

Entrepreneurship and COVID-19: Effects of COVID-19 on MSMEs in Halmstad, Sweden

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Abstract

The COVID-19 pandemic has been wreaking havoc on the economy as well as the fact that it creates possible opportunities, since it's surge in the beginning of 2020. This paper aims to specifically analyse the effects, both positive as well as negative, of the pandemic on Micro-, Small-, and Medium-Enterprises (MSME's) in Halmstad, Sweden.

For this purpose a total of seven (7) interviews have been conducted with business owners, and in some cases managers, from a variety of different businesses. The interviewees include managers and owners from, restaurants, fabric oriented businesses, grocery stores, and printing businesses.

Results from these interviews paint a varied picture. Some businesses started collaborating more or made, often necessary, changes which helped to better the business results and or processes. Other interviewed businesses were less fortunate and mostly dealt with lower revenues, less customers and high fixed costs. To draw meaningful conclusions it would be recommended to focus future research on this topic on a specific branch or set of branches. To further heighten the quality of the research the scale on which the interviews have been conducted could be enlarged, leading to more certainty in the conclusion when it comes to generalising findings.

Keywords: Entrepreneurship, MSME's, COVID-19 impact, Business development

1. Introduction

1.1 Background

Since the beginning of 2020 a new virus, referred to as COVID-19, has been spreading. The Covid-19 pandemic has caused a series of events that lead to a global economic crisis. One of the key reasons for this are restrictions set up by different governments, such as social distancing protocols and interference in retail businesses. Moreover, this economic crisis has impacted the world economy and healthcare, changed peoples or consumers' behavior, and will have a long-term effect on the coming future (Wang, Hong, Li, Gao, 2020). As the governments appoint new regulations, all business organisations, including micro SMEs (MSME's), are forced to adapt to this disruption. Even though many entrepreneurial sectors are being affected by the COVID-19 pandemic, (Quintiliani, 2017) states that the most agonized sector is the MSMEs. Inadequate knowledge and investment characteristics of such enterprises are the key reasons behind such devastation (Cabello, Morales, 2021). They often also lack competitiveness during any crisis because of the scarcity of resources, low impact on the market, and lack of experience (Carson, 1995; Naidoo, 2010).

This paper aims to examine the influence of COVID-19 on the MSME sector, in Halmstad, Sweden. As the pandemic influenced different industries and areas in a different way.

1.2 Previous research

In July, 2020, SMEunited, an association of crafts and SMEs in Europe, published a summary paper of a survey conducted on the economic impact of COVID-19 on SMEs in Europe. This paper concludes that around 40% of SMEs report liquidity problems as a consequence of the economic lock-down. Out of all SMEs around 50% have a liquidity shortage.

As with any financial crisis, it is common for a majority of businesses to notice decreasing turnover. MSMEs are no exception to this, out of all SMEs more than 90% have reported a decrease in turnover since the COVID-19 pandemic started.

When experiencing economic downturns it is often likely that investment decisions get delayed or the investments get downsized. The COVID-19 pandemic has led to this being the case for about two thirds of SMEs.

While there are many monetary responses (such as allowing business owners to pay their taxes later, social contributions, bank loans) these are almost exclusively the debt-ratios of these organisations but they add nothing in terms of equity.

For the paper on hand, there are two constraining factors that limit the value of these findings. These are spatial context and the availability of limited research

1. Spatial context All above mentioned findings are based on a business survey from all around Europe. This means that it can give an indication of the situation in Sweden, and specifically in Halmstad, but there is no way of confirming nor denying any similarities
2. Limited research available The COVID-19 pandemic is a relatively new occurrence. This means that there have not been many articles or research papers published on this topic. When looking into the relation of COVID-19 and entrepreneurship the pool of data shrinks significantly.

1.3 Purpose

This paper aims to review the impact of COVID-19 on MSME's in Halmstad, according to seven interviews. By analysing the impact of COVID-19 additional research on the current topic can be provided.

1.4 Research questions

Based on the above mentioned this paper is going to be focused mostly on the financial effects of the COVID-19 pandemic. It is however also needed to look at the strategic consequences of the pandemic and identify possible positive side-effects of the pandemic. In light of this the central question of this paper is as follows:

How has the COVID-19 pandemic affected MSMEs in Halmstad, financially and strategically?

To answer this question the following structure has been established:

Firstly, the theoretical framework will be explained. In this chapter, more information will be provided on the used definitions (for concepts like "Entrepreneurship" and "MSMEs") and on one the Swedish perspective on entrepreneurship. Finally, this chapter goes in-depth on some of the previous research done on the relation between COVID-19 and entrepreneurship.

Secondly, the methodology chapter covers what types of primary and secondary data have been used.

In the third part of the paper, the results of the research will be presented.

Fourthly, a discussion chapter will relate the theoretical framework with the research results..

Lastly, a conclusion will be given in which besides concluding the paper the contribution of this study will be discussed.

2. Theoretical framework/ literature review

The theoretical framework of this research aims at identifying past research on the research topic. Issues like entrepreneurship and micro SMEs, the impact of COVID19 on micro SMEs in the context of Halmstad, Sweden will be acknowledged.

