

Entrepreneurship during COVID-19 Pandemic – Evidence from Kolkata

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Abstract: In the present era of a menacing global pandemic, where mercurial disruptions have crept into major sectors of a nation, it is the landscape of entrepreneurship that has been much talked about. Given, the penchant of Indian people towards entrepreneurial form of business, entrepreneurship in India has remained rock solid over the years with a stunning exit rate which is the second lowest in the world when taking in the light of all the GEM countries. Since the potential outbreak of Novel Coronavirus and the mayhem it, has created entrepreneurs have been mulling over strategies to blunt and overcome the adverse effects triggered by the disease. In this context, it is imperative for such businessmen to integrate novel practices to keep their businesses afloat in these challenging times. This calls on their part to overcome the festering challenges and identify opportunities for bolstering their business. The essence of our purported endeavor revolves around this wherein, the objective is to explore and probe into the various strengths, weaknesses opportunities, and threats of entrepreneurial business in the terrain of Kolkata. The research paper also suggests some eye-twitching innovative business strategies that businesses could engage itself.

Keywords: COVID-19, Businesses, Entrepreneurship, SWOT analysis.

1. Introduction

We live in an era of risk and instability which is relentlessly marked by a state of flux. The largely static business era of 1950's has relinquished its nature to a more volatile business which gained a momentous shift in transition since the beginning of 1980's. The rapid globalization, advancement of technology, pace of business operations and mercurial changes in the demand of people coupled with environmental and a host of other reasons poses prodigious challenges for any businesses to change and adapt itself. The ugly aftermath of the Covid-19 Novel Coronavirus bears a strong testimony to this. The emergence and potential outbreak of the global pandemic not only wreaked havoc across the whole world but also brought a plethora of changes in the modus vivendi of people and functioning of businesses. Standing in the 70th year of independence, India is perched on the cusp of establishing itself as the biggest self-reliant nation of the world strongly and justifiably supporting the Indian Prime Minister Shri Narendra Modi's hallowed mantra of "Atma-Nirbhar Bharat." The ultimate aim of such a sacrosanct concept is to make India self-dependent and encourage, support and increase self-production

within the country. In this context, entrepreneurship businesses are nifty driving forces that can boost and bolster the notion of "Atma-Nirbhar Bharat." Some of the best advantages offered by entrepreneurship businesses are employment opportunities, enhancement in standard of living, encouragement of innovation, work time flexibility and many such among others. However, to be a successful entrepreneur, there are certain traits like passion, intuition, solution-driven, innovative, dedicated and experimental. In this context, all such significant traits of an entrepreneur has been put into a litmus test by the boisterous consequences of Covid-19. Following a nationwide lockdown since the middle of March' 2020, businesses has been reeling under direct pressure of shutdown in their operations which has hit an all-time nadir. However, entrepreneurship businesses are now staring down at a barrel of great tumult and economic bedlam. This has called upon the part of the entrepreneurs to prepare effective strategies and put it into action to efficiently blunt and overcome the present challenges thrown by the pandemic. This is also a golden chance to capitalize on the latest opportunities which lies amidst the arduous challenges which must be identified by the entrepreneurs to turn it into a source of strength. This in fact, is the essence of our purported endeavour where the main objective lies in exploring the Strength, Weakness, Opportunities and Threats (SWOT) of entrepreneurial businesses on a general view and investigating the most dominant factors among them.

2. Introductory Observations

According to Global Entrepreneurship Monitor (GEM), about 40% people in India have a somewhat moderate proclivity towards entrepreneurship as a career choice when juxtaposed with its other BRICS members, the people of such countries who are told to have a stronger penchant towards entrepreneurship as a better career choice. In spite of a mediocre inclination towards entrepreneurship, such type of business has only grown in leaps and bounds over the years. Truth to be told, India is a land of budding entrepreneurs and this type of business has long been the strength of the nation. In the face of the blood-thirsty pandemic of Covid-19, entrepreneurs especially in India are facing a torrid time which has triggered an inexorable downturn in the landscape of entrepreneurship

