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## **"Turning Covid Challenge into an opportunity – Rise in budding Entrepreneurship"**

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### **Abstract**

Covid-19 has changed all the equations of life of whole world. Due to lockdown, all economies across world are been trashed and everyone's routine life is stopped but still people are trying to overcome the pandemic and managing the lives. This was possible because of 24\*7 operating of few industries includes healthcare, pharma and the essential service industry. The second type business category, which at the same time arisen to solve the social issues includes the businesses started to satisfy the needs of society. Understanding the opportunities, these businesses tried to fulfill the needs and wants of the society. This is the other side of the pandemic, which gave rise to many such small businesses. This research study is been focused on this rise of entrepreneurship and makes an effort to understand the background, motive, way of conduct, investment i.e. the factors involved to carry on the business and management of these businesses.

### **Introduction**

Covid-19 has changed all the equations of life of whole world. Due to lockdown all the people across world were struggling but still they managed living with the help of running frontline businesses like healthcare, pharma etc. and the second category of businesses, which took birth to solve the social problem by understanding the opportunity, and tried to fulfill the changed needs and wants of the society.

When we talk about entrepreneurship, it has to overcome number of obstacles to manage the business such as obstacles related to invoicing and bookkeeping, management of staff, marketing and branding etc. The environment faced by businesses also plays role here and differ with change in the region, product category etc. However, this rise of business was without such routine obstacles, the environment faced by all was very highly uncertain. Across world all the businesses were facing the only one obstacle of lockdown due to pandemic and remain shut during the nationwide lockdown to break the chain of spread of the corona virus. In such situation, self-employment is going to be best solution selected by many

budding entrepreneurs underlining its importance. Thus the pandemic enabled entirely new categories of business, some resulting in business creation altogether. As defined in the literature, entrepreneurs are the people who recognize and act on opportunities to promote positive social change.

### **Background of the study:**

During the lockdown, distribution, supply chain and delivery system was affected badly resulting into shortages of certain commodities in the market. This created mental tension among people, as basic needs would be satisfied or not? Many were seen stocking the commodities contributing to the shortage. E-commerce was adversely affected, as deliveries were restricted in containment zones.

On this background aspiring entrepreneurs and few who were left with only this option for survival, shown willingness to take risk and vision to generate business model, which could generate revenue and satisfy the need of the society. Thus, the livelihood or secured future can be earned. As defined by Karl Ulrich, a professor at Warton University of Pennsylvania and Vice Dean of Entrepreneurship & Innovation that Creative problem-solvers have jumped to help, and that certainly is an entrepreneurial impulse and some of those efforts will result in business creation.

### **Research Objectives:**

1. To study the rise of small businesses during Covid pandemic
2. To assess its conduct with respect to the parameters like scope of the business, investment made, revenue generated, cash runway, degree of technology used, previous business exposure, government assistance etc.

### **Research Methodology:**

The present study incorporates the collection of both primary and secondary data for an in depth investigation. The research is descriptive in nature. Out of the questionnaires mailed to 45 people selected through convenience and judgmental sampling from Vasai Virar region based on the response and after discard the sample size stands at 40. In the survey out of the total respondents, 34 percent were males and 66 percent were females belonging to age group from 20-60 years. The questionnaire designed included close-ended questions. Simple percentile method and graphical representation is used to analyze and interpret the data. Secondary data has been selected through books, journals, Magazines, newspapers etc.