2.1 Entrepreneurship

In the 18th century in France, the term "entrepreneurship" came up-front for the first time during research on classical economies and leadership innovative qualities in new ventures (Crainer and Dearlove, 2000). Ever since, this field of research and study has been evolving with great interest and importance. According to Ghannad's (2013) study, entrepreneurship is a complex phenomenon, and many have defined entrepreneurship from different geographical contexts and business activities.

Colby (1971) has defined entrepreneurship as people's prompt reflection of need and demand. Entrepreneurial activities include market opportunity identification, creation, and a combination of resources to exploit such opportunities (Guth, Grinsberg, 1990). Research work by Stokes, Willson, and Mandor has acknowledged that entrepreneurship can be considered a fundamentally important part of the modern economy and social life. At the latest, studies by Brush (2003) have looked into the reasons why and how some people identify and create opportunities, pursue a new venture.

At the core of every economy and business, entrepreneurship is the key (Iversen, Jorgensen, Malchow-Moller, 2008). An organisation's business activities begin with an entrepreneurial venture, and such a venture includes a process where the business will be designed, launched, and managed (Yetisen et al., 2015). The individuals who initiate such activities, i.e., having an idea and starting a business, are recognized as entrepreneurs (Drucker, 1995).

2.2 Micro SMEs (MSMEs) and SMEs

According to the European Commission communication department (ec.Europa.EU), "An enterprise is any entity in an economic activity, irrespective of its legal form." Moreover, an enterprise or business organization will be considered as micro, small and medium enterprise (MSME) if it consists of the following structure (Please insert table 1 here)

From the above-stated deposition, the authors of this research acknowledge that enterprises that comprise less than ten employees with a yearly turnover of less or equivalent of 2 million euros are considered as micro, small, medium entrepreneur/ enterprise (MSMEs). Small enterprises employ up to 50 employees, while medium-sized companies have up to 250 employees. The traditional orientation of micro, small and medium enterprises are similar in theory and practicality. The only differentiation they bear is in their organizational size and economic structure.

2.3 Micro SMEs Swedish perspective

According to the European commission SBA fact sheet (2019), SMEs play a significant role in the Swedish non-financial business economy, and they generate 61.2% of value-added and 65.2% of employment. In the 2014-2018 financial years, Swedish SMEs experienced substantial growth, and the forecasted growth is 6.4% by the year 2018-2020. Also, employment is expected to grow by 2.4% by this period. Even though nationwide data are available regarding microenterprise's performance economic activities, no clear data is available as such about Halmstad, Sweden.

2.4 Impact of COVID-19 on MSMEs

Covid-19 pandemic has caused a series of events that led to a global economic crisis. One of the key reasons behind such turmoil is the social distancing measures initiated by the governments. Moreover, this economic crisis has impacted the world economy and healthcare, changed peoples'/consumers' behavior,

and will have a long-term effect on the coming future (Wang, Hong, Li, Gao, 2020). As the governments appoint new regulations, all business organisations, including Micro SMEs, are forced to adapt to the crisis.

During the Covid-19 pandemic period, almost 40% percent of European micro, small, medium enterprises (MSMEs) has experienced financial crisis, and 90% has reported turnover issues due to the economic crisis derived from the pandemic (Antonopoulos, 2020). Even though many entrepreneurial sectors are being affected by the Covid-19 pandemic crisis, Quintiliani (2017) states that the most agonized sector is the MSMEs. Inadequate knowledge and investment characteristics of such enterprises are the key reasons behind such devastation (Cabello, Morales, 2021). They often also lack competitiveness during any crisis because of the scarcity of resources, low impact on the market, and lack of experience (Carson, 1995; Naidoo, 2010).

In Sweden, almost 99% of the registered firms are micro, small, medium enterprises (MSME), and since the 1990s, these enterprises have contributed a majority of job creation (Yazdanfar, Ohman, 2018).

In realization of all given circumstances, it is pretty evident that these enterprises play a critical role in the Swedish economy and have an immense contribution to economic growth. The Swedish government has offered various crisis support packages, i.e., central government loan guarantee, temporary reduction of social contributions (Government office of Sweden, 2020), still micro, small, medium (MSME) enterprises require extensive study during the Covid-19 pandemic situation due to its volatile and high mortality characteristics.

2.5 Conceptual framework

The conceptual framework states the key elements and findings of the theoretical framework, underlines the key findings. And the findings are acknowledged as a conceptual framework for the rest of the research. (Insert figure 1 here)

Researchers in their findings and theories have acknowledged that MSMEs have a significant influential impact on the national economy especially in Sweden. During the COVID-19 pandemic crisis, like in many other EU countries, Swedish MSMEs also suffered from financial obstruction and cash liquidity shortage, downfall to sales and yearly turnover, and declining employment growth. And the key reasons for these effects are:

- Government rules and regulations;
- MSMEs organisational characteristics;
- inability to cope with crisis situations.

