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► Business resilience trends and evidence-based policy proposals in Trinidad and Tobago



- ▶ **Business resilience trends and evidence-based policy proposals in Trinidad and Tobago**

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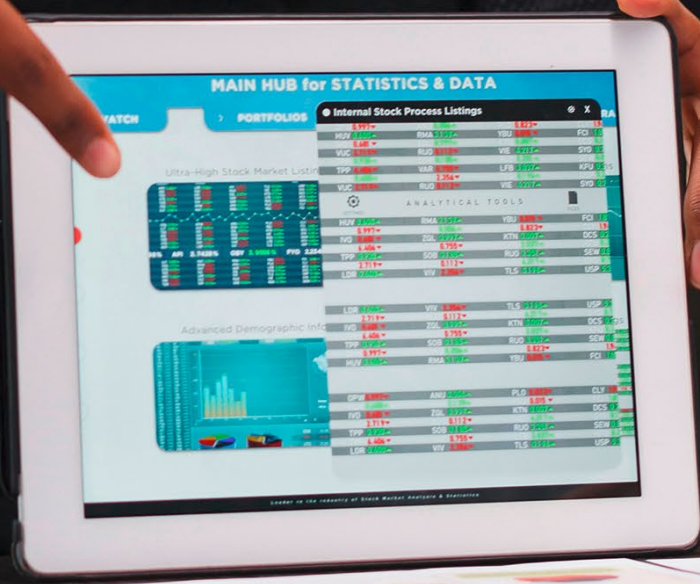
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► Acronyms

APETT	Association of Professional Engineers of Trinidad and Tobago
AREA	Association of Real Estate Agents
ATTIC	Association of Trinidad and Tobago Insurance Companies
BATT	Bankers Association of Trinidad and Tobago
BCM	Business Continuity Management
BCMS	Business Continuity Management System
BCP	Business Continuity Plan
ECA	Employers' Consultative Association (Trinidad and Tobago)
GDP	Gross Domestic Product
HRMATT	Human Resource Management Association of Trinidad and Tobago
ILO	International Labour Organization
IBF	Institute of Banking and Finance of Trinidad and Tobago
ICATT	Institute of Chartered Accountants of Trinidad and Tobago
ISO	International Organization for Standardization
MSMEs	Micro, Small and Medium Enterprises
NEDCO	National Entrepreneurship Development Company Limited
ODPM	Office of Disaster Preparedness and Management (Trinidad and Tobago)
OECD	Organisation for Economic Co-operation and Development
Q2	2nd Quarter
SATT	Supermarket Association of Trinidad and Tobago
SMEs	Small and Medium Enterprises
THTA	Tobago Hotel and Tourism Association
TTAIFA	Trinidad and Tobago Association of Insurance and Financial Advisors

TTBS	Trinidad and Tobago Bureau of Standards
TTCSI	Trinidad and Tobago Coalition of Service Industries Limited
TTCA	Trinidad and Tobago Contractors Association
TTIA	Trinidad and Tobago Institute of Architects
TTMA	Trinidad and Tobago Manufacturers' Association
T&TMA	Trinidad and Tobago Medical Association
THRTA	Trinidad Hotels, Restaurants and Tourism Association
TTSE	Trinidad and Tobago Stock Exchange
UNDRR	United Nations Office for Disaster Risk Reduction
UTT	University of Trinidad and Tobago

► Key business resilience terminology used throughout this report

Business Continuity Management (BCM) – (ISO 22301:2012)

Holistic management process that identifies potential threats to an organisation and the impacts to business operations those threats, if realized, might cause, and which provides a framework for building organizational resilience with the capability of an effective response that safeguards the interests of its key stakeholders, reputation, brand and value-creating activities.

<https://drii.org/what-is-business-continuity-management>

Business Continuity Plan (BCP)

Development of a business continuity plan includes four steps: (i) conduct a business impact analysis to identify time-sensitive or critical business functions and processes and the resources that support them; (ii) identify, document and implement to recover critical business functions and processes; (iii) organize a business continuity team and compile a business continuity plan to manage a business disruption; and (iv) conduct training for the business continuity team and testing and exercises to evaluate recovery strategies and the plan.

www.ready.gov/business-continuity-plan

Business resilience

A strategic objective intended to help an organization withstand, adapt and thrive in the face of shocks that are internal and external, as well as known and unanticipated. A highly resilient organization is more adaptive, competitive, agile, and robust than less resilient organizations and rebounds from adversity strengthened and more resourceful. The six dimensions of resilience are: financial resilience, operational resilience, technological resilience, organizational resilience, reputational resilience, and business model.

www.mckinsey.com/featured-insights/business-resilience

Micro, Small and Medium Enterprise

According to the Trinidad and Tobago Central Statistical Office, mini-micros have one employee, including owner/manager, and a sales turnover per annum of TT\$250,000; micro-enterprises have 1 to 5 employees and turnover of up to TT\$1,000,000; small enterprises have 6-25 employees and a sales turnover of up to TT\$8,000,000; while a medium enterprise has a complement of 26-50 employees and a sales turnover of up to TT\$10,000,000. Moreover, there are approximately 20,000 – 25,000 SMEs in Trinidad and Tobago, representing roughly 85 per cent of all registered businesses and contributing more than 30 per cent to the country's GDP.

► [Ministry of Youth Development and National Service, Trinidad and Tobago, "Enterprise Development"](#)

► [Trinidad and Tobago Launches Initiatives to Secure Funding for Small and Medium-sized Enterprises](#)



Executive summary

Context

According to the Trinidad and Tobago Central Statistical Office, small enterprises have 6-25 employees and a sales turnover of up to TT\$8,000,000; while a medium enterprise has a complement of 26-50 employees and a sales turnover of up to TT\$10,000,000. Moreover, there are approximately 20,000 – 25,000 SMEs in Trinidad and Tobago, representing roughly 85 per cent of all registered businesses and contributing more than 30 per cent to the country's Gross Domestic Product (GDP). In recent times, this sizeable Small and Medium Enterprise (SME) sector has experienced unprecedented disruption and has often had to face threats to business survival, without any strategic preparative tools.

Hazards and risks

In any given year, SMEs in Trinidad and Tobago experience hazards and risks as follows: Corruption, crime, extortion, and theft; earthquakes, floods and other extreme precipitation events; hazardous material spill; industrial fire; livestock disease; pandemic and epidemics; protests and civil unrest; ransomware and other cyber-attacks; strikes; tropical cyclones and other storm events; utility outage (electricity, water, internet); wildfires; workplace accidents; biodiversity loss.

Challenges

SMEs are important catalysts for resilience in Trinidad and Tobago, given their agility, entrepreneurship, ability to innovate and their role in providing livelihoods. However, SMEs experience multiple challenges in relation to the development and implementation of business continuity plans and strategies. These tend to cluster around the following areas:

- ▶ Lack of skills and know-how regarding risk management and business continuity;
- ▶ Scarce financial resources to allocate to development, implementation and sustainability of a Business Continuity Plan;
- ▶ Lack of awareness of risks and their potential impact on business; and
- ▶ Inadequate incentives specifically geared toward addressing business resilience.

Success factors

The evidence compiled in this study points to four critical success factors for building the resilience of SMEs in Trinidad and Tobago. These are:

1. Combining enterprise risk management and business continuity management mechanisms to better incorporate and increase the focus on business resilience among SMEs.
2. Building capacity and providing applicable guidance for SMEs to strengthen their financial resilience.
3. Strengthened engagement of the financial sector and government bodies.
4. Strengthening the interdependencies between the utility sector and SMEs.

The recommendations that follow in the policy proposals are elaborated across seven themes that focus on capacity building and funding for SMEs, so they can become more empowered in terms of anticipating and mitigating the hazards that arise, as well as fostering a culture of structured business resilience amongst the organizations and associations that represent, support, and work with SMEs in Trinidad and Tobago, including the Government and business support organizations.



Introduction

In May 2021, the International Labour Organization (ILO) shared the knowledge developed through its ILO Caribbean Resilience Project via a Caribbean symposium. As the only ILO-recognized employer organization in Trinidad and Tobago, the Employers' Consultative Association (ECA) of Trinidad and Tobago is supporting the ILO in the local roll-out of the Sustainable and Resilient Enterprise (SURE) Pilot Project. The main objective of the Project is to provide theoretical and practical training to organizational and business leaders in the use and application of business resilience tools and best practices. To this end, those trained are expected to use the knowledge gained from the seven training modules of the programme to develop a business resilience strategy upon their return to office. The strategy would be used as a means of helping to empower their respective organizations and firms to improve their sustainability, survival, and ability to thrive in the face of unexpected adversities.

To develop further resilience policy proposals, the ECA requires gathering of extensive evidence and perspectives from stakeholders with respect to the identification of business resilience trends and policy priorities. Consequently, technical support is needed to design multi-layered data collection mechanisms to capture both quantitative and qualitative data, which need to be analysed and consolidated into a summary report. Support is also required in the form of generating a policy proposal encompassing the recommendations and findings of the research report. This complete project would provide the ECA and the ILO with data-driven insights to guide policies aimed at the long-term strengthening of enterprises and proactive resiliency preparation.

