

Preparing for local construction works

A guide for small business owners



Acknowledgement of Country

The NSW Small Business Commission acknowledges that Aboriginal and Torres Strait Islander peoples are the First Peoples and Traditional Custodians of Australia, and recognises their continued custodianship of Country – land, seas and skies. We acknowledge the diversity of First Nations cultures, histories and peoples, recognise their enduring connection to our State, and we pay our deepest respects to Elders past, present and emerging.

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This information may assist small business owners who are impacted by construction work carried out at a location near your premises. While the party undertaking the construction will likely have obligations to neighbouring businesses, it is important to remember they also have rights to proceed in accordance with approved plans, even if they involve activities or changes which negatively affect your business.

Construction work near your business can bring a range of challenges such as:

- · losing customers if people avoid the area
- · altered parking arrangements affecting customers and staff
- noise from activities such as jack hammering
- dust and other building materials affecting the urban environment
- · constant and unpredictable road closures impacting deliveries and customer access
- · changing public transport routes
- loss of visibility due to hoardings or construction vehicles
- interruptions to internet, phone and other services.

There are things you can do to prepare your business and make the process smoother. Before work even starts, there are steps you can take to help protect your business:

- Review plans and contribute feedback when they are in public exhibition as part of the Development Application (DA) process.
- Familiarise yourself with what work is planned and who is responsible.
- Actively plan for the disruption and its potential impact on the local area and your business.
- Speak to a Business Connect advisor who can offer you independent, practical advice.

The information in this guide is presented according to the three key phases most construction projects fall into:

- 1. Planning / pre-construction phase
- 2. Construction phase
- 3. Project completion

Planning / pre-construction phase -Before work begins



If you operate your business within the built environment, it is almost inevitable you will be affected by construction works at some point, whether it is your local government redoing the footpath in front of your business, a major infrastructure project or works carried out by a private developer.

While this guide focuses on some of the negative impacts of construction activities in the short term, it is important to keep in mind that construction works can ultimately increase the value of your business by improving the area and attracting more visitors.

Taking action during the pre-construction phase may minimise the effects of construction works on your business:

Stay informed

Major construction work is usually planned years in advance. It is important to keep informed about upcoming construction works in your area. When you become aware of a planned construction project, here are some steps you can take to stay informed:

- Discover:
 - who is responsible
 - who the main contacts are
 - how long it will run for and what will happen during the construction period
 - if there are any permanent changes that could affect your business.
- Look out for communication from your local government and major utility and infrastructure providers (e.g. Transport for NSW, Sydney Water).
- Sign up to any newsletters or social media groups about the project.

Voice your opinion

- Once you know work is planned, find out about information or community consultation opportunities, including during the public exhibition phase of the DA process.
- Express your concerns about potential impacts on your business and share your ideas. It is important to do this early in the process. These concerns may be factored into conditions placed on DA approvals. Even if plans are already approved, engaging early with project managers can help identify practical ways to minimise impacts on your business.
- If you don't understand something about the planned construction, ask questions to the project manager. Depending on the scale of the project, they may have dedicated community engagement teams.

Connect with other impacted businesses

- There are many benefits to form a support group with other businesses likely to be affected by the project:
 - Sharing information. By working together, businesses can share information and updates.
 This also can reduce the need for each business to attend information sessions separately.
 - Collective advocacy. A support group can provide a voice to advocate for the collective needs of businesses operating in an area. It is likely that other businesses will be similarly affected.

- Joint marketing opportunities: By pooling resources, businesses can increase their visibility through joint promotions and marketing campaigns.
- Contact your local chamber of commerce or other local business association. It can be useful to talk with businesses and chambers in other locations that have been affected by construction projects in the past to see what worked well and what they would do differently.
- Contact your local government's economic development officer to learn about available assistance to help disrupted businesses.

Communicate early and often with your customers, suppliers and staff

Before construction begins, think about how to best communicate with your customers, suppliers and staff. Consider the main messages you will need to communicate at each stage – 'yes we're still open' or 'parking is available around the corner'.

Review your business plans

Consider the likely impact of the proposed construction on the performance of your business. In some cases, construction activity may impact trade warranting a review of your business plans.

 Finances - Your accountant may be able to offer advice on how to manage changes in revenue and maintain control over your cash flow. It may be a timely opportunity to review any business loans and consider your financial commitments over the period construction will occur.