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and global economy. Among the worst affected entrepreneurship sectors are hotels, restaurants and retail unlike those who are engaged in online shopping or food delivery where the business is currently booming. The affected businesses stare at a despairing hole of losing a whopping portion of their market value as well as 50%-80% of their turnover. The consequences have proved to be disastrous as several businesses have terminated the employees and many have even shut down. However, one of the striking revelations of the impact of Covid-19 on entrepreneurship businesses have been the stunning response to existing or emerging needs of the customers metamorphosing itself to adapt to the new scenarios by devising new ideas and implementation of innovative business strategies. The current crisis triggered by Novel Coronavirus is showing the exquisite incremental approaches to innovation followed by entrepreneurs in India. The government of India is supporting many entrepreneurs by a plethora of ways, like conducting webinars to provide mentorship to entrepreneurs, small to medium loans provided by government with flexible repayments, tax grants covering a major proportion of the trading profit, etc. Entrepreneurs have taken full advantage of these opportunities as well as restructured their business strategies by redirecting their existing knowledge, skills, people and networks to the new needs that have emerged stemming from the challenges. Entrepreneurs also have to be more aware of their current weaknesses as well as take full advantages of its various strengths. Each entrepreneur is different from each other about looking into various situations, dealing with them and planning and implementing business strategies. In this context, the various merits, demerits, challenges and opportunities faced by entrepreneurship businesses in Kolkata will be probed into and deliberated upon in our current endeavour by applying the SWOT Model, i.e. (Strength, Weakness, Opportunities and Threats) framework.

3. Review of Associated Literature

The existent literature blending the keywords of business and Covid-19 are less. An intricate survey of literature would actually reveal that there hardly exists any research papers which address the current issue at hand, let alone conducting an empirical survey. However, there are some blogs and posts available at various website discussing about business in the era of pandemic and post pandemic. Therefore, it is essential to closely study those available literatures to get an understanding of the issue to be discussed in our endeavour. To grasp the understanding of an unexplored domain is always a herculean task and calls for travails. Therefore, it is important for us to first discuss about the fast-paced world where a plethora of radical changes are continuously percolating every now and then. Then we shall get a fair amount of idea about how it would affect business. This in turn, would help us to link the terms “business” and “Covid-19.”

The meaning of fast paced environment is that employer's needs high productivity at all costs, therefore for the employee, his work time will be higher than his revenue (Ulrich, 2012). Our government would like to reassure taxpayers that we

remain committed to taking measures so that our citizens are free from harassment of any kind (Nirmala Sitharaman, 2020). According to a blog posted on the website of Fore School of Management, New Delhi, investment of capital in unproductive avenues, lack of access to technical and vocational education, high tax rates, complex legal formalities, stiff competition from MNC's and lack of adaptable environment are the all-time major challenges for entrepreneurship business.

According to Erin Joy (Vault, 2020), “analysis paralysis”, i.e. inability to take decisions or the delay of decisions is a behemoth challenge for entrepreneurs together with compliance with laws and legislations, prioritization of needs, information overload and unhealthy mindset. Despite the quarantines and strict norms of social distancing, entrepreneurs have found ways to connect with their clients, investors and customers not only from a business perspective but also from an emotional perspective, thus, becoming more humane. Physical meetings have been supplanted by virtual forms of communication such as Skype, Zoom and others.

Bagaria (2020), in his post has mentioned about the various challenges for entrepreneurship during Covid-19 which are reduced cash flow, growth setbacks, halt in funding and shortage of manpower while some of the opportunities that lie ahead are higher growth opportunities, product innovation, wider reach, availing government facilities and digitalization of business.

Calvino *et al.* (2020) in their article has stated that some of the most excruciating challenges for entrepreneurs during the times of this ongoing pandemic are risks both in terms of business and health, drop in revenue while there are also some eye-twitching opportunities innovative business practices, uncovering business opportunities, gaining customers loyalty and catering to societal needs. They had further opined various policies and practices which entrepreneurs can implement in their businesses to better speed up their recovery from the jerks triggered by the pandemic. According to Calvino *et al.* (2010), in order to tackle short term challenges, it is imperative to support short-term financial needs with loans, grants/subsidies, minimal bureaucracy, supporting research and development as well as innovation, promote investments in skills and online training and entrepreneurial training. To reduce barriers to entrepreneurship, administrative costs may be reduced, continued funding (even if on small amount) and network development may be focused upon which also includes bridging the gap between rattled employees and customers and business, seeking continued access to international markets. Pandemics definitely have an influence over the processes of traditional entrepreneurial decision-making (Chell, 2013). As per Stephan (2018), pandemics will impact the well-being of the people at large. Wach *et al.* (2016), in their study has opined that pandemic have an adverse bearing on entrepreneurial outcomes.

A study conducted by Schroeder (2020), has concluded with the fact that entrepreneurs need to determine whether their innovative business practices is actually addressing a long-term issue, such businesses need to identify their markets and customers and target them, proactively pivot thinking even

about businesses in a post-Covid world, appropriately mapping business model.

