

# Business Strategies During Covid -19 Pandemics and Economy -An Analysis

Kumar Manoj<sup>1</sup> | Pooniya Sunita<sup>2</sup> | Singh Nita<sup>3</sup> | Kumar Rajesh<sup>4</sup> | Kumar Rakesh<sup>5</sup>

<sup>1</sup>Faculty of Economics, Department of Economics, Satyawati College (Evening), University of Delhi, New Delhi, India

<sup>2</sup>Department of Commerce, Shyamal College, University of Delhi, New Delhi, India

<sup>3</sup>Faculty of Economics, Department of Economics, Satyawati College (Evening), University of Delhi, New Delhi, India

<sup>4</sup>Faculty of Economics, Department of Economics, Satyawati College, University of Delhi, New Delhi, India

<sup>5</sup>Faculty of Economics, Department of Economics, College of Vocational Studies, University of Delhi, New Delhi, India

## Abstract:

The world is facing a global phenomenon and is passing through an unending Covid-19 pandemic crisis. We are facing a state of health fear and a pessimistic picture of the economy and Business. The victim countries started the process of lockdown. It led the world economies towards an economic crisis. India and the whole world are facing an economic slowdown. The demands are being curtailed due to huge job losses and low purchasing power. The service sector and the manufacturing industries have been affected adversely leading to the depression in the economies globally due to an imbalance between demand and supply. Therefore, the revival and sustainability of the units became the major concern along with the safe and healthy life and to abide by the norms of social distancing and lockdown, the advisories issued by the government from time to time. It has not only affected the economic environment but also affected the routine lifestyles of the public. Under such circumstances, we need to protect ourselves along with the survival strategies for the businesses as is being discussed in the text. This article presents a completely practical approach to the situational analysis of the problem to save the economy.

**Keywords :** Covid - 19 pandemic, lockdown, economic slump, revival, GAAT, WTO, recession, HNIs

## Introduction

The covid - 19 pandemics can be termed as a primarily global health crisis. The whole of the world is in the grip of the Covid-19 pandemic as it has spread in all the countries all over the world. It has had vast social and economic repercussions on the economies globally. India imposed a national lockdown followed by social distancing which came into effect on March 24, 2020. The economy is experiencing major impacts on the businesses as a whole in all the sectors of the economy whether it is manufacturing, technology or technology-driven, MSMEs, agriculture, railways, roads, or airways. The same is also being followed by the businesses in their concerned areas. It has become a very challenging situation for the businesses to keep their financial wheels revolving in the time of lockdown situations and during this economic slump because of less revenue churn witnessing general risks and uncertainties in the vast global financial and economic environment. This puts a

regressive picture of the businesses as there has been a lockdown situation everywhere.

As it is widely known that the whole world is passing through an unending pandemic crisis and India is not an exception to this. We need to understand the present-day healthcare and the gloomy economic crisis of the economy as a whole which we all are facing nowadays globally at micro and macro levels. The impact on start-ups, small & petty businesses, and even micro small, and medium enterprises can be way more fatal as these have scanty cash reserves and low margins for managing sudden slumps and economic disruptions. This type of prevailing conditions of slowdown will have a damaging and adverse impact on the Indian economy impacting all the business sectors negatively leading to a low revenue generation due to an plausible decline in total sale of the commodities and services. It is expected that India's growth will go down by 2 percentage or even more during the overall financial year 2020 - 21 if the situation would have not been better. Temporarily it went to the negative level during the quarter of the financial year 2020-21 except in the case of agriculture. But during the pandemic situations, it has registered a highly negative decreasing trend which will impact the economy more adversely soon as there has been only a ray of hope in the agriculture sector. The system is not to blame for this negativity skewed growth. Remember this will be for a temporary phase. To combat the situation, we need to evolve diverse and different strategies fitted to the present-day situations. It is also asserted that the situation would take a speedy turn of revival during the mild impact of Covid-19 and in the unlock phase's situations as the economy need to be opened in a phased and planned manner keeping all the precautions and guidelines intact.

