

How are British small-medium businesses adjusting to COVID-19?

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ABSTRACT

Every aspect of life has been affected by the COVID-19 pandemic, and the global economy has experienced considerable losses. This study aims to provide theoretical insight and relevant information about the current situation of businesses in the case of British small and medium-sized enterprises (SME's), as well as to identify how they are adapting to overcome COVID-19 challenges. The SMEs are a key driver of economic growth and sustainability in the United Kingdom. The study a qualitative approach to identify the most effective adapting strategies by analyzing secondary data. The study's findings revealed that British SME's responded to the pandemic using five long-term strategies; Financial management, government policy, network relationships, digital transformation, and entrepreneur orientation. This study contributes to data analysis, which may be useful for future empirical and strategical research on COVID-19's economic impact.

Keywords: SMEs, COVID-19, strategies, digital transformation, entrepreneur, network relationships.

1. Introduction

The COVID-19 pandemic began in Asia in 2019, and within a few months, it had spread to other parts of the globe. The outbreak of COVID-19 has disrupted the British political, social, economic, religious and financial structures. It created a considerable number of changes that characterize the business process and the behavior of the consumers. Countries around the globe, including the United Kingdom, implemented strict public health measures to respond to the outbreak and slow the spread of the virus. These measures range from social distancing to complete lockdown, mandating school and business closures, imposing travel restrictions and invariably constraining economic activities with serious ramifications (ONS¹, 2020; PWC, 2020; Spiegel & Tookes, 2020). The implementation of restrictions in the U.K. forced the closure of non-essential retailers, required people to work from home whenever possible, and avoid social places. This situation led to a considerable increasing in unemployment in London and other cities in the U.K. (ONS², 2020). COVID-19 is affecting the global economy in three main directions: directly affecting production, creating supply chain and market disruption, and having a financial impact on firms and financial markets (Deloitte, 2020; ONS², 2020). A sustained period of uncertainty has made business and financial planning almost impossible. SME's owners' confidence has been affected by these changes, with many of them fearing the long-term financial repercussions of the pandemic. Retailers and brands are facing many challenges, especially those related to health and safety, the supply chain, the workforce, cash flow, consumer demand, sales, and marketing. Many markets no longer exist, mainly in the fields of tourism and hospitality (Donthu & Gustafsson, A., 2020). Countries all over the world are trying to stimulate their economies to keep as much as possible of their necessary infrastructure powerful and to keep their citizens productive or ready to become productive as soon as the pandemic is defeated. Despite the challenges of lockdown, businesses are now seeing some opportunities to adapt and learn new things. They have adopted different measures to deal with the current situation that has a notable impact on businesses, on the job markets and infrastructure. Businesses created new websites, are offering products/ services online and found new ways to communicate with their customers (Simply Business, 2020). Some developed countries have chosen to support businesses in order to help them keep the workforce intact, but some with less financial strength cannot do the same (Donthu & Gustafsson, 2020). The UK Government has introduced schemes to support these businesses, such as furlough workers: the Government pays 80% of the wages of furlough workers that are not working due to the

COVID-19 lockdown (GOV.UK.¹, 2020). In addition to taking part in the furlough initiative, SME's are drawing on other forms of government support. SME's have applied for business-rate relief and deferral of tax payments, with smaller numbers having sought loans, claimed statutory sick pay and requested protection from eviction (GOV.UK.², 2020). However, additional unemployed people will affect the countries' economy significantly and destabilize society's social environment. Local businesses have started to re-open whilst some are still struggling to re-open because there are fewer customers; people are still scared to go out as new cases of COVID-19 are recorded every day (PWC, 2020).

It is becoming challenging for most businesses across the world to keep their financial wheels rolling, given reduced revenues and a high level of uncertainty. It is thus the most important for businesses to conduct a proper assessment and feasibility analysis of their business models (Donthu & Gustafsson, 2020). COVID-19 has pushed businesses across the world to rapidly operate in newer and more resilient ways. As firms changed their priorities in response to old challenges such as real-time decision-making, workforce productivity, business continuity, and security risks, newer challenges introduced by the pandemic are testing businesses' resilience as they attempt to lay a foundation for the future (Ivanov, 2020). To help business practitioners and researchers understand the impact of the pandemic on future economic growth, this research analyses the consequences of COVID-19 on small and medium-sized businesses.