The study was therefore carried out by a research team from Ascendancy Solutions and Trading Limited (ASTL), an independent market research company, in accordance with the Terms of Reference adumbrated above. The research involved an online survey of forty-eight ECA members, and ten follow-up, in-depth qualitative interviews with survey respondents and other key stakeholders that represent SMEs across the twin-island Republic. The research took place between 1st May and 10th August 2022.

The research findings will be shared and discussed at a public event open to ECA members and stakeholders in Trinidad and Tobago.

Part 1 of the study is based on the compilation and analysis of data points extrapolated from the online questionnaire which was developed by the ILO and administered by the ECA to its members and a cross-section of other stakeholders. This is supplemented by a series of in-depth interviews with ECA members who completed the questionnaire, coupled with a select number of Government officials, industry leaders and business continuity professionals. This is essentially a quantitative exercise.

Part 2 of the study is based on a synthesis of key takeaways from the online survey and the qualitative interviews, as well as open-source literature. This is followed by twelve recommended actions grouped under the following seven thematic headings:

- Theme 1:** Developing an updated and more appropriate Government small and medium-sized enterprise (SME) policy framework that includes a focus on business resilience;
- Theme 2:** Enhancing the role and function of Government bodies in collaboration with industry bodies to take the lead in strengthening the nation's business resilience among SMEs;
- Theme 3:** Scaling up the provision of business resilience advisory services to SMEs;

Theme 4: Enhancing the role and function of the National Entrepreneurship Development Company Limited (NEDCO) and other financial institutions in promoting business resilience among SMEs;

Theme 5: Increasing the quantum of business resilience professionals;

Theme 6: Enhancing the community outreach of the ECA's SURE business resilience training course; and

Theme 7: Scaling up awareness of the benefits of business resilience.

The report concludes with a call to action for SMEs, policymakers and business leaders to redouble their efforts and commitment towards the strengthening of business resilience among SMEs in Trinidad and Tobago. The report has advanced the proposition that the attainment of the desired goal must be based on an appropriate resilience-focused SME policy framework by the Government, including a cluster of forward-looking institutions to support SMEs in their quest to achieve resilience on the wings of change.

Limitations of the study

The research team encountered three major impediments in the implementation of the study:

1. For this research project, the research team utilized the survey instrument developed by the ILO and administered by the ECA prior to the research. This was done to increase the number of responses from the initial issuance of the survey and increase the confidence level. Additionally, due to interview scheduling delays which would have impacted the re-formulation of the survey questions and new date to re-issue the survey, the best alternative was to reuse the ILO's survey. A greater deal of emphasis was therefore placed on the qualitative interviews as a means towards capturing the insights of ECA's members and other stakeholders on the leading business resilience trends and policy priorities in Trinidad and Tobago. In retrospect, the questionnaire could have been amplified to include the following:
 - What are some of the main obstacles that are preventing your company from investing in business resilience measures (plans and strategies) to protect the business from disasters?
 - What are some of the bottlenecks that can delay your business from recovering following an unanticipated business resilience event/disruption?
 - Do you know of any incentives (e.g., tax rebate, easy access to credit, reduction of insurance premiums) that the Government or different stakeholders provide, if your company invests in resilience?
 - Which utility sector(s) does your company need to operate?
 - Does your company have any contingency plans in place in the event of a disruption of utility services (e.g., internet, water, telecommunications, electricity)?
 - Are you aware of any tools that can be used to understand the business resilience threats and operational risks that your company may face (e.g., risk assessments, scenario development planning)?
 - Do you carry out operational risk assessments prior to any new investments for your business (e.g., supply chain assessments)?

2. Looking to the future, the research team believes that the survey should be directed at a larger pool of employers drawn from the membership of the nation's chambers of industry and commerce, and those of the various business associations, respectively. This is to suggest that the questionnaire should be developed and administered jointly between the ECA and these organizations as a means towards capturing a much larger grouping of respondents.





Part 1: Employers' perspectives on business resilience in Trinidad and Tobago

Key takeaways from the survey and qualitative interviews

The key insight from the research findings was that SME's often lacked preparedness when facing risks to their business, which impacted their approach to business resilience and the measures they put in place for business. This was further contextualised by the following research highlights:

1. There are a multitude of risks affecting local SMEs, but many of them are not fully prepared to face those risks in terms of preparedness plans, access to contingency funds and insurance.
2. The top business resilience trend is the focus on operational resilience factors such as finance, human resource and supply chain issues. Organizational resilience was the second most common trend that was linked to businesses adjusting to the changing operating environment. Technological resilience was the third emerging trend for business, as they sought to deal with technological advances and cyber-attacks.
3. ECA's members do understand that there is resilience training available to them and they do trust the ECA to deliver effective training. Member interviews also revealed there is definite scope to expand the SURE project in ways that are more industry specific.
4. There needs to be constant communication with SMEs on the benefits of planning as a risk mitigating activity, and adoption of a more long-term focus for business continuity.
5. There is a need for SMEs to continue collaborating with one another and to network to be able to solve problems, as opposed to remaining very isolated and experiencing problems that other companies have dealt with and resolved.
6. Within the public sector, there are several support entities, such as NEDCO, TTBS, and the Enterprise Development Division of the new Ministry of Youth Development and National Service. These entities are significant parts of the SME business ecosystem; however, they often operate in silos. There is also an ongoing exercise where Government's strategic policies for SMEs are now being revised to include long-term business resilience initiatives, as opposed to short term measures, as outlined in the Roadmap to Recovery document of the Ministry of Planning and Development. The public entities need to operate in a more unified manner and their service offerings need to be better communicated to stakeholders, as a comprehensive offering to help SMEs prepare for and overcome challenges that test the resilience of their businesses.



Part 2: Evidence-based business resilience policy proposals

A key takeaway from the study is the fact that the business resilience ecosystem in Trinidad and Tobago is in a nascent stage characterised by the following impediments and disincentives:

1. an outdated Government micro and small enterprise (MSE) policy document that does not include a focus on business resilience.
2. insufficient attention and lack of coordination among different Government agencies with mainstreaming business resilience within their policies and programmes.
3. low level of business resilience management among SMEs, including slow progress in Business Continuity Plan formulation and implementation.
4. no institutional linkage with technical education vis-à-vis training in business resilience.
5. lack of a critical mass of business continuity and disaster recovery planning professionals to satisfy manpower requirements in the country in the near-term.
6. weak engagement of the financial sector in building financial resilience within the SME sector.
7. limited institutional linkages between the ECA and the nation's chamber of industry and commerce, and the respective business associations in the roll-out of the SURE business resilience training programme.

The research team benefited from the copious amount of open-source literature available on the Internet, including concrete advice on how SMEs could build their resilience in a tumultuous environment such as a natural disaster, cyberattack or supply chain disruption.¹ The Government of Trinidad and Tobago has also included several structural support measures in the 2021-2022 budget aimed at helping SMEs to adapt to the changed business environment and build resilience.² For example, support for digitalisation (i.e., new digitisation and technology-based companies' solutions – a 50 per cent tax exemption to be given on the first TT\$100,000 of chargeable income for the first year and for the first TT\$200,000 of chargeable income in the second year).

Against this background, the research team has concluded that there is no added value to be gained in regurgitating the advice proffered in readily available open-source material (including measures adumbrated in the Government's 2021-2022 budget) to craft an envelope of recommendations to be taken up directly by local SMEs. Our focus of attention is therefore twofold:

¹ See, for example, ILO, "[A framework to support small firms in developing countries navigate crises and build resilience](#)." Also, PwC, "[Business Resilience](#)." Also, ERC, "Business Resilience in an SME Context: A Literature Review."

² See, "[Trinidad and Tobago 2021/2022 Budget Highlights](#)".

- i. to identify and discuss the impediments and disincentives to business resilience among SMEs in the country; and
- ii. identify and discuss the critical requirements for Government agencies and bodies, business associations, educational and training institutions, the ECA, the ILO and the development partners to redouble their commitment towards the strengthening of business resilience among SMEs in the twin-island Republic.

The report includes twelve recommended actions to be considered by key stakeholders in the country. These actions are grouped under the following seven thematic headings:

1. Developing an updated and appropriate Government SME policy framework that includes a focus on business resilience.
2. Enhancing the role and function of Government bodies in collaboration with industry bodies to take the lead in strengthening the nation's business resilience among SMEs.
3. Scaling up the provision of business resilience advisory services to SMEs.
4. Enhancing the role and function of the National Entrepreneurship Development Company Limited (NEDCO) and other financial institutions in promoting business resilience among SMEs.
5. Increasing the quantum of business resilience professionals.
6. Enhancing the community outreach of the ECA's SURE business resilience training course.
7. Scaling up awareness of the benefits of business resilience.

Theme 1: Developing an updated, unified, and appropriate Government SME policy framework that includes a focus on business resilience

What is the issue?

Several Respondents in the qualitative interviews pointed to a number of weaknesses in the Government's SME policy framework enshrined in the Ministry of Labour and Small Enterprise Development's *Micro and Small Enterprise Development Policy Document for Trinidad and Tobago 2014-2016*.³ They noted that aside from being outdated, the document is completely silent on the question of business resilience measures to create more risk-resilient enterprises that are capable of resisting, coping and recovering quickly during times of sudden shocks, emergencies and disasters. However, 53 per cent of respondents to the online survey also reported that business resilience is an important topic that is most frequently discussed by the business community, followed by the Government and the trade union movement.