3. Methodology

The following chapter aims to explain the underlying methodology of the study and the type as well as the nature of the data that has been used.

This research is based on both primary and secondary data, with a clear focus on primary data collected through interviews with entrepreneurs in Halmstad. Consequently, the attention is on conducting qualitative research regarding the COVID-19 pandemic and its impacts. Secondary data used for this study were obtained from the previous researchers who conducted their own research in the same field and

contributed to our literature reviews. To find relevant secondary data, we used databases like Google Scholar with the help of keywords such as entrepreneurship, COVID-19 or MSMEs.

According to Joop (2005) primary data is the data collected by research through interviews and surveys regarding a prevailing problem or gap in the market which gives more reliable and authentic data. To gain primary data and a deep insight into the experiences of Swedish entrepreneurs during the COVID-19 pandemic, it is reasonable to conduct the study based on qualitative methods. The qualitative survey instruments intend to create room for the discovery of new, yet unknown facts, in order to benefit from a deeper information content compared to the extent that would be possible with purely quantitative research (Bortz & Döring, 2006; Röbbken & Wetzel, 2016).

In this research primary data was collected through semi-structured interviews. The semi-structured interview design is characterised by an open, flexible structure that gives the respondent the opportunity to answer freely, so their subjective opinion is reflected in the best way (Döring & Bortz, 2016; Bryman & Bell, 2013). The semi-standardised interview of this research follows an interview guide composed of questions that cover the topics necessary to answer the research question about the impact of the COVID-19 pandemic on entrepreneurship, more specifically the impact of the pandemic on MSMEs. The questions were given by course teachers before the research was started.

The questionnaire is bundled into specific topics that structure the interviews and make them comparable in terms of answering the research question. First, the interviewees were asked to provide background information about their business and their person, such as company name, contact details, year of birth, etc. Afterwards the questions focus on investigating how companies faced the world pandemic COVID-19 situation, what support they received from external parties and how the pandemic positively contributed for the development of new business ideas.

Regarding the research question, the interviews were arranged with micro, small and medium size entrepreneurs in Halmstad, Sweden who managed to survive and (in some cases) thrive during the COVID-19 pandemic. The focus was on covering most types of business such as grocery shops, salons, clothing outlets and restaurants, etc.

Therefore, approximately 40 entrepreneurs were contacted. The contact was made via email or social media such as Instagram and Facebook to arrange interview appointments. In addition, the interviewers went in person to clothing shops, kiosks, hairdressers, restaurants, etc. on different days of the week to ask about conducting interviews. However, response was minimal with only seven people agreeing to participate in the interview.

Often our interview requests were ignored (in the case of email and social media contacting) or we got a personal rejection when we were on location. The latter happened because of four possible reasons:

1. The owners were not on site;
2. Sometimes the business owners were present but did not have the time to focus on the interview as they were occupied with their daily business;

3. Some owners were present and did have time but were not willing to share possibly sensitive company data;
4. Lastly, many entrepreneurs had to decline the interview because of language barriers.

The interviews held were carried out on different days, mainly in the city center of Halmstad and took an average duration of 10 minutes. Due to several failed interview attempts, we also included store managers to get information about how the COVID-19 pandemic affected the businesses of their owners. Most of the interviews were either recorded and transcribed, or notes were taken and checked by someone else afterwards. All transcripts can be found in the appendix. Eventually, the sample for this research consists of seven interviewees working in different kinds of shops in Halmstad.

One time, we were referred from one interviewee to the next, so that we were able to make use of snowball sampling for our study. According to Bryman and Bell (2013) a snowball

sample occurs when you first approach a small group of possible interviewees and then use their contacts to expand the sample size.

Regarding the conceptual framework for the analysis of the interviews, the analysis will follow the topics named in the theoretical framework of this paper to make the findings comparable. Therefore, the interviews are examined individually on topics such as the impacts on the liquidity, crisis management and the financial situation of MSMEs in general.

4. Results

The following chapter analyses the results of the interviews conducted. All interviews can be found as a reference in the appendix.

4.1 The entrepreneurs

The interviewees of this study are business owners or shop managers of different companies in Halmstad. The types of businesses covered by the present qualitative research are restaurants such as two pizzerias, a betting and photo printing shop, a shoe shop, a commercial printing and visual communication shop, a costume shop and a shop for sewing supplies. Four of the interviewees are male and three of them are female. The entrepreneurs and managers interviewed were born between 1959 and 1990 and started their businesses between the years 1991 and 2020.

4.2 The study

Semi-structured interviews were conducted, in person and via email. All interviews were either recorded or written down and later transcribed. The interviews were conducted between the 6th and the 17th of October 2021.