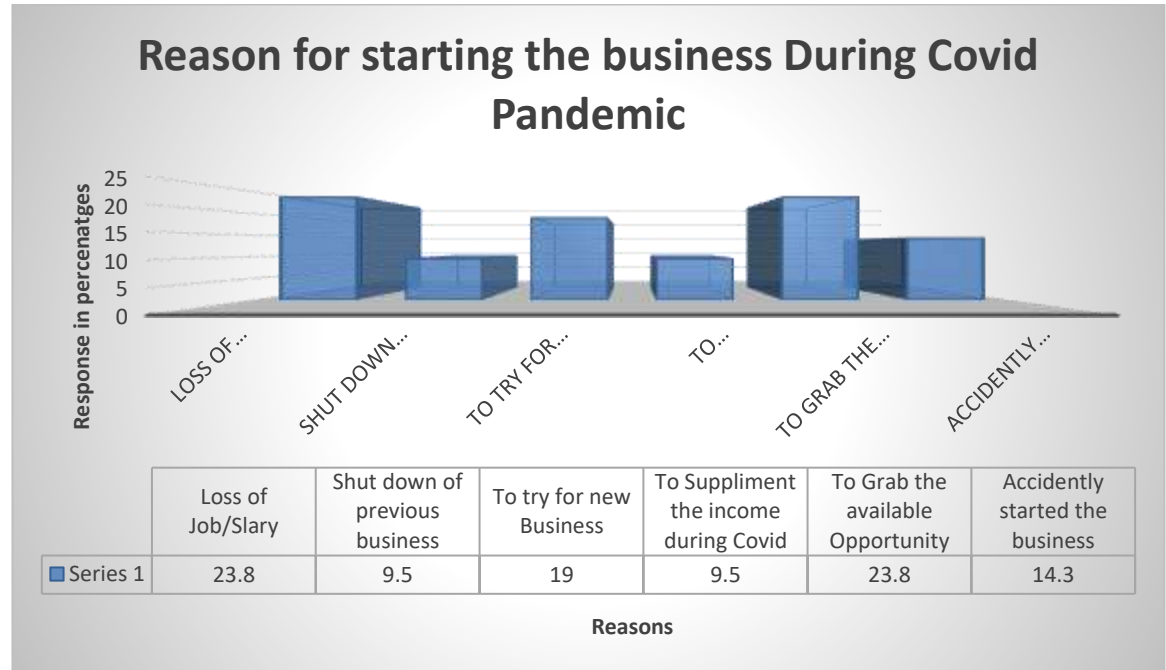
### **Data Finding, Analysis and Interpretation:-**

The data is collected and analyzed to understand following:

### **Purpose of Starting the business:**

During pandemic, everyone across world suffered in some or other way. Survival of many people was at stake. In such situation, few of them started with business, which was not easy otherwise, or at least those businesses were started in a secured, normal and suitable environment. Every businesses started during pandemic was having some purpose behind like due to loss of job, shut down of previous business, to supplement the income, to have for better future in pandemic and in many cases just to fulfill the aspiration of having business by grabbing the present opportunity.

