Healthy business checklist

Use this easy-to-follow checklist to guide you through everyday actions you can do now to keep your business strong.

Your healthy business will not only survive, but also thrive through challenges and change.

How the checklist can help

This checklist can help you:

* continue to provide for your whānau and community
* stay operational and retain your customers
* minimise financial losses
* adapt quickly to a changing environment.

All of this has the added benefit of helping you manage stress and create a better work-life balance.

Tick off the tasks in the checklist from start to finish, or just select the ones that suit your business.

[ ]  Set yourself a regular reminder so that you can complete it bit by bit over time.

# Make sure you’re insured

Getting the right insurance cover is a great place to start, because it’s critical to protecting your future as a business owner.

Research shows that less than half of Kiwi businesses have taken out, updated or reviewed business interruption or contents insurance.

Insurance can compensate you or your business for losses. Remember to review your insurance needs at least once a year to keep up with your growth or other changes.

For professional advice you can contact an insurance broker or the Insurance Council of New Zealand.

[Insurance Council of New Zealand](https://www.icnz.org.nz/) – Insurance Council of New Zealand

**Find your risks**

[ ]  **Step 1:** Identify your risks. Think about what could go wrong at your workplace or with your business.

[ ]  **Step 2:** Identify whether your insurance policy, if you have one, protects against these risks.

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| Risk to your business | Are you insured to protect against this risk?  |
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**Explore types of insurance**

[ ]  **Step 1:** Identify which policies apply to your business.

You may be like other businesses in that you need more than one policy to cover all of your business risks.

[Types of commercial insurance](https://www.icnz.org.nz/understanding-insurance/types-of-insurance/commercial/#c525) — Insurance Council of New Zealand

**Create or update your insurance policy**

[ ]  **Step 1:** Choose an insurance provider.

[ ]  **Step 2:** Disclose all details asked for by your insurer, and any other information that may influence your policy.

[ ]  **Step 3:** Decide on an excess.

This is the amount of money you agree to pay towards fixing something, for example, damage or a claim against you.

Some businesses get specialist advice from an insurance broker or the Insurance Council of New Zealand. Ask them if you need to prepare or gather any information before you discuss your insurance options with them.

**Review your policy**

[ ]  **Step 1:** Every year, or when your business goes through a change or growth, follow these steps again, from start to finish, to make sure your insurance cover is still right for you.

Prioritising your to-do list

Planning for the future can feel overwhelming or like something you don’t have time for. Break this process down into bite-sized chunks by prioritising your tasks.

[Prioritising your to-do list](https://www.business.govt.nz/wellbeing-support/brave-in-business-e-learning/prioritisation/prioritising-your-to-dos/)

# Prepare a business continuity plan

A business continuity plan (BCP) identifies the critical parts of your business and potential risks, so that if something happens to your business you can recover as quickly and easily as possible.

A BCP should be on your must-do list as it can:

* improve the likelihood that your business will survive
* attract potential buyers and investors
* give you and your staff confidence.

A continuity plan is different from emergency planning. Emergency plans cover in-the-moment procedures in a crisis, like what to do if there is a fire at your workplace. A BCP covers how you’ll get core parts of your business up and running again after a disruption.

This checklist is a good starting point. For more detailed guidance visit our section on continuity and contingency planning.

[Continuity and contingency planning](https://www.business.govt.nz/risks-and-operations/planning-for-the-unexpected-bcp/continuity-and-contingency-planning)

**Identify key products or services**

[ ]  **Step 1:** Watch our short video about how to do a business continuity plan.

[Watch: Plan for the unexpected](https://www.business.govt.nz/risks-and-operations/planning-for-the-unexpected-bcp/continuity-and-contingency-planning/#e-33478)

[ ]  **Step 2:** Note down your most profitable activity.

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| Note down your answers or thoughts in these boxes.  |

[ ]  **Step 3:** Note down your least profitable activity.

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[ ]  **Step 4:** Note down what you really need for each activity, such as raw materials, a fully functioning website or machinery.

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[ ]  **Step 5:** Consider how your business can prepare for the loss of something essential, for example if your machinery stops working or your supply chain is disrupted.

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[ ]  **Step 6:** Consider how your business could pause or stop your least profitable activity.

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**Identify key people and connections**

[ ]  **Step 1:** Identify who can run the business in your absence.

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[ ]  **Step 2:** Ensure emergency contact details are updated and kept handy.

If you have staff:

[ ]  **Step 3:** Note down the key duties of all your staff.

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[ ]  **Step 4:** Identify whether your business relies heavily on one person for key tasks. Plan for their absence.

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[ ]  **Step 5:** Consider whether your business can continue to run if some or all of your staff are absent.

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[ ]  **Step 6:** Plan for how you could get temporary staff at short notice.

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If you have suppliers or distributors:

[ ]  **Step 7:** Identify your key suppliers. Plan for how you could continue the supply chain after a disruption.

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[ ]  **Step 8:** Identify your key distributors. Plan for how you could continue to distribute your goods and services after a disruption.

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**Cover your assets and stock**

[ ]  **Step 1:** Consider insurance options. This includes reviewing any current policy and updating if necessary.

If you haven’t already done so in the [previous section](#Insurance), think about what cover you need to protect your business against risks.

[Insurance](https://www.business.govt.nz/risks-and-operations/planning-for-the-unexpected-bcp/insurance/)

[ ]  **Step 2:** Consider relocation options.

If you need to vacate your usual premises unexpectedly, how can you keep your business operating?

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[ ]  **Step 3:** Set up a process to back up your data weekly.

