

# Business Resilience Toolkit

---

## Useful tools

Presented by Jane Arnott, General Manager, Consulting and Business Services

---

### Transcript:

Hello, in this video I'm going to share three simple tools that will help you to map your external environment so that you have an evidence base on which to increase your business resilience. These tools are Pestel, context canvas, and competitor mapping.

I'm Jane Arnott and I'm the general manager of consulting at Community Business Bureau (CBB)

Business resilience is about understanding the bigger external picture and how it might impact on you and your business model. These tools will help you to think beyond your organisation, to the external factors that may support – or undermine – your business resilience.

First – let's look at Pestel and Context Canvas

Pestel: looks at the external environment in terms of:

- ▶ Political
- ▶ Economic
- ▶ Social
- ▶ Technology
- ▶ Environment
- ▶ Legal

Context canvas: is similar to PESTEL but with some different areas of focus. It looks at:

- ▶ Demographic trends
- ▶ Rules and regulations
- ▶ Economy and environment
- ▶ Competition
- ▶ Technology trends
- ▶ Customer needs
- ▶ Uncertainties

PESTEL and Context Canvas are often used as strategic planning tools. From a business resilience perspective, they help you to lift your thinking out of your immediate priorities and look a little longer term. They can help you to identify the external factors that may impact on your operating environment and your customers and workforce. That impact can be positive or negative.

So, for example, looking at the social context under PESTEL - or demographic trends under the Context Canvas - is really important for the sector. Social and demographic trends - such as an ageing population, increased cultural and linguistic diversity and a rise of millennials in the workforce – indicate the likely social issues we may need to address in future, as well as impacts on paid and volunteer workforce and donor support.

Often these different perspectives are interlinked – for example when political pressure leads to a Royal Commission which results in legal and regulatory changes to how you provide services.

Pestel and context canvas analysis is best done as a group, so you draw on different knowledge and perspectives, and bounce ideas off each other.

Working through these models may help you to identify any blind spots, areas of vulnerability, or new opportunities for your organisation.

Next – let's have a look at competitor analysis.

This is a way of mapping who else is offering similar services to your client group in your area. You can use it to identify market gaps that you can fill, and to get a sense of your market share, particularly where there's a high level of competition.

This will help you to identify where you need to invest your efforts to build market share, and to spot newcomers. It also helps you to define how your value proposition is different to the rest of the market.

Start by defining the factors you want to look at – it really helps if you can describe your customer segment and your value proposition.

For example, from a customer segment perspective, we did some work with a client who was specifically targeting their service at middle aged people with neurological conditions and acquired brain injury – so our competitor mapping looked at who else was targeting that market. We didn't limit ourselves to just looking at the same services.

If other organisations are working with your customers or potential customers, they could be a good source of referrals, but they could also adapt their services to become a future competitor, so it's worth monitoring them.

Your value proposition describes how your products and services meet customer needs, so it's important to look at competitors who are offering similar services – or solving similar problems. For example, you can address issues of community participation for people with intellectual disabilities through

- ▶ group work,
- ▶ or by having a support worker accompany a participant to events,
- ▶ or sports or cultural activities.

If you just compare against your service model or offering, you could be missing competitors that might attract your clients with a different means of addressing the same needs.

You might also want to look at factors such as organisation size, growth and how they position themselves in the market.

Once you've worked out what factors you want to look at, build a matrix of the factors you're comparing, and then you can do a lot of research via the internet.

You probably know who a lot of your competitors are, but you can also look at provider listings for NDIS and aged care, at the ACNC register, and through searches. Financial reports for ACNC registered organisations are posted on the ACNC website, so it's a really good place to access information on organisation size, and how they make their money.

The end result should give you a good sense of who your competitors are, and how you're like them – and more importantly how you're different. You can use this to:

- ▶ Identify growth opportunities – for example if you identify an area with a lot of potential clients, but few competitors
- ▶ Identify potential risks – for example if you can see that your market is very competitive, and your competitors are growing
- ▶ And to refine your value proposition. For example, if you're a smaller organisation and your competitors are much bigger than you, you could position yourself as offering a more personalised, responsive service

**Related videos to watch next: all videos in our Risk Management series.**