4.2.1 Interview 1

Inaugural Interview was conducted at a betting and printing station with a small grocery store. Their main business is betting on horse-races and photo printing. This MSME has a staff of four including the interview partner. Two part-time employees and one full-time employee. The respondent said that after the first wave of a pandemic the sales started picking up and good sales like before were possible. However, after the second wave, there was a drastic drop in sales. As per the respondent the business mainly suffered as there was no reduction in fixed expenses but only reduction of revenue. However, they

have received some relief on the salaries of two employees through government support. There was no hiring or firing, but they had to reduce the working hours of two employees. They have not adopted any strategic change or innovation during this pandemic. They rather focused on giving a modern ambiance to the shop and conducted more promotional advertising on Instagram with the expectation of attracting more customers to their business. The owner had to inject his personal finance into business due to a lack of liquidity during the crisis. The respondent admitted that he did not have any theoretical knowledge to plan strategically to face this pandemic, but he used general practices which he received from past business experience to tackle a crisis situation

4.2.2 Interview 2

In this case, the company Ansoni AB was interviewed, more precisely the shop ``SKO Modellen``, which is a sole proprietorship. The company has been in business since 1991 and is based in Halmstad, Sweden. The interviewee talked about a complete downward trend during the COVID-19 pandemic. The flow of customers decreased by 70-80% and only 20-30% of normal sales were realised. Employees had to be laid off due to the financial situation. The owner also had another shop before the Covid-19 pandemic, which he had to close in order to work at SKO Modellen himself, as he no longer had any employees. He describes the effects of COVID-19 on his business as well as his liquidity as "dramatic" and "catastrophic" (Oscarsson, Appendix 3: Interview 2).

Referring to the economic support for his business, he did not receive any support from the government. However, the company was granted the possibility to pay taxes that are actually due at a later time. Due to the financial situation, the owner had to take out loans at normal conditions, so no interest rate reductions were granted. Since the income from the business did not cover all the expenses, the interviewee built up a second source of income. During the Corona crisis, he started a new business of buying and selling companies. For this, he uses his existing network. All in all, the COVID-19 pandemic did not have a positive impact on the business but caused the customers of the shoe shop to get used to buying online, thus the company loses customers and revenue in the long run. Furthermore, new collaborations or a different strategic orientation of the shop did not emerge due to the pandemic.

4.2.3 Interview 3

The third interview was conducted at a well established pizzeria, ``Klackerups Pizzeria`` located in Halmstad, Sweden. This MSME has a total of four owners and each of them holds a 25% share of the business. The respondent to the interview from the business admitted that, during the pandemic crisis, yearly turnover is low compared to the last 2 consecutive years. They were experiencing 35% fewer sales, net profit and no hiring or recruitment were done by this period meaning no new jobs were created during this period. The respondent stated that they have experienced a shortage of liquidity and they have managed the crisis by personal financing. They have also used cash from the total sales for doing so. The respondent said that they have not received any government economic support due to the fact that their business was not down to 50%. They have not tried to adopt a new business policy or strategy during this time. It is noticeable that during the pandemic they emphasized home deliveries due to the government restrictions on dining-in services. And they have used paid advertising services to reach their customers. Not knowing the theoretical aspect of such a strategy the respondent explained that they have considered it as a natural response to tackle the challenge of the crisis.

4.2.4 Interview 4

The fourth interview was conducted with a well established commercial printing and visual communication business located in Halmstad. This is a sole proprietary business and consists of 3 full-

time employees including the owner. The business owner admitted that, during the pandemic crisis, there was no severe impact on business, however, they were experiencing 20%-25% fewer sales. They had to experience cancelation of pre-orders and return part of their money back to their customers according to the return policy. No hiring or firing happened. They had introduced more discounts on mass scale printing as a strategy to attract more customers during the pandemic. More focus on social media advertising has been given. Apart from these general practices, they have not come up with new strategic planning or strategic innovations during the pandemic.

4.2.5 Interview 5

In this case an interview was conducted with a store manager as the owner was not present. The store manager had only been in her position for a few days at the time of the interview but had worked in a similar business for a duration of 5 years before. Nevertheless, according to her, Covid-19 was "bad for the company" (Svensson, Appendix 6: Interview 5) and the situation is better now. Although the flow of customers has also slowed down, customers were able to shop through the online shop even during the pandemic. The interviewee was not able to give more precise data on aspects such as the need for economic support, but the situation was comparable to other businesses that had to take out loans. Furthermore, the interviewee was not able to give any further information on the development of new business ideas due to her short time with the company, except that the company already worked with multichannel in the form of stationary and online shops. No other forms of cooperation or innovation have emerged due to COVID-19.

4.2.6 Interview 6

The sixth interview was held with a small size enterprise and sole proprietary business. It is a tailor shop as well as they sell sewing machines and sewing accessories. The interview was conducted with the owner. The interviewee mentioned that all the aspects such as sales, profitability, liquidity, and deliveries have increased during the Covid-19 pandemic. Further, she mentioned that many people started to repair and sew at home during the pandemic. They did not require any financial assistance from the government as their financial status became much better. There were not any negative impacts to the business as per the respondent. They had to collaborate with other tailors during the pandemic as they could not serve the demand with available resources. So they had to direct some of the orders to other tailors to meet the demand requirements of customers.