The research aims to provide theoretical insight and relevant information about the current situation of businesses in the case of British SME's and identify how they are adjusting to exceed COVID-19 challenges to continue to obtain success. To meet the objectives of the study, in the following section of the paper, the literature review of the COVID-19 outbreak is presented, as well as, the impact of the pandemic on SME's and some strategies of survival.

This study contributes to the research field in three different perspectives; first, unlike the previous studies in the field of previous pandemics, there is little evidences of how SMEs businesses reacted to such pandemic to learn the lessons of how it works, how businesses experienced, there is no clear themes for how those businesses recure back to their positions. Second, the SMEs is a major producing sector and their number of employees are not large numbers, during the pandemic and the lockdown, those SMEs have been affected in terms of their work and production. Thirdly, the study mentions how remote working and virtual businesses

have decreased the CO2 emissions, and there are many new business models introduced at every level of business.

The research methodology, in the third section of the paper, addresses British SME's and analyses different sources, including academic journals, which studied the main problem in the U.K. It aims to analyze the most relevant and recent information about the businesses to find which strategies they embraced to overcome the COVID-19 crisis. The main findings and implications are discussed following by the presentation of conclusions and future implications.

2. COVID-19: Outbreak, Impact and Strategies

The COVID-19 pandemic is unprecedented in its global reach and impact. The numbers of infected cases and death globally are increasing so rapidly, affecting more than 200 countries or territories and the majority of businesses. Figure 2.1 shows the total number of confirmed cases and deaths at the world level. As of March 13/2021, the number of infected cases globally stands at 120,041,601, with 2,659,177 death cases (Worldometers, 2021, March 13).

