

“Impact of COVID19 on Entrepreneurship”

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“Don’t be embarrassed with your failures. Learn from them and start all over again”

- Richard Branson

Abstract: Persistence is pivotal but so is the flexibility and adaptability to ever changing environment. The COVID19 pandemic had cleared this concept in all our minds very well. The corona virus is spreading relentlessly through the world again creating a path of death and destruction. The world is on the verge of falling into a great depression. The fear of COVID 19 has restricted our movement and forced us to stay in four walls. Many of us in our life are facing and seeing a pandemic situation for the first time and had learnt a lot from the same situation and so do the entrepreneurs have learnt. Most of the business especially startups have been impacted to a great extent due to COVID 19 situation. Economic activities have frozen all over the world due to COVID 19 lockdown. This is an alarming situation of economic recession worldwide. COVID 19 which is the abbreviation of corona virus disease of the year 2019 originated in the month of December 2019 in the Wuhan city of China, had crossed the borders by March 2020 and triggered the economic slowdown and recession all across the world. This deadly infectious virus had compelled most of the countries to declare emergency lockdowns to control the infection. Talking about India, life just stopped post “JANTA CURFEW” declaration on 22nd March 2020 and Lockdown 1 (25th March 2020 to 14th April 2020) of three weeks, followed by lockdown 2 (15th April 2020 to 3rd May 2020) and Lockdown 3 (4th May 2020 to 17th May 2020). The mantra of the period was “Social distancing” and “Stay Home stay Safe”. Not very well prepared for such a rude shock due to lock down all the economic activities such as factories, business houses, offices, restaurants, salons, buses , trains , flights, autos, cabs, private cars, 2 wheelers are shut down. This pandemic had significantly disrupted many sectors like Industrial sector, Agricultural sector, Health sector, Education sector, Entrepreneurship etc. Government also is not untouched from it; they are being tested and stretched every now and then. New rules and guidelines set by them have helped in boosting the confidence amongst the entrepreneurs and also trying to pave the path of turnaround for the Indian economy. The big question today is that how the entrepreneurship will be perceived post pandemic. Many businesses have shifted their business to meet the demand of new goods and services emerged due to this crisis. Almost 70% of the new business had to cancel the contract with their full time employees. This research paper will unfold that how COVID 19 impacted the start ups in India? It will also highlight that how the crisis situation can be converted into an opportunity? The focus will also be on the sectors which all have potential to grow post pandemic.

While many new ventures failed to survive during this pandemic there are many who all have grabbed the new opportunities prevailing out of this crisis. To adapt to the new normal many new startups have shifted to the business of the current times such as selling of mask, sanitizer, grocery delivering business etc. The question is that is the Impact of this pandemic is temporary or will leave its footprints for a longer duration on any kind of business. Building resilience, having a backup plan is always advisable for any kind of project, business or situation. But nobody has thought of such a kind of situation which will bring all the businesses to halt. If not yet ready with the new strategies this is the right time to start framing them and later on get good results in the form of good profits. Entrepreneurship sector have just started to come on track after 7 months of corona period in October 2020 but again with the rapid increase of COVID 19 infected people post Diwali the sector is in still deep trouble.

Keywords: Entrepreneurship, New normal, COVID 19, Corona virus, Pandemic, Businesses, Entrepreneur,

I. INTRODUCTION TO ENTREPRENEURSHIP AND COVID 19

Entrepreneurship is a process of developing a business in the form of startup wherein the entrepreneur (owner) with the help of his creativity identifies an opportunity in the market and convert the same into a business idea. Entrepreneurship is an important tool for introducing newness to the economy. The capacity of creating something new, organizing and managing the same into a business, bearing the risk of its conduct to earn a profit is known as entrepreneurship. An entrepreneur should be well versed with different qualities like creativity, dedication, determination, opportunist, risk taker etc. The creative ideas of an entrepreneur if turns to be successful raise the standard of living in the society by creating job opportunities and also contributes towards the wealth of the all the stakeholders and at the end contributes towards the economy. It not only supports the sector it belongs to but also has a positive cascading effect in the other sectors of an economy and thereby boosts the national income and tax revenue of the government also. Keeping all this benefits in mind INDIA has come up with Make in India movement in the year 2014 with the aim of making India a manufacturing hub.

