ENTREPRENUERSHIP IN COVID-19: RESILIENCE AND REBUILD

Tanya Garg¹, Dr. Ruchi Goyal², Dr. Dinesh Goyal³
¹Research Scholar- JECRC University Jaipur, tanyagarg.ag@gmail.com
²Professor & HOD Management, JECRC University, Jaipur ruchi.goyal@jecrcu.edu.in
³Professor, Poornima Institute of Engineering & Technology, Jaipur- dinesh.goyal@poornima.org

ABSTRACT:

According this paper, discussion is held on the effectiveness of strategies and entrepreneurship in relation with the situation of COVID-19. Also, about the adverse effect of the corona virus on worldwide economy along with the support of government for small businesses for boosting the economy again as well as new business ideas transformational opportunities for people to overcome these implications of COVID-19.

Key Words: Covid19, Business Strategies, Business Plans, Global Trends, world economy

I. INTRODUCTION

The World Health Organization (WHO), on March 11, 2020, announced the outbreak of a serious pandemic, i.e., corona virus (COVID-19)¹. This pandemic resulted in thousands of death worldwide, exposed healthcare white-collars to face difficult challenges and also uncovered the weakness of global health system. Moreover, it unsettled worldwide economies and all the societies on an unusual scale. With the progression COVID-19 crisis, we hope that these experiences and strategies of all the countries globally may throw some light on how to fight COVID-19. There is a hope that the economy of the world build up again with the various collaboration of different sectors like science, industry, social science and government.

It is a very complex affair to manage health crisis at the global level. It requires coordination of various levels (institutional, individual, organizational, interdisciplinary, multidisciplinary, etc.). A Chinese word (危机wēijī), is formed out of two words Wei (危＝crisis) and Ji (机＝opportunity), which indicates the positive side of recognizing and acknowledging the crisis. For successfully dealing with this virus and situation, we need elasticity and proper capabilities of entrepreneurship and innovation, so that we can capitalize the coming opportunities.

RESILIENCE AND REBUILD

Whenever there is a global crisis, the first thing which is in demand is resilience. Actually, it is required by everyone including organizations, individuals or society, so that they can battle against the crisis along with societal and economical shocks. According to the various studies, it was stated that occupational factors plays an important role in evolution of coping strategies both at individual and organizational levels. It is needed to ‘bounce back’ together; as a whole, and everyone will be well built in the process of battling corona virus and coming up with ‘new ideas’ for our society and organizations. To repeat the artistry words of Winston Churchill, “Success is not final, failure is not fatal; it is the courage to continue that counts”, so at this point of time our society needs willingness, courage and ability for resilience and to rebuild their confidence in global health systems.

II. LITERATURE REVIEW

The World Economic Forum Candeias and Morhard (2018) reported that till now people altogether have crossed a century of the Spanish Influenza (1918), killing more than 50 million people and it is expected that these pandemic will increase in coming future.

Gates (2015) not only COVID-19, but many other diseases taking position in the world such as swine flu, yellow fever, Ebola, SARS, etc. The WHO is said to receive approx 5,000 warning signals of diseases every month from all over the world.
Caselli (2006) believed that most of the ideas and opportunities came during the time of crisis or pandemic only over last few centuries. Green (2011) these pandemic reduce the discriminative feelings among people as they start seeing each other as equals irrespective of their gender, income or caste. Kim and Liu (2012) event the government opens new opportunities for the communities during diseases or pandemics.

Caselli (2006) today we realized the importance of capitalism when economies like China moving towards transforming lifestyle capitalism. According to Professor Gabriel Leung (epidemiologist Hong Kong) believed that total 65% of world’s population soon to be affected by COVID-19.

Gates (2015) stated that it’s more important to focus on increasing productivity instead of clubbing wealth into few hands. Unless and until we will continue to face such disasters and crisis in the world.

Kim and Liu (2012) outbreak of corona virus made it very clear to think about new opportunities relating to capital and resources, as many strong economies like Italy and China are not able to withstand the corona virus crisis.

Buheji (2019), the disruption caused by corona virus regarded that at present time, there is a requirement of innovative enterprising projects. These projects will help to enhance the ability of people to face their fear and will unlock new services for the society.

### III. CHALLENGES DURING COVID-19

Indian economy has been shattered brutally due to outbreak of corona virus and lockdown following by it. As a result, the rate of unemployment in India increased, which further decreased the GDP (Gross Domestic Product). According to a report of IMF (International Monetary Fund), the GDP of India would be contracted by approx 4% in 2020 and 6% in 2021.

Many packages, policies, relief plans, loans, reforms, etc., have been announced by the RBI and the government to boost the economy again. At this time of crisis, it is very important to take such necessary actions for reaching needy. All this will be helpful in coping with challenges caused by lockdown.