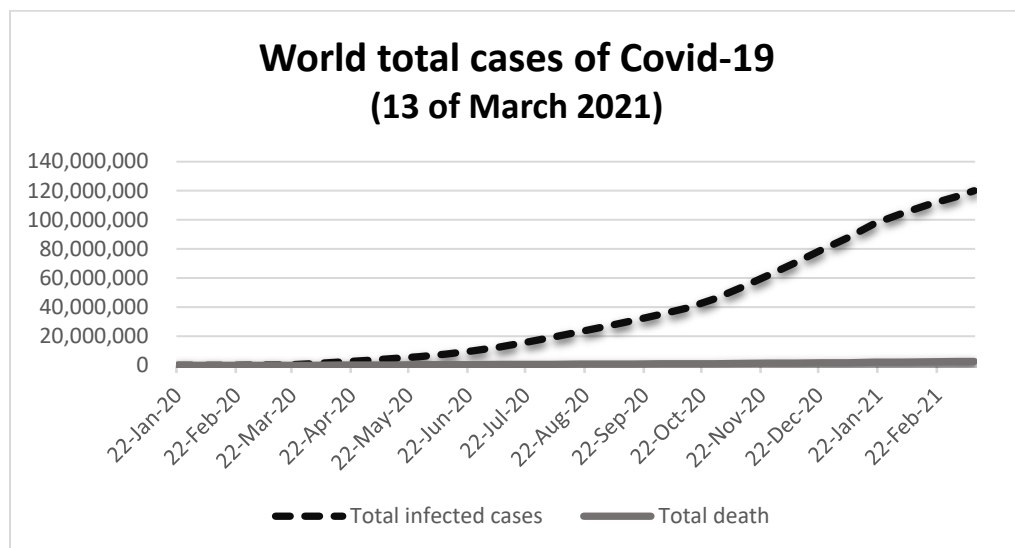


Figure 1: World's total number of infections and death caused by COVID-19

Source: Author, based on Worldometers as of March 13, 2021

Researchers, governments and policymakers have become increasingly concerned about the negative effects of COVID-19 on business activities, industry policies and the global economy. Strategies to flatten the COVID-19 curve such as community lockdowns, social distancing, stay-at-home orders, travel and mobility restrictions have resulted in a temporary closure of many hospitality businesses and significantly decreased the demand for businesses that were allowed to continue to operate (Bartik et al., 2020). The pandemic had the most serious impacts in the history of mankind. There are a high number of small and medium enterprises in the U.K.'s economy. During the pandemic, the enterprises had to either close their operations or faced significant losses in business. Despite the excessive use of technology, many small and medium enterprises have to adopt digital technologies that are difficult for them to implement, especially when the revenue is low. During the pandemic, online businesses were the ones having the most advantage. Hence, many businesses had to divert all their attention to the online mode of sales. As a response to the outbreak, policy responses were fast and strong overall to avoid bankruptcies. The lockdown had an impact on several sectors in the SME's, and there was a significant decrease in overall sales. The Government, during the time of difficulties, supported the small and medium enterprises (SME's). Nonetheless, the government faces challenges accessing self-employed people, small and young businesses, women and minority entrepreneurs. Furthermore, a significant number of SMEs have received government support. As a result of the policy, by the end of 2020, a substantial proportion of SME's had encountered the need for additional support. The research studies and evaluates the strategies that SME's might employ to improve their economic status. Governments must also ensure that businesses do not face difficulties while operating, as the UK's economy is reliant on small and medium-sized businesses (OECD SME and Entrepreneurship Outlook, 2021). In the year 2021, there are new and young firms started that are focused completely on digital technologies. The firms employ twenty percent of the workforce, and they create half of the new employment. Firms are focusing on innovation, which will help to boost long-term productivity and economic growth. Even if great attempts are being made, the economy will have to deal with the pandemic's long-term impacts (OECD, 2021). The hotel, real estate, arts, and entertainment industries have all suffered significant losses. In contrast, manufacturing and construction, are rapidly recovering in some countries. SME's, on the other hand, have seen encouraging signs following the government's early support. The increase in the start-up funding sector that occurred in several countries by the end of 2020 provides some cause for optimism (OECD, 2021).

Impact of COVID-19

Donthu and Gustafsson (2020) studied the effects of COVID-19. Researchers have witnessed a significant change in the time of the outbreak, and many changes are to be continued in the future as well. The pandemic caused a severe global economic decline. Business operations in consumer behavior have changed. As a result of the outbreak, many well-known brands went through bankruptcy as consumers were restricted at home and economies were shut down. Furthermore, the airline industry has to reduce its workforce by 90%, and the tourism industry has no profit. Major events around the world were postponed, and cultural establishments such as galleries and museums have been abruptly called off. Small and medium-sized businesses were also affected because of the closure. The businesses that were internet-based such as online entertainment, food delivery, online shopping, and had solutions for remote working, did have an advantage during the COVID-19 lockdown. The research also focuses on consumer behavior and consumption patterns. As consumers were spending more time at home, the demand for take outs, snacks and alcohol increased. Along with food, the cleaning products demand also increased. Other industries that are doing well are those related to healthcare, medication as well as herbs and vitamins.

Carracedo, Puertas and Marti (2020), studied the impact of the COVID-19 pandemic on business. Businesses have been forced to take new and innovative steps during the difficult condition of the pandemic. The new managerial guidelines and policies are considered to adjust to the new way of working. The aim of the study is to find out the research lines during the COVID-19. The analysis uses statistical software R. The main point of focus is reviews of quality journals and marketing areas. The result of the study shows that there are three different areas of intervention. The need for businesses to improve citizens' quality of life is considered an important perspective in the study. The needs and requirements of the consumers have changed. Hence, the nascent market resulting from lockdown demands management changes in the entire production network, with public health playing a role. The systems have become obsolete, and companies have to respond to the changing business environment where virtual businesses have gained emergence. Moreover, remote work became universally active to make the businesses survive. Many companies have also adopted remote working on a long-term basis. The results explained that innovation helps in strengthening the businesses during the outbreak as it helps with creative

solutions. The study also mentions how remote working and virtual businesses have decreased the CO2 emissions, and there are many new business models introduced at every level of business.

COVID-19 Strategies

Durst, Acuache and Bruns (2021) investigated Peruvian small and medium-sized enterprises during the COVID-19 outbreak and how the companies survived during the pandemic. The study aim is to analyze the strategies of the small and medium-sized enterprises (SME's). The research used exploratory qualitative research that involved 25 semi-structured interviews from Peruvian SME's. The findings of the study indicated that the companies had adopted precautionary on following Standard Operating Procedures (SOP's) to increase the chances of survival. Furthermore, the results also show that there is a role of crisis management in the company.

Fitriasari (2020) focused on finding out how small and medium-sized enterprises survived the COVID-19 outbreak. The aim of the study is to provide a business model that can be applied to the SME. The research follows a qualitative method in which kinds of literature are gathered from electronic and print media. The technique used is a content meta-analysis through an interactive procedure consisting of four steps. The steps include data collection, data condensation, data presentation, and drawing conclusions. The research also uses Business Model Canvas for SME's products and services. The research concluded that the three important elements of business resilience are product excellence, people behavior, and process reliability. The importance of business resilience is to support digital transformation in the time of COVID-19. Furthermore, the strategy results show that digitization strategies can help survive the pandemic and help achieve business goals.