Chart No.1

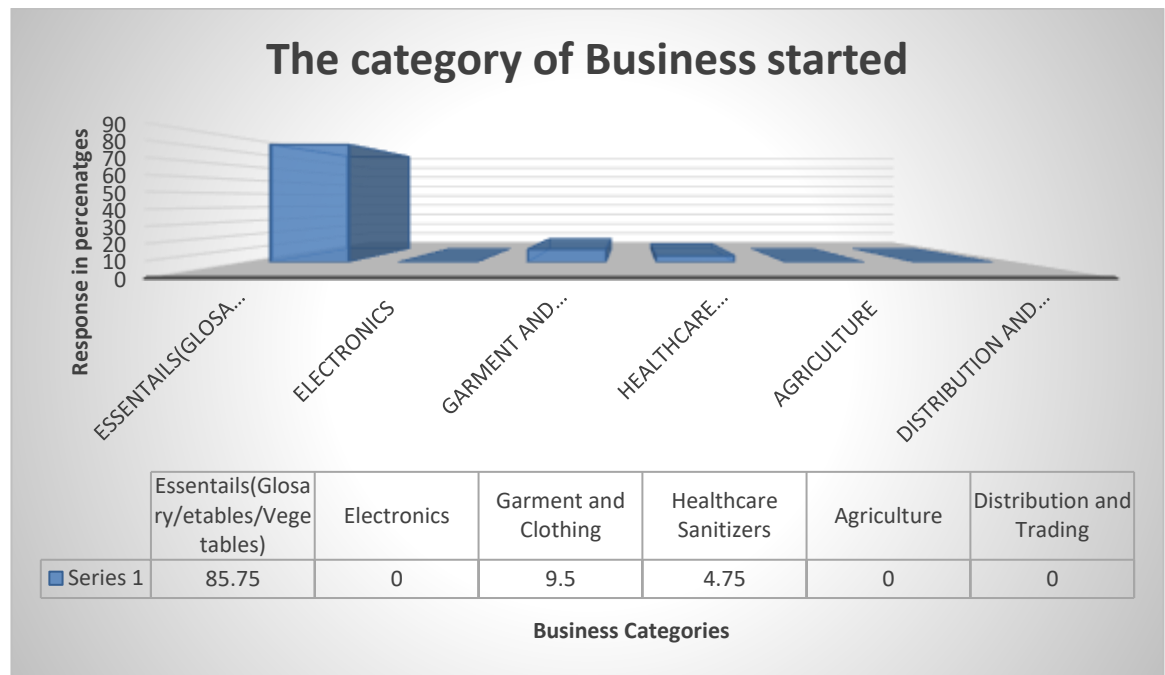


According to the survey conducted, the response has been categorized based on six categories as shown in the chart. Nearly 23.8 % of sample items responded that they have started business because of loss of job/Salary and to grab the available opportunity respectively. 19% respondents wanted to try new business and 14.3 % accidentally started the business who never thought of business but majorly in this situation to help the needy. 9.5 % of respondents started the business because the previous business is been shut and other 9.5 % to supplement the income in tough period for better future.

**The Category of Business Started**

Normally any business exists to fulfill the demand of the customers/market. This pandemic affected everything including the customer preferences, consumer behavior and slowed down the demand, in case of many zeroed the demand. On this background, it is very much difficult to start the business in any category so the researcher tried to find out the category of businesses started.

Chart No.2



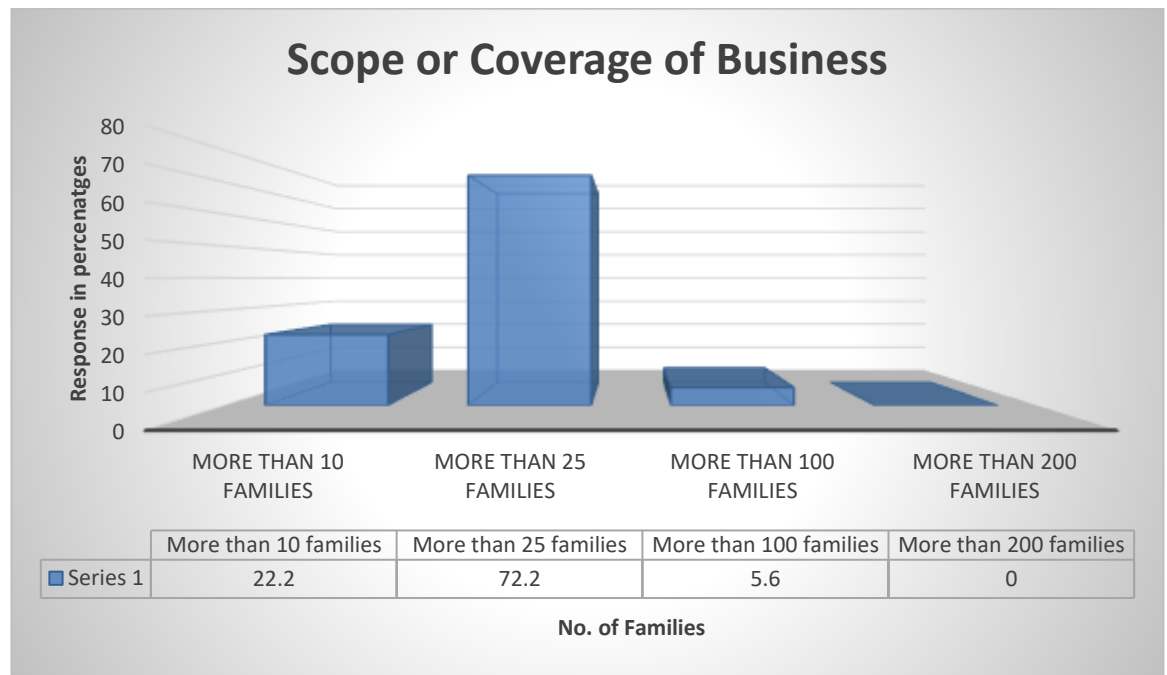
This lockdown due to pandemic divided the industry into essential and non essential industries. Essential industry was operating to fulfill the daily basic needs of the customers where as many of non essential were shut or partially operating. Therefore majority of the respondents, 85.75 % started business in essential category where demand was not affected but looking for source to fulfill the need. 9.5 % started garment or clothing business and 4.75 % chose Healthcare and sanitizers category.

Essential category comprises of business like glossary, eatables, homemade food, tiffin services, vegetables and fruits, dry fruits, spices, flour making etc.