The same observation was made of the other Government departments that are involved in creating favourable conditions for SMEs, including the Ministry of Community Development, the Ministry of Planning and Sustainable Development, and the Ministry of Trade and Industry (MTI). One economist at the MTI

3

See, http://www.sice.oas.org/SME_CH/TTO/Final_MSE_Development_Policy_MVG_ALC_20140605_1_e.pdf.

reported to our research team that SMEs are incorporated in the Ministry's two major policy documents, that is, *"Trinidad and Tobago Trade Policy 2019-2023"* and *"Roadmap to Recovery for the Manufacturing Sector"*. However, the respondent added that, to date, the Ministry has not developed a specific policy for SME growth, competitiveness, and business resilience respectively. Against this background, one respondent from the Trinidad and Tobago Bureau of Standards (TTBS) strongly advised that business resilience should be at the centre of the Government's SME policy framework. The respondent from TTBS further noted that *"the problem is compounded by the fact that there exists no specific legislation for SME development in Trinidad and Tobago."*

SME policy actions are included in a range of national policy documents and statements. However, there is not a unified cross-Government policy statement covering SMEs, detailing the support that is available to them specifically rather than for business in general, and covering all policy areas, including business resilience. Thus, Government policy appears fragmented to SME stakeholders who are seeking to boost business resilience within the SME sector. For example, in the latter context, we were advised by the District Coordinator of the Enterprise Development Division of the Ministry of Youth Development and National Service (MYDNS) as follows:

- i. support for sole traders, micro and small enterprise development (MSE) has been parcelled out to the MYDNS; they have embarked on plans to develop their own MSE policy in the near-term;
- ii. support for medium and large-scale enterprises development has been assigned to the Ministry of Trade and Industry, in collaboration with the Trinidad and Tobago Manufacturers' Association; and
- iii. the National Entrepreneurial Development Company Limited (NEDCO) is responsible for funding and business development training of MSEs.

Moreover, it is important to note that the objectives of SME and entrepreneurship policy frameworks vary from country to country, but most often focus on objectives such as competitiveness and productivity growth, whereas few countries include resilience as an objective of their SME policies. The key lesson for Trinidad and Tobago's stakeholders to learn from this discussion is that resilience not only becomes more important for SMEs and entrepreneurs themselves (e.g., in the wake of the COVID-19 pandemic), but also for the policy frameworks that aim to support them.

Recommendation 1: Rationalize the role and function of Government agencies vis-à-vis support to the micro, small and medium-sized enterprise sector (MSME)

Action

The establishment of a Cabinet-level committee to do the following: (i) revisit the rationale for the current parcelling out of responsibilities among Government agencies responsible for providing support to the MSME sector; and (ii) render a Cabinet decision for the rationalization of the role and function of the MYDNS, MTI and NEDCO, respectively.

Rationale

The proposed action would eliminate the current arrangement situation of overlapping mandates, roles, and responsibilities among the three Government entities.

Recommendation 2: Draft an updated, unified SME policy strategy document with a focus on business resilience

Action

The Government-appointed Cabinet committee should establish a working group to do the following:

- Draft a single national strategic document for SME policy outlining all planned interventions in the medium-term. Include information drawn from the range of existing national policy statements referencing SMEs, as well as other Department and Agency plans.
- The strategy should set out the policy vision, objectives, targets, lines of action and performance indicators specific to SMEs, including measures to boost their resilience. It should cover all areas of policy intervention and all SME populations.
- The strategy should also include specific measures for strengthening the country's incentives regime as a means towards incentivising SMEs to develop and implement business continuity and disaster recovery plans and strategies. It should also outline other support measures, including tax breaks, financial support, and subsidies (e.g., a special depreciation incentive for capital investments).
- The strategy should acknowledge the heterogeneity of SMEs by setting out an appropriate mix of generic policy actions – aimed at shared policy actions – and business resilience policy actions aimed at specific target populations. Tailored actions could be highlighted, for example, for new start-ups, higher-performing and innovative SMEs, established SMEs, international SMEs and restructuring SMEs.
- The draft document should be disseminated to Government agencies/bodies responsible for providing support to the MSME sector, as well as business organizations and associations for comment before it is finalised by the end of the 2nd quarter (Q2) of 2023.

Rationale

The creation of a unified national strategy document for SME policy will increase clarity regarding the SME policy components in existing policy documents. It will also provide a basis to demonstrate alignment of all relevant policies and schemes (including the Trinidad and Tobago Bureau of Standards (TTBS) Voluntary ISO 22301:2019 Business Continuity Management Systems Requirements of Trinidad and Tobago, and other business continuity processes of the Office of Disaster Preparedness and Management (ODPM) that are aligned with the Comprehensive Disaster Management Policy Framework for T&T and the National Response Framework) and to consider priority areas for adjustments in the overall policy portfolio and mix. By setting out targets and performance indicators, the strategy will also provide a basis to monitor and evaluate the progress of the whole envelope of Government measures in achieving the national SME policy vision and objectives for enhanced SME competitiveness and business resilience.

The ECA can help to move the process along by establishing a new in-house Policy Working Group on SME development. This new committee would conceivably be the ECA's focal point for consultations and contributing to the development of this unified policy, as well as all ECA activities and initiatives related to the development of the SME sector, including pushing business resilience priorities.

Theme 2: Enhancing the role and function of Government bodies to take the lead in strengthening the nation's business resilience among SMEs

What is the issue?

In contrast to the observations made about the Government's SME policy framework, interview respondents pointed to one notable exception in the case of the ODPM which has embarked on the development of a Business Continuity Management (BCM) strategy for the public service in Trinidad and Tobago.⁴ The ODPM effectively builds awareness and supports the business community and its workers to prepare for and manage the hazards that the country faces. Notably, an average of 45 per cent of respondents to the online survey have developed emergency response plans for their business.

At an American Chamber (AMCHAM) Trinidad and Tobago Business Continuity Planning Workshop that took place in February 2021, the Chief Executive Officer of the ODPM advised that the proposed strategy is purposefully aligned with the Comprehensive Disaster Management Policy Framework for Trinidad and Tobago and the National Response Framework, respectively. The CEO further stated that the purpose of the proposed strategy is *"to ensure timely and effective business continuity, disaster preparedness, response and total business recovery, should a major interruption occur in the twin-island Republic."*⁵

Meanwhile, at the launch of the workshop, the President of AMCHAM T&T advised that "the private sector plays a critical role in national development and is an essential partner with the public sector in the national response and recovery plans during times of national disasters and other sudden shocks and emergencies." The President of AMCHAM further advised that *"it is necessary for MSMEs to become more risk-resilient so that they can recover quickly and contribute more towards ensuring social change, economic diversity, reducing poverty and achieving greater gender inclusion."*⁶

Perception such as *"we have been in business for long and nothing has happened in the past and, possibly in the future, nothing will happen."* Stated differently, the fatalistic God is a Trinidadian mentality fails to grasp the importance of shifting leadership attitudes away from being primarily reactive and moving towards anticipating how to reinvent the company/organization.

Mention was also made by the Executive Director (Ag) of the TTBS that the Government has put out a document for comment entitled *"Trinidad and Tobago Standard Security and Resilience – Business Continuity Management Systems – Requirements, PCTTS/ISO 22301."*⁷ It was noted that this Voluntary National Standard is an adoption of ISO 22301:2019, Security and Resilience – Business Continuity Management Systems – Requirements, issued by the International Organization for Standardization. The document specifies requirements to implement, maintain and improve a management system to protect against, reduce the likelihood of the occurrence of, prepare for, respond to, and recover from disruptions when they arise.

Our research team asked officials of the TTBS and other respondents from the in-depth interviews for their perspective on the business continuity programme implementation challenges confronting SMEs.

4 GOTT, Office of Disaster Preparedness and Management (2015), ["Business Continuity Management Strategy for the Public Service."](#)

5 AMCHAM T&T (18/02/2021). [AMCHAM T&T Builds MSME Business Continuity Planning Capacity.](#)

6 Ibid.

7 <https://gottbs.com/2022/04/26/for-public-comment>

We were advised that these challenges are shaped, amongst others, by factors such as, but not limited to the following:

- a. The high cost of securing continuity skills to drive the implementation of a BCMS.
- b. SMEs leadership not appreciating the value of having continuity programmes.
- c. Lack of interest in continuity programmes as there is no compelling legislation for SMEs to implement continuity programmes.
- d. Perception such as *“we have been in business for long and nothing has happened in the past and, possibly in the future, nothing will happen.”* Stated differently, the fatalistic God is a Trinidadian mentality fails to grasp the importance of shifting leadership attitudes away from being primarily reactive and moving towards anticipating how to reinvent the company/organization.
- e. A view that business continuity management is a *“thing”* for only big corporations with robust human and financial resources.
- f. Business continuity is only meant to deal with information technology matters and is, therefore, not applicable to any other parts of the business.