Papadopoulos, Baltas and Balta (2020) find out about the use of digital technologies by small and medium enterprises during COVID-19. Many pieces of literature have highlighted the role of digital technologies (D.T.). The study works on the technologies and states that it helps enhance productivity and performance in small and medium enterprises (SME's). The investigation highlights how digital technologies help in business continuity during the COVID-19. The results of the study identify that to deal with severe conditions during the pandemic, small and medium enterprises (SME's) should use digital technologies such as mobile and collaborative technologies and the Internet of thing with next-generation telecommunication networks (e.g., 5 G), big data analytics, artificial intelligence (A.I.) that uses deep learning, and block chain

technology. Further, the strategic adaptation of digital technologies can help in enhancing competition, productivity and performance.

Gustavsson and Larsson (2020) studied marketing Innovation for SME's during COVID-19 Pandemic. The coronavirus has had an impact on businesses, especially small and medium-sized enterprises. The businesses environment caused difficulties for several business owners. The ways businesses are marketing during the time is a point of focus in the study. The data collection method is through a qualitative approach and the tool used are interviews. Managers from three different organizations working in small and medium enterprises conducted the interviews. The three companies stated that there was an evident economic crisis that led to problems in business operations. The results of the study showed that an improved marketing mix could be a response to the coronavirus. The new marketing mix would help to analyze the situation and the need of the customer. The changed customer behavior was a result of the Swedish Government and the Public Health Agency measures to prevent the spread of the virus: social distancing, travelling restrictions and closed borders.

Li et al. (2021) investigate SME's amidst the COVID-19 pandemic. The entrepreneurial orientation is being used as a tool to overcome failures in an enterprise, especially during the time of the pandemic. The study also states that emerged and emerging economies are gaining benefit by entrepreneurial orientation in small and medium businesses. The research focuses on enterprise performance by assessment of mediating effects of innovation types and intellectual property. The data was collected from 702 managers in the food-processing factory through questionnaires. The analysis method used was partial least squares. The result of the analysis shows that entrepreneurial orientation, innovation types, and intellectual property has a significant positive impact on enterprise performance.

Juergensen, Guimon and Narula (2020) studied European SME's amidst the COVID-19 crisis. The COVID-19 has challenged European small and medium-sized enterprises in the manufacturing sector. The lockdowns across Europe has had an impact on the trading partners and a long-term impact on SME's and the global value chain. According to the study, in the short run, SME's faced logistical challenges along with demand disruption. Even though the severity across firms is different but in the long term, there will be different challenges for SME's. The study further states policy interventions will be needed and it should be designed as per the sensitivity

of different types of SME's, rather than adopting a one-size-fits-all approach. The policy mix will need to shift from its initial focus on the survival of European SME's in the short term towards a structural and longer-term approach based on promoting their renewal and growth through innovation, internationalization and networking.

Wenzel, Stanske and Lieberman (2020) determine strategic response to a crisis. The research identifies four responses that are retrenchment, persevering, innovating, and exit. Retrenchment helps in cutting the cost of a firm's business activities. Previous research shows that the technique can support a business during a crisis in the short run. On the contrary, the results show that the long term effects are mixed. The retrenchment techniques result in a mixed outcome. The persevering technique is the second strategy used that secures the status quo for the time of crisis. E.g., through debt financing and the consumption of available slack resources. Many prior studies show that the technique is useful in the medium run.

On the contrary, there are many arguments against the tactic, which states that the preservation of resources can dry up at some point. Hence, in the run, it is a threat to survival. Innovating is one of the strategies identified in the study as a response to the COVID-19 situation. The opening of opportunities and allows employees to transcend the boundaries of what they believe is thinkable and feasible. Innovating is important in the long run and helps in the sustainability of the firm. The last strategy in the study is an exit which means discontinuing business operations. Exit can be a strategic response at a time of crisis where the firm frees up resources for better business opportunities.

Adam and Alarifi (2021) studied innovative practices for the survival of small and medium enterprises (SME's) in the COVID-19 times. The research aims to study the moderating effect of external support that the government provided between innovation and survival of the SME's. The study uses the Partial least squares structural equation modeling (PLS-SEM algorithm). The results indicate that innovation practices of SME's have a significant positive impact on the performance and survival during the COVID-19.

