

Effect of Covid-19 Pandemic on Business Strategies

Name

Institution

Instructor

Date

Introduction

The Covid-19 pandemic has resulted in unprecedented disruption of business in a majority of sectors. Companies are facing challenges related to supply chain, sales, marketing, and consumer demands interruptions (Donthu & Gustafsson, 2020). How successfully organizations will navigate these challenges shall, to some extent, determine their future. Nevertheless, this will not guarantee a promising future for all businesses. Organizations have been forced to prioritize, maximize spending, and postpone operations that are not likely to bring value in the current times of the pandemic. Startups have adopted indefinite hiring freeze while online service providers, such as online shopping and online entertainment, are experiencing unprecedented growth (Donthu & Gustafsson, 2020). The long-term survival of large and small businesses during the Covid-19 pandemic will depend on their change of business strategies.

Long-Term Effects of Covid-19 Pandemic on Business Strategies

Due to the Covid-10 crisis, large and small businesses shall be forced to adopt innovative business strategies through strategic thinking actions. Enterprises will be forced to stay up-to-date on key trends brought about by the Covid-19 pandemic and remain flexible when making strategic decisions. Additionally, firms will be required to generate broad options, visualize fresh opportunities, and formulate new business strategies. First, the pandemic is likely to encourage large and small businesses to implement responsive strategy, particularly for firms that involve physical contact and can manage to transfer part of their operations offline to online channels. A responsive strategy helps firms anticipate and respond to crises, hence increasing their resilience in the long-term (Williams, Gruber, Sutcliffe, Shepherd, & Zhao, 2017).

Secondly, it is also likely that the worst-hit firms by the Covid-19 pandemic will consider a collective strategy. Most affected large and small firms by the pandemic will need to develop

new business models to collaborate with others during and after the crisis. A collective strategy involves enterprises in a sector trying to manage their interdependence and other shared attributes within mutual settings (Donthu & Gustafsson, 2020). The worst-hit large and small organizations are likely to reinforce their competitive dynamics and utilize precise coordination mechanisms to boost their survival in the long run. The firms will focus on future and adopt openness when making their strategic decisions.

The Covid-19 pandemic will further likely result in the implementation of a proactive strategy, especially among firms that are less affected by the Covid-19 crisis (primarily online businesses). The small and large firms will likely continue to develop new businesses to fulfill the special demands of consumers during the crisis and after the crisis. According to Brege and Kindström (2020), a proactive strategy can increase a firm's performance and offer fresh value creation opportunities. By being proactive during the Covid-19 crisis in managing markets, small and large businesses will be able to create consumer value, allowing them to realize superior performance.

Conclusion

The Covid-19 crisis has disrupted business operations, affecting both small and large firms affected. The experienced challenges might have short-and long-term effects on the business. Consequently, large and small businesses will likely exercise flexibility when making strategic decisions, consider broad options, visualize fresh opportunities, and articulate new business strategies. Businesses are likely to change their approaches in terms of business strategies, mainly considering responsive, collective, and proactive strategies to boost their survival in the long run.

References

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