These perspectives are consistent with published empirical and theoretical research on organizational resilience that consider the ways in which the characteristics and capabilities of SMEs themselves may be linked to their resilience. For example, it has been argued that managers in small organizations tend to firefight in the face of crises rather than to proactively plan for them. According to one researcher, this is attributed to an attitude prevalent in SMEs that planning for crises is aspirational and potentially costly.⁸

Recommendation 3: Scaling up the ODPM’s awareness-building campaign on the benefits of hazard preparedness

Action

The ODPM should deepen its collaboration with the nation’s chamber of industry and commerce, business associations, and other key stakeholders as a means towards sensitising SME stakeholders on the benefits of disaster preparedness (e.g., through business continuity planning). This can be taken a step further in the context of discussions with the ODPM, to strongly urge all Government and public sector institutions, public utilities, state-owned enterprises, public schools, and accredited institutions to establish business continuity management systems (BCMS) in line with the TTBS’ Voluntary National ISO 22301: 2019 standard related to business continuity management.

To this end, the ECA may be in a position to advise and possibly collaborate with the ODPM in the design and roll-out of the awareness-building campaign through promotional campaigns, webinars, seminars, breakfast roundtables, etc.)

Rationale

The proposed action is consistent with the recommendations of the Sendai Framework⁹ that, inter alia, aims at sharing value with the business sector. Thus, the Sendai Framework recommends that the private sector must move from a narrow vision of preparedness and response, to integrate prevention and risk reduction into business practices. In other words, SMEs must be sensitized to the fact that they must make

⁸ See Enterprise Research Centre (2018), [“Business resilience in an SME context: A literature review,”](#) p.16.

⁹ The global footprint on disaster risk reduction that provides clear recommendations on how to address disaster risks.

business continuity planning part of their company's long-term strategic vision. Although an average of 63 per cent of respondents to the ILO-ECA online survey strongly agreed that a Business Continuity Plan will help their business to build their brand and reputation, only 25 per cent of respondents had developed such a plan. The qualitative interviews revealed that some organizations had problems implementing the strategies that they had developed.

At the same time, the Association of Professional Engineers of Trinidad and Tobago has expressed concern about the country's resilience following an island-wide electrical blackout which took place on February 16, 2022. According to one respondent, the Trinidad and Tobago Electricity Commission (T&TEC) did not have a Business Continuity Plan in place prior to the disruption. Hence, it took the Commission more than 12 hours to restore electricity, whereas it could have been completed in three to five hours with the benefit of a regularly tested BCMS. To date, there is no official quantifiable data available on the associated costs to SMEs of the February 2022 electricity blackout. However, a senior staffer at the ILO Caribbean Office estimated that it would be approximately USD\$30 million lost or TTD\$200 million, which would probably be on the low end as this excludes informal activities or sales of goods produced outside of the country's domestic borders. Moreover, this figure would represent all production, not just SMEs.¹⁰

In a media release, the Association noted that the event "raises serious questions about the resilience of our infrastructure to withstand and recover from the kinds of natural or man-made disasters that can befall our country."¹¹ The Association has since called for a complete review of national infrastructure to ensure that the country can withstand and recover from such disasters.¹² This event speaks to the critical need for the establishment of BCMS' in the country's public and private sectors. In the latter context, it is important to emphasise that SME operational resilience is heavily dependent on the nation's risk-resilient infrastructure, particularly in terms of internet, water, telecommunications, and electricity services.

Recommendation 4: Enhance the TTBS' community engagement with the ECA and other private business service providers

Action

The TTBS should encourage organizations like the ECA and other private business service providers to offer business resilience training that is in line with their National Voluntary ISO 22301: 2019 Standard and to strengthen its capacity to certify such training programmes.

Rationale

The TTBS is the legal custodian of Trinidad and Tobago Standard Mark, which are issued in accordance with the Standards Act. When a Trinidad and Tobago Standard Mark appears on any product, or in connection with any service, process or practice, it provides assurance that such a product, service, process or practice conforms to a Trinidad and Tobago Standard. Hence, certification by the TTBS of such privately sponsored business resilience training programmes would be of enormous value in instilling confidence among the public in the efficacy of these programmes.

¹⁰ Based on the following calculation: if one uses the annual GDP as a ballpark, the nation produces approximately USD\$21.5 billion a year, this equates to USD\$2.4 million per hour. Hence, for a 12-hour blackout on a national scale, the loss would be roughly USD\$30 million or TTD\$200 million.

¹¹ [Engineers body concerned about country's resilience following recent national blackout - CNC3.](#)

¹² Ibid.

Theme 3: Scaling up the provision of business resilience advisory services to SMEs

What is the issue?

Except for the presence of a limited number of BCP professional consultants and management consulting companies, there are currently no public sector institutions in the country that provide direct technical assistance (TA) support and capacity building services to SMEs in the establishment of a business continuity management system (BCMS). Only 24 per cent of respondents to the ILO-ECA online survey stated that they know where to obtain quality training and advice to improve the resilience of their business.

SMEs, for the most part, tend to overestimate their performance and lack awareness of potential improvements they can make to their practices. This study has shown that they tend to be reluctant to seek external advice, partly reflecting the time and resources required and lack of knowledge and trust in the sources.

Recommendation 5: The ECA should establish a consultancy service for SMEs as an offshoot of the SURE training programme

Action

A Specialist from the ILO Caribbean Office has offered recommendation #5 for the benefit of persons who would like to address their business resilience systems without having to personally invest their time in the SURE training programme. It is further suggested that the ECA could develop an assessment tool for businesses to benchmark their current performance and, based on the results, drive persons to the SURE training programme or the consultancy service. As noted by the ILO's Specialist, *"some [SMEs] might prefer to be given the fish as opposed to being taught how to fish."* It is understood that the proposed consultancy service would need to be financially viable for the ECA and for the SMEs who may be interested.

The consultancy service would need to include a roster of qualified business continuity and disaster recovery consultants to assist SMEs in the following areas:

- programme initiation and management.
- risk assessment.
- business impact analysis.
- setting up business continuity governance instruments.
- business continuity strategies and solutions.
- incident response.
- plan development and implementation.
- Business Continuity Plan exercise, audit, and maintenance.
- crisis communications.

Rationale

A high-quality business resilience diagnostic tool is potentially an easily accessible and attractive method for SMEs and start-ups to identify their areas of strength and weakness and to explore where they may have opportunities to adopt established best practices in business resilience. It can also help build demand for business advice in this area among SMEs and start-ups.

According to the OECD, business diagnostic tools typically include benchmarking of different aspects of business performance against comparable businesses, information on good practice management features across a range of business operation areas, guidance on how to introduce good practices into the enterprise and connections to public and private sources of business advice and support.¹³ Currently, there are no such business resilience diagnostic tools available in Trinidad and Tobago with wide outreach across the full population of SMEs and start-ups.

A business resilience tool like the one being proposed in this report can serve as an entry point into established public and private business development services that can achieve greater impact. Furthermore, the results of the self-assessments made by SMEs can be useful in guiding decisions on the most relevant areas of business advice to offer to them (provided a system is established to extract the information and link it to existing provision). Often, the issue that an SME initially seeks advice for reveals underlying business resilience issues that also need to be addressed.

Recognizing that not all events can be prevented, and some risks may be deemed acceptable, proper planning is therefore essential for SMEs to maintain or restore services when an unexpected or unavoidable event disrupts normal operations. The proposed advisory service at the ECA would therefore provide guidance and direct technical assistance support to SMEs that are considering or embarking on the development of a Business Continuity Plan, including commitments, procedures, technologies, resources, methodologies, and communications which are essential to planning development, support, and deployment.

Theme 4: Enhancing the role and function of NEDCO and other financial institutions in promoting business resilience among SMEs

What is the issue?

This study has revealed that many of the actions taken by the most effective large companies in the country during the COVID-19 pandemic are mirrored (albeit on a smaller scale) by higher-performing SMEs. Leading firms in both size categories had the financial resilience, organizational capabilities, and strategic focus to continue to invest and adapt throughout the crisis. Most notably, they did the following:

- strengthened their capacity to combine enterprise risk management and business continuity management mechanisms to better incorporate and increase their focus on business resilience.
- accelerated digitization, including shifts to online channels and remote or hybrid work.
- reorganized and reskilled for operational efficiency.
- became more agile, increasing the pace of both product and business model innovation.

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See, OECD, "[Digital business diagnostic tools for SMEs and entrepreneurship](#)".

However, the same cannot be said for declining and/or stagnant SMEs, including many family-owned businesses. Only 23 per cent of respondents to the online survey reported that they had taken steps such as the development of a Business Continuity Plan to prepare their business for hazardous events. As one respondent in the semi-structured interviews quipped, *“you can lead a horse to water, but you cannot make it drink.”* Hence, despite the many efforts by the ARISE Network of Caribbean Chambers of Industry and Commerce, and others to build awareness among SMEs of the benefits of implementing business continuity and disaster recovery frameworks, there is still a persistent reluctance to do so on their part. This is an extant problem that warrants further interrogation and elucidation.