Omar, Ishak and Jusoh (2020) investigated COVID-19 Movement Control Order (MCO) and the survival strategies. The crisis that started in 2019 as an outbreak has affected all sectors of the economy. The government's effort to safeguard public health is a major concern in today's world. Hence, the lockdown, confinement, limited movement order and social distancing are all part of the strategy. However, the survival of SME's is the focus of the study. The data was

collected through phone-based interviews from sic owners. The impact of MCO is further divided into operational problems and financial problems in the study. An effective marketing and financial strategy can help SME's survive.

3. Research Methodology: Approach, Data Collection and Data Analysis

The research is unique in that it concentrates on British small and medium enterprises (SME's), and there is a wealth of literature available to assist in identifying the strategies employed by various SME's.

Qualitative approach

Qualitative research is defined as a research method that focuses on words rather than numbers while collecting and analysing data. When it comes to qualitative research methods, the most suited approach for the current study is "...the collection and qualitative analysis of texts and documents" (Bryman 2012, p.383). The outcomes of the study are neither measurable nor quantifiable (Collis & Hussey, 2013). One disadvantage of qualitative research is that it is not perceived as reliable as it can be judgemental and can be misinterpreted. Furthermore, it is not possible for the researcher to gain information from a high sample size (Bell, 2005).

Data Collection

The data was gathered using a qualitative approach, with the main processes shown in Figure 1. The study analysed news articles from credible news sources. An investigation with the main topic was conducted: How British small and medium-sized enterprises are adapting to COVID-19? Several studies have inspected important strategies utilised by small and medium enterprises to survive the pandemic crisis. The study examines recent research, news articles, and data from government institutions through a systematic review of the literature. Journals such as Journal of Business Research, Journal of Business Venturing Insights, Industrial Marketing Management, and others have been embraced as a qualitative reference database. Research papers that follow and uses keywords such as "COVID-19", "small and medium enterprises", "economic impact", and "strategy management" has been given importance and has been analysed deeply. The research

focused on the publication from the year 2020. The study focuses on publications beginning in 2020. Journals, news articles, and information from authentic institutions were also included in the screening process.

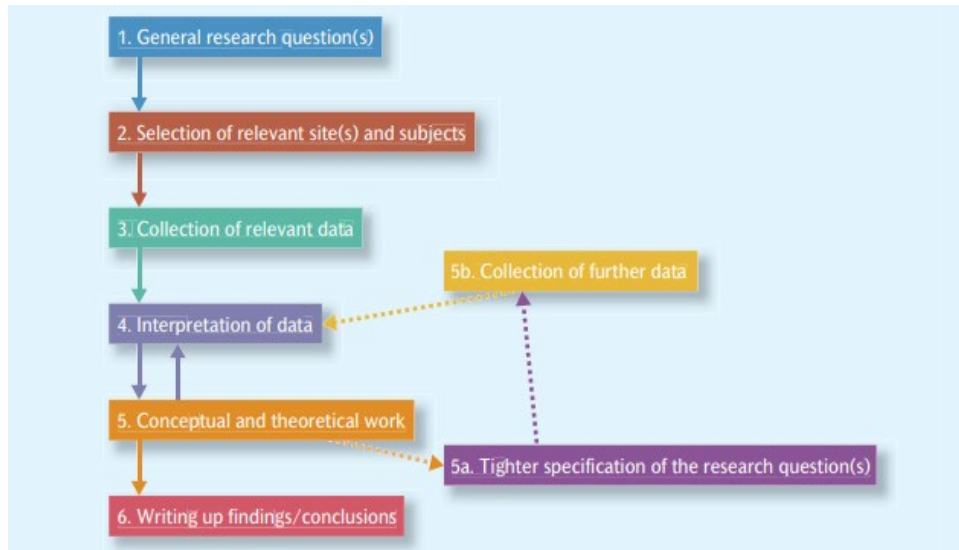


Figure 2: The main steps of qualitative research

Source: Bryman, A., (2012) *Social Research Methods*. 4th ed. pp.384

Data Analysis

The literature was grouped into sub-themes and organised around a central theme. The study then analysed all the small and medium-sized enterprises' strategies and how they were adapting to changes. The fact that SME's make up the majority of the UK's economic contribution is well known, as evidenced by the figures. The following are the actions that were taken during the analysis:

