


Chapter 8

Determinants for SMEs and Entrepreneurship Success Post–Pandemic

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ABSTRACT

This chapter focused on the determinants for SMEs and entrepreneurship post-pandemic success. SMEs and other enterprises have been greatly impacted by the COVID-19 pandemic globally with diverse outcomes. While some SMEs have experienced failures and have permanently closed operations due to the COVID-19 pandemic, other SMEs have shown resilience and have been able to adapt their operations to cope during and post pandemic periods. The resilient SMEs' successes have been made possible by several critical factors in the internal and external business environments. Some of the determinants for SMEs and entrepreneurship post-pandemic success include financial literacy and savings culture and technology adaption. Furthermore, identified challenges that hamper SMEs' survival and post-pandemic success rate include financial challenges and lack of online presence. Finally, recommended solutions to challenges that hinder SMEs' post-pandemic success include SME participation in capacity development programmes.

INTRODUCTION

The impact of COVID -19 pandemic on Small and Medium Enterprises (SMEs) and entrepreneurship has been felt all over the world with different devastating consequences. According to Haider, Khan, Rabbani and Thalassinos (2020), millions of jobs have been lost due to the COVID-19 pandemic. Furthermore, Fairlie (2020) who investigated the impact of COVID-19 on small business owners found out that social distancing restrictions and demand shifts led to the permanent closure of some businesses. Also, Nicola, Alsafi, Sohrabi, Kerwan, Al-Jabir, Iosifidis, Agha and Agha (2020), whom investigated the socioeconomic implications of the Coronavirus pandemic (COVID-19) affirm that travel restrictions

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has led to the reduction of workforce across all economic sectors. The impact of COVID-19 pandemic can be categorized as immediate and long term with key challenges and opportunities for different types of Small and Medium Enterprises (SMEs) and entrepreneurs (Juergensen, Guimón, & Narula, 2020). In order for SMEs and entrepreneurs to survive and achieve success in the face of uncertainty, there is need for SMEs and entrepreneurs to build upon their experiences of the COVID-19 pandemic to prepare for post-pandemic success.

The critical determinants for SMEs and entrepreneurship post-pandemic success can be identified from critical assessments of the impacts of COVID-19 and the design of appropriate policy intervention mechanism and response. According to Juergensen, Guimón, and Narula (2020), appropriate policy intervention and response will provide a structured and long-term approach which will provide the needed revitalization of SMEs in key areas such as innovation, networking and internationalization. The appropriate policy response during and post-pandemic will build the resilience of SMEs and entrepreneurs and enable them to manage their business activities effectively and successfully. In addition, an important success factor for post-pandemic success is digital transformation. According to Food and Agriculture Organization of the United Nations (2020), the utilization of digital technologies in business activities such as logistics creates an opportunity for entrepreneurship. Thus, digitization of key business activities will be among the important consideration for businesses in a post-pandemic era.

This proposed chapter contributes to existing studies on the key determinants for SMEs and Entrepreneurship post-pandemic success.

The aim of this book chapter is to present a critical analysis of the determinants for SMEs and entrepreneurship post-pandemic success. In order to achieve the aim, the following are the objectives of the book chapter:

1. To identify the critical success factors that contributes to SMEs and entrepreneurship post-pandemic success. Several critical success factors play an important role in determining Small and Medium Enterprises (SMEs) and entrepreneurship post-pandemic success. In this chapter, discussions are centred on government support schemes for COVID-19, contactless transactions, technology adoption and adaption, lean and efficient production, and financial literacy and savings culture.
2. To analyze critically the success factors that contributes to SMEs and entrepreneurship post-pandemic success using case studies. Selected case studies of SMEs from Ethiopia, Nigeria and United States of America operating in key sectors such as food-craft breweries, food farming, food processing, florist, bookstore, and Restaurant and food service were identified and analysed.
3. To present a framework of the critical success factors that contributes to SMEs and entrepreneurship post-pandemic success.

METHODOLOGY

The methodology utilized in this chapter is known as Integrative Literature Review. Integrative literature review play an important part in the generation of new knowledge about a defined topic (Torraco, 2005). Furthermore, Torraco (2005) opine that integrative literature review “is a form of research that reviews, critiques and synthesizes representative literature on a topic in an integrated way such that new frameworks and perspectives on the topic are generated” (p.356). In this chapter, a narrow focus will be on the determinants for SMEs and entrepreneurship post-pandemic success.

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