- Leasing arrangements If you have a lease, you should review your contract to understand your rights and responsibilities. If a market rent review is due near or during the project, check your lease for options to renegotiate with the landlord.
- Operations Consider how access may be affected for your customers, staff and suppliers.
 Check if your utilities and internet will be affected.
 Could you change your opening hours or the way you operate? Will parking for customers or staff be more limited?
- Marketing and communications Check
 that your website and social media profiles
 are up to date. As far as possible, plan your
 communications. This will help you during
 busy times and ensure you don't miss any key
 messages. Look for opportunities to target
 the construction workforce as potential new
 customers. Boost your marketing spend and
 efforts by working with other local businesses.

Get free support

- The NSW Government's Business Connect program can provide confidential advice to small and medium enterprises across all industries in NSW.
- The Small Business Commission provides advocacy and mediation services and may be able to assist or provide information to help you navigate your circumstances.

2. Construction phase - Once work is underway



The construction phase can present a range of challenges including:

- dust, noise and vibrations
- restricted access as a result of closed roads or footpaths
- fewer parking spaces
- interruptions to public transport
- temporary fencing or construction vehicles preventing customers being able to see your business.

Other impacts could include:

- logistical issues such as disruptions to receiving deliveries
- disruption to your ability to make deliveries
- loss of utilities such as water, gas and electricity
- loss of staff access and parking
- internet interruptions.

What to do during construction

Now that work is underway you can review the plans you made pre-construction and put them into action.

It may be worthwhile keeping records to monitor the performance of your business. It is important to keep accurate financial records in case you need to demonstrate the impacts on profits and customer numbers at a future time. This may assist you if you have a dispute or believe another party has not met their obligations to your business.

Boost your communications

Continue to communicate with:

- your customers
- construction project managers
- employees
- other local businesses
- suppliers

Regularly update your website, social media and any other communication tools to keep your stakeholders informed.

Contractors may provide signage, but make sure that customers can still find you if fences, hoardings, safety and directional signage is surrounding your business. Is the language or type of signage meeting your customers' needs?

Construction workers as customers

Even if you have concerns about a project, construction workers aren't generally the people to raise concerns with as they are often contracted or employed to do only a small part of the overall project. They may be visiting your area for the first time and could be potential customers. Consider specials for 'hi-vis' customers.

3. Project completion



Once construction is over, existing customers may be slow to return to the area. Regardless of whether your business is still feeling the impact of construction, review and evaluate the plans you implemented to determine if there are any elements that may still benefit your business.

- Explore opportunities to re-activate the area including by working with other local businesses, councils and the project managers to celebrate the new life brought back into the precinct.
- Communicate with customers and actively reconnect to let them know the work is over.
- Your customer demographic may have changed over the construction period. Consider reviewing your products and services to meet their needs.
- If you have lost regular customers think about ways to attract them back, perhaps with a loyalty program.

- Consider sending thank you notes to customers who were loyal to you during this time.
- Review and update your amended business plan, including marketing plans. Look for any additional activities, products or services that you could make a more permanent feature of your business. Perhaps there may be operational changes or cost savings that may be worth continuing.
- Acknowledge your staff and how they supported your business during this difficult period.
- Maintain your engagement with local business networks and associations and continue to work together with other local businesses to drive customers to your area.

4. Resources



Questions to ask to the project manager

Get in touch with the project manager as soon as you become aware of the project. Use this opportunity to get as much information as possible about the project's construction phase and raise any potential issues you see that they may not.

Here are some questions you may want to consider asking:

- Full contact details for the project manager and onsite construction manager. These might be different people.
- Do they plan to hold regular stakeholder meetings to discuss the impacts on local businesses and to address business owners' concerns?
- When will the project start?
- What is the anticipated length of the construction phase?
- Does the project team have a contingency plan if the project runs over time? Does this plan consider the impact on local businesses?
- Will access to the area be restricted (e.g. road closures, reduction in parking, changes to public transport timetables or routes)?
- If the project coincides with a busy period for your business, will the project team negotiate a different start time or a staged approach?

- Does the project team plan to help local businesses during the construction phase?
 This could include:
 - contributing to promotional or advertising funds
 - providing 'open for business' signs
 - ensuring access to businesses is not restricted
 - promoting local businesses to construction workers (e.g. placing menus from local cafes and restaurants in the break room)
 - purchasing goods and services from local businesses (e.g. catering for events, printing services, office supplies)
 - creating maps and other promotional events to draw customers to the area
 - establishing a business interruption fund to provide businesses with financial assistance to cover certain fixed operating expenses.
- Do they have a plan to manage the traffic in the area? E.g. do they have a parking plan for the construction workers that won't decrease parking available for customers?
- Will there be a lot of dust and noise during construction? If there will be, ask the project manager what they will be doing to assist local businesses to deal with this. E.g. you may have to hire a cleaner twice a week instead of once and you may want to query whether the project team will contribute towards this additional cost.