#### Scope/Coverage of the Business

In normal practice, we discuss the business coverage in terms of market reach, region or territory covered etc. The businesses which started during pandemic time when lock down phase was going on and there were many containment zones obviously could not be assess in terms of above factors. These businesses tried to fulfil the needs of local area in its starting phase and during unlock phase tried to serve the outside area. Therefore, coverage of these businesses is been considered in terms of number of families served.

Chart No.3

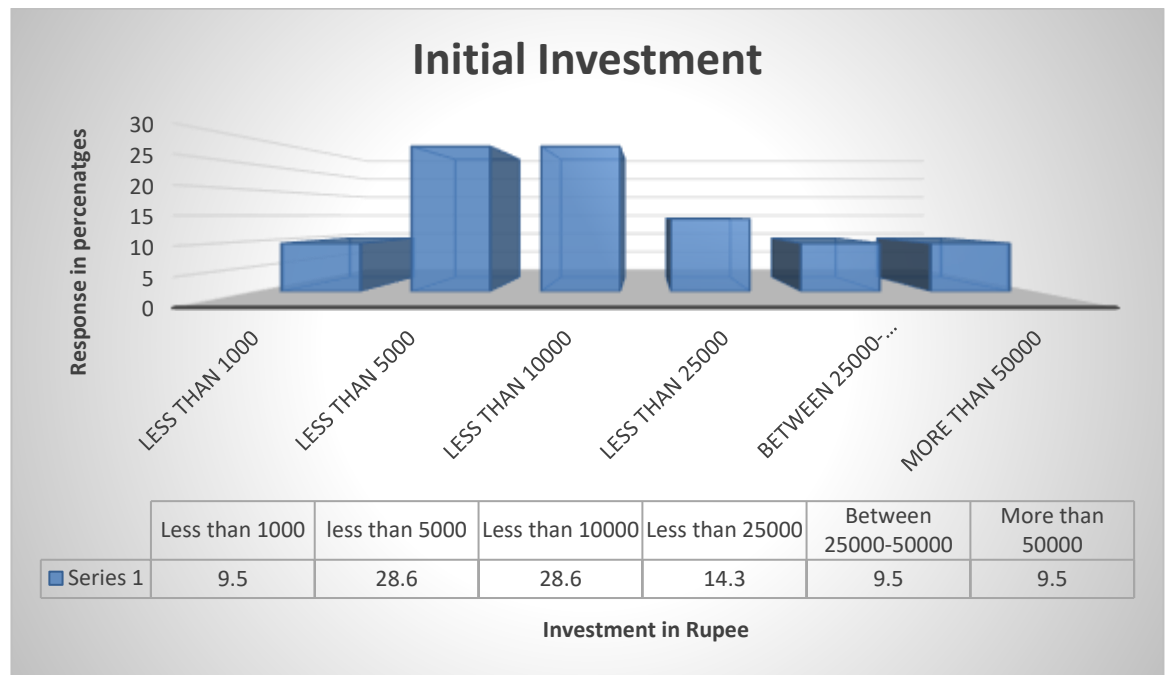


Based on the responses it is clear that 72.2 % respondents were able to satisfy the needs of more than 25 families successfully. Only 5.6 % could reach out to more than 100 families whereas 22.2 % were continued business by satisfying more than 10 families

#### **Initial Investment and Monthly Income**

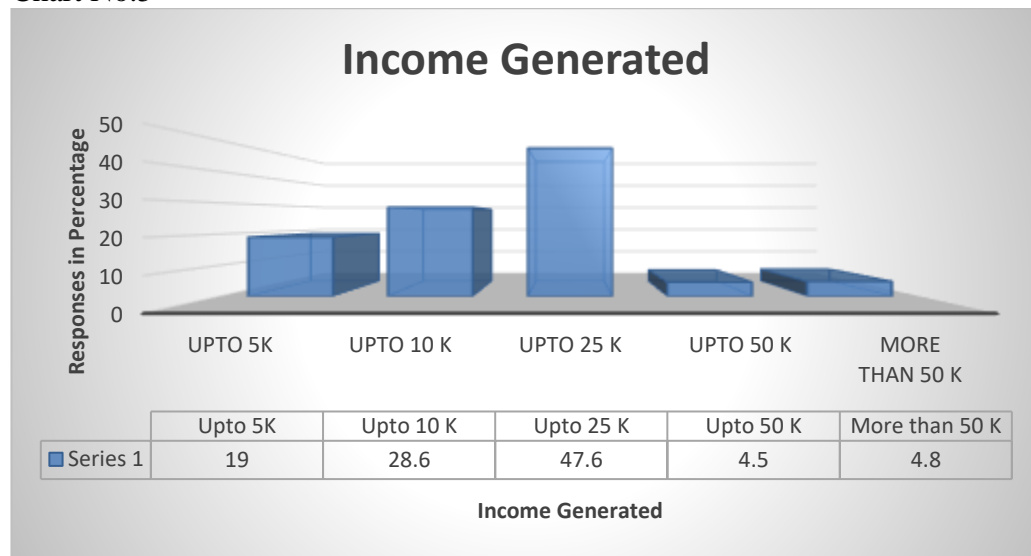
Any business will need initial investment to commence. As this study is on the businesses started during pandemic, when people were not ready to take risk and more worried about savings, spending and survival, these business are started with comparatively less investment. At the same time to fulfill its purpose for which it started, after satisfying the need of the society it could generate the income as shown in chart below.