The problem is compounded by three additional factors:

1. The fact that many staff members at middle and senior-management levels of the country's SMEs are manned by graduates of local and extra-regional business schools. In general, business schools do not teach business resilience as today's managerial toolkit is dominated by financial performance management. As a result, very few SMEs can explicitly design for, measure, and manage resilience.
2. The formulation of Business Continuity Plans (BCPs) and implementation of business continuity management systems (BCMS) could be quite costly, particularly at a time when many SMEs are on the verge of insolvency and bankruptcy following the Government's mandatory lockdown measures amid the COVID-19 pandemic. Hence, for many SMEs, it comes down to a choice between paying off their creditors or investing their scarce resources in establishing a BCMS.
3. SMEs tend to have limited access to affordable and flexible business resilience financing products and services from the nation's regulated and non-regulated financial institutions.

NEDCO, by virtue of its mandate to provide basic business education and loans to SMEs up to TT\$250,000 for first-time applicants and TT\$500,000 for second-time applicants, can play a pivotal role in providing them with access to affordable and flexible financing products for BC formulation and establishment of a BCMS. Moreover, there is a compelling reason for NEDCO to step up its interventions in this area. Like any other microfinance institution, it is primarily interested in minimizing the amount of bad loans on its books.

The results of our team's research have revealed that SMEs that make advance preparations in the event of a business resilience disruption, can better reduce direct damage, restore operations earlier, and face fewer difficulties in securing emergency funding when compared to companies that do not make such preparations. This suggests that they would be in a better position to honour their loan obligations in a timely manner to institutions such as NEDCO. Stated differently, it should be understood by frontline staff of institutions such as NEDCO (and, by extension, banks, credit unions, etc.) that supporting client companies' BCP formulation is necessary for the sustainable growth of both the companies and the financial institutions.

Above and beyond these considerations, it is to be recalled that from the start of the COVID-19 pandemic, the Government deployed large scale support mainly in the form of debt finance (i.e., a TT\$300 million SME Stimulus Loan Facility) to ease SME liquidity constraints. While this support was necessary in tackling the liquidity crisis of SMEs, many firms will likely struggle to repay their debts, especially those that continue to take on debt to survive the possible reintroduction of confinement measures or the emergence of new public health situations (e.g., monkeypox). The key policy takeaway is for the Ministry of Finance, the Central Bank, the Trinidad and Tobago Stock Exchange and NEDCO, to explore measures to address liquidity shortages, while at the same time, not increasing the leverage ratio of the beneficiaries. A range of potential measures, including equity and quasi-equity measures, are therefore warranted.

Recommendation 6: Urge NEDCO to offer business resilience financing products and services to SMEs

Action

NEDCO to introduce affordable and flexible financing products aimed at the following:

- i. BC formulation and establishment of a BCMS for the benefit of SMEs, particularly for businesses located in areas prone to floods, landslide damages, and other business resilience hazards; and
- ii. purchasing of equipment related to minimizing the impact of business resilience hazards and threats such as a backup electricity generator in areas highly prone to power outages.

Rationale

Since 2019, Japan acquired a great deal of experience in encouraging their SMEs to reduce the impacts of disaster through the implementation of disaster preparedness and recovery measures (i.e., formulation and implementation of a plan to strengthen business continuity, insurance purchase, etc.), in cooperation with relevant parties such as large enterprises, local Governments, and other stakeholders. Two financial support interventions were established to underpin the Government's strategy: (i) a credit guarantee which adds a separate quota in the fidelity insurance of SMEs; and (ii) the expansion of business continuity planning loans by the Japan Finance Corporation.

The ECA and NEDCO should therefore review the 2019 White Paper on SMEs by the Japanese Ministry of Economy, Trade, and Industry¹⁴ to determine the feasibility of replicating the Japanese model and accompanying legislation (the SME Business Enhancement Act) in Trinidad and Tobago.

Recommendation 7: Strengthen the capacity of NEDCO to incorporate BCP into their feasibility assessments of SME loan applications through the enrolment of its frontline staff in the ECA-SURE business resilience training programme

Action

Based on the results of the business resilience survey for ECA members, it was revealed that only 25 per cent of companies/organizations have formulated a BCP. When the research team asked companies that had not formulated a BCP why they had not done so, the most frequently cited reasons were as follows:

- A lack of skills and know-how necessary for BCP formulation;
- Lack of access to affordable and flexible financing and a perception among respondents that financial institutions are not interested in BCP; and
- Lack of incentives for business continuity formulation.

Consequently, as the process of BCP formulation constitutes the pillar of advance preparation and lends itself to the enhancement of resilience, the research team believes that more emphasis should be placed on providing knowhow-related support in this area to SMEs.

The Strategic Planner of NEDCO advised that the feasibility assessment criteria for approving loan applications at the Institution has improved considerably in recent years, but it does not contain a BCP element. In other words, there is no correlation between the deepening of the Institution's commitment to feasibility analysis and its attitude towards BCP.

Hence, the research team believes that arrangements should be put in place for the Institution's frontline staff to be trained under the auspices of the ECA-SURE training programme in the principles and tools of BC planning and implementation of management systems.

Rationale

The proposed action would help to ensure that BCP is incorporated into routine dialogue sessions between NEDCO's frontline staff and their SME clients. The research team believes that doing so will lead to continuous, systematic BCP support by NEDCO.

Recommendation 8: Urge NEDCO to offer business/financial resiliency advisory services to help reduce SMEs' high leverage and insolvency risks

Action

The ECA and NEDCO should jointly convene an expert group meeting comprised of representatives of the Ministry of Finance, the Central Bank, the Trinidad and Tobago Stock Exchange (TTSE), and the Bankers Association of Trinidad and Tobago, to examine the feasibility of introducing equity and quasi-equity instruments over debt instruments to SMEs facing cash flow problems. The following range of potential measures should be examined at the proposed expert group meeting:

- **Grant support** (i.e., a key advantage of grant support is that a broad spectrum of firms can benefit, including micro-enterprises and SMEs with limited growth potential without adding to their debt).
- **Blended finance/catalytic funding** (i.e., a mix of Government/non-profit grants, equity investments, and loans put into a company). The presence of public and philanthropic capital helps to de-risk the investment for private investors by improving the risk-return ratio. As a result, in addition to bringing in additional funds to the development sector, blended/catalytic finance creates sustainable growth for the SME and entrepreneurship ecosystem.

A good example of a blended/catalytic finance arrangement in Trinidad and Tobago is the July 2022 signing of an agreement among ANSA Merchant Bank in Trinidad and Tobago and Barbados, and ANSA Bank in Trinidad and Tobago, in partnership with The Cropper Foundation and The Capital Coalition, for the launch of the Caribbean Natural Capital Hub.¹⁵ This pioneering initiative acts as a catalyst for the business community to come together to transform corporate decision-making to reflect and better their impact on nature's assets and to develop sustainable initiatives which will benefit the environment, communities and economies. Under the Hub, there will be several initiatives such as Grant Challenges for SMEs, start-ups and innovators in Trinidad and Tobago and Barbados, sponsorship of a citizen's blog, and much more.

This Ansa Merchant Bank-led initiative serves as a good model for the type of blended/catalytic finance arrangement that could be developed in Trinidad and Tobago with a mix of Government, non-profit grants, equity investments, and loans directed at strengthening the financial resilience of SMEs.

- **Convertible loans** (i.e., allows a loan to be converted to equity if a borrower is unable to repay it). Hence, SMEs can have liquidity at zero interest, the company's growth potential would not be impacted, and banks can recoup the capital in the medium and long term.
- **Loans eligible for forgiveness** (i.e., to convert loans to grants under certain conditions such as a pay-check protection programme aimed at incentivising small businesses to retain personnel).
- **Subordinated loans** (i.e., in case of liquidation, such loans only need to be paid back after other primary debts).
- **Equity crowdfunding** (i.e., while participation in firms' capital is usually reserved for larger firms and/or for innovative start-ups, stakeholders may consider launching new schemes for SMEs or expanding existing schemes).
- **Tax policies to strengthen SME equity** (i.e., the Government can incentivise private investment to SMEs through tax policies such as individuals being able to obtain a tax reduction in personal income tax if they directly acquire new shares of small companies. They may also benefit from an income tax reduction if they acquire shares directly from a start-up or via crowdfunding).
- **Cash-against-tax-surcharge schemes** (i.e., transfer cash to SMEs and, in return, the recipient must pay higher taxes on profits as soon as the company recovers).
- **Hybrid schemes** (i.e., investment funds that use flexible revenue sharing instruments, whereby revenues generated by the firm are used for repayment). This enables investors to provide quasi-equity funding to a relatively broad range of small firms, while making repayment contingent on the financial health of the investee enterprises.
- **Initiatives to restructure existing SME debt** (i.e., extending maturities on loans and grace periods on principal repayment).