Support measures for discussion

Early on in a construction project, it is good practice that the project team considers a range of options to support the area and individual businesses affected by construction works.

Get in touch with the project manager see what they have planned.

Here are some support measures that you may want to discuss:

Financial assistance

- Matched advertising: The project team could match the amount of money contributed by local businesses to a fund used to promote the local area to potential customers and visitors.
- Loan programs: The project team could facilitate low interest loans to help with cash flow during construction.
- Grants: For example, the project team could subsidise the discounts offered by businesses by providing grants for businesses to develop advertising or communication plans to increase foot traffic or grants for improvements to business premises.
- Waiving or reducing fees or charges:
 For example, a local council may waive outdoor dining fees during the construction period.

Area and business promotion

- Advertising: For example, the project team could promote the business through TV or radio advertising, posters on buses, or develop strategies to engage with media, or create a dedicated website or Facebook pages profiling businesses in the area.
- Competitions for visitors: The project team may encourage people to visit the area and spend money. E.g. entering visitors into a raffle, hiding an object in the area and awarding a prize to the person who finds it.
- Merchandise: The project team may create maps to show visitors how to access the area and the location of businesses, provide a coupon book promoting discounts for businesses in the area.
- Events: The project team may organise special events to attract people to the area. E.g. walking tours of businesses for social media influencers to promote on their accounts, art installations, celebration parties, mobile stores, pop-ups, street fairs, markets, creative use of construction infrastructure and hoarding, leveraging existing festivals.

Improving access to the area and business

- **Signage:** The project team may provide free 'open for business' and parking signs, signs pointing people to alternative routes to get to businesses.
- Parking: The project team may provide alternative parking, make parking free, minimise the effect on parking areas in the construction phase.
- **Transport:** The project team may provide free public transport to the area.
- Visual improvement: The project team may use temporary artwork to cover fences, include images of what the area will eventually look like, use local artists to make the area more attractive.

Business assistance

- Printed materials: There may be some resources available such as guides, information packs, toolkits for social media, communication strategies and advertising ideas for your business to use.
- Advisory: The project team could offer seminars or advisory appointments on how to maximise business opportunities around major events to counter shifts in foot traffic and future proof the business, including low-cost marketing strategies, how to keep customers coming, improving business efficiency and practices.

Other

- Free counselling and advice: In addition to advisory services, there could be free support by phone for businesses affected by construction works.
- Procurement: The project team could support businesses by buying from them during the project. E.g. catering for staff events, displaying menus and promotional materials from local business in the break room of site workers. Before construction starts, the project team could invite businesses to a forum and provide information on what kind of goods and services the project team will be purchasing throughout the project. Businesses could register their interest and if suitable, be invited to tender for those contracts.

Checklists

Prepare your business for the construction phase by collecting as much information as you can about the project, and taking steps to prepare for a potential decrease in revenue. On the following pages, we have

prepared these lists of tasks to guide you during the different phases of the project. You can use these checklists to record your notes.

Planning/pre-construction phase

About the project





Who is responsible for the project?
E.g. local government, state government or private developer.
Who is the project's designated contact and alternative contact person?
Record their phone numbers and email addresses. Note: There may be a head contractor responsible for managing the construction. You will need their contact details as well as the project manager's.
Contact your local government's economic development officer
They can help you with information about additional signage or easing parking restrictions for customers.
What is the potential impact of the construction project on the local area or business?
For some suggested questions to ask the project manager, see Questions to ask the project manager (p9).
Assistance
Is funding available from the project team to help disrupted businesses? E.g. Support for advertising and promotional activities or to compensate for a loss in revenue. For some examples of support measures to discuss with the project manager, see Support measures for discussion (p10).

Review your plans for the scheduled construction period



What usually happens in the period earmarked for the planned construction phase?

- Does your business hold any special events or promotions during that time of year?
- Is it usually a busy time of year for your business?
- Do you see a fluctuation in customer numbers over this period? E.g. your busy time peaks later in the day during winter.

Review your staff rosters for the construction period

Give your staff plenty of notice of roster changes.

Will the project impact on customer or supplier access to your business?

Consider how you will overcome this, by putting up temporary signage or uploading maps on social media that show customers how to access your business during construction.

Build your networks



Contact your local chamber of commerce and business associations to discuss the project

Record their contact details for future reference.

Contact businesses that have lived through public works

They may have advice for you on strategies that worked and didn't work.