![Effect of COVID-19 Regional GDP Growth](https://theglittersonline.com.ng/post-covid-19/)

**Fig: 1 Effect of COVID-19 Regional GDP Growth**

Source: World Economic Outlook database

**IV. SECTORAL OVERVIEW**

#### 4.1 SERVICE SECTOR

Economic Times studied the impact of lockdown in the various areas of service sector. As per reports, the sectors like FMCG and digital sector would be carrying out more than average. Performance of the areas like power, e-commerce, smart phones, petroleum and retails would be average and it may increase by year 2021. But it will be difficult for some industries to retain in the market (automobiles, real estate, taxi, aviation, hospitality, etc.).

WFH (Work from Home) can be seen as the important option as in the lockdown period almost all the companies in IT sector followed WFH and many companies are planning to continue it in the future.
4.2 MANUFACTURING SECTOR

Manufacturing sectors has to face many challenges such as low or no income due to non-availability of labor which further decreased the production, scaling costs, meager sales because of closed market, as well as employers need to arrange basic necessity for the worker to stay at the premises.

More challenges are faced by MSMEs as the loans which are guaranteed to them by the NPAs and investors, are not providing money immediately. And as a result, these manufacturing units are not able to cover their operating costs, re-establishing their business or pay wages to the workers. Moreover, sometimes these loan facilities are not reaching to Micro, Small, Medium Enterprises (MSMEs) due to following reasons:

1. During lockdown banks were instructed to undertake only important services like salary, deposits, pensions, withdrawals, cheques, government transactions, etc.
2. Lack of stamp paper for the guarantee of banks
3. Further, ‘Make in India’, an over-relied policy for manufacturing are proved to be misbalancing for such issues.

V. BUSINESS OPPORTUNITIES BEYOND COVID-19 IN INDIA

On April 30, GoI developed a plan for attracting FDI, as many firms of foreign wanted to move out of China, for boosting various investments. For attracting various foreign firms, the government of India decided to 4.6 lakh hectares of land, which includes 1.1 lakh hectares of land existing in industrial areas, also planning tax holidays, etc.

At this point of time foreign firms are deciding to set their production in the countries other than China. Countries like Japan and Korea also announced billion dollars incentive to shift their firms from China. Thousands of companies around the world are looking up to shift their production in India, as previously China was a house for most of the factories of the world creating millions of jobs.

Comparing India to other countries like Spain, US, Italy, etc., the fatality of COVID-19 is not severe. As a liquidity measure, RBI stimulated the package of Rs 1.7 lakh crore in March, and of Rs 20 lakh crore, for recovering the Indian economy. So according to this, in coming time India will be hot spot for attracting FDI. Not only this, now ‘Make in India’ will emerge as a successful plan for grabbing opportunities.

India is the country with fifth largest economy in the world which have ‘N’ number of workforce along with the large markets. India economy is considered as an aspirational and young-talented economy because of 900 million “working-age” population. Right now mostly foreign firms are looking for new production base, so this is the time for India to grab the opportunity to attract FDI. As we know India is a country with rich resources, large markets and working population of 1.14 billion, so it can easily attract FDI.
VI. NEW BUSINESS TRENDS POST COVID-19

As we know, COVID-19 proved to be a life changer for most of the people around the globe socially and economically. Some of them had rough time while some took it positively. So here are 9 industries which followed new trends for boosting their business again.

WORKSPACE INDUSTRY

With the outbreak of corona virus the traditional method of working for 9-12 hours in offices has suddenly changed to work from home. Now all the important work, meetings and discussions are held online through video conferencing. Before this also some companies were providing this facility, but now almost all the businesses adopted this technical working culture throughout the globe. Nowadays these enterprises are adopting new technical tools for smoothening their operations, which resulted in hike in demand of such tools. Resulted in opening up of new opportunities for data security, communication, technical assistance, etc.

EDUCATION INDUSTRY

In education industry, e-learning or digital education is experiencing high growth. As schools, colleges and universities are trying various online platforms for their purpose. Teachers are using pre-recorded videos or animations to clear the concepts, which increased the use of LMS platform. E-learning apps such as Byju’s, Vedantu, Extra marks, etc., are becoming popular day by day.

ENTERTAINMENT INDUSTRY

Now movies are all set to release online instead of cinema halls with media streaming platform partnership. Online media platforms like Amazon prime, Diney+Hotstar, Netflix, etc., are hugely capitalized.

SELF CARE INDUSTRY

During this pandemic, people have learnt the importance of self care, stability and efficient life. This resulted in increase demand of healthy diets, motivational content, mind management, exercises, etc., on the online platforms. People are subscribing for various training programs and webinars.

VIRTUAL EXHIBITIONS

In Virtual Exhibitions people are present virtually to the venue instead of physical presence. In the time of corona virus the concept of virtual exhibitions and conferences are not limited to a single roof or to a particular location.

DRONE DELIVERY

During the scenario of COVID-19, all the businesses are facing problems but some new business opportunities are paving their way, like Drone Delivery. Companies like MedTech are providing robots and drones for delivery and sanitization to the areas which are isolated. Police of Telangana, in India, used drones to see effective execution of lockdown. So, this technology can be used for varied purposes and it is scalable to work for 24/7, irrespective of location.