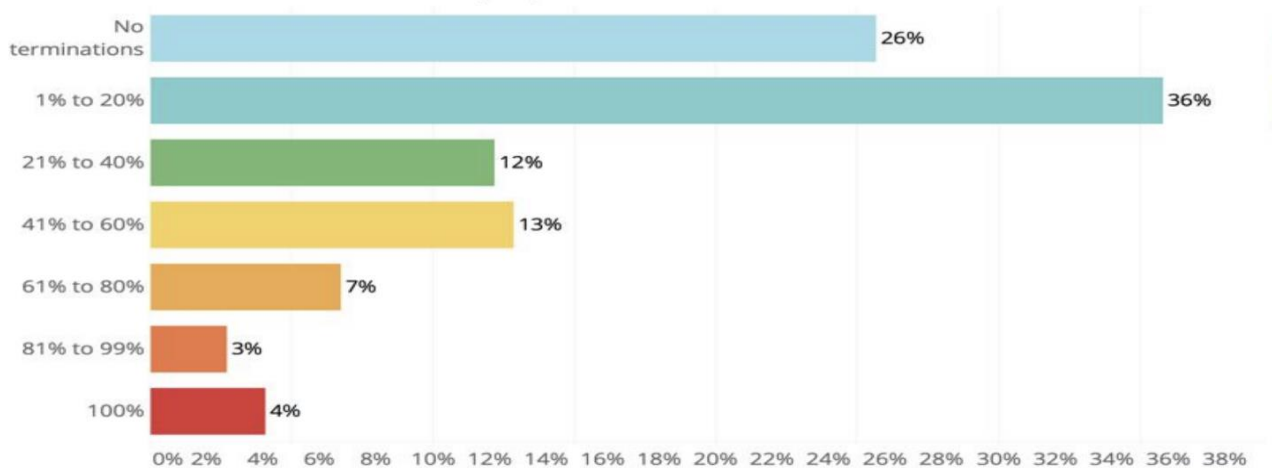
Natural disaster or a calamity, economic decisions, crisis situation always comes with the challenges and threats for entrepreneurs. The end of year 2019 was an unpleasant time for the whole entrepreneurial sector. The sector has faced a drastic storm due to Corona virus pandemic. The whole

entrepreneurship industry was very badly hit due to COVID 19.

COVID 19 i.e. corona virus which started spreading from China to other countries so fast that WHO had declared this as a pandemic on 11th March 2020. All the economies had come to halt. To mitigate the spread of virus all the countries had taken the course of actions such as social distancing, lockdown, restrictions on gatherings and travelling, use of face mask and hand sanitization etc. These all measures have become the new way of living for the people across the world. Due to this COVID 19 situation many entrepreneurs had to shift their businesses to online platforms because of social distancing norm. Many of them had to find innovative solutions to their problems and few also had to close down their business temporarily or shift to the any other business idea all together to meet the need of the hour.

In India life just comes to standstill post Janta Curfew on 22nd March 2020 followed by Lockdown 1 then lockdown 2 ,3,4 till the Unlock 1 which is also known as lockdown 5 on 1st June 2020. The process is still on. Although governments had decided to unlock the economic activities with restrictions but still the loss in various sectors continue to exist. Entrepreneurial sector is also not untouched from this. Almost 70% of the new businesses had to cancel their contracts with the full time employees just during the starting phase of COVID 19. The different sources of finance had started drying up due to which 40% of the startups have fallen into the red zones (having working capital for less than 3 months for running businesses).

Termination of Full-Time Employees



Source: Startup Genome | www.startupgenome.com

Source: <https://www.weforum.org/agenda/2020/06/how-covid-19-will-change-entrepreneurial-business/>

This pandemic had proven to be a bane also for some entrepreneurs and had provided a great opportunity of growth in the various segments of products such as medical equipment's, face mask, sanitizers etc. All of these entrepreneurs had come up with some very creative ideas of customized face mask production for the different age

groups, sanitizer production, providing sanitizing services for the premises, providing work from home solutions to the end users, providing online platform to order day to day groceries requirement and delivering the same safely, customized electronic devices, small and portable furniture requirements to cater to the need of work from home etc.