Contact other local businesses in your area

Discuss the project and their willingness to work together.

If a consensus cannot be reached between all affected businesses, you may wish to implement some of the ideas developed yourself or with a smaller group of businesses.

Hold an initial meeting with fellow business owners

- Collect the contact details of each business willing to work together and distribute it at the end of the meeting.
- Nominate a group coordinator to set meeting dates and distribute information.
- Select a representative to be in charge of communication with the project team (e.g. raising collective concerns).
- Discuss the potential impacts of the construction project on businesses in the area (e.g. access restriction, noise, dust, traffic).

TIC

Creating a private
Facebook group to
share information and
construction updates with
other local businesses is
also a great way to share
successful tactics used to
encourage customers.

Promote the area collectively as a business group

Try to agree to coordinate promotional activities to keep customers coming to the area during the construction phase.



Resources

- Discuss what resources may be needed to create a coordinated promotion of the area.
- Discuss how each business can contribute (e.g. time, money or skills like advertising, graphic design, social media management).

Social media

- Discuss how each business currently uses social media.
- Consider talking to a social media expert for advice on how the group can coordinate their messages and what platforms to use (e.g. Facebook, Instagram).
- Agree on a shared tagline for advertising campaigns, like 'We are still open for business!'.
- Create images of the group's message that you can post online.
- Consider using loyalty apps and community Facebook groups to promote your message.
- Agree on a social media strategy, which could include cross promotion of businesses in your group.
- Update your free business listing on 'Google My Business'. This will help people find your business on Google Search and Maps.

Local advertising in the area

- Check the local government's rules around temporary signage. You may find they are willing to relax restrictions during this period of disruption.
- Place professionally printed signs in prominent areas around the site and in nearby locations.
- Consider using directional, parking and access signs. Consider how you can use temporary fencing to display art works to make the area attractive to customers, or signs to direct them to your business.

Promote the area collectively as a business group

Try to agree to coordinate promotional activities to keep customers coming to the area during the construction phase.



Promotional events

- Plan a series of business-generating promotional events in your neighbourhood.
 See if the local council wants to be involved in organising or funding these events.
- Pool your ideas and resources to do something really special and creative – people love being the first to try something new and can share their experience on social media.

Community

 Discuss options to involve other community organisations, like schools and sporting groups, to encourage local support for businesses.

Supporting each other

- Discuss ways local businesses can support one another. This may include cross promoting businesses to customers, personal recommendations, or displaying each other's posters and business cards.
- Purchase your supplies or services from businesses in your group. This is a great way to keep money in the area.
- Consider contacting businesses in a nearby area that won't be impacted by the construction to let them know the services/ products provided by businesses in your group. If you offer complementary services or products, the other businesses could promote you to their customers. Offer to return the favour.

Preparing financially

There are some actions you can take to financially prepare for construction works in your area. This includes reducing your expenses and building a contingency fund.



Review your financial position

- Do you have enough cash (including your bank account, money owed by customers, and stock) to cover debts due and payable during the construction period?
- Does your business rely on debt to operate?
- Do you know your gross margin?
- Do you know your net margin?
- Do you know your breakeven position?

Review your risk management strategy

Do you have a risk management strategy? If not, assess the impact of risk on your financial viability during the construction period. Consider if you are too reliant on a small number of major customers or suppliers, or one source of income. Ensure your systems for monitoring payment by customers are adequate so your business is paid in full and on time.

Review your income and expenses from previous years to plan for the scheduled construction period

You need an accurate financial picture to make informed decisions about preparing for the construction period.

Preparing financially

There are some actions you can take to financially prepare for construction works in your area. This includes reducing your expenses and building a contingency fund.



Estimate your cash flow during the construction phase

- Estimate your regular and guaranteed income by reviewing regular customers or ongoing orders. This does not include discretionary income, like extra customers who make a one-off purchase or whose visits depend on the weather.
- How much income do you need to pay for your fixed costs (e.g. utilities, occupancy costs, wages for permanent staff)? Do you need to extend or reduce your trading hours?
- Estimate expense reduction. How much do you need to reduce your expenses by to offset a reduction in your discretionary income?

Make a plan to reduce expenses to deal with a decrease in income

- Review your staff roster and costs, particularly in relation to casuals. If you think customer numbers will decrease during the construction period, plan staff holidays during that time.
- Review your inventory and ordering systems.
 Can you reduce your stock levels during the construction phase? Can you negotiate prices with your suppliers?
- Negotiate to reduce your bills. Talk to your utility providers (e.g. water, electricity, internet) and landlord (e.g. rent, variable outgoings).