## Situational Analysis

Understanding the Covid-19 pandemic, it has been the biggest unforeseen disaster to strike to global economies in almost a century. The world is facing a catastrophic pandemic disease of Covid-19 in the first quarter of the twenty-first century with the advent of coronavirus. After starting in Wuhan city, it has spread over 183 countries of the world and the most affected countries like America, Brazil, Italy, Spain, France, England, Germany, New Zealand, India, etc. It has spread with a varying

degree of severity and fatalities in all the countries and even among the public therein. Therefore, the severity of pandemics differs from nation to nation and person to person. It is become inevitable to identify the pandemics severity index to control the situation in proper manner.

During such times we got to be prepared to rectify all the concerns related to health and business like social, mental, spiritual, economic, capital flows, investment, business wellbeing, and try to maintain harmony in every sector of life at its best.

Under such situations standing united as one and helping one another is of much importance for the businesses in one and all. It has affected the economic aspects of the economies globally diversely and abundantly. Different people have been affected differently with the mild to severe degree of the Covid-19 pandemic. It has affected the lives of the person and with the invoking of lockdown situations, it impacted the social and economic dimensions of the economy. It resulted in the economic activities to a standstill level with social distancing and abstaining the person to their free movements in the social and economic arena. The economic scene went to a stable level, checking all the economic and financial activities. This had a far-reaching effect and adverse impacts on the economy at the national and international levels. All sectors of the economy have been adversely impacted and affected the nation and which paves and smoothens a way to the economic slump and depression, though temporary. There is no doubt, the economy will rise speedily with the declining trends in the Covid situations. The present scenario and study cover and provides us with tips on how we can keep our business safe after our families, employees, and customers.

### **Nature of the economic scene and pandemic**

Is this the same type of economic crises or depression which we have faced in the year 1929, 1991 and 2008? There are no two opinions in saying that today's economic pandemic is quite dissimilar to those of the previous ones. During those times we were not in the grip of lockdown and shut down situations but as of today, we are. During those crises, we were exercising and performing all the ways and means freely which were suited to our needs, times, and economies to get out of it under those prevailing situations and circumstances. But now we are equally worried about bringing a circumstantial change in all the walks of life viz; ways and modes of life, health awareness, health care, and fitness precautions and other strategies therein, education pattern and modes of delivering the goods, modes of investment, online vs. offline dealings of buying and selling goods, activities, and commodities, audio-video conferences over the issues and rectifying the hurdles and constraints, problems and in adopting measures to rectify the situation, use of techno- techniques, etc. For which we can formulate, plans, exercise and execute the economic and financial plans on one side and whereas on the other hand we are cutting a gloomy picture and doing strenuous efforts to saving the lives of our countrymen declaring a wilful lockdown and unlock down and abiding strictly the social distancing norms and government advisories. Now we are passing through such a recessionary phase at this moment of present time in which everyone is hit hard. It is not the outcome of our faulty actions or decisions of our monetary, fiscal, or physical measures though we have had

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a little of it before the Covid - 19 pandemic situation. This keeps going on with the doings of the economy and with economic and financial behaviour. This is a regular feature of the economic and financial doings. Under such circumstances, we need to take watchful and precautionary measures and actions that can or may provide a sequel to this situation. But nowadays, we are hampered and trapped to do that only, then what to do under such circumstances. Here we need to go with "JAAN " along with "JAHAN " though the results would not be seen immediately and will not be in a proportionate manner. We need to be more optimistic and courageous during such a time of crisis. Here, it is being quoted a proverbial line:

Let us hope for the better and expect a favourable outcome from the ongoing situations.

### **An optimistic approach**

We must and need to be optimistic in the process and throughout the processing during all times. No problem, we need to prepare ourselves to face the music under all the situations and in circumstances.

