



Corporate Governance Fundamentals for MSMEs

Pivoting Your Business Strategies for Resilience

#BuildingBetterBusinesses

Micro, small, and medium-sized businesses have been severely impacted by the COVID-19 pandemic. With many economies in turmoil, and with MSMEs on facing a vast number of concerns, this is the right time to re-evaluate business strategies and revisit your internal governance practices to remain resilient in this period.

What should MSMEs be focusing on for immediate relief?



Risk Management

- Map out what your business' core risks are at present, what is being impacted the most, and what will be impacted in the months to come.
- Build a risk matrix to assess how your business can realistically respond to current and future risks, and formalise this matrix as a business policy.
- Develop a formal risk mitigation strategy based on your risk matrix, and involve all stakeholders who may be impacted to give their inputs before formalising the strategy.

[Click here for access to our risk management guide](#)



Internal Auditing

- Assess your cash flow to determine your business' solvency and operational impacts.
- Audit all expenses and payments and make these records as detailed as possible. This will help you understand where you need to cut your costs and where you need to eliminate expenditure completely.
- Audit all processes to understand which ones are the most impacted and which ones can be modified to cushion any expected negative impacts.

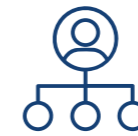
[Click here for access to our internal audit guide](#)



Board Support

- Seek support from your board in terms of direction and strategy.
- If you do not have a board, consider asking trusted and experienced individuals to be a part of your business' board.
- Ask board members for daily support or for connections and access to networks which might help your business survive.
- Seek the opinions of experts from industries within and beyond the industry your business operates in for an agnostic strategy outlook.

[Click here for access to our Board charter guide](#)



Delegating Authority

- Working in a crisis means that some tasks are more essential than others. Find the right person for the job and ensure their comfort levels working with their newly-assigned tasks.
- Distribute authority and responsibility, but also distribute gratitude. In times of crisis, when morale is low but workloads are high, it is essential to keep employees motivated.
- Draw up a delegation of authority (DoA) document to ensure that decisions are made quickly and efficiently.

[Click here for access to our DoA guide](#)



Stakeholder Management

- Managing stakeholders – both internal and external – in times of risk is crucial for business management and reputational value.
- Build a map of your business' core stakeholders in terms of their interests and influence on business outcomes.
- Formulate unique strategies to engage and assure your varied stakeholder groups according to the most suitable channels. This can be a newsletter, a virtual meeting, a social media campaign, or something more formal.

[Click here for access to our stakeholder management guide](#)

For more information on corporate governance for MSMEs, and for toolkits and templates, visit the Pearl Initiative's [Corporate Governance Fundamentals platform](#).

To learn about the Pearl Initiative, contact us at:

www.pearlinitiative.org | [@PearlInitiative](https://twitter.com/PearlInitiative) | enquiries@pearlinitiative.org