



Small Business
Development Corporation
Small Business Friendly

Supporting small businesses through construction works

A Small Business Friendly guide for local and State government



About the SBDC

The Small Business Development Corporation (SBDC) is a Western Australian Government agency that has been delivering relevant, practical support to small business since 1984.

The SBDC offers free, confidential advice and guidance, access to skills development and resources, and a free dispute resolution service to small business owners.

Led by Western Australia's Small Business Commissioner, the SBDC also advocates for the State's small businesses and works to improve the operating environment by working with stakeholders including all levels of government.

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This document and the downloadable toolkit has been created to support State and local government organisations through the three phases of construction works:

Phase 1: Before construction

Phase 2: During construction

Phase 3: Post construction



The Small Business Development Corporation acknowledges the Traditional Custodians of the land on which we work and live. We pay our respects to Elders past and present.



Introduction to the Small Business Friendly approach

Western Australia's small business sector accounts for around 97 per cent of all businesses in our state. Small businesses not only make a substantial contribution to the WA economy but also enhance local areas by providing services to residents and encouraging activity in the neighbourhood.

The SBDC has introduced a range of initiatives under a 'Small Business Friendly (SBF)' approach, in collaboration with State and local government organisations. This approach ensures that activities are based around a shared understanding that we:

- Acknowledge the valuable contribution small businesses make to our Western Australian community and economy.
- Identify and implement improvements to the operating environment for small businesses.
- Openly communicate with and engage with small businesses.

This Small Business Friendly Guide to supporting small businesses through construction works has been developed to provide a best-practice roadmap for Western Australian State and local governments and their contractors to work with small businesses to minimise disruption during construction works.



Why support small businesses during construction works?

Construction work and infrastructure projects can have a significant impact on small businesses. This can include both financial and non-financial disruptions, such as a loss in turnover, reduction in customers and disruption to deliveries caused by road works.

Because small businesses are important to both the economy and communities around our state, there is an incentive for local and state governments to ensure their survival during construction or maintenance of infrastructure projects.

A proactive approach to small business engagement during construction can help:

- Minimise the risk of project delays and misinformation amongst stakeholders
- Create positive relationships
- Reduce the likelihood of outrage, complaints and disputes
- Mitigate claims for compensation
- Reduce negative media attention and reputational damage, and
- Build a positive reputation for your organisation.

Local and State government organisations should embed small business considerations into the initial plan and business case, implement a best practice engagement strategy and ensure head contractors and subcontractors also engage with affected small businesses throughout construction works.



What do small businesses look like?

Small businesses are many and varied. They include obvious examples like cafes, restaurants, retail shops and newsagents. However, many people are surprised to learn that many franchised stores are also small businesses, such as food outlets, small supermarkets, and fuel stations.

The ability to work from anywhere and planning regulation reform has seen an increase in home businesses that may be less visible than those with shopfronts. For example, hair and beauty services, bookkeepers, family day care, professional services, and consultants.

Similarly, small business owners with mobile businesses operate from their home base and so may be affected if access to their property is restricted. This could include electricians, plumbers, painters, and other trades.

How small businesses are affected by works projects

Small businesses rely on regular cash flow to operate and a loss of profits during works can affect the viability of small business and may lead to business failure. When works are underway, customers may be put off visiting the business in that area due to:

- dust, noise and vibrations
- restricted access due to road or footpath closures
- reduction in parking
- interruptions or diversions of public transport, and
- loss of viability due to hoarding or construction vehicles blocking businesses.



A decrease in customer numbers during works can reduce revenue, which can continue long after the project is complete. This is due to permanent behavioural shifts within a community as people find new businesses to frequent. Landlords can also incur costs if they need to find new tenants to replace those who leave as a result of disruption caused by the works. Other impacts experienced by small businesses during construction works include:

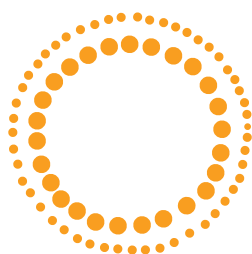
- logistical issues, such as disruptions to their supply deliveries, and ability to make deliveries
- loss in utilities, such as water, gas and electricity
- loss of staff access and parking, and
- internet or digital connectivity interruptions.

Small businesses in an area being redeveloped are often reassured that they will reap financial benefits once works are complete. For example, greater profits and business growth will flow from increased customer numbers. However, the business must survive the works phase to reap any post-redevelopment benefits.

How to be Small Business Friendly

You can be Small Business Friendly when planning and undertaking works projects by:

- ensuring best practice engagement with small business stakeholders
- having an engagement strategy focusing on small business stakeholders
- embedding small business considerations into the initial plans and business case
- minimising the disruption to small business during the works phase, and
- ensuring that head contractors and subcontractors undertaking the works also engage with affected small businesses.