Rationale

Research from the OECD indicates that the use of equity and quasi-equity instruments over debt instruments to SMEs facing cash flow problems has several advantages and offers better prospects for its beneficiaries to invest and grow once the recovery from a hazard, such as the COVID-19 pandemic, sets in.¹⁶ Most importantly, the use of equity over debt reduces the leverage ratio, which lowers the probability of default. A lower leverage ratio also improves the credit rating of its beneficiaries and is, for that reason, associated with reduced costs of borrowing and easier access to credit.¹⁷ Finally, according to the OECD, equity instruments lend themselves to co-investments from the private sector, thereby enabling more funds to be channelled towards SMEs.¹⁸

The Government has been forward-looking in this regard. Since 2012, it introduced a layer on the TTSE via a Junior/SME Stock Market. Hence, SMEs are now afforded the opportunity to raise capital on the domestic stock market. Among other advantages, the proceeds from the Initial Public Offering can be used to reduce debt and release funds for reinvestment. In addition, the Minister of Finance announced in the 2021-2022 national budget that assistance will be provided to the TTSE to implement the SME Mentorship Programme which will focus on the following:

1. Supporting the re-drafting of the listing rules to include the SME Mentor and the subsequent approval process with the TTSE.

16 OECD, "[Supporting businesses in financial distress to avoid insolvency during the Covid-19 crisis](#)".

17 Ibid.

18 Ibid.

2. Assist in identifying, assessing and maintaining a stable list of highly competent and experienced SME Mentors.
3. Integration of the SME Mentorship Programme into the Government's existing support infrastructure.

These are laudable and forward-looking measures introduced by the Government to further encourage SMEs to access equity financing and view listing on the TTSE as a viable option to bank financing. The Government, and by extension NEDCO, should therefore be amenable to the idea of introducing quasi-equity instruments as an added layer of options for SMEs to consider in addressing their indebtedness.

However, a word of caution would be warranted in seeking to introduce these equity and quasi-equity instruments. For the most part, they often have limited take-up and/or are not widely adopted except for high-potential start-ups and medium-sized firms. Demand-side challenges include the reluctance of SME owners to weaken their ownership and give investors voting rights, the lack of familiarity of SME owners regarding equity instruments or high transaction costs. The key policy takeaway is for NEDCO and the TTSE, respectively to launch an aggressive awareness building campaign among SMEs regarding the benefits of pursuing these equity and quasi-equity instruments.

Recommendation 9: Urge regulated/non-regulated banks and credit unions to offer business resilience financing products and services to SMEs

Action

The ECA to consider establishing a new Policy Working Group on SME access to business resilience financing through the country's regulated/non-regulated banks and credit unions. The Working Group can include relevant ECA members as well as representatives from key institutions, such as the Central Bank of Trinidad and Tobago, the Bankers Association of Trinidad and Tobago, the University of the West Indies Credit Union, the Trinidad and Tobago Association of Insurance and Financial Advisors (TTAIFA), and NEDCO.

The deliberations of the Committee should be guided by the results of a questionnaire survey on companies' sentiment about Business Continuity Plans and support for BCP formulation by the country's financial institutions to be administered to companies and financial institutions' frontline officers, respectively.

Rationale

The survey results would contribute to policy planning by highlighting some key areas of potential strengths and potential challenges for the country's current and evolving landscape for business resilience financing products and services to SMEs.

Theme 5: Increasing the quantum of business resilience professionals

What is the issue?

Currently, there are no educational and training institutions in the country that offer specialized training in business continuity and disaster recovery planning and management. This lacuna needs to be addressed. The qualitative interviews conducted as part of this research assignment revealed that several state-owned enterprises and high-performing SMEs alike plan to make investments in the establishment of BCMS, particularly since the advent of the COVID-19 pandemic in Trinidad and Tobago. It therefore stands to

reason that there will be a growing demand for such trained persons to assist these enterprises in the following areas:

- a. develop, maintain or implement business continuity and disaster recovery strategies and solutions, including risk assessments, business impact analyses, strategy selection and documentation of business continuity and disaster recovery procedures;
- b. plan, conduct and debrief regular mock-disaster exercises to test the adequacy of existing plans and strategies, as well as updating procedures and plans regularly; and
- c. act as a Coordinator for continuity efforts after a disruptive event.¹⁹

Recommendation 10: Establish a School for Business Continuity and Disaster Recovery Planning and Management Studies at the University of Trinidad and Tobago (UTT)

Action

1. The UTT, in consultation with the Ministry of Planning and Sustainable Development (MPSD), should seek technical cooperation support from the donor community to carry out a needs assessment exercise aimed at determining the level of demand for such trained persons in the public and private sectors, broken down by industry.
2. The UTT, with support from the MPSD, should use the results of the Needs Assessment to draft a project proposal for submission to the donor community aimed at establishing a School for Business Continuity and Disaster Recovery Planning and Management Studies at the University. International consulting services from specialized business continuity and disaster recovery planning institutions such as the Business Continuity Institute, Mile2 and the EC-Council, respectively will be required to do the following: (i) assist the UTT in developing the questionnaire for the implementation of the needs assessment exercise and analysing the results therefrom; and (ii) assist in the design of the project, including the modalities for its implementation.
3. The UTT should establish an Advisory Committee comprised exclusively of representatives from a select number of public sector agencies and private enterprises that are intimately involved in continuity and disaster recovery planning and management to provide continuous feedback to the UTT on the relevance and practicality of the course materials. This would be tantamount to a community-based labour market information system.
4. The UTT should consider becoming a Platinum Member of the Global Resilience Institute at Northwestern University, Boston, Massachusetts, U.S.A. The Institute is the first university-wide research institute in the world dedicated to the resilience imperative.
5. The MPSD should take the lead in the following areas: (i) identifying a suitable donor to finance the implementation of the various components of the project; (ii) determining the source of funding for the local counterpart contribution to the project; and (iii) loan and/or grant financing negotiations.

The research team was told by the Chairman of the Board of Directors of UTT that the University does not have a business/management programme as part of its core curriculum. Nonetheless, he had taken the initiative to discuss the research team's proposal with his colleagues on the Board and promised to

¹⁹ For a full description of these job requirements See, for example, <https://www.myplan.com/careers/business-continuity-planners/summary-13-1199.04.html>.

furnish the ILO and the ECA with a formal response in due course. He further advised that the University had established a School for Cybersecurity Studies in 2021 and may, therefore, be amenable to the idea of establishing a parallel programme for business continuity/disaster recovery planning and management studies.

Rationale

The outcome of the proposed project would be the establishment of a well-functioning, equipped and dedicated School for Business Continuity and Disaster Recovery Planning and Management Studies at UTT. This would result in the University being able to produce a qualified stream of planners to carry out the requisite duties and job tasks demanded of future employers. A sample of job titles, duties and job tasks is presented in Annex I.

UTT would also benefit from becoming a Platinum Member of the Global Resilience Institute in terms of access to the following resources and services:

- Resilience Programmes, including its Global Resilience Research Network; Seed Grant Programme and Corporate Partnerships.
- Resilience Solutions, including its Integrated Resilience Enhancement Solution programme.

Theme 6: Enhancing the community outreach of ECA's SURE business resilience training course

What is the issue?

As previously discussed, the ECA's SURE business resilience training course is directed at providing business resilience capacity building by training nominees of qualified organizations and firms on how to anticipate, prepare for and manage hazard conditions. Beyond just sharing knowledge, tools and strategies, participants are expected to prepare a business resilience strategy for their organization. Out of the total number of participants trained only 37 per cent completed a resilience strategy.

In response to a question raised by the research team, a facilitator for the SURE training programme suggested that this shortcoming of just two strategies being developed thus far might be the result of the wrong complement of people being nominated for enrolment in the training programme. The lead facilitator agreed with the research team that an arrangement could be put in place for the ECA to collaborate with the country's chambers of commerce and industry and business associations alike as a means towards ensuring that the appropriate persons are being nominated to enrol in the training programme.

Above and beyond these considerations, the research team has encountered some confusion among stakeholders on the difference between a business resilience strategy versus a business resilience plan. Further interrogation and elucidation are therefore warranted on the matter since one can have a plan without a strategy, but a strategy without a plan is a story unfulfilled.²⁰ Stated differently, a strategy explains what you **want** to do, and a plan describes **how** you will do it.

Moreover, it is understood that a plan explains in detail how the strategy will be executed. It identifies the following:

²⁰ See, Focused Momentum, "[What's the difference between a strategy vs. a plan \(and which do you need\)?](#)" Also see, Loyal Planner, "[Plan Vs. Strategy/Difference Between a Plan and a Strategy?](#)"

- What's to be done (activities and tasks to be executed).
- Who does what (roles and responsibilities).
- When it must be done (a schedule of activities and tasks and who's assigned to them).
- How you'll ensure it gets done on time and within budget (risk management, quality management, communication management, resource management, stakeholder management, change management, and financial management).²¹

The key takeaway from this discussion is that each of the business resilience strategies emanating from the SURE training programme must be underpinned by a robust plan to ensure its successful implementation.

Recommendation 11: Develop collaborative links with business associations in the roll out of the SURE training programme

Action

The ECA should convene a meeting with representatives of the various business associations to examine the feasibility of the proposed collaborative arrangement, including the modalities for its implementation.