This includes your emails, data that is critical to your business (customer details, email, files and spreadsheets) and sensitive data that needs to be kept safe (personnel files, bank details, tax documents).

[ ]  **Step 4:** Consider where and how you store your equipment and stock. Plan for how you could keep operating if you can’t access some or all of your equipment and stock.

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# Create a cash buffer

Having enough money in reserve can help you avoid financial difficulties and handle unexpected situations. This might seem difficult for you at times, but creating a simple business budget and taking steps to forecast your cash flow can help.

## A budget can help you keep track of your financial situation and give you the confidence to make important decisions that affect your business.

## A budget can help you prepare for, and identify:

* when and where to cut costs
* opportunities to reinvest in your business.

Forecasting when money will come in and out will help you plan for the future, including how to expand and grow without overstretching your resources.

**Understand your cash flow**

[ ]  **Step 1:** Watch our short video on understanding your cash flow.

[Watch: Understanding your cash flow](https://www.business.govt.nz/risks-and-operations/tradies/understanding-your-cash-flow/#e-33262)

[ ]  **Step 2:** Note down your expenses and income.

Have monthly financial statements from your bank, accountant or accounting software handy.

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[ ]  **Step 3:** Forecast your cash flow using our cash flow forecasting tool.

[Cash flow forecaster](https://www.tools.business.govt.nz/cashflow-forecaster)

Tip: You need monthly figures about your cash in and out, your cash reserves and borrowing. For a more accurate cash flow forecast you can edit months where your cash in and cash out varies.

[ ]  **Step 4:** To be thorough you could do three forecasts using our tool – a pessimistic, a realistic (most likely) and an optimistic forecast.

Creating more than one forecast better prepares your business for different scenarios. If you’re seeking capital, you can show investors and bank managers that you’re not just planning for the best-case scenario.

**Create a budget**

[ ]  **Step 1:** Collect the financial figures you need from a profit and loss statement.

This includes your earnings (what you earn by selling your services/products and the money you expect to earn soon) and expenses (fixed and variable costs, one-time spends and emergency “just in case” funds).

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[ ]  **Step 2:** Subtract all your expenses from your earnings and use this information to track how you spend, prioritise your money and build your budget.

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[What to do if your business is operating at a loss](https://www.business.govt.nz/tax-and-accounting/business-finance-basics/what-to-do-if-your-business-is-operating-at-a-loss/)

[ ]  **Step 3:** Put a monthly reminder in your calendar to check how you’re tracking against your budget.

Your budget may need to be changed or updated.

**Have a plan to manage your debt**

[ ]  **Step 1:** Write down all your debts.

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[ ]  **Step 2:** Prioritise your debts.

You can sort them from the highest interest rates to the lowest. By doing this, you will have a good understanding of which debts you should pay off first based on how high the different interest rates are.

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| Lowest priority debts | Highest priority debts |
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[ ]  **Step 3:** See if you can make an extra payment for some of the higher interest debts.

[Debt calculator](https://sorted.org.nz/tools/debt-calculator/) – Sorted

[ ]  **Step 4:** If your debt is unmanageable, seek support.

[Repaying debt: What are your options?](https://www.business.govt.nz/news/repaying-debt-what-are-your-options/)

# Build strong relationships

Strong relationships are not built in a day. They are something you work on daily by interacting with your customers, suppliers and staff (if you have any).

If things go wrong or times get tough, they are more likely to be understanding and remain loyal if you have already built a strong foundation with them.

**Building strong relationships with your staff**

[ ]  **Step 1:** Set up a regular catchup with your staff.

[ ]  **Step 2:** Provide staff with their leave entitlements and adequate time-off.

[Introduction to holidays and leave](https://www.business.govt.nz/hiring-and-managing/handling-holidays-and-leave/introduction-to-holidays-and-leave/)

[ ]  **Step 3:** Use our workplace policy builder to build your own unique policies. Policies set out the rules for your workplace, and together with an employment agreement, are a great foundation for employment relationships.

[Workplace Policy Builder](https://wpb.business.govt.nz/workplacepolicybuilder/)

[ ]  **Step 4:** Offer staff training and learning opportunities where you can.

[Training and development options for your team](https://www.business.govt.nz/hiring-and-managing/getting-the-best-from-people/training-and-development-options-for-your-team/)

**Building strong relationships with your suppliers**

[ ]  **Step 1:** Set up a supply chain agreement.

[Knowing your networks: supply and distribution](https://www.business.govt.nz/business-performance/operations-strategy/supply-and-distribution/#e-15162)

[ ]  **Step 2:** Pay your suppliers on time.

[ ]  **Step 3:** Take time to build trust with your suppliers by getting to know them a little better.

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| How could you do this? |

**Building strong relationships with your customers**

[ ]  **Step 1:** Get to know your customers and what they value.

This could be simply by chatting to them, or through surveys or collecting statistics.

[What your customers want and how they think](https://www.business.govt.nz/business-performance/marketing-strategy/what-your-customers-want-and-how-they-think/)

[ ]  **Step 2:** Deliver on your promises and offerings.

[ ]  **Step 3:** Treat your customers with respect.

This includes taking their complaints seriously and considering their feedback.

[When customers complain](https://www.business.govt.nz/risks-and-operations/dealing-with-customer-complaints/when-customers-complain/)

[ ]  **Step 4:** Make it easy for your customers to pay you.

Here are seven easy tips to help you get paid faster.

1. Discuss payment terms before you get started
2. Keep detailed records of inventory and time
3. Make the invoice clear and easy to understand
4. Address the invoice to the person paying
5. Invoice as soon as possible
6. Keep talking to your debtors
7. Add overdue fees.

Thank you to Xero for providing these tips.