Reading literature critically

The reading part of the research was the primary and the most important task. The main goal was to identify what the literature's theme was and what aspects were highlighted. During the analysis, the major questions were: why is the theme essential to our research, and how does it contribute to SME's changing time? Since the data was colour coded and categorised, this aspect of the analysis is critical. The references were also assembled in a separate folder, which contained all of the relevant literature. Every piece of literature utilised a different approach to study; some

used mixed methods, while others relied on primary sources, and still others analysed data from a variety of other sources dating back to the beginnings of the COVID-19 pandemic (Hair et al., 2013). The research will be based on current literature as well as secondary data that has been published from 2020 onwards.

Brainstorm a list of potential topics

The next step in the analysis was to highlight key passages and make notes. The notes and highlighted part will aid in the drafting of the analysis and remembering which component of the research they will assist with. The main theme of the research should be linked to the points that are highlighted. In the literary analysis, the most essential component was determining how SME's adjusted to the COVID-19 disruption and changes. A summary and analysis of the themes and subject areas of various types of literature will be provided. The methods used as well as the outcomes will be revealed. The approach will be carried out using a thematic analysis grid. For the following study, implications and future research areas also will be highlighted.

Writing a Literary Analysis Paper

The main themes were identified after the analysis, and the major strategies of firms were analysed and grouped together under a single subject. The strategy's result was also researched and supported by many works of literature, proving the theory underlying the techniques. The implementation techniques will aid in reducing the amount of data and information that is dispersed (Cooper, Schindler & Sun, 2006). Under the theme, several important points will be noted and highlighted for the analysis and results.

Supporting shreds of evidence

The selected strategies would be checked for validity and reliability. The analysis will also look into the disadvantages of the strategies and how they are addressed throughout implementation. Any contradictory statements that do not support the research will be noted, as well as any point of argument that could question the research. An expert in the field would read the data and evaluate whether any other technique currently used by British small and medium businesses is missing. If the analysis is confirmed, it will choose a topic with enough evidence to support it (Cooper, Schindler & Sun, 2006). The research is very detailed, and it requires a broad perspective to justify the COVID-19 changes. Cause and effect analysis will be used to support

the main topics. To strengthen the credibility and validity of data, each statement will be supported by relevant arguments (Cooper, Schindler & Sun, 2006).

Make an extended list of evidence.

The analysis must be based on credible sources and information that is reliable. There are a variety of sources that will support the strategy and how it has responded to the changing business environment of economic crisis. One source will be examined and supported by several research to increase the authenticity of data. Information that is supported by a variety of additional sources can help to improve the quality and validate the information (Bryman, 2012).

Refine and organise the information

After the five steps have been completed, the research will be linked to the initial question in order to keep the paper intact with the purpose. The evidence gathered should be focused, and it should support the arguments. The information will then be organised, and the unnecessary research should be removed to avoid any disruption in the analysis. In the thematic grid, the information will be categorised. As the information is interlinked with each other, every other information can be overlapped. For instance, the economic downfall can have an adjusting strategy of government policy as well as digitisation. Hence, one effect can be a result of several causes (Bryman, 2012).

Create a Rough Draft

Following the analysis and completion of all steps, the first draft would be created and examined for any gaps. The gap would indicate that there are still areas that need to be researched and supported by proper evidence (Cooper, Schindler & Sun, 2006). The area that would require proof would be researched, and then a new draft would be created.

4. Findings

As a result to the pandemic changes, British small and medium businesses needed to adjust and adopt new strategies in order to continue to be profitable. The research findings revealed that British SME's responded to the pandemic using five long-term strategies. Financial management, government policy, network relationships, digital transformation, and entrepreneur orientation are among the strategies identified.

Financial Management

The small and medium businesses started arranging to organise, coordinate, and control fund-related activities. The implication applied common administration standards to the budgetary assets of the endeavour. As a result of the COVID-19, SME's were forced to postpone investments, allow government-funded work remittances, decide hourly contracts with representatives and experts, reduce cost, arrangement of contracts and terms, reduce labour costs and focus on revenue-building business operations.