Rationale

Lead firms of local value chains customarily play a very active role in the country's business associations.²² In this regard, the ECA should firstly seek to collaborate with the Trinidad and Tobago Association of Insurance and Financial Advisers (ATTIFA) and the Institute of Chartered Accountants of Trinidad and Tobago (ICATT), respectively for their membership to enrol in the SURE training programme for the following reasons:

- SMEs depend heavily on insurance brokers, financial advisers, and accountants to help them handle their business affairs. These professionals are therefore in a pivotal position to advise their clients on the importance and benefits to be derived from their enrolment in the SURE training programme;
- On a related matter, these professionals can take the lead in sensitising the nation's banks and insurance companies of the need to provide favourable access to affordable and flexible financing products for their SME clients who have invested their resources in the development and implementation of business continuity and disaster recovery plans and strategies; and
- There is a third compelling reason for these professionals to encourage their SME clients to enrol in the ECA training programme; viz: the business continuity and disaster recovery plan emanating from the training programme can be transformed into a policy statement to be posted on the company's website. This would have significant impact on the company's reputation among its customers and suppliers alike and therefore, in the final analysis, impact favourably on the

²¹ Ibid.

²² Association of Professional Engineers of Trinidad and Tobago (APETT); Association of Real Estate Agents (AREA); Association of Trinidad and Tobago Insurance Companies (ATTIC); Automotive Dealers Association of Trinidad and Tobago; Bankers Association of Trinidad and Tobago (BATT); Institute of Banking and Finance of Trinidad and Tobago (IBF); Institute of Chartered Accountants of Trinidad and Tobago (ICATT); Shipping Association of Trinidad and Tobago; The Human Resource Management Association of Trinidad and Tobago (HRMATT); The Supermarket Association of Trinidad and Tobago (SATT); Tobago Hotel and Tourism Association (THTA); Trinidad and Tobago Association of Insurance and Financial Advisers (TTAIFA); Trinidad and Tobago Coalition of Service Industries Limited (TTCSI); Trinidad and Tobago Contractors Association (TTCA); Trinidad and Tobago Institute of Architects (TTIA); Trinidad and Tobago Manufacturers' Association (TTMA); Trinidad and Tobago Medical Association (T&TMA); and Trinidad Hotels, Restaurants and Tourism Association (THRTA).

company's revenue stream. Annex II provides an example of how the strategy can be presented in the form of a policy statement by the organization or company and posted on its website.

Theme 7: Scaling up the awareness of the benefits of business resilience

What is the issue?

The 2021-2022 Edition of Who's Who in Trinidad and Tobago Business was exclusively focused on the theme of Resilience and Recovery – Focusing on Creating New Relationships and Synergies Throughout the Business Communities in Trinidad and Tobago.²³ The Edition comprised of a series of interviews conducted with both Government and industry leaders to gather their perspective on the impact of the COVID-19 pandemic on their organizations and the challenges they continue to face in recovering and building resilience on the wings of change.

Aside from this one-off Edition, there is not a single, recurrent publication in the country that is devoted exclusively to the subject of business resilience trends and policies in Trinidad and Tobago.

The research team believes that an annual publication of this type would be very useful to decision-makers, academics and industry leaders who may be interested in keeping abreast of these developments as a means of benchmarking their own performance against counterpart firms that have developed and implemented mature business continuity management systems.

To this end, the questionnaire that is currently being used by the ECA would need to be amplified to better capture the requisite data points required for the proposed recurrent publication. A sample of twelve questions which have been extrapolated from BC Management Evolving Resiliency Strategies Report, 2021 that could be used in the revised survey instrument can be viewed in Annex III.²⁴

Recommendation 12: The ECA should conduct an annual survey on Business Resilience Trends and Policies in Trinidad and Tobago and publish its findings both online and in print

Action

- a. Establish an Advisory Committee to assist the ECA in the following areas: (i) improving upon the questionnaire for the online survey; (ii) continuously reviewing and verifying the data points received in the survey; and (iii) reviewing the survey findings prior to its publication to ensure that it focuses on the topics that are of the greatest interest to decision-makers, academics, industry leaders and resilience management professionals;
- b. Develop an annual work programme for administering and analysing the results of the survey; and
- c. Develop a financing plan for publishing the findings both online and in print (e.g., the sale of advertising space in the printed version of the publication).

An alternative pathway might be for the ECA to negotiate a partnership arrangement with the organization, BC Management, to help design and administer the questionnaire. Since 2001, BC Management has

23 https://issuu.com/prestigebusinesspublications/docs/who_s_who_2021-2022.

24 See, <https://castellanbc.com/research-report/bc-management-evolving-resiliency-strategies/>

received more than 25,000 responses from more than 50 countries that have supported over 45 industry-leading surveys.²⁵ It is therefore conceivable that the organization might be amenable to a possible collaborative arrangement with the ECA in the design and implementation of a country-specific business resilience survey in Trinidad and Tobago.

Rationale

The proposed recurrent publication on Business Resilience Trends and Policies in Trinidad and Tobago would focus on the evolving strategies and approaches to resilience planning in the country. Each edition of the publication would provide data points highlighting what disruptions the BCM programmes of participating organizations and companies address when day-to-day management exceeds control; the executives who care most about the organization/company's BCM programme and are involved in the governance committee; and what investment strategies are planned for the ensuing year.



Conclusion

This report highlighted the following key takeaways from the ECA survey and in-depth interviews conducted with Government officials, industry leaders and business continuity professionals, respectively:

1. SMEs very often do not have strategies and plans in place to deal with the multiple hazards that come their way. The pandemic, with the economic fallout that it brought, was the single most intense threat SMEs faced in recent times.
2. The top three business resilience trends are developing operational resilience to keep day-to-day activities flowing smoothly, organizational resilience to put safeguards in place to deal with hazards, and technological resilience to deal with emerging threats and remain competitive.
3. Apart from the lack of awareness of the importance of developing Business Continuity Plans, SME access to finance and insurance are key impediments holding them back from focusing on this area of business continuity.
4. The Government enabling environment for SME support is fairly robust, but not well directed or coordinated. This accounts for overlaps in service delivery and lack of collaboration. There is no overarching SME strategy / policy that has business resilience embedded in it, mapping out the roles of the various public actors.
5. There is need for significant capacity building amongst both SMEs and Government agencies with regards to business resilience and continuity.

The business resilience policy proposals emanating from these trends should therefore be interpreted as a call to action for the Government and financial institutions, business organizations and associations and business leaders to redouble their efforts and commitment towards strengthening business resilience among SMES in Trinidad and Tobago along the following lines:

- ▶ Strengthened engagement of the banking sector and Government bodies.
- ▶ Strengthening the interdependencies between the utility sector and SMEs.
- ▶ Strengthened engagement of ODPM with the nation's chambers of industry and commerce and business associations.
- ▶ Building capacity and providing applicable guidance for SMEs to strengthen their financial resilience.
- ▶ Combining enterprise risk management and business continuity management mechanisms to better incorporate and increase the focus on business resilience among SMEs.

Moreover, this report has advanced the proposition that the attainment of the desired goal must be based on an appropriate resilience-focused SME policy framework by the Government and an ecosystem of forward-looking institutions to support SMEs in their quest to achieve competitiveness and resilience on the wings of change.

The report culminates with a recommendation that the ECA should seek to scale up its role and function given the fact that it is the largest employers' consultative organization in the country with a mandate

to convene consensus-building meetings among the Government, private sector employers and industry leaders. The proposed role will require a concerted effort on the part of the ECA to deepen the engagement with its members and the wider business community by enhancing its business resilience training infrastructure and providing fearless advocacy for targeted interventions to help build business resilience capacity among SMEs. Institutional strengthening support from the ILO and other bilateral and multilateral development agencies will be warranted in the circumstances. To this end, the ECA should seek to develop a forward-looking, robust resource mobilization plan to secure the requisite human and financial resources required to fulfil its heightened role and meet its strategic objectives.

Recommendations

As summarised in the table below, we propose the following recommendations for building resilient SMEs in Trinidad and Tobago through the enhancement of the nation's business resilience ecosystem.

► **Table 1: Recommendations for building resilient SMEs in Trinidad and Tobago**

Theme	Recommendation
1. Develop an updated and appropriate Government SME policy framework that includes a focus on business resilience	<ul style="list-style-type: none"> ► Rationalize the role and function of Government agencies vis-à-vis support to the micro, small and medium-sized enterprise sector. ► Draft an updated, unified SME policy strategy document to also include a focus on business resilience.
2. Enhance the role and function of Government bodies in collaboration with industry bodies to take the lead in strengthening the nation's business resilience among SMEs.	<ul style="list-style-type: none"> ► Scale up the ODPM's awareness-building campaign on the benefits of hazard preparedness. ► Enhance the TTBS' community engagement with the ECA and other private business service providers.
3. Scale up the provision of business resilience advisory services to SMEs.	<ul style="list-style-type: none"> ► The ECA should establish a consultancy service for SMEs as an offshoot of the SURE training programme.
4. Enhance the role and function of NEDCO and other financial institutions in promoting business resilience among SMEs.	<ul style="list-style-type: none"> ► Urge NEDCO to offer business resilience financing products and services to SMEs. ► Strengthen the capacity of NEDCO to incorporate BCP into their feasibility assessments of SME loan applications through the enrolment of its frontline staff in the ECA-SURE business resilience training programme. ► Urge NEDCO to offer business/financial resiliency advisory services to help reduce SMEs' high leverage and insolvency risks. ► Urge regulated/non-regulated banks and credit unions to offer business resilience financing products and services to SMEs.
5. Increase the quantum of business resilience professionals.	<ul style="list-style-type: none"> ► Establish a School for Business Continuity and Disaster Recovery Planning and Management Studies at the University of Trinidad and Tobago.

