



Management Strategy of Small and Medium Enterprises during the Pandemic Covid-19

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Abstract

This essay addresses the idea of small and medium-sized companies, the consequences of the pandemic on small and medium-sized enterprises, and approaches to creating and managing medium and small-sized businesses during the duration of the crisis. Most small and medium-sized businesses engage in formal commercial operations through cooperative enterprises. but there is a large effect on many who have medium-sized companies, delivery is impaired, as well as salespeople and those who depend on it; moreover, large numbers of salespeople would be hit by this pandemic. There is also an urgent need for increased management of small to mid-way and medium sized companies to be completed, which includes prioritizing the physical wellbeing of employees, leveraging digital marketing, and improving product and service efficiency, thus curtailing company revenue and costs, as well as re-evaluating the current strategy. As a result, that enables small and medium-sized businesses to stay afloat in the Covid-19pandemic.

Introduction

A specific class of microbusiness that refers to a business where the value generated by the business, after deducting liabilities, doesn't reach the scale of a large or a small enterprise. By itself a stand-alone company Large businesses must be shielded from unfair competition so that small businesses will flourish.

Separate a profitable businesses, carried out by individuals/entities that are either non-subsidiaries or corporations that are midsized. The groupings that cover small and medium-sized companies include manufacturing and commerce (Ayyagari et al., 2007; Chetty & Holm, 2000; Moen & Servais, 2002). In each region, there is a different conceptualization of what constitutes a small and medium-sized enterprise. For the sake of the country's future economic well-growth, small and medium-sized businesses must be able to foresee global economic integration, trade, and currency deregulation. With that in mind, demands for being efficient and productive are increasing as we seek to be more proactive in globalization.

that is better known as the self-aspirational (Wilson et al., 2006; Chen, 2012). Besides, the craftsmen were not yet interested in developing their own businesses. Many medium-sized businesses are now operating on a contracting and exporting model. There were a lot of medium and large scale entrepreneurs from this group. If well-educated and well-trained, some of the small and medium businesses would see a sharp spike. A small percentage of small to medium-sized companies that already have a pro-business spirit would be able to turn into larger corporations and go head-to-to-head with corporations. Because of the fact that small and medium-sized enterprises use basic technologies, technology migration to new markets is slow. This is important for both small and medium-sized businesses.

Things and services are commonly bought by businesses within a certain geographic area and generational sector. Most, if not all, of those would have long lifetimes. The individuals who participate in their markets are the vulnerable urban economies.

The Impact of the Pandemic on Small and Medium Enterprises

Impact on Sales Turnover

Social distancing advice in order to avoid a wider spread of the Corona virus, has more or less contributed to reducing buying and selling activities in the community. For example, warteg entrepreneurs in Jakarta. According to the head of the Warteg Nusantara Community (Kowantara), Mukroni, the Corona virus has caused entrepreneur turnover to decline by up to 50 percent.

But fortunately, according to research conducted by the Center for Economic and Social Studies (CESS) and The Center for Micro and Small Enterprise Dynamic (CEMSED), SMEs are unique because they always have the ability to develop and survive during a crisis. This is evidenced by the initiative of warteg entrepreneurs who prefer to continue operating, but change their way of selling by only serving packaged purchases (to be taken home), not serving food purchases on the spot.

Difficult to Obtain Raw Materials

The social distancing policy chosen by the government has disrupted production activities. Some companies adopt a Work from Home policy, some decide to lay off their employees, to mass layoffs.

Distribution is Hampered

The government continues to strive to maximize distribution channels through massive infrastructure development. The project has even been started. The results are quite significant, the distribution channels are faster, the price gap can be cut, and the pace of the people's economy is getting faster. But now, Covid-19 has "destroyed" all of that. According to data from the Toll Road Association (ATI), the average daily traffic (LHR) of all toll roads has decreased between 40-60 percent since early March 2020.

Service Providers are Exposed to the Impact of Covid-19

Small-and medium-sized enterprises have showed substantial drop in turnover. In other words, they have their incomes decreased because of social distancing. Casual staff, such as factory workers, makeup designers, photographers, and hair stylists are having trouble making a living because of the Corona virus outbreak.

Management of Small and Medium Enterprises

Prioritize the Health of You and Your Employees

As the epidemic is due to the COVID-19 virus, you have to put the well-being of yourself and your staff above all else. It will stay open as long as you and as you are physically fit. The legislation proposed by the government is backed by good cooperation and data control, as well as intensive use of technology.

Create Short, Medium and Long Term Strategies

According to business management expert Nicholas Bahr, each business should also has a short-doings, mid-term, and long-term steps to handle anything that can happen with this outbreak. as a matter of fact

Communication is a Very Important Point that is Very Important

Use of effective communication is critical in company management in the face of a crisis (Coombs, 2014; Darling, 1994; Taneja et al., 2014). Be a courteous and considerate employee, and your contact with your colleagues will continue to flow freely. The ever-increasing complexity of modern technologies helps make tasks more accessible to humans, particularly when it comes to communicating.

Assess the Risks in Business Operations

One of the key functions of a company is to help it continue to exist over time is to support operational operations. You ought to look at the different communities that are involved in a crisis to determine how to defend them. Excitingly seeing new prospects. A lot of trial and error would be needed to navigate the latest organizational methods. For this purpose, businesses must keep abreast of current events in order to shape new strategies that are accurate for them.