4.2.7 Interview 7

The last interview was conducted with Domino's Pizza, Halmstad which is owned and managed by PPS Food AB, (A medium size and legally and economically independent enterprise) in Sweden. The interview was held with the Manager of the outlet/ restaurant. The interviewee mentioned that COVID-19 pandemic was a period in which they experienced a higher number of sales compared to the pre-covid situation. Restrictions on dine-in in other restaurants, free delivery services from dominos, and extra precautionary actions against Covid-19 are the reasons she mentioned as reasons for increased sales. They did not require any support from the government or from other parties due to good performance of business. Due to the higher number of delivery orders and limited staff to cater for those orders, they have collaborated with Foodora temporarily. They have followed a contactless delivery system where they were not in physical contact with customers. Overall, in terms of sales there was not any reduction for Dominos during the pandemic.

5. Discussion

As established in the theoretical framework, MSMEs have a significant role in the Swedish economy. During the COVID-19 pandemic governments were restricting everyday life to cope with the pandemic and decrease the number of patients in hospitals. These restrictions impacted many MSME, including businesses in Halmstad, Sweden. Overall 40% of businesses all over Europe have experienced a financial crisis during the pandemic and its restrictions. Another common effect of the pandemic was that investments were delayed.

One of the interview partners was able to use his business experience to react to the pandemic and private funds to stay liquid. Besides this social media, such as Instagram was used to attract more customers.

In another case, employees had to be laid off due to the financial situation, and one of the two stores needed to be closed. In this case no government support was given but the payment of taxes was delayed. To cope with financial losses another business was created but no collaborations or strategic changes were established during the pandemic.

In the case of a printing shop, experienced no severe impact of the pandemic on the business, But an increased focus on social media marketing was set, to attract new customers. Considering the pizzerias, different effects of COVID-19 could be identified.

The independent pizza restaurant experienced fewer sales and liquidity shortages, while nobody was laid off, nobody new was hired. Financial losses were compensated by using private funds. In addition to this no government support was used and no collaborations with other businesses were established. The respondent also expressed less interest in taking financial support from banks due to administrative complexity.

On the other hand a franchised pizza restaurant was able to increase sales and collaborate with a food delivery company.

Another business which was not negatively impacted by the pandemic was a tailor shop which also sells sewing equipment. As people were advised to stay at home, activities there included sewing. As they were so busy a collaboration with other tailors was established.

The last interview was conducted with a store manager who was not working at the business during the height of the pandemic, which makes her information not exclusive to the shop but can be considered for the industry sector of costume shops, as she previously worked in a different costume store. The number of customers had decreased but many customers used online shopping as an alternative to shopping in stores. The store had already been working with online shopping offers it can be assumed, that this has been intensified during the pandemic

A common theme is the increased usage of social media as a marketing tool, this can be a consequence of "stay home" guidelines by the government as a presence for potential customers had to be established online. As well as the increase in online shopping possibilities and demand, these can be seen as a threat to the in store business but also pose an opportunity for new areas of business.

As the impact the pandemic had is currently studied, this paper aims to contribute to the research on effects on MSMEs.

6. Conclusion

Covid-19 had different effects on MSMEs in Halmstad, Sweden. Depending on the offered product or service, effects were positive or negative and of different intensity.

The analysis of the interviews showed these differences and an increased use of social media and online tools were common themes.

The interviews were limited to a small sample size and a small amount of existing research contributed to the limitations of the paper.

Several failed interview attempts also illustrated how hesitant many business owners and entrepreneurs were to talk about financial struggles during the last year. Also the interviews were not only conducted with entrepreneurs due to several interview attempts but also with store managers.

In the context of the research question;

How has the COVID-19 pandemic affected MSMEs in Halmstad, financially and strategically?

Different results have been found. The increase of online shopping can pose an opportunity and threat, for different businesses and their use of online shop tools. Another trend was the increased use of social media as a marketing tool and tool to stay in contact with customers.

From a theoretical perspective findings of this research will aid vital insights of the research topic. On the other hand practitioners and organizational managers also will be able to use the findings for future readiness to face such a crisis. Authors of this research urge that future research initiatives should look into the topic from different industrial settings and larger data sets.

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List of Figures

Table 1 Page 5 (European commission SME definition, EU recommendation 2003/361, https://ec.europa.eu/growth/smes/sme-definition_en, Retrieved at 10/09/2021).

Figure 1 Page 7 (own presentation).

Appendix

Appendix 1: Interview guide Background information

1. Your name and name of your company/business?
2. What is the type of your business?
3. Are you Man / Woman?

4. Which year are you born?
5. Your Email?
6. Which year did you start your business?
7. Role in the business?
8. How many percent do you own of the company?
9. In which country do you have your businesses?

COVID-19 and your business Interview

10. How have your business been affected by the COVID-19 pandemic? (Turnover, sales, recruitment of staff, profitability, liquidity, deliveries, others)
11. Have you received any economic support during the COVID-19 pandemic? (From government, loans from banks or family/friends, others)
12. Have you developed new business ideas during the covid-19 pandemic?
13. What positive and negative aspects has the covid-19 pandemic meant for your company?
14. Has the pandemic led you to collaborate with other companies in any new way?