Under such challenging time, it is become very important to stand united in thick and thin which can only help one another and all. Whatever other ways are, we need to STAY SAFE, STAY SECURE AND STAY HEALTHY as it should be the prime motto and modus operandi at this moment of times. Remember the past and many of those past practices and initiatives which were built in trying times whether it may be of 1929 or 1990 or 1994 a distract from GATT (General Agreements on Tariffs and Trade) and forming WTO (World Trade Organization) and made it functional from January 1, 1995. Even then China did not join but lately understood its urgency, importance and joined in the year 2001. It is late than never. Now the time is such one cannot remain aloof and in isolation for achieving and setting the tempo of growth and economic development. It is certainly to go with others, otherwise by closing down doors no one can achieve the target. Do good and have good is the best practice of the times and it is globally true also. The countries are searching avenues in other lands by exercising and signing MoUs and other contractual practices. Exploring the markets and avenues has become essential to spread the boundaries of the businesses. Hand sack policy and abiding it sincerely ensure far-reaching effects and avenues. But nowadays we are passing through hard times of pandemic so we need to be moderate and compassionate in forming strategies at all levels.

### **Strategies**

Under this present scenario, we must go for evolving new survival strategies for business entrepreneurs and firms during this Covid- 19 pandemic. We need to stand unitedly altogether. Therefore, the best practice is to remain transparent with our all stakeholders of society and customers about what our businesses are going with, though the customers can empathize with the companies facing critical time as long as the communication is clear and trustworthy.

So, during the testing times of start-up, the entrepreneurs will have to adopt a set of new norms and also be cautious for the following aspects to alternate risks and uncertainties and to survive and revive under the slowdown caused by the

impacting effects of Covid - 19. These may be summarised as follows:

\* Stay with our same business line. It is suggested and advised to the businesses to remain with the same business lines and types as it is not the suitable time to switch over the business. There is no need to think upon to change the business line at this moment as the situations are becoming more fluctuating and moving. Businesses need to be patient, compassionate in watching the situation all around.

\* Keep studying and analysing the Government's new and fresh investment criteria and economic relaxations during Covid - 19. This is to be taken into account and need to have an eye on the government's announcements, plans, and the priorities areas in which it wants to have some relaxing plans for the businesses as the economy has come to a standstill position. The government is trying hard to bring the economy out of the clutches of pandemics and depression. The focus of the government is: how the situation can be made relaxed for the business.

\* Tracking the expertise and advice against the revenue status. It is also further stated to conduct a proper assessment of their fixed and variable expenses and as well as the actual revenues. Such an assessment will provide a status to the organization where it does stand from the financial and economic points of view. This will help the stakeholders to plan, exercise and execute and to go ahead in the current disconcerted market. This type of strategy will be of great importance to the company even after the pandemic effect is over.

\* Proper and rational assessment of fixed costs, variable costs, and actual revenues and then plan accordingly. The assessment of the cost structures would also be beneficial to the business concerned. This will help in mitigating the situation arising out of the pandemic situations.

\* It is also advisable to keep an eye on the oscillations of the market situations. It seems pertinent to have a relook at the market oscillations to take safeguard the situation which arose due to the pandemic situations. This will prove to be a sequel position for businesses, firms, and organizations.

\* To examine the suitability of the business model of the market which is changing every time and fortnightly, none is predictable to rely upon. It provides a strong base for adopting or taking up new plans and actions to better the situation. Businesses and firms need to be more flexible in planning, exercising, and executing as per the nerves of the market conditions and situations.

\* As it is difficult to gauge at this moment by doing it, so plan policies for the next three months, six months, nine months, or for a year or so as per the prevailing times, needs and situations.

\* To avoid risks and

uncertainties at the initial stage avoid long-term planning, be realistic in planning and its execution as per the needs of the times and situations of the day.

\* Halt upon various plan and non-planned expenditures. Although, the crisis is likely to remain for a year or so or maybe more than that. We must be keen and watchful over the day-to-day situations and try not to add unnecessary expenses. It is also advisable to cut down the administrative expenses. Daily observations and day-to-day schedules can come to help for easing the situation.