PHASE 1: BEFORE CONSTRUCTION

The period before the construction project starts is a critical time for considering and planning to mitigate the potential impacts on local businesses.

PROJECT PLAN AND BUDGET

This is the period before the project starts, when the budget, timelines and project documents are being developed. Considering how the project could impact on small businesses at this stage is important and may reduce potential conflicts further into the project.

If the project business plan is yet to be developed, consider including funding to support your Small Business Friendly activities within the budget. Ideally, small business engagement should be built into the tender documentation to ensure it is budgeted for and evaluated as a key performance indicator (KPI).

During this phase you will undertake the following steps to develop your Small Business Friendly (SBF) strategy:

Stakeholder engagement team

Depending on the size and complexity of the project, you may require a dedicated stakeholder engagement team. This team will be responsible for overall stakeholder management – public and residents - and should also consider the needs of small businesses in the construction zone.

If you do not have the skills in-house you may need to upskill existing staff or recruit external staff or consultants to fill the gaps. It may help to map out what skills are needed, undertake a gap analysis, and identify the funding required to upskill existing staff, recruit new staff or appoint consultants.

Build key performance indicators into head contracts

A good relationship between the project team and small businesses in the construction zone can be destroyed by poor communication and a lack of engagement by contractors. For example, if contractors undertaking the work fail to engage with the small businesses during the works and as a consequence disrupt business, this could impact on the reputation of the whole project team.

One way to avoid issues caused by contractors is to build stakeholder engagement into the head contract as a KPI. The tender document should include a requirement that the contractor will engage with small businesses in the works zone, and include a draft engagement plan in their bid. For example, the head contractor must provide small businesses with the name and telephone number of a team members who can resolve issues as they arise.

Impacts on customer parking and access are key stressors to small businesses during the works implementation phase. Ensure there is a plan to manage this throughout the works period. If many workers are expected on site, the head contractor should develop a traffic management and parking plan.

Undertake an impact zone assessment

To determine the overall impact zone and potential impacts on small businesses, an impact zone assessment must be undertaken by specialists with a clear understanding of the scope of works.

The project team should define the impact zone (that is, the area that will be affected by the construction project) and assess the potential impacts of the construction phase of their works on the businesses in the area overall and at an individual level. This may include traffic, access, noise, dust, parking and other impacts.

In this assessment, consider the local business characteristics and any potential pain points for each business including any home-based businesses, keeping in mind that scale of the impact could differ for different businesses.



1. Impact zone assessment and Impact zone assessment overview

Create small business impact reports

After conducting the overall assessment, the project team should conduct site visits to identify potentially impacted businesses, including any home-based businesses, to gather information from each of them.

This should include how they wish to be contacted throughout the project. Building a relationship before works starts will help minimise conflicts with affected small business owners later in the project. It will also reassure them that their concerns have been heard by the team and provide insight into matters like customer access that you may not have considered. The Individual Business Checklist provided in the toolkit can be a useful tool for the initial site visit, to be completed together with the small business owner or representative. The completed checklist is used to build an information profile on each individual small business which is used to create a small business impact report for each impacted business.



2. Individual Business Checklist 3. Individual small business impact assessment report



Identify and build relationships with stakeholders

Identifying a list of key stakeholders can help you plan your engagement strategy and reach local businesses more effectively. Common stakeholders for construction projects include:

- **Local business associations**

Local business associations and Chambers of Commerce and Industry can help identify and disseminate communications to small businesses. They are direct route to engaging with local businesses. Encourage them to contact the SBDC for support and ideas to help their members, such as creating plans specifically for the works implementation period.

- **Local government authorities**

For State Government agencies undertaking projects, the local government will be an important ally during your project. There is a lot they can do to assist businesses in their area during the works implementation phase, so it is worth establishing a relationship early. Many local governments have an economic development or business engagement officer who can be a valuable contact to help contact the business community. Use the questions for local government tool to learn more about how you can work together on the project.



4. Questions for local government

For local governments undertaking works, it is important to liaise internally when establishing your Small Business Friendly strategy. Officers working in the areas of economic development, business engagement, rangers, parking, community development, place, compliance, communications and marketing, customer service and parks and gardens for example, have a direct interface with small businesses and have often built important working relationships within the community. They may have important contributions during pre-planning and the works implementation phase, so it is worth establishing these connections early.

- **External project partners**

Where possible, arrange a meeting with any private contractors, developers, or joint venture partners to discuss their approach to the works project. Having this discussion during the planning phase may assist the parties develop a more cohesive approach to small business engagement throughout the life of the project.