Appendix 2: Interview 1_Transcript

1. Your name and name of your company/business? Zelko Rukavin Company name: ZoomZoom AB
2. What is the type of your business? Betting and photo printing
3. Are you Man / Woman? Man
4. Which year are you born? 1959
5. Your Email? zeiko@jobbrondellen.se
6. Which year did you start your business? 24th Oct 2020. It is an existing business bought by Zelko Rukavin
7. Role in the business? Owner of the shop
8. How many percent do you own of the company? 100%
9. In which country do you have your businesses? Halmstad, Halland county, Sweden.

COVID-19 and your business

10. How have your business been affected by the COVID-19 pandemic?(Turnover, sales, recruitment of staff, profitability, liquidity, deliveries, others)

In the beginning of October, the month in which the shop took over, sales were really good. After the 2020 summer, everyone was expecting a reduction of the pandemic. After November 2020, due to the second wave of COVID-19 sales went down drastically.

No hiring of additional staff or firing. The number of working hours of two staff members was reduced temporarily. And I, as the owner of the shop, worked full time in order to reduce personnel costs. As a solution to low cash liquidity due to the low sales volume, the I had to inject personal resources into the business

11. Have you received any economic support during the COVID-19 pandemic?
Yes, the government supported it in terms of paying employees whose working hours have been reduced. It is called “Kortids permitting” where the government supports short-term layoffs by providing financial support to employers to pay for employees so that employers can reduce salary costs. Apart from this, no other support was received such as rent reduction and reduced interest rates

12. Have you developed new business ideas during the covid-19 pandemic?

We focused more on renovating the shop and give it a modern ambiance with new facilities and much attention was given to promoting the business through social media specially on Instagram and Facebook

13. What positive and negative aspects have the covid-19 pandemic meant for your company?

The situation was really bad in terms of sales revenue. It was a very hard situation when there were no sales but you had to bear all the expenses. However, I would be happy today that the positive aspect was I was not affected by COVID-19 when all the staff became victims. Even under the above circumstances, my staff were delivered their full commitment towards the smooth continuity of the business operation

14. Has the pandemic led you to collaborate with other companies in any new way?

Not so much, but more relationships were established between the peers who are in the same industry. Knowledge and new business practices are shared among each other to make sure that everyone supports each other to survive in this pandemic.

Appendix 3: Interview 2_Transcript Background information

1. Your name and name of your company/business Peter Oscarsson, Ansoni AB (shop: SKO modellen)
2. What is the type of your business? Sale of shoes
3. Are you Man / Woman? Man
4. Which year are you born? 1969
5. Your Email? poscarsson@icloud.se
6. Which year did you start your business? 1991
7. Role in the business? owner
8. How many percent do you own of the company? 100 %
9. In which country do you have your businesses? Halmstad, Sweden

COVID-19 and your business

10. How have your business been affected by the COVID-19 pandemic?(Turnover, sales, recruitment of staff, profitability, liquidity, deliveries, others)

Everything was going down. The flow of our customers dropped, and we lost about 70 – 80 % of the sales, so we sold only about 20 – 30 % of our normal selling. It is very hard for us. The liquidity was catastrophic. We had to fire all of our employees. I had two stores before and had to close one. Now, I only have one left which was because of the Covid-19 pandemic.

The reason I could not have both is that I had to work by myself in one shop. We could not pay the employees and the rent, so we had to close and work alone in one store instead. All in all, it was very dramatic.

11. Have you received any economic support during the COVID-19 pandemic? (From government, loans from banks or family/friends, others)

We had to take out a loan form the bank and Almi to pay the rent and the shoes we sell. We did not receive any support from the government. We are only allowed to pay some of the taxes later. So now, I have a lot of taxes to pay. Even though we can pay them later, we still have to pay them. All in all, the financial situation is not really good and it is not easy. And there was not any reduction regarding the interest for the loan, either.

12. Have you developed new business ideas during the covid-19 pandemic?

Yes, I had to think about my own situation, so I started a new business in another sector which is about buying and selling companies. I get a small profit if I sell a company for someone else. Since I know many people, I am able to sell other companies on the market. Now, I work with that to get money because I cannot pay everything from the incomes of the store.

13. What positive and negative aspects has the covid-19 pandemic meant for your company?

I cannot see anything positive. We hope that our customers are coming back. But we are afraid that most of our customers are afraid to buy online, so maybe they won't come back. So, the negative thing about the pandemic is that we lost a lot of customers and a lot of money which will last for a long time.

14. Has the pandemic led you to collaborate with other companies in any new way?

No, we did not have any new collaboration with other companies

Appendix 4: Interview 3_Transcript Background information

1. Your name and name of your company/business? Name: Sabir Sariyildiz Company name: Klackerups pizzeria
2. What is the type of your business? Pizzeria
3. Are you Man / Woman? Man
4. Which year are you born? 1983
5. Your Email? Sariyildiz83@hotmail.com
6. Which year did you start your business? The business was established 19 years back. The respondent joined the business 10 years back.
7. Role in the business? Business partner also working with business operations.
8. How many percent do you own of the company? In total 25%. This company has 4 partners with an equal share of 25% each.
9. In which country do you have your businesses? Halmstad, Halland county, Sweden.