Many businesses have transformed themselves drastically on the digital platform and this has become a turnaround situation for them and their businesses. This pandemic has really impacted the internet providers in a positive way in the IT industry. Due to the lockdown measures imposed by the government to curb the spread of virus the whole world revolves around the internet. It has become a survival tool for all the other industry by making it possible for the all to get adapted to the new strategies of e commerce. E commerce had been declared as an essential sector by the government. Internet and e commerce have paved the way for the many startups to reach their goals and generate revenues. Many retailers and wholesalers have opened their doors for conducting business through online stores and mobile apps. The big companies like Amazon, Grofers , Bigbasket are performing fairly good in this pandemic time.

The Travel Tech sector has been hit very badly by COVID 19 as people have stopped travelling on local, national and international levels. Since the lockdown got imposed people have cancelled their bookings and postponed their travel plans which has its cascading effect on the hospitality industry and mobility industry which is in the phase of lot of uncertainty still. In this phase of uncertainty in mobility sector still companies like OLA cabs is keeping its services operational for some emergency services.

“Crisis and deadlocks when they occur have at least this advantage, that they force us to think” very rightly said by Pandit Jawahar Lal Nehru. Any kind of crisis situation makes us all more creative and works as a catalyst for a

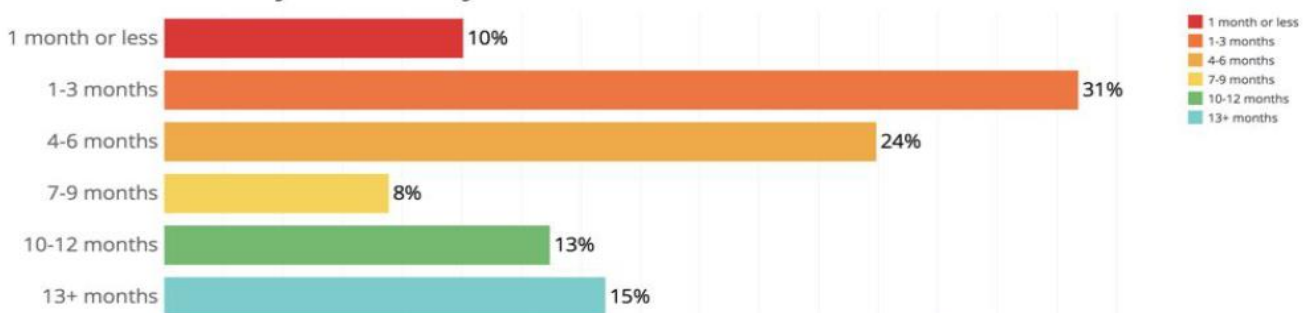
change. Yes it disturbs the lives of all by stopping everything but also makes us more flexible to adapt to the new normal situations, it help us to learn how to prioritize our requirements and find out the new ways of living.

Changes and challenges emerged due to corona virus may be temporary in some sectors and in some they will be same always which will rebuild the entire structure of the startups in our country.

II. LITERATURE REVIEW

In an article written by Lien De Cuyper , Burcu Kucukkeles and Raphael Reuben named as “Discovering the real impact of COVID 19 on entrepreneurship” we get to know about the financial implications of COVID 19 on the startups. It details about the termination of contracts between the new startups and their full time employees (70% of start-up since beginning of crisis) and also throws light on that how these new startups are falling under different zones such as red, orange, yellow and green zone on the basis of the duration for which they have liquid cash available with them to run their business. New rules and norms or guidelines are been drafted and established by the government across the world to revamp the confidence amongst the entrepreneurs. This article also tells us about the dual (positive and negative) impact of the COVID19 on entrepreneurship. Yet many startups have shut down during this pandemic a lot have also come up with their creative ideas to conduct business or creative products. This article also emphasizes on that this change will have a long term impact on the entrepreneurship sector.