Chart No.4



It is clearly visible from the responses that the people started the businesses with very less amount i.e. 9.5 % invested less than Rs.1000/- . 28.6% respondents invested less than 5000/- and less than 10000/- respectively. Investment was less than 25000/- in case of 14.3 % and less than 50000 in case of 9.5 %. Only 9.5 % of respondents invested more than 50000/-

Chart No.5



With respect to the investment made 19% could earn income up to Rs. 5000/-, 28.6% could earn income up to 10000/- and 47.6 % of respondents could earn income up to 25000/-. There were also the respondents who could earn up to 50000/- and more than 50000/- consisting of 4.5 % and 4.8%

### Cash runway

Whether the business is small or large, any business will need cash to operate

further or to manage day-to-day expenses. Therefore, to know how these businesses manage researcher collected this

Chart No.6

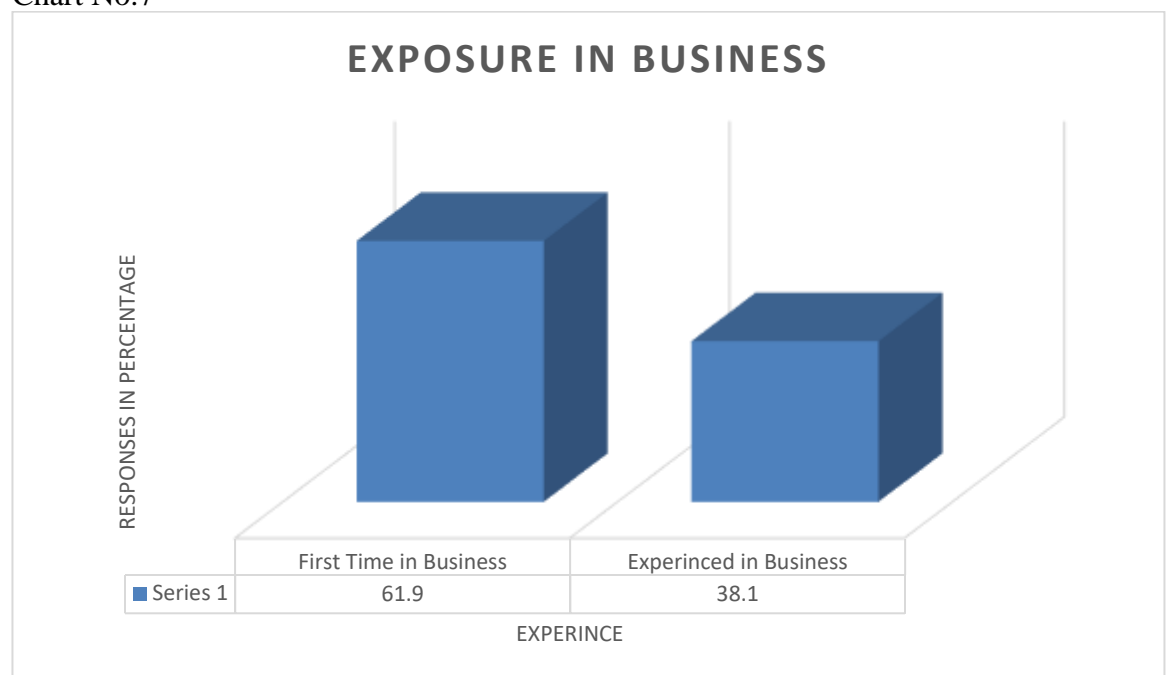


Nearly 76.2 % of business were having cash runway of just a month and 14.3 % were having of 3 months. Only 4.8 % businesses respectively could manage with cash runway of 6 and 12 months. No business reported out of cash runway response.