COVID-19 and your business

10. How have your business been affected by the COVID-19 pandemic?(Turnover, sales, recruitment of staff, profitability, liquidity, deliveries, others)

Turnover: Since the very beginning of the pandemic the sales went down. Yearly turnover is low from the last 2 finance years.

Sales: total sales went 35% down.

Staff: No hiring/recruitment took place due to low sales.

Profitability: Estimated profit margin also went down as close to 35%.

Liquidity: Suffered with cash liquidity. All the partners have ensured the cash flow from their own personal source. The ratio of cash supplements were like this: 50% came from the owner's pocket and 50% from business.

11. Have you received any economic support during the COVID-19 pandemic? (From government, loans from banks or family/friends, others)

No support was provided due to government provision (if the business is not suffering with 50% loss/sales drop then no financial support). The business was only suffering with 35% loss. The business didn't approach any bank loan.

12. Have you developed new business ideas during the covid-19 pandemic?

The business or the owners have not tried to implement any new business strategy. But they have advertised through Recklam (advertisement company) services. Sales through home delivery service was relatively high.

13. What positive and negative aspects has the covid-19 pandemic meant for your company?

The respondent admitted that, covid19 affected the business really badly. Especially customers who used to come to restaurants and dine-in were not interested in coming due to pandemic panic and regulations.

14. Has the pandemic led you to collaborate with other companies in any new way?

During the pandemic no collaborations were established with any external companies.

Appendix 5: Interview 4_Transcript Background information

1. Your name and name of your company/business? Fannar Company name: Reklam Huset
2. What is the type of your business? Commercial Printing and visual communications
3. Are you Man / Woman? Man
4. Which year are you born? 1979
5. Your Email? info@reklamhuset.nu
6. Which year did you start your business? 1995
7. Role in the business? Owner (after his father's death)
8. How many percent do you own of the company? 100%
9. In which country do you have your businesses? Halmstad, Halland county, Sweden.

COVID-19 and your business

10. How have your business been affected by the COVID-19 pandemic?

The business was not severely affected by the pandemic compared to other industries I think as we are doing commercial printing. sales were considerably down compared to the time before the pandemic. There was a sudden decrease at the beginning of the pandemic that hit us a lot as we did not have previous experience of such a pandemic. I would say our revenue went down from 20% to 25% during the first year. I have 2 full-time employees and 3 more part-time employees. We had to reduce the working hours of part-time employees due to the reduction of business. Even Though the profits were low they had income that was enough to cover rent expenses and cost of production.

11. Have you received any economic support during the COVID-19 pandemic (From government, loans from banks or family/friends, others)

We had two training staff working during that period as they were training staff during that time, and the government paid part of their salaries. Apart from that, no other support was given by the government

12. Have you developed new business ideas during the covid-19 pandemic?

Nothing much, however in order to attract business clients we gave attractive discounts on bulk printing. that helped in attracting customers even during pandemic. we focused more on promotion on social media

13. What positive and negative aspects has the covid-19 pandemic meant for your company?

Even Though there is no significant impact on business there was a hit on our sales as our customers were affected by the pandemic and some customers canceled their pre orders for printing and we had to return some of their money according to the return policy of the company that is a bad thing. The positive thing was during this pandemic we could still provide employment to two students with partial help from the

government with their salaries. I think it is a positive thing when so many firings were happening in companies during that time

14. Has the pandemic led you to collaborate with other companies in any new way?

No collaboration established during the pandemic

Appendix 6: Interview 5_Transcript Background information

1. Your name and name of your company/business Name: Sanna Svensson Company: Butterick's
2. What is the type of your business? Costume store
3. Are you Man / Woman? Woman
4. Which year are you born? 1990
5. Your Email? Sansa.svenson@buttericks.se
6. Which year did you start your business? Started to work in October, worked there 5 years earlier (according to the web site, shop was founded in 1998)
7. Role in the business? Store manager
8. How many percent do you own of the company? 0%, only hired as a store manager
9. In which country do you have your businesses? Sweden

COVID-19 and your business

10. How have your business been affected by the COVID-19 pandemic? (Turnover, sales, recruitment of staff, profitability, liquidity, deliveries, others)

Unfortunately, I do not know exactly because I have not been or worked here during the pandemic but of course I think it was bad for the company. It is much better now again. Of course, sales and our customers dropped due to the pandemic, but we also have an internet shop where customers can buy their things online and come and pick them up later in our shop.

11. Have you received any economic support during the COVID-19 pandemic? (From government, loans from banks or family/friends, others)

Unfortunately, I do not know exactly but I guess that this company, as many others, had to get some economic help due to the financial situation during the pandemic.

12. Have you developed new business ideas during the covid-19 pandemic?

No, not really, but the company already used different channels to sell their products.

13. What positive and negative aspects has the covid-19 pandemic meant for your company?

It is hard to say because I have not been here during the pandemic. I do not know exactly but of course we might have lost some customers and our sales dropped.

