

## **Entrepreneurial Imperative: How Can Businesses Thrive in the Post-COVID-19 World – Commentary**

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*Even under the best of circumstances high percentage of new startups fail within the first five years. One of the many lessons that the COVID-19 pandemic provides is that no business can think of returning to the old ways. Every business large and small needs to develop better habits to survive downturns and succeed in pursuing the vision towards the future. Every business must have a bootstrapping plan not only for the start-up stage but also for the economic downturn and the recovery stages as well. The question, how to operate the business sustainably, so it can function in every economic climate, should be constantly on the mind of each entrepreneur. This pandemic will cause many businesses to fold, as we already experience it. On the other hand, as things will improve there will be many more rising opportunities ahead, especially in the online space. In this commentary, I recommend a few steps on how entrepreneurs should view the new post-COVID-19 business world.*

*Keywords: entrepreneurship, small-business, new thinking, economic recovery, bootstrapping, pandemic, post Covid-19*

### **INTRODUCTION**

Challenged by the Coronavirus pandemic and its economic fallout many businesses large and small are struggling to keep their doors open for business. Even with the new law, the CARES Act, which provided \$376 billion in relief for American workers and small businesses the impact on small companies is already beyond their capacity to keep the door open. Even the subsequent government's support packages will be no match for a lack of customers. Besides the promise which the CARES Act and Paycheck Protection Program offered, according to Washington Business Journal, banks run out of the money available through the legislation by April 16th, 2020, therefore, leaving many stranded to deal with the economic slowdown on their own.

The challenges to small businesses are tremendous even under normal circumstances (Fitchen, 2019). The problem is precipitated by the fact that the majority of small businesses are basically income replacing activities for their founders. Most of the small businesses generate just enough profit to scratch the living but do not allow to build a solid "rainy day" fund. Also, the majority of small businesses require their operators to be out and about having the doors open or go to meet with their clients and job sites which is frequently impossible in the time of COVID-19 pandemic.

Individual states and agglomerations within them are affected quite differently by the pandemic. Globally we see the same picture and we can go over many reasons why both developed and developing countries are so strongly affected (Stiglitz, 2010) by this virus. Every country is affected by this pandemic,

although more developed economies will likely fare much better than the less developed ones. With the global economic slowdown upon us, we need to draw lessons on how small businesses can return to their operations. The entrepreneurial spirit is alive and well, however, the entrepreneurs need to reframe their strategies on how they will start anew.

## **NEW OPPORTUNITIES AHEAD**

Indeed, this pandemic will cause many businesses to fold. On the other hand, as things will improve there will be many more opportunities rising ahead. Those that manage to cease this challenging time and make something new of it will succeed. Current thinking, however, will not help the business as usual to persevere. The new thinking, ability to spot new opportunities, and pursuing these opportunities will enable the success of many. Bootstrapping is important here for most companies large and small (Malmström, 2014) as the restart of the economy will be slow. Expecting government support or a bailout may be viable for some large companies and small businesses, but this will not be a viable long-term strategy.

No one should think of returning to business as usual, people should put their thinking hats on and think as if every day is a new opportunity, and how not to become complacent in this environment. I want to recommend a few steps here on how entrepreneurs should view the new post-COVID-19 business world:

1. Forget what worked well before and challenge every idea, everyday
2. Open yourself to new ways, new opportunities, do not try to revive what was and is gone
3. Identify business opportunities that will arise. They are here already and will continue to develop, keep your eyes and ears wide open
4. Think of diversifying your offerings. Online business offers plenty of opportunities (Zahra, 2021)
5. Train yourself and your people to try new things and new ways
6. As soon as possible, set up a rainy day, week, month, even a year fund
7. Plan ahead on how you will respond to new challenges
8. Think of how to bootstrap your business
9. Do not settle into a new routine

One of the many lessons that this pandemic provides is that we cannot think of returning to the old ways of doing business. We need to develop better habits to survive this type of economic downturn and succeed in the future. To be successful in downturn times each business needs to have its rainy-day fund as the present scenario proves that relying on government aid is not adequate, not timely, and often not sufficient. Every small business must have a bootstrapping plan (Carter and Van Auken, 2005; Eckerson, 2010) not only for the start-up stage but also for the economic downturn, and the recovery stages as well. The question, how to operate the business sustainably, so it can function in every economic climate, should be on the minds of each entrepreneur.

The study of Wasserman (2008) in Harvard business review points out the founder's dilemma whether they want to focus on the financial success of the venture or their own fame and success. He points out that only one can be accomplished at a time, so new entrepreneurs want to spend some time setting the priorities. Regardless of the desired direction, the entrepreneur needs to decide what type of business he or she will run, what offer they will present, and what team they must assemble to be successful in their pursuit. Those that manage to cease this challenging time and make something new of it will succeed.

In general, no old or new theory of entrepreneurship can provide answers to make things go away or happen (Dobbs and Hamilton, 2007). Disciplined planning and execution combined with ingenuity can have a tremendous impact on the future of small businesses, our communities, cities, states, and the country. It can also impact the global economy as no business today can operate in its own "back yard" we need supplies, services, and raw materials that come from many places around the world.

This situation although terrible for many will be an opportunity for many others, recovering and new entrepreneurs, as well. Assessing one's skills and strengths and deploying them strategically will be important here. This is a time when I can confidently paraphrase one of my favorite economists, Joseph Schumpeter who wrote in 1942 of the process of creative destruction which is taking place now. In his

view, the available resources should be used by those who can utilize them most efficiently. We need every efficiency we can find now and leverage it to our own and collective good.

## CONCLUSION

In the past months, we have seen failures of governments around the world to proactively provide necessary medical and personal protective equipment and instead botch even the basic guidance to its citizens on how to protect themselves. More encouragingly, we have seen the ingenuity of individuals in their homes making protective gear, ventilators, and disinfectants often even giving it away for free. Many others pursued new business opportunities which seemingly did not exist before the pandemic, here I am not thinking only of Amazon or DoorDash, but of small business entrepreneurs. That is the American spirit and human spirit, which I am sure, will allow us to rise from the ashes of this pandemic and rebuild our communities and our economy.

A black swan event is some type of extreme event that is very hard to anticipate (Taleb, 2007). However, one who has a good understanding of the global complexity and complexity of their industry should be able to observe the early signs of the approaching black swan event. Finally, when the rare event takes place thinking of the unknowable and relying on experts can be the only way forward. Today, as the government debates another round of fiscal stimulus, entrepreneurs, and accidental entrepreneurs, those that were thrown into this economic climate have plenty of opportunities ahead of them. They just need to be able to see around the corner, spot the need that businesses and customers have, especially leveraging the online solutions. Going ahead, it is certainly not going to be the world as usual but those who test and implement their new ideas may reach for the stars. Looking back at this black swan event and the reshuffle that it caused we will be able to spot the new stars of a small business growing large again in, hopefully, a not-so-distant future.

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