**Exposure in Business:**

To manage the business environment and adapt to the changes in the environment experience always helps. Since these all businesses are started during pandemic, the efforts are made to find out whether the entrepreneur has some business exposure or very new to business. As shown in the graph 61.9 % of entrepreneurs were new to the business whereas rest were having the experience of previous business.

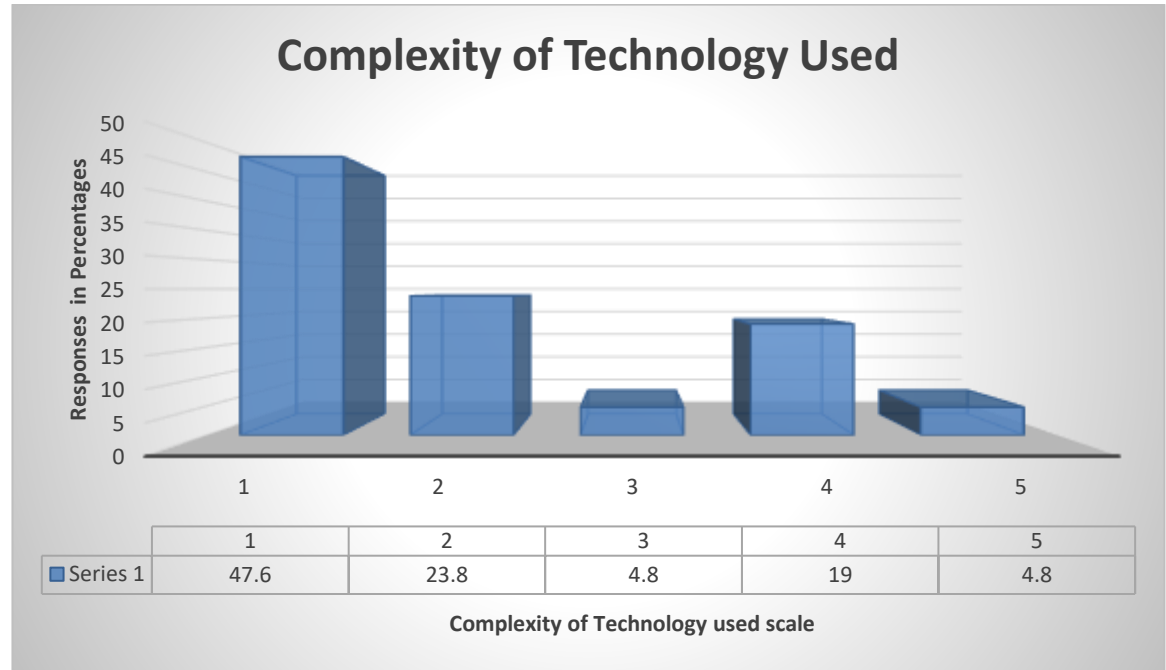
Chart No.7



### Technology involved

Technology has become point of discussion during pandemic because businesses which were having online presence and which could shift to the online mode easily survived. When lockdown is imposed and people are asked to stay at home for safety through technology only business were able to connect with customer and could manage to some extent. Therefore, efforts are been made to find out what degree of technology is used by the respondents to start and continue the business during pandemic. It is been measured on the scale of 1 to 5, 1 being simple and 5 being most complex .

Chart No. 8



As shown in the graph nearly 72% of businesses were using simple technology as majorly dealing in essential industry. Complex technology is used by only 24% of businesses.