Small and medium businesses are responding to cash flow related issues in a different manner. Almost 39% of the businesses have temporarily ceased operations. Other 38% have close some parts of their company's operations According to government guidelines, 47% of SME's have implemented remote working, while 39 % have only partially implemented remote working as some employees still attend their offices (Carracedo, Puertas & Marti, 2020). The remaining 15% have not yet implemented remote working, and the majority of them operate in the B2B sector (Bibby Financial Report, 2020). Remote working has reduced operating costs.

Furthermore, when it comes to business growth, 32% of British SME's explain that they would begin to expand when the lockdown is lifted, while 19% explain that they will expand after the crisis is resolved (Bibby Financial Report, 2020). According to studies, the pandemic crisis is a period of survival, and they must keep track of costs and financial reports.

Digital Technology

Digital presence was a necessity over the past few years as the number of users increased every year. Digital focus increased during the COVID-19 as people were not allowed to go out, and every other business started selling online. SME's recognise that the progress of the sales can increase if the products are displayed online for the customers (Carracedo, Puertas & Marti, 2020). SME's have increasingly embraced digital development by utilising virtual shapes of enrolment,

planning, and socialisation, the exponential increase in computerised communications, emphasising progressed records (e.g., progressed contracts, computerised taken a toll declaring), virtual advertising, and social media utilisation (Adam and Alarifi, 2021). Online shopping saw a critical boost with flexible progress.

Network Relationship

During the outbreak, one prominent strategy use by many small and medium-sized businesses is strategic alliances. The alliances helped in supporting the success of industry development. Even though the progress is short-term, the concentration of the collaboration should involve goodwill, business network, capital acculturation (internal measures, government support), a developed business model, and internal restructuring. SME's must be making a collaborative approach to all companies' partners, clients, systems, cargo forwarders, call centres, exchange unions, competitors, and exchange affiliations. Suppliers are also an important part of businesses. The supply chain was remodelled during the COVID-19 situation (Donthu and Gustafsson, 2020). The businesses reassessed the system in terms of area, generation capacity, the flow of material, and data.

Government policy

A great part of the U.K.'s economy is dependent upon small and medium-sized businesses. Therefore, SME's cannot be separated from the Government. Governments should make an effort and utilise financial assets to influence businesses to arrange and secure the beneficial capacity that will be required to resuscitate the economy of nations. The strategy would help in data exactness, boosting economy, salary and business bolster for SME's (Adam and Alarifi, 2021). Furthermore, there is a need for arrangements, strength capability, and positive social relations between government bodies and SME's.

Entrepreneurial Orientation (EO)

Exploration and exploitation are two primary methods that support innovation and critical thinking at the time of emergency. Firms today focus on entrepreneur orientation by the employees so that the organisation can respond to the changing environments. Through critical analysis, it was evident that entrepreneurship mind-set and market orientation helps in the production of

modern solutions, relevant information, and competencies (Basheer et al., 2021). The combined effect of entrepreneurial introduction (E.O.) and market orientation (MO) helps in innovation and problem solving for businesses and makes a difference during an uncertain situation such as the COVID-19 outbreak (Adam and Alarifi, 2021). Entrepreneur's optimism, negotiation skills, locus of control, market orientation, entrepreneurial orientations, performance, need for achievement, and risk-taking are some of the traits and skills that have positive effects on the SMEs' performance.

5. Discussion

The coronavirus outbreak is an unusual incident in the history of the world. The outbreak had a huge impact all over the world. The business sector was affected the most, as people were purchasing essentials only. The stockpiling behaviour of the customer disrupted the supply and demand mechanism, resulting in a clear crisis in the United Kingdom. Along with big companies, the small and medium-sized businesses were the most, as they account for a large portion of the UK economy. British small and medium businesses, along with the Government, implemented several strategies to survive the pandemic. The sudden decrease in revenue and sales created depression among business owners. Despite the fact that many businesses received government financial assistance, access was a major issue. SME's had to learn to be flexible and face the challenges that came their way during this time, as there are several SME's working in every industry. Some companies have stated that they will continue to operate after the pandemic is over, while others have stated that they are adapting to the changes and using a hybrid business model, even if many employees have lost their jobs. According to the analysis, employees are not trained to use digital technologies, which are in high demand in the coronavirus situation, as it requires high investment.