14. Has the pandemic led you to collaborate with other companies in any new way?

No, as far as I know, there is not any new collaboration due to Covid-19.

Appendix 7: Interview 6_Transcript Background information

1. Your name and name of your company/business Name: Yvonne Olofsson Company: Symaskins Centralen
2. What is the type of your business? We sell sewing machines, sewing accessories and tailoring
3. Are you Man / Woman? Woman

4. Which year are you born? 1966
5. Your Email? symaskinyvonne@gmail.com
6. Which year did you start your business? I bought the company in 2016.
7. Role in the business? owner
8. How many percent do you own of the company? 100 %
9. In which country do you have your businesses? Halmstad, Sweden

COVID-19 and your business

10. How have your business been affected by the COVID-19 pandemic? (Turnover, sales, recruitment of staff, profitability, liquidity, deliveries, others)

All these things have increased during the Covid-19 pandemic. More and more people began to repair and sew at home.

11. Have you received any economic support during the COVID-19 pandemic? (From government, loans from banks or family/friends, others)

No, since our financial situation even became better, we did not receive any economic support.

12. Have you developed new business ideas during the covid-19 pandemic?

No, I did not.

13. What positive and negative aspects has the covid-19 pandemic meant for your company?

I can only mention positive aspects. We sell more and have a lot more tailoring due to the pandemic.

14. Has the pandemic led you to collaborate with other companies in any new way?

Sometimes, we even need to forward our customers to other companies because we are full.

Appendix 8: Interview 7_Transcript Background information

1. Your name and name of your company/business Anuradi Umayangani, Dominos Pizza (owned by PPS food AB)
2. What is the type of your business? Sale of Pizza
3. Are you Man / Woman? Woman
4. Which year are you born? 1989
5. Your Email? anuradhi.umayangani@dominos.se

6. Which year did you start your business?
7. Role in the business? Manager
8. How many percent do you own of the company? 0%
9. In which country do you have your businesses? Halmstad, Sweden

COVID-19 and your business

10. How have your business been affected by the COVID-19 pandemic?(Turnover, sales, recruitment of staff, profitability, liquidity, deliveries, others)

I would say Covid 19 brought us a good time in terms of sales. Compared with pre-covid-situation sales increased considerably during the pandemic. I think the reason behind this is that our customers are more into takeaways and deliveries. We offered customers fee of charge deliveries and a contactless delivery system. We followed strict precautionary methods to give a safe service to our customers. So due to the above reasons, I believe our sales went up even during a pandemic

11. Have you received any economic support during the COVID-19 pandemic? (From government, loans from banks or family/friends, others)

No support was required as everything went well

12. Have you developed new business ideas during the covid-19 pandemic?

Yes, we used a contactless delivery system. We deliver the orders to the doorstep of our customer and leave the food in front of their house and call them to inform them that their order has arrived. Once we make sure that customers have collected their order then we leave that place.

13. What positive and negative aspects has the covid-19 pandemic meant for your company?

Apart from the extra strict precautionary measures we had to follow such as sanitizing all the equipment after every two orders and strict cleaning instructions etc. Overall during the pandemic, we had a good number of sales.

14. Has the pandemic led you to collaborate with other companies in any new way?

Yes, we collaborated with foodora for deliveries during the pandemic as we had so many delivery orders. In order to deliver them timely, we collaborated with Foodora for about 18 months.

Tables and figures:

Table 1:

| Enterprise category | Employees | Turnover |
|---------------------|---------------|---|
| Micro enterprise | Less than 10 | Less than or equivalent to 2 million Euros. |
| Small enterprises | Less than 50 | Less than or equivalent of 10 million euros |
| Medium enterprises | Less than 250 | Less than or equivalent of 50 million euros |

Table 1 (European commission SME definition)

Figure 1:

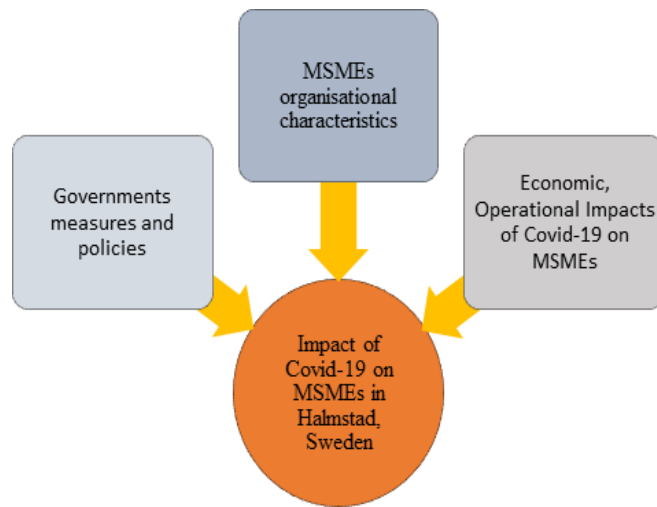


Figure 1: Conceptual framework of the research (own representation)