### Continuity and Future growth of Business

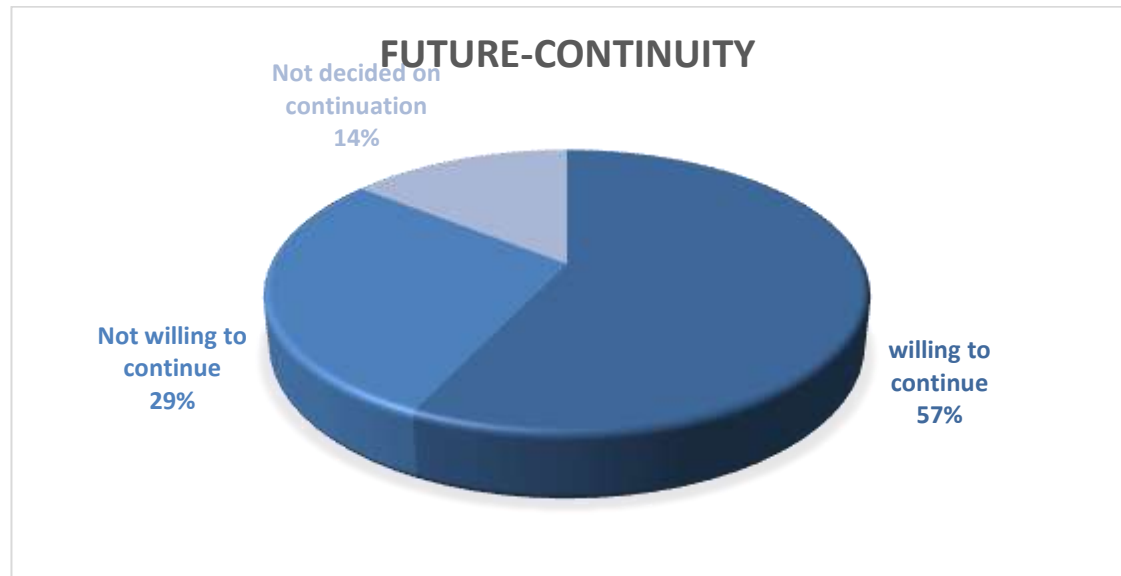
When asked about the future plans of the business, the researcher receive the responses based on the purpose for what business started.

During unlock phase only 9.5 %of the businesses reported no response rest around 90% of business were having response either same as during lockdown situation or better than that.

On Continuation of businesses when the situation will become normal, 58% had decided to continue the business and 28.6 % showed unwillingness to continue the business to return to the normal work and 14.3% still have not thought on future continual.

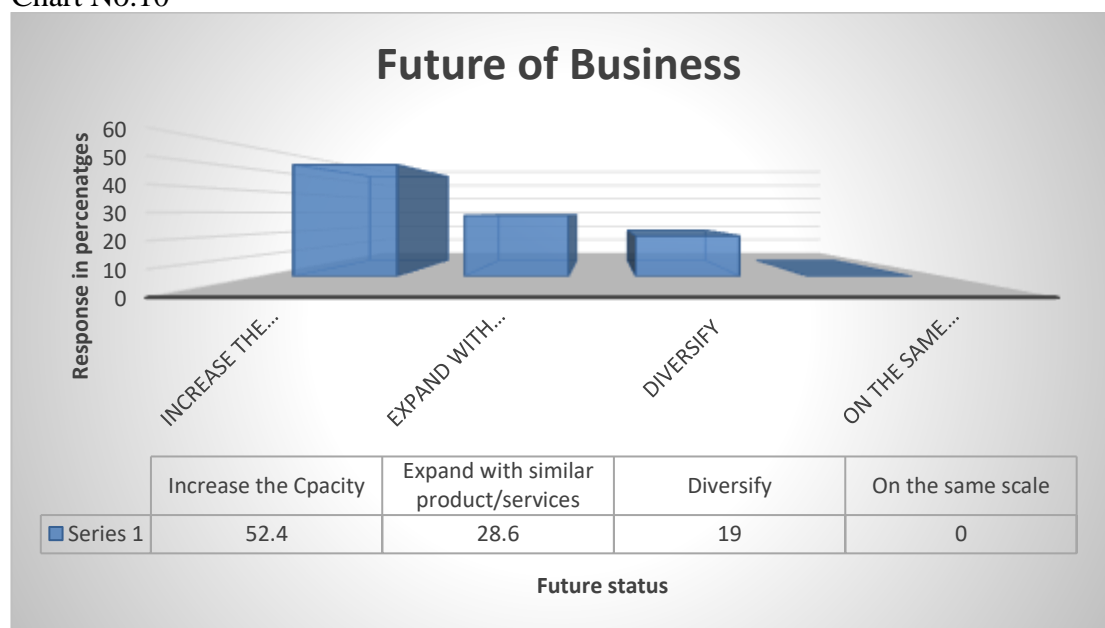
Chart No.9





In future, 52.4 % would like to increase the capacity as the market will be open and can reach to the customers in every corner while dealing with same product.28.6 % of respondents would like to go for expansion by adding similar product or services whereas rest businesses would like to diversify into another sector.