4. Conceptual Framework

The term “SWOT” was first brought to the limelight by Albert Humphrey between the late 1960’s and early 1970’s at the Stanford Research Institute (SRI). The ultimate aim of a SWOT analysis is to reinforce business strategies by assessing all the business’ strengths, weaknesses, opportunities and threats within one’s marketplace. It ensures businesses make objectives that are realistic and attainable with minimum risk and maximum efficiency. The first two dimension of a SWOT, i.e., Strength and Weakness come under the wing of Internal Environment while Opportunities and Threats come under the wing of External Environment.

Some of the strengths and weaknesses that businesses typically consider about their own operations are financial resources like funding and sources of income and investment opportunities, physical resources like locality of business, facilities and industrial equipment, human resources like staff base and target demographics, natural resources like access to intellectual property (trademarks, copyrights and patents) and land, water, electricity, etc. and existing infrastructure like software, departmental hierarchies, staff programs, etc.

Some of the opportunities and threats are external funding like gifts, donations and other sources, industry trends like technological developments, new product lines and shifting consumer demands, economic movements like financing trends on a local, national and global scale, target demographic like evolution of audience, i.e., age, gender, race and culture, working relationships like dealings with partners and suppliers and regulations like political, environmental and economic.

The overall understanding of SWOT is imperative for businesses to perch themselves in a better position in order to take appropriate actions, without which it would extremely difficult for businesses to identify areas for changes, set performance goals and develop an action plan to stay abreast in the competitive era. The common reasons for using SWOT analysis are identifying new solutions to existing business issues, prune out new potential barriers, track the direction for the business to take on, discovering possibilities and limitations for change, for better understanding the situation and better communication flow among employers, employees, stakeholders, clients and customers. Once these assessments have been done, the next step is to analyze the SWOT strategies which are as follows:

Strength-Opportunity strategies

- Leverage business’ strengths to maximize industry opportunities

Strength-Threats strategies

- Leverage business’ strengths to minimize industry threats

Weakness-Opportunity strategies

- Minimize business’ weaknesses to maximize industry opportunities

Weakness-Threats strategies

- Minimize business’ weaknesses to minimize industry threats

Below is a SWOT Model which has been represented with the help of a diagram.



Fig. 1. SWOT model

In this light, we have established a relationship between the SWOT Analysis employed by entrepreneurial businesses during the ongoing times of a menacing pandemic. We have incorporated the various SWOT factors explored by robust study of literature in the research model which will be further incorporated into the questionnaire. Based on this we will conduct a Factor Analysis to probe into the most dominant SWOT factors.

The proposed research model of our study has been depicted below.

	Helpful	Harmful
Internal Source	STRENGTHS Reserves Healthy Customer Relationships Available Infrastructure Skilled Personnel	WEAKNESSES Communication Barriers Shortage of Funds Reduced Manpower
External Source	OPPORTUNITIES Innovation Digitalization Government Grants Customer Loyalty Social Responsibility	THREATS Risks Fall in Revenue Permanent Shutdown Analysis Paralysis

Fig. 2. Research model

- *S*: Reserves, Healthy Customer Relationships, Available Infrastructure, Skilled Personnel
- *W*: Communication Barriers, Shortage of Funds, Reduced Manpower
- *O*: Innovation, Digitalization, Government Grants, Customer Loyalty, Social Responsibility
- *T*: Risks, Fall in Revenue, Permanent Shutdown, Analysis Paralysis

5. Data and Methodology

Both primary as well as secondary data has been collected

for the purpose of completing the current research study. Various blogs, websites, e-newspapers and posts have been accessed to get a robust understanding of the basic theory that will provide a base to our research study. For the purpose of primary data collection, we have prepared a questionnaire for the purpose of probing into the most dominant factors of SWOT of entrepreneurial businesses of Kolkata in the current situation of a global pandemic. The questionnaire is a moderately drawn one which has been purely self-developed by the authors. The questionnaire is distributed among 4 segments which are strengths, weakness, opportunities and threats. There are exactly 16 questions contained in the questionnaire. All the questions have been self-developed by the authors. The respondents in our current research endeavour are entrepreneurs of Kolkata. The questionnaires were randomly administered to 124 entrepreneurs of Kolkata who are primarily owners of restaurants and other businesses like garments, leather products and footwear. Initially 150 respondents were selected and surveyed, but due to some erroneous responses 26 responses had to be rejected thus giving us a total of 124 valid responses. A Five-Point Likert scale has been used to measure the concepts where 1=Highly important/effective and 5=Highly unimportant /ineffective. The data collected has been meticulously processed through IBM's SPSS 23.0.

