

STRATEGIC MANAGEMENT IN SMALL BUSINESSES DURING COVID-19

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Abstract During the pandemic period, strategic planning and thinking are very important elements for continuing the organizational activity. These activities are part of the strategic management that is approached in most organizations. Strategic planning is the input for strategic thinking. Planning is the analytical part, it includes a series of procedures and control mechanisms that are used in the development, implementation, and monitoring of competitive strategies. In other words, strategic planning revolves around strategic thinking or strategy setting. During the covid-19 pandemic every company have suffered, especially small businesses. Following the research of the specialized literature and the results of a questionnaire applied to different industries we tried to see how small businesses could improve their activity.

Keywords: small businesses, covid-19, pandemic, economy, management, strategies.

1 INTRODUCTION

Small companies are very important in any industry, because in a system, small wheels put the whole circuit into operation. Although they play a very important role, when subjected to a period of crisis they can resist very well due to their flexibility but can also be destroyed due to

limited resources (Ivascu, 2020).

The spread of the covid-19 virus was a big problem for most companies because it was no longer possible to work with many employees indoors, places to sell products were closed and the economy began to decrease considerably (Păcurariu et al., 2021).

A lot of small businesses went bankrupt shortly after the pandemic set in, but some of them managed to survive because of the managers ability to keep the company afloat (Cioca and Cioca, 2005). Some have reprofiled themselves, others have expanded their product range, and some have continued what they did before but in different ways (Sarfraz et al., 2020; Syed Ghulam et al., 2019).

2 PURPOSE OF THE RESEARCH

This research aims to analyze the effects that the Coronavirus pandemic period has on small companies and what are their ways of managing the difficult situation they must go through.

3 METHODS

We analyzed companies from different industries and asked some questions to the administrative staff to see what the effects were after the first year since the beginning of the pandemic, Table 1.

The in-depth interview was used for this research. 7 key questions were established that were addressed to managers in different industries. The interviews took place face to face between April and June 2021. The industries

were selected: automotive, textile, food, construction, furniture, and other (in this category we included various industries because only one manager was selected). These industries were selected based on the impact that covid-19 had on their financial results. We have chosen seven essential questions whose answers would help us find out the situation of these companies.

Q1. *What are the elements that contributed to the motivation of employees during this period?*

Q2. *How was the level of communication maintained at the level of the organization? What channels did you use during the period?*

Q3. *How many employees resigned during Covid-19?*

Q4. *How can you outline the company's level of productivity?*

Q5. *Do you have all the equipment and tools to carry out your activity at normal capacity? If not, what else would you need?*

Q6. *What are the actions taken by the management team to carry out organizational activities during this period? What difficulties did you encounter from this perspective?*

Q7. *What are the main advantages of your company that have contributed to overcoming this period?*

We will use generic names for interview companies (C1 to C16).

Table 1. The results of the in-depth interview

Company	Q1	Q2	Q3	Q4	Q5	Q6	Q7
Food industry							
C1	These elements are: job stability, staffing, bonuses and the implementation of security services.	The Teams platform was used.	2	Number of customer visits decreased, but the number of products per basket increased	Yes. We don't need anything	Masks, disinfectants, space disinfection, temperature control. The difficulty arose because of the refusal to wear a mask.	Ability to deal with new situations.

C2	The elements that contributed were the provision of a stable and premium job because they were exposed to danger by contact with many people.	The level of communication was kept the same as before the pandemic, the discussions were held face to face or via WhatsApp.	3	Productivity has increased, as has the number of customers and the number of products purchased.	Yes. There are all the necessary tools, such as masks, disinfectant.	Masks, back disinfection, temperature control for both employees and customers. I did not encounter any difficulties.	The fact that the store was not closed and employees adapted to any situation.
Textile industry							
C3	Financial compensation paid (almost 80% of a normal salary)	We communicate on teams and videoconferences.	I did not resign.	Initially declining but after reopening we returned close to the level before the pandemic.	Yes, we have all the necessary equipment, some of them have improved.	Maintaining a constant communication with the team through video means and the major difficulty was encountered in finding ways to maintain the team's unity.	Experienced management team, human resource eager for self-improvement and technology available to employees
C4	The possibility of being able to work during the pandemic, even with small interruptions	The communication was done using Microsoft Teams	0	Sales fell physically, but online demand and orders increased	The company provided all the necessary equipment for the activity	Several shifts were established so as not to have more than two employees in the store, the working time was shorter than normal. The biggest difficulties encountered were during the state of emergency when we had to close the location.	Communication between the management department and employees
C5	Salary bonuses	Telephone and Teams	3	Declining due to the fact that the store was closed.	The store is equipped with everything you need.	Masks, disinfectants, temperature apparatus.	Ability to cope with change.