MASKS

The market for face masks is on the hike. The demand for creative face masks are increasing as they cover half of the face, that’s why many companies started the production of masks.

VENDING MACHINES

Due to the fear of corona virus many countries started using more of vending machine for selling different products like beverages, food items, tickets, etc. As vending machines are available 24/7 and mainly it does not require and intervention through humans so there are more chances of being disinfected.

SANATIZATION

COVID-19 led to the spike of demand of hand sanitizers. By seeing this opportunities many CNG companies have started to increase their production for wellness and health care products like, floor cleaners, hand sanitizers and other products for cleaning which can reduce infectious problems like corona virus.
AGRICULTURAL INDUSTRY

Agriculture or farming sector came to known as sick sector from past few years because of lack of financial investment, lack of water, lack of various policies or pricing issues, but during corona virus this sector refurbished to an extent. Apart from this the government of India introduced ‘Atmanirbhar Bharat’ reform for tackling the economical issues post corona virus.

In order to provide freedom to farmers to sell their produce online or directly, government formed a new law for facilitating restrictions free trade. Now, farmers can sell their produce in any part of the country including APMCs (Agriculture Produce Market Committees). For the marginal and small farmers, who are not able to incur transportation cost, co-operative transportation or pooling options are available.

![Fig: 3 Most downloaded Apps in March-April 2020](https://www.weforum.org/agenda/2020/04/post-pandemic-economy-favour-fastest-movers/)

Source: Priori data

VII. STRATEGIES FOR FUTURE SURVIVAL

Major hit of Covid-19 led to nationwide social distancing and lockdown, businesses all around the world irrespective of how established they are now started re-visitation of their business plans and strategies.

It was a challenge for the businesses to keep up their financial wheels turning during such time when revenues are less and world is facing financial deficiency.

Unfortunately, the mostly impacted businesses are of small nature or just start ups as they had small reserves and small margins. The Indian economy is faced with a situation where there is no or less revenue generation from sale of goods and services, resulting in decline in growth rate by 2%.

So, in order to escape the impact of corona virus slowdown economy, now the businesses and entrepreneurs need to adopt new set of strategies for their future survival.

**Keep a track of expenses against revenue generation**

During this pandemic period, it is very important for all the entrepreneurs to keep a proper assessment of all their expenses including fixed expense and variable expense. This will give a clear picture of the financial position of the business at present time and will help to make future policies accordingly. Not only this, it will also help business in aftermath of the pandemic also.

**Ensuring practicality of business model**

Considering the situation of markets at present, it is unavoidable for reconsidering new business model and standards according to cost and revenue assumptions, as it is very important to track cash flow. Plus it is necessary that businesses should evaluate credits, bad debts, sales, etc.

**Plan policies for next 3 months/ 9 months/ 18 months**

It is very difficult to predict that how long this epidemic would last, 3 moths, 9 months or 18 months. Therefore, it is mandatory that the businesses should work accordingly and frame policies keeping in mind continuation of this epidemic. For initial 3 months, businesses can work on reducing their variable costs, after that for 9 months business
can work on their fixed costs and lastly for 18 months, they would need to strategize everything from sales to marketing, from variable expense to fixed expense, from communication to compassion, for better results.

**Be patient in securing investments**

The common problem which is faced by every business to get capital at this time or from where to get capital or funds. But this does not mean there is lack of funds, still there are many investors in the market who are investing since a long time and they understand the game play, so they are more likely to be best help at this time.

**Communicating transparently with customers and stakeholders**

Transparency with the customers and stakeholders is an ideal way of running a business. If communication with the customers is transparent, then they will be able to sympathize with crisis faced by the company and also the companies will be able to understand the needs and perception of the customers.

Consultation with the externals, internals or stakeholders is an effective way of understanding impacts on business. It will also help to deal with negative message with empathy.

**Maintaining strong relation with contracted parties**

Many businesses are not able to clear the dues of their vendors or suppliers due to lockdown, but it is preferable that the business should give a prior notice of the payment delaying to the suppliers/vendors, so that they can be prepared for it and it will also remove bitterness among them in already difficult times.

Fig: 4 Strategic Process to Achieve Survival in future

VIII. **CONCLUSION**

It is very obvious that businesses are adversely affected today and now people started seeing entrepreneurship as a job in coming future. Some individual take these changes as negative which will hamper the real talent and businesses but if we observe today’s market many real talent are coming up with new innovative idea for entrepreneurship.

For already running companies which holds a good position in the market should try to cut the salaries of highly salaried employees so that they can pay off to those employees who are barely able manage their home at present earnings. Such practice should only be carried out only time of emergency such as this epidemic so that it does not affect the morale of other employees.

It is also important to keep communicating with team members at this tough time, so that people can understand each other problems and provide some effective solutions. Employees of the company can get some extra time to communicate with each other through video calling using Zoom or Google Hangouts.

**REFERENCES**