Chart No.10

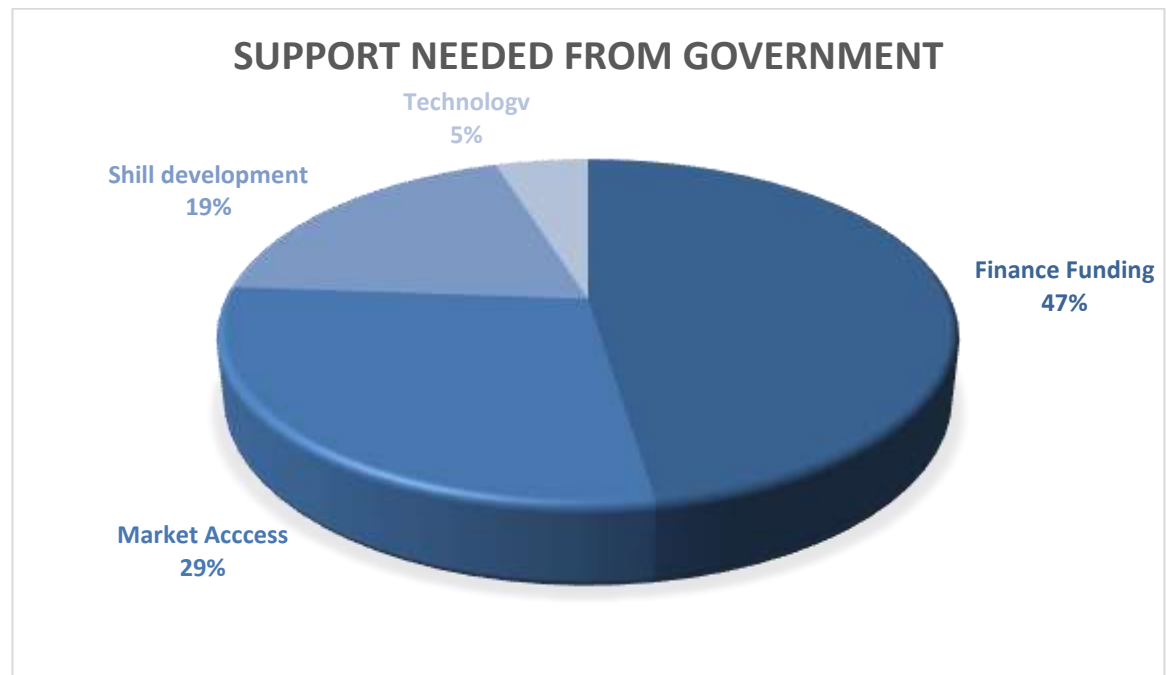


**Awareness about Government Policies and support needed**

Around 62% of respondents were not aware about the government policies and government support. 43% of them do not want to take any support from government.

47% businesses want government support in finance funding,28.6 % wanted to have support in market access and 19% want support in developing the skills and only 4.8 % want support in technology

Chart No.11



### Recommendations:

- These businesses are satisfying needs of the society which otherwise would be difficult due to lockdown and containment zones. Therefore government should support such businesses whichever way possible.
- These are very small entities, which could not satisfy the investment, and other eligibility of startups so should get government support in some other way.
- Social entrepreneurship of this type has gain momentum on pandemic background so country and government should welcome and support this concept.
- Private organization also should invest more and more in such businesses because when all large organization are shut or slowed down the capacity, these businesses are serving society.

### Conclusion:

Whole world is concerned about the impact of pandemic on the business and economies. It has badly affected the businesses including worst impacted startups. However, when everything was closed, businesses were shut, grabbing the opportunity many business are been started to satisfy the needs of society during pandemic. This rise of budding entrepreneurs underlines the positive side of pandemic. The business were started majorly into essential category with minimum investment and generating income to fulfill its purpose for survival, supplementary income and secured future.

Majorly these businesses are using simple technology and operating with cash runway minimum of about 1 month. There is also willingness to continue the business in normal situation as it is doing good and had good response during unlock phase. These budding entrepreneurs are also thinking of business growth and to secure the government support to grow in future. Thus pandemic cause the creation of future generation entrepreneurs, which would generate more employment opportunities contributing to the economy of India.

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