- **Members of Parliament**

Local Members of Parliament may have relationships with small businesses in the area and established communication channels. They are also likely to receive any complaints about the project and could help resolve issues with businesses before they escalate.

- **Media**

Local media can be an important partner to promote the project and businesses in the area, particularly during the period of disruption.





COMMUNICATION STRATEGY

A communication strategy should be developed as early as possible to ensure consistent, clear and timely information is shared between the project managers and the affected small businesses. The strategy should include the scope of the project, who it will affect and how you will engage with and receive feedback from the affected small businesses.

Determine target audiences


Define the target audiences for your communications to ensure they are appropriate, for example:

- impacted businesses, using the information gathered in your impact assessment,
- members of your own organisation
- local government elected members, and local Members of State Parliament
- local residents and workers
- local business associations.

Key message summary

Prepare a key message summary of the project that includes:

- Long-term benefits of the project including expected positive impacts on small businesses following completion.
- What businesses need to know to prepare for the realities of the works implementation phase. Include how works will affect the flow of customers to their premises.

- 
- Why the works are being undertaken, what will happen and what the project timeframe is.
 - What is non-negotiable (for example, if the government will not compensate for loss of business during the project).
 - Information for residents and workers about accessing and supporting businesses in the impact zone.

Accessibility considerations

Considering accessibility can help ensure your messaging is appropriate for all potentially impacted businesses.

In developing the key messages, consider:

- Are any of the businesses owned by people from culturally and linguistically diverse (CaLD) backgrounds, and is there a requirement for tailored communication?
- Which communication channels are appropriate: not all business owners are active online or on social media and some may prefer to be contacted via mail, telephone, or other traditional means.
- How can a person with a disability or additional needs participate in the planning process?

Communication timeline

Small businesses will need sufficient time to prepare for the construction phase. Take this into account when developing the project communication timeline.

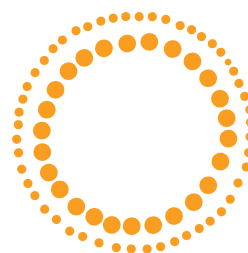
Be aware there may be works by other agencies or utilities concurrent to your project that may have additional impacts on small businesses.

Understandably, small businesses may not differentiate between your project and other works affecting them.

Communication channels

You can build a proactive relationship with small businesses by communicating early and often and providing information and resources to assist them.

- Consider organising a public consultation and information session for local businesses, where you can address questions on the project and invite the SBDC to offer guidance to businesses on dealing with disruption. This is an additional opportunity to gather contact details of those attending in case they weren't captured in your area assessment. The SBDC can also provide resources such as the flyer for small businesses.
- Distribute a letter to businesses in the area before starting site visits, to provide the businesses with advanced notice of the works. This could also be done through a local business association or Chamber of Commerce and Industry.



Other communication channels could include:

- phone calls
- case management/business concierge function
- door knocking
- face-to-face meetings
- surveys
- email alerts
- text messages
- QR codes with links to information pages or feedback forms
- social media platforms
- whatsApp group
- advertising in local media, and project newsletters.

You can create social media tiles to distribute through key stakeholders to raise awareness of the works and highlight that affected small businesses are still open for business and operating. If a small group of businesses is affected, consider a set of tiles that promotes individual businesses.

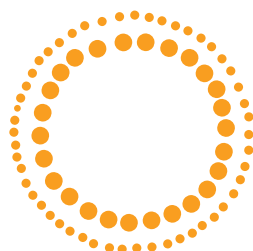
After initial communication, the project team may wish to visit each small business to:

- Distribute the SBDC's materials on assisting small businesses prepare for works in their area.
- Provide contact details for the project's engagement/liaison officer so small businesses know who they can contact if they have any questions or concerns.
- Hand out your organisation's brochure or information leaflet incorporating the predetermined key messages.
- Communicate timelines and dispute resolution methods.
- Discuss possible individualised mitigation options available to their business.

Community support and feedback

It is important that the communication strategy allows for feedback and engagement.

Having one voice representing the common needs of businesses can be much more effective than multiple voices and interests. Recommend that small businesses link together or encourage them to join or create an association or Town Team. The association can then become the single point of contact with the project team in relation to complaints and issues.





CONSTRUCTION MITIGATION PLAN

A Construction Mitigation Plan (CMP) is a suite of options to assist individual businesses impacted by the project. The impact assessment and the communication strategy will inform the CMP.

This ensures you consider the concerns raised by the small businesses and the impacts on their ability to operate effectively, when developing options to assist them. You should develop the CMP prior to construction starting, with consideration for the available budget and the most appropriate strategies for each business.