6. Data Analysis and Findings

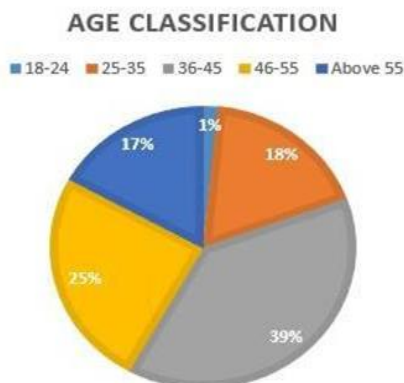


Fig. 3. Representation of age category

Most of the respondents in our study belongs to the age group of 36-45 accounting for 39% of the total respondents while the next major chunk of population surveyed belongs to the age group of 46-55 years.

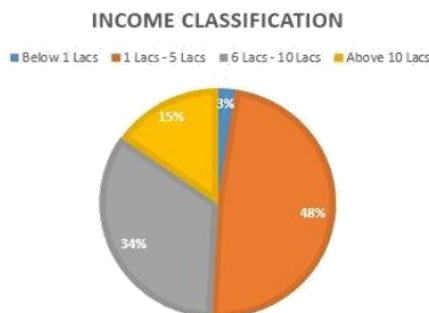


Fig. 4. Representation of income classification

Most of the respondents (48%) earn an income between 1 lac to 5 lacs while 34% of the respondents in our study have an income between 6 lacs to 10 lacs and 15% of the respondents have an income above 10 lacs which is quite impressive, particularly, in the city of Kolkata.



Fig. 5. Representation of type of business

The respondents surveyed are all engaged across businesses like garments, footwear and leather products. Majority of the respondents (44%) in our study are entrepreneurs engaged in garment business, while entrepreneurs engaged in the business of footwear and leather products makeup for 31% and 25% respectively.

Exploratory Factor Analysis

Since the first objective of our research study is to prune out the most dominant factors of SWOT Model in the context of entrepreneurial businesses in Kolkata during this pandemic, we have conducted a factor analysis to explore the most relevant factors.

To this end, the KMO and Bartlett's Test of Sphericity has been conducted in order to check for the adequacy of the sample size and also to find out whether it is worthwhile to conduct a Factor Analysis.

Test	Value
Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.792
Bartlett's Test of Sphericity	775.351
df	16
Sig.	.000

As per the results, the KMO test confirms that the Factor Analysis conducted is appropriate. Ideally the values should be greater than 0.6. This is explained by the KMO Test statistic which is 0.792 (larger than the acceptable value of 0.6). The significance value is perched at 5% level, showing that p=0.000 which is (p<0.05). Hence, it is worthwhile to conduct a Factor Analysis, on the 16 elements responsible for shaping the integrity of the SWOT Model. Thus, from the results it is evident that there are 4 factors which have been obtained. It is proof of the fact that all these 4 factors together explain % of the variance explained. Principal Component Analysis have helped us to extract the variable according to the fulfilled requisite that the Eigen values should be greater than 1 (Eigen

Table 2
Total variance explained

	Initial Eigen Values		Extraction Sums of Squared Loadings		
	Total	% of variance	Cum. %	Total	% of variance
4.565	28.531	28.531	4.565	28.531	28.531
3.325	20.781	49.312	3.325	20.781	49.312
1.746	10.912	60.224	1.746	10.912	60.224
1.196	7.475	67.699	1.196	7.475	67.699
0.918	5.737	73.436			
0.865	5.406	78.842			
0.756	4.725	83.567			
0.679	4.243	87.812			
0.592	3.700	91.512			
0.423	2.643	94.153			
0.334	2.087	96.241			
0.287	1.793	98.033			
0.141	0.881	98.914			
0.096	0.600	99.514			
0.059	0.368	99.882			
0.018	0.112	100.00			

Extraction Method: Principal Component Analysis

Table 3
Rotated component matrix

Component I	Component II	Component III	Component IV
Reserves	Communication Barriers	Innovation	Risks
Healthy Customer Relationships	Shortage of Funds	Digitalization	Fall in Revenue
Available Infrastructure	Reduced Manpower	Government Grants	Permanent Shutdown
Skilled Personnel		Customer Loyalty	Analysis Paralysis
		Social Responsibility	

values=>1). The four factors have a strong degree of interdependence and hence decrease moving downwards whose Eigen values are lesser than 1 and hence not reported thus.