\* Track present financial fund metrics and cash flow. The success of the business depends on the tracking of the funds' flow statement. This brings us to understand the cost-effectiveness in the business. The cost-effectiveness tells us the degree level to which we can go for investment keeping ourselves safe and less risky. The cost-effectiveness can also play a major role in this situation as the situations are momentary and are of a temporary phenomenon, it will certainly have a happy ending with an optimistic note.

\* Businesses need to examine the impact of fresh sales, collections, credit cycles, and potential bad debts. The business in a way should monitor the sales and cost involved in the process to cope up with the situation. The stay on sales proceeds needs to be taken into account to ease the situation as we all know that the phase is a temporary and a momentary one. This will end with a note of a happy ending and boost up a strong survival and steep revival.

\* Refigure your businesses' strategies to control the variable costs & other expenditures, re-negotiate permanent costs. It is always good to cut down the operating costs of the business with minimal administrative and management cost criteria. Minimax criteria should be accepted.

\* Defer buying and rest upon the leasing model. Initially, it is good to start with a rental model or a leased mode rather than employing capital for owning it as a whole. The less capital investment may bring us safety to going ahead and dealing with the market negotiations and repercussions therein. Overall, the business should run on incurring a minimum of the long run and fixed costs.

\* Focusing should only be on crucial essentials for the survival of the business. These crucial points should always be kept in mind. The crucial and critical paths should be taken into consideration for the smoothness of the business and be followed to minimize the costs and losses situations. The critical path decides the things in the business which further leads to minimax theory. Keep the cost minimum and maximize opportunities for the business.

\* Exploring the sources of raw material of markets and also new sources and get sufficient of it (online) as being the prices

are low in case of the manufacturing ones. Looking to the present situation the online mode is preferable with healthy practices of negotiations therein.

\* Use of online tactics and practices which are better feasible at this moment. The practices should be adopted as such which are viable and fruitful to the business and which further strengthen the business in the market. The online business also opens various other opportunities to the business.

\* It may also be a better idea to relook sales strategy - selling and buying online vis-a-vis in person or offline. Sales proceeds need to be evaluated and taken into account for boosting sales and other promotional schemes. The criteria of sales maximization can be another feather in the cap.

\* The economic package under the Aatmanirbhar Bharat Abhiyan amounting to Rs.20.97 lakh crores would be of great help to the Indian economy and for the businesses, firms during the Covid-19 coronavirus pandemic. This will help the businesses and firms in coming out of the hectic miserable situations that emerged due to Covid-19.

In a nutshell, we can say that the entrepreneurs, business houses, firms, and the market actors, partners will have to maintain the communication complete transparent with their all stakeholders like investors, partners, and employees. The entrepreneurs must prepare themselves well conversant with the situation and act accordingly and proactively. This is the right time to acknowledge the severity of the circumstances and making it favourable for the business is all that matters to let it go uninterrupted during adverse time and situation.

### **Suggestions**

The Covid-19 pandemic and lockdown have brought companies across the world to their knees. What was good yesterday, is not good today because of Covid-19. But with a few essential suggestions and tips, the businesses can be brought back to the lines of survival during these hard times. Here are a few more suggestions and tips for the entrepreneurs, firms, and businesses to remain connected and afloat during the slowdown crises which arose due to Covid - 19 pandemic.

\* Be patient in securing investment. Because on the basis of the past economic slowdown's experiences, we can say that the market will eventually bounce back after the end of an epidemic crisis.

\* To extend the way, the entrepreneurs, businesses can even approach majority existing investors for extra funding. Since they have already invested and had their skin in the game. They are more likely to help them out during these times of crisis.

\* However, we even witness a dip in Venturing Capital and High Net worth Individuals or Investors. This can also prove good for the business as supported by the venturing capital with high-net-worth individuals and investors.