6. Enhance the community outreach of ECA's SURE business resilience training course.	► Develop collaborative links with business associations in the roll out of the SURE training programme.
7. Scale up awareness of the benefits of business resilience.	► The ECA to conduct an annual survey on Business Resilience Trends and Policies in Trinidad and Tobago and publish its findings both online and in print.

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Annex I: Business continuity planners

Source: [Myplan.com/careers/business-continuity-planners/description-13-1199.04.html](https://myplan.com/careers/business-continuity-planners/description-13-1199.04.html)

Job description

Summary description

Develop, maintain or implement business continuity and disaster recovery strategies and solutions including risk assessments, business impact analyses, strategy selection, and documentation of business continuity and disaster recovery procedures. Plan, conduct and debrief regular mock-disaster exercises to test the adequacy of existing plans and strategies, updating procedures and plans regularly. Act as a coordinator for continuity efforts after a disruption event.

Sample job titles

- | | |
|---|---|
| 1. Business Consultant | 10. Business Continuity Planning Director |
| 2. Business Continuity Analyst | 11. Business Continuity Specialist |
| 3. Business Continuity & Crisis Management Director | 12. Business Continuity Strategy Director |
| 4. Business Continuity Coordinator | 13. Disaster Recovery Analyst |
| 5. Business Continuity Director | 14. IT Disaster Recovery Manager |
| 6. Business Continuity Global Director | 15. IT Service Continuity Supervisor |
| 7. Business Continuity Management Director | 16. Operational Risk Analyst |
| 8. Business Continuity Manager | 17. Risk Assessment Analyst |
| 9. Business Continuity Planner | 18. Transaction Manager |

Job tasks

- ▶ Develop disaster recovery plans for physical locations with critical assets such as data centres (i.e., develop contingency plans to deal with organizational emergencies).
- ▶ Test documented disaster recovery plans and strategies.
- ▶ Analyze impact on, and risk to, essential business functions or information systems to identify acceptable recovery time periods and resource requirements (i.e., assess risks to business operations).

- ▶ Develop emergency management plans for recovery, decision-making and communications, continuity of critical departmental processes, or temporary shut-down of non-critical departments to ensure continuity of operation and governance (i.e., develop contingency plans to deal with organizational emergencies).
- ▶ Interpret Government regulations and applicable codes to ensure compliance (i.e., evaluate applicable laws and regulations to determine impact on organizational activities).
- ▶ Conduct or oversee contingency plan integration and operation (i.e., develop contingency plans to deal with organizational emergencies).
- ▶ Identify opportunities for strategic improvement or mitigation of business interruption and other risks caused by business, regulatory or industry-specific change initiatives (i.e., identify strategic business investment opportunities).
- ▶ Create business continuity and disaster recovery budgets (i.e., analyze budgetary or accounting data).
- ▶ Maintain and update organizational IT applications and network systems blueprints (i.e., maintain data in information systems or databases).
- ▶ Conduct or oversee collection of corporate intelligence to avoid fraud, financial crime, cyber-attack, and infrastructure failure (i.e., gather organizational performance information and oversee business processes).
- ▶ Prepare scenarios to re-establish operations from various types of business disruptions (i.e., apply mathematical models of financial or business conditions).

Annex II: E*Trade business resilience plan

Source: <https://us.etrade.com/l/f/disclosure-library/business-resiliency-plan>

Purpose

E*TRADE is committed to providing our customers with a high level of service and secure and reliable access to their accounts. Our business resiliency plans are designed to help ensure that we are able to continue to provide service to you, provide you with secure access to your assets and continue our business operations and that you will be able to reach us with minimal disruption regardless of any unplanned business interruption.

Recovery strategies and plans

E*TRADE has taken comprehensive steps to provide for business resiliency planning under a variety of potential scenarios. We have recovery teams in place at each of our office locations to address the immediate response to an event and manage the situation from the time the event occurs until it is resolved. Our business resiliency plans are tested and evaluated on an ongoing basis to ensure we have the appropriate plans in place and resources to support the plan. Examples of the various scenarios our plans address include:

► Data center or technology disruption

E*TRADE has plans in place to address the recovery of the Company's technology and data. Our primary and alternate data centers are geographically separated on different power grids and supported by backup generators. The design helps ensure that if one of our locations suffers a disruption in service, systems at an alternate location can be used to continue to provide service.

► Single building or regional disruption

E*TRADE has geographically dispersed office locations that support our customers and business operations. During a business disrupting event to a building, a business district, city, or region where we conduct business, we can rely on the systems and personnel in the other location(s) to allow us and our customers to continue to conduct business with minimal interruption. Our planning strategies also include relocating key personnel to and from the impacted location to designated alternate locations, as well as working remotely.

► Third-Party disruption

E*TRADE has plans in place to address third-party service disruptions. In addition, a review of critical third parties' business resiliency planning efforts is performed prior to contracting, as well as on an ongoing basis.

► Pandemic or workforce reduction

E*TRADE has plans in place to continue business during a reduction in our workforce, including a pandemic event. Our plan is a multi-tiered action plan based on the World Health Organization (WHO), Centers for Disease Control and Prevention (CDC), and Federal Government Response phases with

triggering actions for each phase. As the threat of a pandemic becomes greater and a new phase is triggered, we will use our plans and determine the appropriate course of action.

Access to your accounts

Although E*TRADE works hard to ensure that customers will continue to have access to their accounts in the event of a business disruption, it is possible that there may be some temporary disruption or change in the way you can access your account. E*TRADE will notify customers of any such changes or disruptions by posting a notice on the firm's web site, on social media, by email, or through a message on its telephone system.

To best prepare for such contingencies, we suggest that you become familiar with the various means through which you can access your account and place trades, including:

- Online at etrade.com
- On E*TRADE mobile apps.
- By telephone at 800-387-2331
- Local E*TRADE center(s): Find one near you at etrade.com under "Contact Us"

Although E*TRADE has taken comprehensive steps to provide for business resilience, no business resiliency plan can eliminate all risk or delay resulting from an unplanned business interruption or disruption in service. The success of our business resiliency plans includes dependencies on the locations we have identified as "pre-designated alternative sites" being available, that we have sufficient personnel, and that external organizations, such as government agencies, our nation's critical infrastructure and market systems, are operational. If any of these dependencies fails to recover in a timely manner, our business could be disrupted until matters are resolved. In the unlikely event that E*TRADE has determined that it cannot resume operations within a reasonable amount of time, E*TRADE will provide as much advance notice as possible regarding its ongoing operations.

E*TRADE conducts regular assessments and updates and tests our plans to ensure we have taken the steps necessary to protect our customers. Updates to our plans will be reflected in this statement at least annually.

Annex III: Sample of twelve questions to be used in the revised survey instrument

1. How has the strength of your business continuity management (BCM) programme changed over the past 12 months (i.e., by company and industry focusing on executive engagement; programme integration with other risk disciplines; cyber response; third-party resilience management; supply chain resiliency; programme governance; programme metrics – ability to resonate and drive continual improvement; and programme automation)?
2. How are the investment strategies in your BCM programme expected to evolve over the next 12 months (i.e., by company and industry focusing on full-time, permanent staff; emergency notification system; software automation; situational awareness and threat intelligence; technology to improve resilience/recoverability; consulting – business focused; and consulting – IT focused)?
3. Which of these crisis or disruption-related issues does your BCM programme address (i.e., by company and industry focusing on technology disruption; pandemic or public health emergency; health and safety issues; information security or cyber issues; physical security issues; reputational impairment; and supply chain disruption)?
4. Which of the following topics are addressed by your BCM programme (i.e., by company and industry focusing on business continuity; crisis management; IT disaster recovery/service continuity; operational resilience; cyber response; and supply chain continuity/resilience)?
5. Which of these issues, when the impact of a hazardous event exceeds day-to-day management control, does your BCM programme address (i.e., by company and industry focusing on cyberattack; major life-safety exposures or events; reputation/brand issues; non-compliance; third-party issues; financial reporting issues; legal/fraud issues; privacy issues; major publicly known audit findings; product issues (recall, quality, delivery); credit issues; and liquidity issues)?
6. Who among your executive management team care most about your BCM programme (i.e., Chief Information Security Officer; Chief Information/Technology Officer; Chief Risk Officer; Chief Security Officer; Chief Compliance Officer; Chief Marketing/Communications Officer; Chief Financial Officer; and Chief Administrative Officer)?
7. How have you prioritized/scoped your BCM programme (i.e., by company and industry focusing on department/process/function; application or IT service; product or business service; location; and supplier)?
8. Who sits on your BCM programme's governance committee?
9. How is your programme defined (i.e., completely business focused; more focused on business; equal on business and IT; more focused on IT; and completely IT focused)?
10. How long has your BCM programme been in existence?
11. When was your last end-to-end BCM programme review and/or refresh of your programme (i.e., by company and industry)?
12. How would you characterise the current state of your BCM programme in terms of its level of maturity (i.e., by company and industry)?