Table 3 shows the Rotated Component Matrix, according to which the variables will get accommodated in the factor loadings, thus providing us with the final results. The rotation has been done using Varimax with Kaiser Normalization. The factor loadings has directly been incorporated in the form of a well arranged table without going into it critically. The list of 16 variables as observed are disintegrated into 4 factors. Component 1, Component 2, Component 3, and Component 4 can be renamed as Strength Source, Weakness Source, Opportunity Source and Threat Source respectively.

The standardized Cronbach's Alpha value is 0.863, which is acceptable value, showcasing that the questionnaire along with its variables fits perfectly into the proposed modelling.

7. Conclusive Statements

The Covid-19 pandemic is not only causing a global health emergency but also a global economic meltdown. Trade, investment, growth and employment of businesses have been severely affected, which is going to have a major blow to the UN's Sustainable Development

Goals (SDGs). Putting in a nutshell, entrepreneurship businesses in India have been rattled brutally, but there are a few opportunities that have come knocking at their doorsteps. Entrepreneurs are showing gargantuan interest in fighting the challenges thrown by Covid-19 and relentlessly in the quest for solutions to make their businesses thrive in the present and post-pandemic world. Truth to be told, Covid-19 has fostered a wave of innovation, both positive and negative, in the world of

entrepreneurship, where, entrepreneurs are dedicating their lives to create a future for consumers in the years to come. Astounding changes in business strategies have been witnessed which has called on the part of the entrepreneurs to be audacious as well as innovative and creative as they have redefined the aura swirling them and the profession of entrepreneurship by redesigning techniques to adapt to the current challenging times as well as a ploy that is expected to work wonders in a post-Covid world. The myriad innovative entrepreneurial initiatives have sparked strongly resilience among entrepreneurs who are optimistic about their businesses to flourish in a post-pandemic world. It is a no-brainer that the pandemic will require them to shift their business approach for many years to come. Several business have been eviscerated but many other businesses have emerged winners in this boisterous hot-bed and are on the verge of building the "next generation" of entrepreneurs. The way things have spanned out to be during this pandemic will surely have a long lasting impact on the society. Nevertheless, the business practices of several entrepreneurs have been lauded. Granted, the milieu of entrepreneurship business in India has been reeling but there have been the emergence of a new breed of entrepreneurs for whom challenges have been rather exhilarating than being spooky, who have fought the tough battle by pivoting rather than digging in their heels and who have seen these challenging times as opportunities rather than roadblocks. In this light, a host of innovative business strategies have been implemented by entrepreneurs which are now proving its worth. Albeit, the functioning and profits of businesses are comparatively low juxtaposed to the pre-pandemic era but the latest business practices is now slowly and steadily steam and its can be opined that the age of entrepreneurship has emerged.

Managerial Implications:

Business owners aren't fortune-tellers. Even with the best strategies and plans for growing your business, you can't predict the future perfectly. All kinds of changes can transform your business environment – economic collapse or boom, new competitors and new technologies. To survive, you have to adapt your strategic plans to keep up with change. The external environment for all enterprises is rapidly changing. The change is fuelled by globalization,

technology, increasing information processing power, market expectation, high competitiveness and societal changes. Truth to be told, management hierarchy alone will not shape up organizations but all the above factors will be the biggest drivers in shaping up organizations. But these forces cannot be accurately predicted. The key challenge for entrepreneurs lie in innovating and transforming their businesses to be adaptable to these forces, whilst maintaining the integrity of the business as usual. Therefore, it is imperative to embrace technology, increase speed and learn to live with ambiguity and uncertainty. Entrepreneurs need to understand various changes and adapt to them quickly simultaneously building their skills and keep learning continuously. The most important skills needed is the ability of the entrepreneurs to know their niche by providing customers valuable services for which it is important to know the needs of customers and fulfil them. This calls for keeping close contact with the customers and continuously ameliorating the quality of goods and services. Entrepreneurs need to closely monitor each and every activities especially during these testing times as well as redesign strategies depending upon the situation. Some of the innovative strategies may be to offer something radically new to improve customer experience, valuing creativity and innovation to deliver more value be it functional or emotional and put technology and data to work in order to ameliorate the business. Businessmen at large, particularly entrepreneurs must not always apply existing business models to new markets. They must formally build capacity and environment to incubate new product ideas and experiment different offerings for new or existing customer segments. It is recommended that they continuously monitor customer behaviour in adjacent as well as white space markets

and acquire or invest in disruptive start-ups during early rounds, avoiding huge valuations at later stages. To successfully capitalize on these investments, incumbents must also evolve their existing culture and business models. It is strongly suggested to formally setup technology intelligence and road-mapping practice to adequately envision and invest in new growth areas which often takes a decade or longer to pay off.

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