Months of Runway as of Today



Source: Startup Genome | www.startupgenome.com

Source:<https://www.weforum.org/agenda/2020/06/how-covid-19-will-change-entrepreneurial-business/>

The impact of this pandemic on entrepreneurs and their businesses due has given a new shape to this industry and will going to have long lasting effects.

In an article written by Mr. Jaimi Panchal named as “Impact of COVID 19 on Entrepreneurship and Business” it is highlighted that the new normal way of living with social distancing and work from home had forced the big giants also in the industry to relook at their strategies of managing and operating business to keep spinning their financial wheel. This sudden change has brought end to

some but to some it has also brought new ray of light wherein investors are ready to fund the new necessities of COVID 19. Many businesses have also boosted their sales during this pandemic. Industries such as Medical, Health Care, Education, entertainment etc. have performed outstanding in the last year of pandemic.

We are still in the phase of pandemic but since its arrival buyers have shifted to Local and Online platforms for their shopping and entertainment. The rally kind of performance

is been observed in the OOT platforms like Netflix and Prime.

To act fast with the ever changing dynamic environment is always been a key to success for an entrepreneur. This fact is very rightly been proven by the examples mentioned above. The new term for the real world is now virtual word.

To start a business during this particular period and for its long term survival the following factors need to be considered:

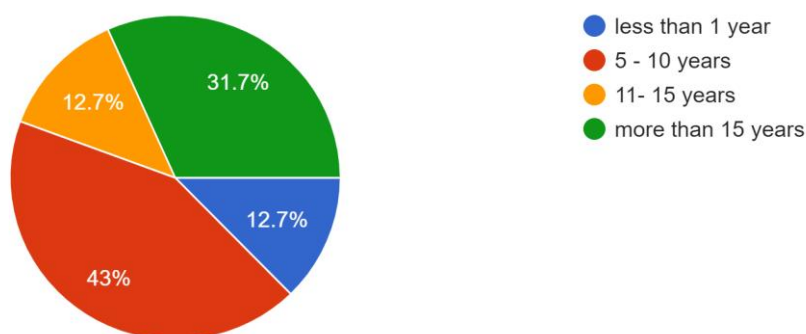
- Idea should be able to provide a solution to the problem
- A balance has to be maintained between the sources and uses of funds
- Qualitative growth to be prioritized
- Digital appeal and appearance in post COVID market as a USP.

In an another article written by Mr. Supachai Chearavanont, CEO, CP group named as ‘How digitization and innovation can make the post COVID world a better place’ it is clearly explained that how Innovation and digitization are going hand in hand and working as the two strong pillars for the entrepreneurship sector. Due to digital transformation in every sector people have started up skilling and re skilling themselves to build a strong portfolio. A very important role will also be played by cross sector collaboration to turnaround the situation. Every sector has to start re-imagining and reestablishing by leveraging technological advancement and innovation to make a positive impact in society. As the e learning and remote working are very much likely to be present post COVID 19 only tech sector can help the other sectors to keep their financial wheel moving, which makes tech sector a dominant one in future. Technology has started playing a dominant role in agriculture industry too in the form of e commerce and IoT.

Figure1: Time horizon

Since when you are a businessmen or a businesswomen

142 responses



III. RESEARCH METHODOLOGY

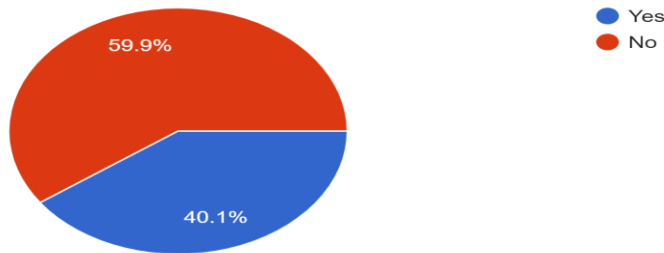
This paper is a combination of Primary and secondary research. A well-defined problem makes the research tasks easy and compatible. This study is conducted on the impact of COVID 19 on the entrepreneurship. This study will reveal the other factors also such as how the business are redesigning their strategies for coping to the pandemic situation ,how this has come as an opportunity for some and a disaster for others, what kind of business have a strong future and how totally the entrepreneurship sector is moving towards a new era of digitization . For this research the information is collected from the **Primary Resources** by using a **Questionnaire** designed in alignment with the needs of the study including the closed ended questions using Google forms. **Descriptive and Analytical Research** also forms part of the research as the data has been analyzed to reach to a conclusion. Research methods chosen were survey method, secondary data studies and observation techniques. Simple random sampling method forms the part of the study. The sample size is 144. Pie charts were used as a data analysis tool.