\* Exploring, locating, and extending the arena for VCs (Venturing capital) and HNIs (High Net-worth Individuals or Investors). This is the way to explore the market possibilities for VCs and HNIs. Such types of strategies and business tactics place the business on the safer side leading to minimal loss of risks and uncertainties in the business.

\* Keep transparency in communication with your customers, banks, brokers, clients, and stakeholders. It is a very healthy criteria and a good modus operandi to bring clarity and transparency of the business to the stakeholders and partners so that everyone can contribute to his maximum for the business.

\* Maintaining a healthy relationship with connected parties. It seems to be the most thrilling idea to keep and maintaining fair, trustworthy, and healthy relationships among the connected parties. This type of approach helps in boosting the business in multi-dimensional ways and make the tie of relationship stronger than before.

\* Managing and maintaining employees related optimization. The human relationship is the utmost part of a business to thrive upon. It is needed to being human in our thoughts, words, and deeds. The sensitivity to every individual should be ensured and protected so that she or he may feel a part and parcel of the business.

\* Keep your team engaged in work with enthusiasm and energy. Team spirit is needed to be maintained at every level. The work should cooperative rather than individual. All should share the success of the business and this will augment the business to go ahead with promising.

\* Keep boosting the morale of the team. A good business entails healthy team spirits and healthy team spirits always boost the morale of the team and the business. The team spirits and morale of the co-workers need to be enhanced with flowery dreams, promises and doings.

\* Timely and well communication with investors and stakeholders can also be of great help during this time. The policy and decisions should be made known and be well communicated to one and all in the business with due timelines.

\* Working with team spirits and harmony is of utmost importance in the business. There must a sense of equality, equity, fraternity, brotherhood among one and all for the better engagements and results of the business concerned.

\* Evolving healthy practices keep attached with everyone and a personal feeling creep in. The future and credit of business rest upon healthy business practices and dealings during the process and methodological behaviours.

\* Learn from past practices and experiences. The success of the business depends upon learning of the past practices and experiences as it brings efficiency and skilful art to the business.

\* Forming, visualizing, planning, and launching viable plans suited to the business. The business is good which forms, plans, executes, and implements the viable plans and ensures its feasibility.

\* Exploring short-time funding of capital and other sources as elicited above like that of VCs and HNI's on which the businesses can rest upon.

It is right to emphasize that the aforesaid strategies do not give a guarantee or a way for sure success. But these can be mandatory to stay the business during pandemic times as no start-up would have envisaged in their business plans. Therefore, it can be said that

the survival strategies can be of great help to the businesses and the firms during the hard times of Covid-19 coronavirus.

Therefore, it is also suggested that in addition to the above strategies in case of start-ups, small businesses, and firms we need to revisit and rebook various other things that are specific to their business models and units and which must be altered to cater to the new normal situation in the coming times of post-Covid -19 times.

### **Lessons learned**

The business houses and the firms got an opportunity to learn from the disaster situation of the Covid-19 pandemic. We must feel strong during these high times. The lessons learned can be shown as below:

\* This is a wilful and conscious lockdown and shutdown of all the economic activities.

\* It is just like trading jobs for saving the lives of thousands of victimized people due to the dragon of the Covid-19 pandemic. This has impacted the lives of the countrymen. Everyone became aware and cooperative in the mutual interests' areas.

\* It is better to understand the situation of recession or economic slump which is likely to arise due to pandemic situation in the economy. This made us proactive to the emerging situations in near future.

\* Hopefully, it is assumed that the Covid-19 coronavirus certainly will bring an overall change in the modus operandi and routine functioning of the economy; how we market, shop, travel, transport, educate and work for at least for the time till the pandemic situation remains or exists. Such outcomes made us more responsible for the situation.

\* All the times we need not likely to have the same business strategies as we had before to the covid-19 pandemic. As it is widely known that the situations are becoming more flexible and moving day by day. It makes us keep us witherred nerves of the situation and process involved therein.