Preparing financially

There are some actions you can take to financially prepare for construction works in your area. This includes reducing your expenses and building a contingency fund.



Make a plan to increase your income

- Consider how to retain existing customers and attract new ones.
- Consider diversifying your product or service range.
- Put practices in place to ensure customers pay on time.
- Could you convert unsold stock to cash?
- Adjust your prices you should be doing this every year in line with inflation. Review your prices leading up to the construction and make sure they are appropriate.

Some business owners are uncomfortable putting their prices up – don't be! It is normal Practice and expected by customers.

Develop a financial strategy specific to the construction period

- Contact your lenders to restructure debt and lines of credit in light of potentially diminished revenue during construction.
- Seek advice about your financial strategy by speaking with a Business Connect advisor.

Review your business

With the information you have about the construction project, consider any changes you can make to minimise a loss in revenue. Involve your staff in these discussions – they may have some innovative ideas.



inise a loss in revenue. Involve your starr in these discussions – they may have some inhovative ideas.		
Operating hours Will construction restrict customer access at certain points during the day? Could you change your opening and closing times during the construction period?		
Access If construction restricts the regular access point to your business, consider making alternative arrangements for customer access (e.g. through the back door rather than the front entrance).		
Deliveries Consider changing delivery times and location to accommodate any restrictions in access to your premises.		
Marketing and communications plan Do you need to create, update or expand your plan?		
Website and social media Consider creating a new website, updating your current website, or increasing your business social media presence.		

Customer communication

Plan your communication with existing and potential customers. What message do you want them to hear from you during the project? How do you plan on staying in touch and encouraging your customers?



Contact details Gather customer contact information for the purpose of sending updates during the construction period.	
Methods of communication Investigate the best communication channels (e.g. social media, direct email or phone contact).	
Create systems	
 Review how you deal with customer complaints and issues. Schedule the timing, messaging and methods of your communications. Create a customer communications plan to record any decisions you've made about how and when to contact them, as well as any messages you want to impart. Develop a script for your employees to use when giving customers directions and information during the construction phase. 	
Physical signage Consider using temporary signage (directional, parking, driveway or alternative access signs) to direct your customers to your business. Before ordering signage, make sure you get permission from your local government regarding their placement.	
Begin communicating Inform customers in advance of the construction work and what your plan is (e.g. changing opening hours, access points to the business).	

Implement plans

Prepare to implement your plans before construction starts. Make sure to detail timings and any specific steps you need to take.



Customer communications plan
Stakeholder communications plan (e.g. other businesses, project team)
Marketing and promotions plan
Financial management

Construction phase

Implement plans developed in the pre-construction phase



Financial management
Communication plans
Marketing and promotion plans
Changes to your business plan (e.g. operating hours, product or service diversification).

Monitor business activity



Customer numbers – are there changes in peak periods?
Customer demographics – have they changed?
Review stock levels.
Review sales – what is selling, what is not?
Review revenue and expenses during construction.

Networks

Hold regular meetings with your business group.

Communicate with your business group, customers and project team as planned, and ad hoc if needed.

Review and modify plans



Monitor the effectiveness of the plans you have implemented and consider if they can be improved.

Discuss performance of the plans with your staff, customers and other businesses to seek feedback and ideas (e.g. you can ask your customers if the amended operating hours suited them).

Make any necessary amendments to these plans.

Customer communication

Continue to communicate with your customers.

Seek advice



Contact a **Business Connect advisor** during the construction
phase to discuss how your
business is going. They may
have some advice on developing
and implementing your plans, or
improving them if necessary.

Contact the **Small Business Commission**. They provide advocacy and mediation services and may be able to assist or provide information to help you navigate your circumstances.

Project completion phase

Review plans developed from the pre-construction phase



Are there any elements of the
plans that will still work for your
business now the project is
complete? Consider if you should
continue them.

Seek feedback from your customers, staff and other business owners.

Monitor business activity



Review customer numbers and sales results during the construction phase.

What products or services were consistent sellers during the construction phase?

Continue to monitor customer numbers in the post construction phase.

If customer numbers are low, consider how you could increase them.

Net	works	
	Celebrate with your business group, customers and project team.	
	Consider sending thank you cards to your supporters.	
Fina	ncial management	
	Review your financial data from the construction phase.	
	Review your expenses from the construction phase. Can you continue with these changes to keep expenses lower?	
Cus	tomer communication	
	Let your customers know that the project is finished	
	Hold promotional events to encourage old and new customers to come visit the area	



First published August 2023 TA23/01396

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