Challenges and Strategies for Small and Medium Business Development during the Covid-19 Pandemic

The period of the COVID-19 pandemic is a challenge for small and medium business actors. The challenges of small and medium enterprises in the midst of the COVID-19 pandemic include the large number of Small and Medium Business players who have difficulty obtaining raw materials due to the imposition of Large-Scale Social Restrictions, many small and medium business actors have experienced a decrease in income due to the absence of customers buying products since the implementation.

Physical distancing, Small and Medium Enterprises players experience difficulties in obtaining capital loans, as well as a drop in demand due to market uncertainty which ultimately has an impact on decreasing demand for goods and services. In the midst of the COVID-19 pandemic, such as today, Small and Medium Enterprises must be able to innovate and take advantage of online marketing and sales channels to maintain business continuity (Heider et al., 2020; Chang & Hughes, 2012; Asheim et al., 2003). In addition, Small and Medium Business actors must also be able to rearrange their business strategies. Under current conditions, Small and Medium Enterprises need to make adjustments in terms of products and carry out several marketing strategies to survive. Based on these challenges, the strategies can be carried out by Small and Medium Enterprises

Prepare Your Business to Grow More

It is essential for market actors to increase their skills as part of future business growth that they take advantage of this time span. For example, in business strategy or building your own e-commerce website. In order to compensate for system lags, company processes would be quicker than ever.

Take Advantage of Social Media

With regard to both products and services, in the age of globalization, businesses will benefit from new information technologies. Social networking is an application of information technology that serves the interests of market players to their best effect.

With the face-to-face communication being limited, social media can be a more efficient form of advertising if you haven't done it before. The majority of small and medium-sized companies interact with each other in an accessible and non-manipulative way, by consciously telling stories about their goods or by sharing information with colleagues.

Additionally, business people should carry out an automation process in their business. Basically, there are three key resources to running a company, and these are time, energy, and capital. Most businesses have revenue, but don't have the time or inclination to spend it on paper or manually. It normally interferes with business growth. In the previous case, it follows that business actors must change their business procedures, for example, by using online accounting tools to manage the change documents. At the moment, there are many tech solutions that assist SMEs, such as Jurnal by Mekari, Omega, Sleeker, and others to make things simpler.

The introduction of PSBB has pushed people away from e-commerce. There are some alternatives to dealing with this concern. One of these is to use e-commerce so that Small and Medium-sized Enterprises (SMEs) can still maintain their market share while still in the network. The purchasing habits of the market landscape has changed, along with the COVID pandemic making e-commerce the best alternative for players in the age of Industrial Revolution 4.0. When small and medium-sized enterprises are able to serve new customers, they have the ability to prosper.

The COVID-19 Digital Marketing Pandemic has led to a decline in sectors and economies, necessitating a creative and disruptive business strategy for SMEs. It's become more and more difficult to resist as the modern age progresses. Especially during the COVID-19 plague, it is essential that SMEs make use of digital technology to its fullest extent.

Make Sure Cash Flow is Maintained Healthily

To run a successful company, you must know how to handle the cash flow. In these circumstances, face-to-face transactions must be undertaken. Online payroll applications such as Billing records like Journeys help companies produce invoices and receipts.

In an e-mailing or purchasing order form, companies may complete purchases that they would not have had to do so based on face-to-face contact. Often, it makes it simpler for company owners to receive fees from consumers. You will use Jurnal Pay for virtual account (no fee) and credit card payments with minimal setup and simplicity. Additionally, the machine will report any payment that has been made.

Improve Product and Service Quality

This is a time where all Small and Medium Businesses (SMBs) should focus on the improvement or development of goods or services as the basis of their operation. Generally speaking, market players underestimate the gap between product creation and product enhancement. Generally speaking, goods or services are things that are provided by a company. On the other hand, bidding is a process that a company may use to sell its products. So, businesses must be able to tell the difference between goods and promotions based on consumers' perceptions.

Re-Plan Revenue and Cut Expense Budgets

It is really important to look back at the budget at this moment. Company managers must be able to separate goals from anticipated circumstances and make budget changes to cope with potential risks. The Profit and Budgeting tool in the Jurnal would allow company managers to report revenue and operating costs in order to help calculate profit margins to be managed.

The pandemic has forced many companies to design clothing masks that people desire. Another tactic to keep going in the face of a potential pandemic is to make advances depending on what people need.

Given that many stores cannot operate, take advantage of the moment by making economical packages so that the product can last. "Even though it is economical, the quality of the ingredients and the size of the meatballs must not change. The most important thing is how to maintain the product on the market, not just looking for profit," said Honny the owner. Maintaining product quality is one way to ensure that the product is delivered in good condition into the hands of consumers. Online SME businesses must be accompanied by the need for logistics services. SMEs can take advantage of same-day delivery services so that products can be received quickly by consumers.

Conclusion

The period of the COVID-19 pandemic is a challenge for small and medium business actors. During the Covid-19 pandemic, all sectors experienced the impact, starting from the sector, economy, agriculture, health and others. One of the sectors that has a heavy impact is the economic sector, especially for people who have small and medium enterprises, many of which close their shops at a considerable loss. So it is necessary to have a strategy in terms of maintaining small and medium enterprises in the community. Prepare Business to Develop More, Take advantage of social media, take advantage of Digital Marketing, Make sure cash flow is maintained healthily, Improve Product and Service Quality so that customers feel comfortable, re-plan income and cut costs so that they can avoid there is a loss, do product innovation based on community needs, must still pay attention to product quality standards, maximize same day delivery services so that customers feel.

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