\* This makes a keen sense of understanding in recognizing and knowing the genuine investors and funders who stand in thick and thin during the coronavirus situations to change the climate and to bring back the business on the right track.

\* It also seems pertinent to act and react and take action with immediate effect. Immediate steps taken can be of great help and lessen the intensity and gravity of the problems.

\* The act and actions taken should be with compassion. It helps a lot in reviewing the business. This can lead to feeling attached to the business.

\* It is to have compassion in the business and communication while taking a bold and tough decision like pay cuts and in real circumstances lay off.

\* Here, it is also pertinent to resolve that keep doing what is working and stop immediately doing what does not work. Only those things can be promoted which enhance the business activities in a favourable way and direction.

\* It is always to be kept in mind that the investors and venture capitalists will always be keen on prioritizing their interests. Therefore, one needs to be proactive early enough before your burn rate reaching levels that may longer to recover. So early rising to the situation can be safer enough for the business.

\* It is also learned that small businesses, firms, start-ups, and their employees are severely impacted because they may have a small margin of errors and lower cash reserves for managing the abrupt downturns. Therefore, the economic and social impacts of Covid-19 are likely to be profound for years. So, it is desired to act compassionately for the welfare of the business.

Therefore, it is said and opined undoubtedly, the Covid-19 has upended the life, the businesses, the firms, and economies around the world. And Indian ecosystem is undoubtedly one of the most impacted of all.

### **Conclusion**

This is the right time when understanding the gravity of the situation and turning it to favourable for the businesses is all that matters and to let it sail smoothly during these difficult critical times. The business houses must also keep an eye over the government's future investment criteria and plans to cope up and fight with and against the present-day situation of the

times which are relevant for the future stability and sustainability for the business and the economy. It is to take note of it, the priority right now should be to stay safe at this crucial moment of time and situations and keep doing things in a distant mode and planning. It is also advocated those solutions are created during these trying times. Therefore, do not lose hope and keep sharing and discussing the future perspective plans of the government with the team members and colleagues. It is rightly said that every cloud has a silver lining. It is much better to do exploration and redesign the business as soon as possible rather than make one incremental cut after the next. As soon as it is seen, the business will start attaining momentum, dynamism, and gaining strengths, the considerations can be made for the previous aspects of the business which were supposed to be put under the cutting down situations.

Such strategies and planning can be proved a boon to the business to survive, revive, grow, and flourish.

Nevertheless, businesses need not feel discouraged and should always remain motivated all the time. A ray of hope is ahead. We are assured that a gloomy picture is always short-lived. If winter comes can spring be far behind? Under the present scenario of Covid-19, the only silver lining seems that those who have survived during these terrible and terrific situations later will emerge as stronger than before with fewer actors in every sector of the economy. It is widely accepted that to be tempered by fire and is likely to emerge as a stronger entity merely because it will not have worse than this. So, there will sure to be a stronger tie in the business field. The Aatmanirbhar Bharat Abhiyan is a flagship program of the government of India for survival-revival of businesses, firms during the Covid-19 pandemic and even during post-Covid situations. We hope for promising results and outcomes for the overall Indian economy.

#### **Disclaimer**

The ideas and opinions communicated by the present study are those of the researchers and do not certainly reflect the views of any study or research. These are the reflections of the day-to-day situations and of the deliberations which came out from the instant and immediate unnatural happenings and of the emerged events and the situations. No specific references, readings, and writings have been taken into consideration over the issues.

Though the views and opinions over the issues have been sought and reframed from the MHA guidelines on Covid-19, Insight made through the news floated at national and international levels, Finance Minister's announcements from time to time during the lockdown, Man Ki Baat, TV Talks shows & discussions, Daily National and International Newspapers and News on Media and TV Channels, Experts views and opinions of public orators over the situation and issue, Video Conferencing, etc. have been interpreted, reframed with the basic views, thoughts and opinions of the author in his ways.

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