Construction Industry							
C6	Flexible working hours; Allocation of salary bonuses;	The level of communication within the organization was high due to video and audio communication platforms: Zoom, Microsoft Teams, Whatsapp.	No one on the company's board resigned	By the correct management of material resources By motivating employees, both financially and morally; By streamlining working time; Correct division of tasks towards employees;	In proportion of 90% we have all the necessary equipment for carrying out the activities	Monitoring the execution of civil construction works from a qualitative point of view, observing the quality and planning of the project.	Most of the activities carried out by the company could be solved through online communication platforms, safely overcoming the pandemic period with positivity.
C7	Supporting employees by offering salary increases and a more flexible work schedule. Equipping workspaces with protective equipment and disinfectants to protect the health of employees and customers.	Our organization used communication through the Zoom platform.	No employees resigned during this period.	Due to the field in which the company operates, productivity has increased. The number of projects has increased compared to the number of projects in the previous year.	Yes.	The management team had difficulties in preparing the additional documentation in the first months. There were problems with the management of the files due to the program of state agencies issuing opinions. Waiting times for certain documents have increased, sometimes certain state agencies are blocked.	Support and communication between management and employees were the two key factors in overcoming the problems of this period.

Furniture processing industry							
C8	They were not exposed to risks because the transport is provided by the company through work machines, where 2-3 people are grouped.	In our company there were no work interruptions, the communication was made through face-to-face meetings with employees, and with customers through zoom.	2 employees, but for personal reasons not related to Covid-19.	A very high one, because the online platforms offered us a plus.	We have all the necessary equipment.	Masks, disinfectants, temperature control. Refusal to wear masks.	The ability of staff to cope in any situation.
C9	Bonuses, work machines, free masks.	In our company there were no interruptions of work, the communication was made through face-to-face meetings with employees and customers.	They did not exist.	The level of productivity has reached a very high threshold.	We have all the necessary equipment.	Masks, disinfectants.	The ability of staff to cope in any situation.
C10	Salary bonuses.	The communication was face to face.	4	Productivity has increased due to orders.	There is all the equipment.	Masks, disinfectants and temperature gauge.	Dedication of employees to complete orders on time
Automotive Industry							
C11	Granting bonuses, providing facilities to employees regarding PCR tests and covid vaccine, offering trainings and professional training courses paid by the company, informing employees	By zoom, microsoft team, email, phone. An attempt was made to minimize face-to-face meetings and contacts	20	Productivity decreased by about 40% during the state of emergency. At this moment the productivity has a normal level, close to the forecast one	Yes, the covid period did not influence us technically and technologically. New equipment was even purchased to meet the requirements of the new projects.	Limiting face-to-face contact, slightly shifting the schedule so that exchanges do not occur, checks on compliance with the rules on wearing a mask and distance in the dining room	Approaching employees and providing support in connection with testing, vaccination, symptoms. Maintaining salaries and bonuses granted before the pandemic, increasing salaries during the pandemic,

	about covid and vaccine					and smoking areas, introduction of information panels with data and details about the situation covid from company and country, creating a partnership with a vaccination center, meetings with doctors and employees in order to inform about the vaccine	trying to keep all employees even in periods without orders, the possibilities of advancing each employee
C12	Job security even during the pandemic, a steady income	Management communication was achieved through Zoom Meetings and Microsoft Teams	5	Productivity decreased considerably, as demand was lower	Plexiglas panels, to keep the distance between the operators.	Reducing working time, moving jobs to a larger hall, installing panels between operators (more panels are needed).	Existence of several production halls. Due to this advantage we were able to distribute the production of certain products in a wider space, respecting the safety and distance norms.
C13	One of the methods of motivating employees was payment depending on the speed of the work.	The communication was made with the help of the mobile phone but also face to face because it is a small company, with few employees.	0	Productivity is at the same stage.	The service has all the necessary equipment.	We tried to schedule the work so that all employees work equally and the work is ready on time.	Our employees are dedicated and passionate people who have contributed through understanding and flexibility to overcome this period.

C14	Appreciation and care of superiors towards employees, remuneration and workload directly proportional	The level of communication was very well maintained even if the oral communication was replaced with the written one.	In proportion of 5%	The level of productivity was lower in the covid period 19 compared to previous periods because the main customers stopped their activity for a period of time.	Yes.	During this period, the organizational activities are carried out in normal conditions, using the necessary protective equipment and respecting the rules in force (mask, keeping distance, disinfectant). Meetings / meetings with more than 5 participants take place online.	The way in which it manages the necessary resources (human, financial, material resources), strategic thinking.
Different industries							
C15	During this period, a performance bonus of 100 lei was granted for those employees who exceeded 100% efficiency in one month.	The level of communication at the organization level was maintained through applications such as skype, WhatsApp, email and telephone.	7 employees	In the first part of the pandemic, productivity remained, after which it decreased by about 50%, but now productivity has increased compared to the first period. Recently, 15 hires were made to be able to cope with the production.	Yes, the company has the necessary equipment to be able to carry out its activity.	Currently the company does not have a management team, instead measures have been taken so limited face-to-face contact, some employees have a break at 10:00, and the other part at 10:30, it was necessary to wear a mask and use disinfectant.	The most important advantage of the company is the quality. It has offered and offers quality products so that the customer is satisfied. By providing quality, you automatically deliver and trust what can be seen when productivity has increased.
C16	Wages were not reduced and we tried to keep everything in optimal condition	The level of communication was very well maintained, using telephone conversations and social networks	0	Productivity has increased considerably.	Yes. We have all the necessary materials.	We organized online meetings and the biggest disadvantage is that we could not meet clients face to face	The main advantages of our company are: flexibility and small number of employees.

