan. You can start by asking these five essential questions:

1. Does Your Plan Identify the Right Resources?

What resources does your organization depends on for day-to-day operations? Think about what's been affected by the current situation. Do you have the right people and operations in place?

Here are a few key areas to assess:

Do you have the right people leading the charge?

While your organization's CEO or another member of the C-suite has probably been overseeing the charge, make sure your current plan has a lead for each department.

AvidXchange CFO Joel Wilhite says that "the project leader doesn't have to reside in any particular department. What's important is that it's a cross-functional group that takes responsibility on a continuous basis. And, they have a plan in place to back-fill roles when people leave the business or take on new jobs."

What about managing the bottom line?

As you know and have witnessed first-hand, finance and accounting teams have responsibility for key functions, like paying the bills, getting employees paid, processing incoming payments and preparing financial reports. How have your finance teams been impacted? Have they struggled? Fifty-four percent of the senior managers we polled said that working from home has had a significant to extremely high impact on their finance team's ability to process invoices, a business-critical function.



Do you have the right infrastructure?

What systems have been critical to keep your company functioning? What technology has been key to keeping any of these functions in place?

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– Joel Wilhite,
Chief Financial Officer
AvidXchange

2. What are Potential Risks to Your Resources?

Ninety-two percent of CEOs surveyed agree risk management is important to long-term success, yet only 23 percent believe they have comprehensive information about risks to their business. While actual risks vary by business type and industry, there are two categories you may have faced recently:

Technology

Working remotely has become a necessity. Yet, only 37 percent of businesses we polled felt they had the right technology for their total workforce to work from home, and 19 percent said none of their employees had the right tech tools to access work remotely.

Jess Scheer, Executive Editor of the Institute of Finance and Management (IOFM), the industry's de facto source for all things related to finance operations, says it's not that people had the wrong technology. It's that they didn't have technology. "They relied on manual processes," he says, "For instance, their AP department had 100% manual invoices that were being routed by hand for signatures and approvals. You can get by with these things when you don't have an issue like we do today."

Cybersecurity

Cybersecurity is increasing, as a recent **study** shows a 400 percent spike in cybercrime activity related to this year's global pandemic. It suggested the crimes, which include email phishing campaigns, in which malware is activated when a recipient clicks on a malicious file or link sent via email, are linked to an increase in people working from home.

IT professionals largely **agree** that employees working remotely can leave corporations vulnerable to cybersecurity issues. Why? They may access corporate accounts on unprotected public wi-fi, conduct business on personal computers, transfer files between work and personal devices, and they aren't as likely to regularly update their software with security patches.

Scheer says AP departments are seeing huge increases in attacks. "If you think about the data that AP departments have access to, it's arguably the most sensitive data within an organization, and for many organizations it's the most vulnerable," he says.

Needless to say, incorporating the IT department to ensure safety and security is a mandatory component of your plan.



3. What Critical Processes Have Been Impacted?

Have any of your processes been critically impacted by recent events? Has the crisis revealed processes you may not have thought about?

Here are a few questions to ask yourself to make sure your organization can maintain operations:

Are all documents accessible?

If your organization has typically relied on paper-based storage, you've probably had trouble with maintaining critical operations, like paying bills and managing cash flow.

If so, you're not alone. Twenty-nine percent of companies said they weren't able to make all of their payments while their employees didn't have access to files in the office, and 12 percent said they couldn't make any payments in this work-from-home scenario.

Have you had to worry about payment delays and processing errors?

One of the biggest worries you may have faced during the last few months is how maintain bill pay operations. Our study found that with finance staff working from home, only 54 percent of businesses were able to make all of their payments and more than half of business leaders had a significant impact on their finance team's ability to process invoices.

This created cash flow issues, as more than 40 percent of businesses have made at least some late payments due to their finance staff working remotely.

4. Did You Align All the Right Risk Mitigation Strategies?

There are several risk mitigation strategies you've had to recently consider. Start with how you can improve here:

Leverage Technology

Consider what your employees have needed to continue working during these times.

Did everyone have access to a laptop? Did they have secure, reliable ways to connect to internal networks? Were employees able to connect virtually?

It's likely you've solved these problems by now, but it's important to make sure your plan has accounted for all tech needs, as they are a must-have for keeping the status quo.

Consider Automation

Automation has been vital to business continuity, as it's a reliable way to back up valuable data, protect assets and allow processes to continue without human interaction.

Not surprisingly, 85 percent of those surveyed felt like automation technology would have significantly helped their business continuity needs, aiding accounting departments to process invoices and make payments.



If you're still operating with paper-based bill pay, consider AP and payment automation technology that allows you to eliminate manual processes and paper checks, giving your AP department the flexibility to approve invoices and make payments securely and efficiently, regardless of location, ensuring continued operations.

"Companies have wondered when is the right time to pull the trigger on automation," says Scheer. "But, the issue is no longer having automation as a nice-to-have. It's now the cost of doing business for an organization."

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Institute of Finance and Management

5. Does Your Staff Know and Understand Your Business Continuity Plan?

Has your business continuity plan been widely shared and discussed with all employees, helping to build a culture of agility and preparedness?

Scheer says, “It doesn’t help if your plan is sitting in one person’s office or on a laptop. It has to be easily accessible—a living, breathing document that someone has ownership of and everyone can update or alter when necessary.”

He adds that most plans anticipated scenarios that involved offices being closed for a few days or a week, rather than the three to four months that has become our new reality.

Now that we’re in a real-life emergency simulation, it’s a great time to circulate your plan and document what has been helpful, what hasn’t, and what needs to change.

You’ll want to make sure and revisit your plan often, regularly making improvements so it continues to work for the way you work.





Conclusion

In light of the unprecedented crisis we're seeing in 2020, business continuity and disaster planning may very well emerge as the number one priority for businesses of all kinds.

Crises are more common than most realize—[research](#) shows that nearly 80 percent of business decisions makers have encountered one in their careers. While no one can predict an actual crisis, organizations are certainly better prepared to weather them when they anticipate the possibility, understand their business's unique needs, and know how they will account for them. They may not come out unscathed, but they improve their chances of survival.

Automating critical paper-based processes, including accounts payable, is a valuable component of this planning and preparedness. Removing manual processes not only increases efficiencies, it enables business to continue in the face of disruption. It also gives executive management visibility into valuable data, like spend analysis, cash flow, and working capital, enabling them to make more informed short-term and long-term decisions to keep their business afloat.



Want to Liberate Your AP? We Can Help.

Hello. We're **AvidXchange**, the accounts payable solution for middle market businesses.

Our industry-leading AP and payment automation solutions help more than 5,500 North American companies work efficiently and effectively, regardless of challenges they may face.

If you'd like to learn a little more about our services and solutions, or just keep up with our thoughts on financial technology, **come visit us at [avidxchange.com](https://www.avidxchange.com)**.