To deal with the COVID-19 crisis, many SME's are adopting digitisation strategies. According to a financial company, managing funds in real time is critical, and the use of digital technology and remote working have helped in reducing operating costs. Managing finances has always been a crucial aspect of surviving. The reduction in cost is an extremely important strategy. Remote working has resulted in a reduction of the cash flows. Small and medium-sized businesses, on the other hand, are primarily concerned with surviving, as revenues have decreased significantly. This step of financial management is one of the imperative actions by SME's. Each strategy is interlinked with another. Networking relationships are also important in financial management and digital transformation. Similarly, other strategies mentioned, such as finance management, network relationships, government policies, and digital transformation, are linked to entrepreneur and market orientations. Following market orientation and analysis, the entrepreneurial mind set began to develop innovative solutions in order to adapt to the changing environment. As a result, many new and better techniques for SME's to survive in the market have emerged.

Many people saw the pandemic as an opportunity to start a new business and devised a sustainable business model. Therefore, SME's also need to be flexible, and develop more resilient business models. SME's can take risks and survive in the industry, even if their costs are higher than large corporations. To be able to operate during a difficult time, the digital transformation is difficult but effective. British SMEs were able to use digital platforms not only to operate in the region, but also to expand globally. Even though the borders were closed and the export of products was difficult, the concepts for allowing businesses to gain access through digital platforms were novel. Many British companies would accept orders from all over the world and then connect with local suppliers to fulfil them. The type of mechanism required extensive research and analysis, but it is an excellent strategy for market survival.

One of the most pressing issues at the time was inventory. Before the pandemic, supplies were being delivered in accordance with customer demand. Consumer behaviour changed, as a result of the pandemic, and the demand for many non-essential products decreased. Companies had no choice but to sell the products at a discount or give away deals in order to finish their supplies. If the supplies did not finish, the company would incur additional costs, as holding inventory is an additional cost. Many businesses have benefited from government policies in the form of financial aids and support. As a result of government support, many SME's are hopeful that they will be able to keep their businesses and adapt to a new business model. The new model eliminated all the extra costs and encouraged remote work. Technology and digital transformation have become an integral part of business models.

6. Conclusions

The research focuses on how British small and medium businesses are adjusting to changes. As part of the research, the aims and objectives include determining the impact of COVID-19 on the British SMEs and how they manage to survive. A variety of researchers focused on government policies that helped in sustaining businesses as well as the significance of digitisation. According to research, two important factors are innovation and entrepreneur mind sets. The study's methodology was qualitative, with literature being analysed and gathered. The investigations were completed and organised into themes based on the same concept. Following the theme selection, a heading was created under which each theme was discussed in depth. There were several steps after the final draft. The approach was exploratory, using secondary data analysis. The secondary data was categorised and added into a single theme for the purpose of clarity and better understanding. The study's findings revealed that British SMEs responded to the pandemic in five ways. Financial management, government policy, network relationships, digital transformation, and entrepreneur orientation are the five response strategies highlighted in the study.

Limitations

The limitation of the research for the study is the focus on the British small and medium businesses. Furthermore, the research was based on scientific literature sourced from academic databases and platforms, which often lags behind other professional reports. The aim of the study, on the other hand, is not to offer an overall comprehensive literature review on the global level, but to gain insights into what has been reported so far in scientific publications regarding how SME's are responding to the recent disruption (relating to the COVID-19 pandemic). Industry experts could support the approach of using literature reviews, but due to government constraints regarding social distance measures and communication issues, interviews could not be conducted.

Many of the studies were not focused on small and medium-sized enterprises in the United Kingdom. The vast aspect of the topic could not be catered as business structures in other countries differ from those in the U.K. The economy of the United Kingdom derives a significant portion of its revenue from small and medium-sized businesses, whereas not all economies use the same mechanism. Other limitations include potential bias in answers, self-selection bias, and potentially less exploration of pieces of literature due to the fact that it is paid and exclusive. The analysis method is more versatile and can capture new beliefs.

Future Implications

Future research could concentrate on digital existence and examine how businesses are adapting to the digital age. Every piece of research suggests that in the post-COVID-19 era, SME's will need to respond differently, adjust to change more proactively, and adopt an entrepreneurial mind set. In the near future, the current scenario and crisis are uncertain and unpredictable. As a result, business models that support such an environment can be examined and evaluated. Customers' online presence has increased, and SME's need to connect with them through the online platforms. Future research could focus on virtual customer retention strategies. Due to the high level of competition, retaining and strengthening customers online is a challenging task (Basheer et al., 2021). Organizations face numerous challenges and uncertainties; therefore, the study can focus on developing multiple scenarios for future strategic actions.

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