4 IMPROVEMENTS

The covid-19 pandemic caused many problems in every industry and everyone had to adapt to the new work conditions. Some industries implemented new systems, new workplaces, some sent their employees to work from home, but in every situation there is a place for something better or for improvements.

4.1 Automotive Industry

As in every industry, in automotive industry the leadership had to find a faster solution because even if the pandemic hit, the production didn't stop and the employees needed a place to work. They did find the solutions, but those can be improved and we decided to propose some improvements:

- Using plexiglass panels for every workplace to have the production at its full capacity;
- Moving the production to a bigger place;
- Forming a team to check if the rules of social distance are observed;
- Having online fairs to present the products to potential customers

4.2 Textile Industry

One of the industries that had to suffer more than others is the clothing industry because in the emergency state every shop was closed, and the staff didn't know when and if they would be able to come back to work. The most important improvement solution for the clothing industry is to invest in an online shop with an employee to assist if the customer needs help. That way, the staff will comply with the conditions imposed by the authorities.

4.3 Food Industry

One of the industries that suffered the least from the pandemic was the food industry, as grocery stores were always open even if at times they had a short schedule. This industry has also benefited from courier companies that distribute food at the request of customers.

The improvements we propose for this industry are: employees should always wear a mask and gloves, restrict the number of customers in the store and disinfect the spaces every 2 hours. Another improvement for every grocery store (which doesn't have this yet) is having contracts with courier companies for online shopping.

4.4 Construction Industry

The construction industry suffers because the people are financially affected and not everyone can afford to buy a home or office buildings. But the pandemic has forced people to realize that their own home with enough space is a very important thing. In conclusion, the requirement still exists in the construction industry.

The first improvement for construction companies must focus on their technological development in order to be able to communicate very well with suppliers and customers without the need for physical meetings. The second improvement is the very careful management of stocks and wasted resources to ensure that any money is spent for a purpose.

4.5 Furniture Processing Industry

Small companies that manufacture furniture and mattresses lost in the pandemic because people could no longer physically come to see the products, they could no longer participate in fairs to promote the products. The

proposed improvements for this enterprise are the following:

- Schedule a day when they can provide customers with an employee to physically promote the products.
- To promote products online through different platforms.
- To participate in furniture fairs that take place online.

4.6 Different Industries

C15, this company produces ski, and the pandemic of COVID-19 has had many negative effects for this area because people have not gone on vacations and there have been no requests for this type of products.

In the case of this company, they must manage the stocks and it would be a solution to work on order and to make stocks only for the winter season. Applying the "Just in time" method could be a solution.

C16 deals with the distribution of raw materials for production of polyurethane foam. In this field it is very important to communicate with customers and suppliers so the company needs to organize online meetings with them, and the most important thing is to intensify marketing activities because in times of crisis, small companies can evolve.

5 STRATEGIC ADVICE

5.1 Automotive Industry

Accenture PLC Company which provides consulting and processing services has strong advice for the automotive industry.

The first component of the companies from Automotive Industry that needs attention is the supply chain, they must evaluate the risks and create transparency by using data, intelligent systems, and connected ecosystems. This communicates shortages or other challenges to

all points along the supply chain so they can prepare, adapt, or adjust accordingly.

5.2 Food Industry

The press company "Business Wire" report an interview in which specialists recommend the following strategies for companies in the food industry.

- The well-being and prioritization of employees' health is a priority;
- Implementing practices for sustainable development;
- Implementing government practices designed to contribute to improving the activities of companies in this industry;
- Providing high quality services and products for their customers;
- implementation of norms and procedures for improving food safety and the quality of raw materials.

5.3 Construction Industry

One of the world's largest journal publishers, Hindawi, did research in the field of construction and identified some risks of the pandemic and offered some solutions to withstand the crisis. For the risk of delaying the delivery of raw materials and for their shortage, they advise companies to ask for government help and coordinate their supply with orders. For the risk of infection with the virus the main advice is to provide epidemic prevention materials and measures, COVID-19 testing and high-technology monitor.

6 CONCLUSION

Although the global COVID-19 pandemic did not initially appear to cause huge damage to industries, over time it has proven to be a serious problem for any company, especially those that have many employees and use human interaction.

Companies need to adapt in the long run and start performing again, this requires new approaches and new strategies.

Our research aims to propose a series of improvements for various industries following detailed research and studies done on small companies that have been subjected to severe tests due to the pandemic. Small companies are prone to failure during such a crisis because they do not have the necessary resources to resist for a long time.

We applied a set of seven questions for the administration department of sixteen small companies that operate in seven different fields. After receiving the answers, we analysed them and tried to propose improvements according with the problems that each company has. To compare our advices with professional opinions, we also presented some opinions of some economic specialists.

In conclusion, small companies can survive the crisis caused by the COVID-19 pandemic if they learn to adapt and improvise to current situations.

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