IV. DATA ANALYSIS & FINDINGS

Data analysis helps in refining and processing the data collected to arrive at a decision and also to find a solution to a problem. It transforms the data into the relevant information. This research paper will unfold the information on the real impact of COVID 19 on the business world. In this section the data collected is interpreted in the form of relevant information with the help of graphs and pie charts. Data analysis in this research paper have also thrown some light on the decision making process for some entrepreneurs i.e. it will help them to take very important decisions of their business for future for the survival.

Figure 2: Operating condition

Was your business in running or operating condition during lockdown
142 responses

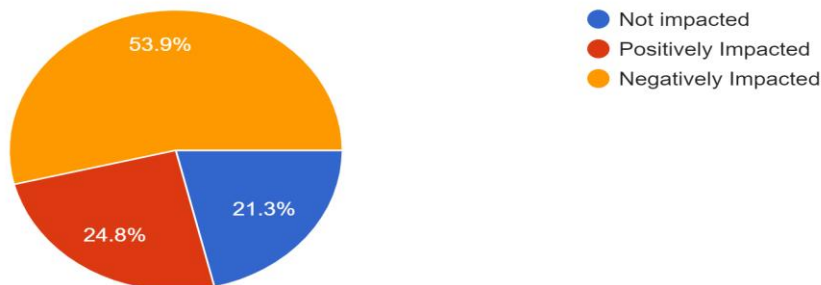


Out of the total respondent of 144 nearly about 19% were the wholesalers and retailers and 12.1% are into education sector. 8.5% are into accommodation services like hotels, OYO rooms etc. and almost 7.1% belongs to the food industry running a business of restaurants. Respondents also include people from finance, agricultural, IT, electronics, textiles, construction businesses. 43% of the

respondents are doing businesses for more than 6 years and 31% are entrepreneurs for more than 15years. Only 12.7% were the budding business man (Figure 1). And approximately 60% says that post lockdown their business is not into running condition like it used to be before (Figure 2).

Figure 3: Impact on Demand

Has COVID 19 impacted the demand of your product or services?
141 responses

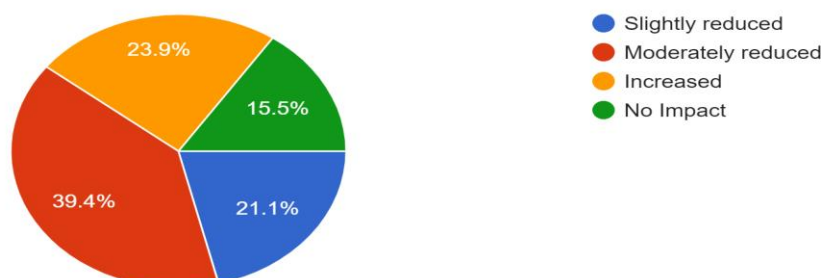


As it is said before in this paper also that for some this pandemic has brought great opportunities also this was also proven by the survey conducted. Around 25% of the

respondents say that COVID 19 has impacted their business positively. Although majority of them 53.9% agree that it has negatively impacted their business (Figure 3).

Figure 4: Insolvency Chart

Has COVID 19 impacted your ability to pay off your liabilities?
142 responses



After seeing the impact on the businesses when a question is been asked to them regarding their ability to pay off their liabilities majority i.e. 39% replied that it has moderately

reduced. Again approximately 24% respondent says that COVID 19 has increased their ability to pay off their liability (Figure 4).

Figure 5: Revenue chart

To what extent Covid 19 has reduced your revenue ?