Each potentially impacted small business needs their own CMP based on the findings from the Impact Assessment. It can be helpful to research other, similar projects for insights into the kind of strategies used and success rates.

The project team can consider and assess the suitability of several options, in terms of costs, benefits and risks. Not all mitigation measures require funding – some low-cost ideas include:

- Amending works schedules to avoid disrupting peak trading time
- Undertaking the work in stages, so the schedule fits around the needs of small businesses such as seasonal demand in holiday locations.



5. Things to consider when developing your Construction Mitigation Plan (CMP)
6. Strategy ideas to include in your CMP

Provide support resources for businesses

To provide additional support to small businesses impacted by construction works, you can refer them to the SBDC's free small business services:

- The business advisory service for advice on how to plan around the period of disruption.
- The templates, tools and guides section of our website to download and use financial planning templates.
- Business continuity resources for those businesses directly impacted by works projects. Visit www.smallbusiness.wa.gov.au/templates-tools-guides/guides/surviving-construction-zone.

Website: smallbusiness.wa.gov.au

Phone: 133 140

ISSUES REGISTER

Establish an issues register

An issues register is used to record issues raised by stakeholders. The project team should consider:

- How this will be used.
- Who will be responsible for maintaining and actioning it.
- How issues will be communicated to the project lead.
- How issues will be dealt with.
- How decisions and information about issues will be communicated with the business and the public.

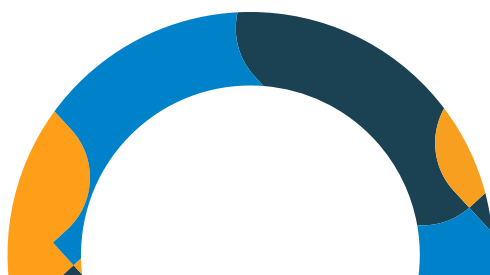
Develop a complaint and dispute resolution process

To ensure complaints are handled swiftly and consistently, it is important the project team formalises a dispute resolution process before the project starts. There should also be a formal process in place to handle issues that can't be resolved quickly and could escalate into a dispute.

Evaluation outcome and tools

It is also useful for your project team to consider how it plans to measure the effectiveness of its work, and any CMP strategies used. The success of the CMP strategies could be determined by a range of measurable outcomes, including the number of complaints diverted from formal dispute resolution process or the number of businesses still operating at the end of the works period.

The SBDC offers a dispute resolution service to handle business-to-business and business-to-government disputes. Visit smallbusiness.wa.gov.au/dispute-resolution-service







PHASE 2: DURING CONSTRUCTION

The construction phase is likely to be the most disruptive phase for small businesses. Contractors undertaking the work will be more visible as they will be on site daily. The CMP should be implemented during this phase.

It is important for the project team to keep in touch with affected small businesses, as well as monitoring the contractors' compliance with their own engagement plans (as submitted with the tender bid).

Regular monitoring through face-to-face and virtual meetings with small businesses will ensure that small issues don't escalate into major problems. Set up your meeting schedule at the start of the project to embed consistency into project management. You can continue to engage with small businesses during construction by:

- Seeking feedback from both business owners and contractors on any issues arising in relation to the daily operation of the works, particularly those that may escalate.
- Continuing to monitor the impact of the works by keeping track of issues raised directly by small businesses or through the head contractor.
- Assessing the effectiveness of any support and management strategies implemented.
- Revisiting the information collected in the assessment stage regarding peak trading times for the affected businesses.





Adapt the CMP as needed by:

- revisiting the impact assessment report and update as necessary
- updating and acting on the issues register
- revising the works management strategies in place
- monitoring the use of dispute resolution processes
- monitoring the number of small business complaints made to project team or head contractor.

Support small businesses during works by encouraging work crews and members of your organisation to purchase goods and services from affected small businesses.

PHASE 3: POST CONSTRUCTION



Once the project is complete it may take a while before trading returns to the pre-construction levels for the businesses affected by construction works. Customers may be slow to return to the area, or may have changed their purchasing behaviours, even after works have been completed.

It is important that the project team checks in with businesses and revisits the CMP strategies. There may be a need to continue with some of the CMP strategies, such as promotion or advertising to attract customers back to the area.

It is good practice for the project team to reflect on lessons learnt and evaluate the success of the CMP strategies used. The outcomes could be used to build an overarching strategy for future projects, and shared with other teams within your organisation, other agencies, as well as the SBDC.

Support for small businesses

The SBDC has a range of resources to support small businesses that are impacted by works projects. Visit: www.smallbusiness.wa.gov.au/our-work/small-business-friendly-projects.

In this guide, small businesses will find practical tips, videos, and further information to assist them.



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