138 responses

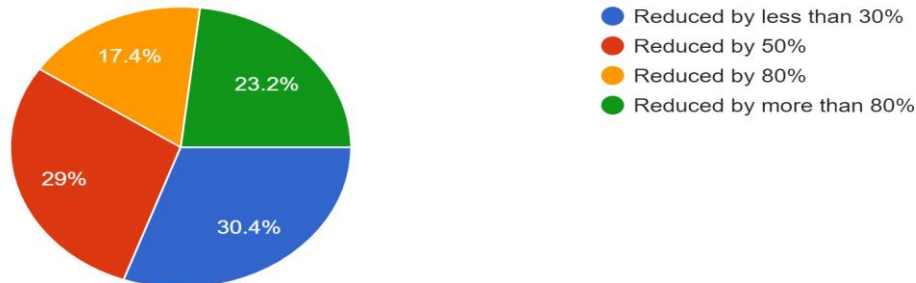
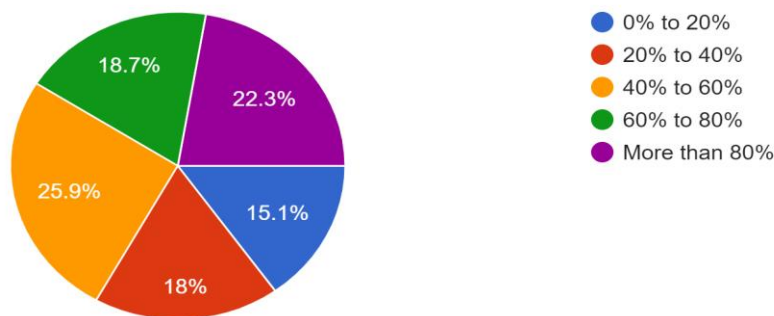


Figure 6: Chances of Survival chart

What do you think about the chance of survival of your business?

139 responses



Survey also revealed that the most impacted factors of the business were the demand for their product and services followed by their supply chain and almost 47% of the owners have started rebuilding new strategies to cope up with their new normal requirements due to COVID 19. The revenues of the 40.6% businesses have almost reduced by 80% or beyond that. This figure is the biggest disaster in itself for the sector and the economy (Figure 5). Talking about the chances of survival in future almost 33% businesses chances are below 40% (Figure 6).

V. CONCLUSION

Businesses have suffered huge losses during the initial phases of the pandemic but post July 2020 they started turning their financial wheels to come track again. Re strategizing and being updated to the ever changing environment is the key to overcome this pandemic. Many businesses especially belonging to the food industry like restaurants had to shift their businesses to the high demand businesses during COVID 19 like grocery, vegetable

delivery. COVID 19 has given opportunities to many new budding entrepreneurs to start their businesses like mask, PPE kits production, health and wellness care centers, education institute, homemade food businesses etc. Reskilling, up skilling and giving training to the employees and digital transformation of the businesses has become an important aspect for the successful running of the business. During COVID 19 the sectors which were not impacted badly were health and wellness, education, e commerce, delivery based services, entertainment etc.

VI. SUGGESTIONS

Survival of the fittest is how world works in the entire situation. This also goes very apt with the current COVID 19 scenario. As the business world has got negatively and positively impacted due to COVID 19 following are some suggestions which an entrepreneur can follow to survive in

- Going digital is one of the reenergizing strategy for any business suffered during the pandemic period.
- Adaptability with the ever changing requirement and running the businesses by following all the safety norms can also bring back the businesses on track.
- Provide solutions to the problems of the customer by prioritizing COVID 19 in mind.
- Start thinking of alternative to every processes or activities of your businesses.
- Implementing technology into your businesses is a must for today's businesses like incorporating various payments gateways like Paytm, Gpay etc for the ease of customers.
- Adopting a combination of work from home and work from office culture and ensuring the safety of employees and customers can be one of the key strategies.
- Instead of simply cancelling the businesses plans, events and trips, brainstorm the creative alternatives and solutions.
- Having online presence or if you already have it improving the same is one of the basic requirements for conducting a business in today's world.
- Last but not the least keep monitoring and measuring your performance and keep identifying the gaps and provide solutions for it.

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