



RENT XXXV

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CRISIS MANAGEMENT AND COMPETENCE STRATEGIES FOR RESILIENT FAMILY-OWNED SMEs

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KEYWORDS: Entrepreneurial Resilience, Strategies, Competence, Family Business, SMEs

Robust Entrepreneurship in Times of Crisis



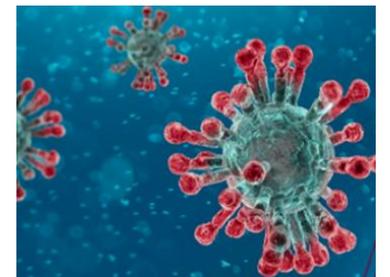
Mars 2021 – September 2022

Aim: To enhance knowledge about prerequisites and adjustment needs in the Tourism and Artisan food industries due to societal crises

Purpose and Research Questions

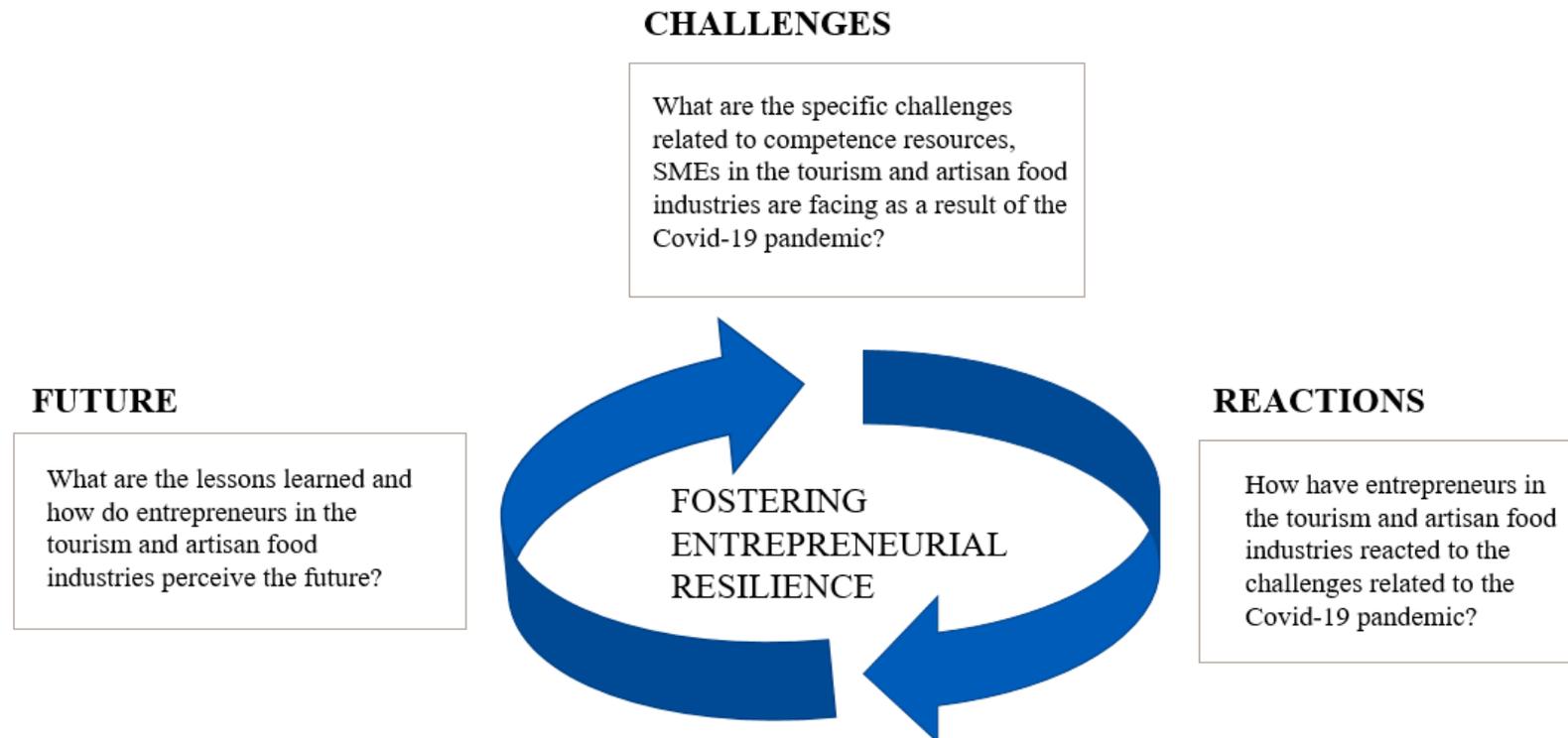
This paper aims to contribute to the section of entrepreneurship in family firms **and resilience** in the context of the Covid-19 pandemic.

- **RQ1:** *In which ways has the Covid-19 pandemic affected family-owned SMEs? i.e. which challenges have they faced?*
- **RQ2:** *Is it possible to discern various reactions to the pandemic, as an explanation for resilience, for example differences regarding competence strategies or innovative actions?*



Theoretical Framework

- Fostering Entrepreneurial Resilience (*Challenges, Reactions, Learnings*)



Entrepreneurial Resilience

Two essential conditions identified in previous research:

The exposure to **adversity** and the **positive adaptation** (see Luthar et al., 2000).

1. Turnover 2021 compared to 2019
 2. Long-term effects of Corona
 3. Managed the pandemic better than average
- 36%



Research Design

- A quantitative methods approach.
- A survey was distributed via Netigate in September 2021 to 551 industry-specific SMEs located in the mid-Sweden region of Jämtland.
- After four reminders 154 responses were received which means a response rate of 28 percent.
- The survey data was processed in SPSS where descriptive frequency analysis, correlations and regression analysis techniques was used to analyze the quantitative data.
- Data generated from the open-ended questions in the survey was analyzed by coding narrative statements in overarching themes.

Industries:
Artisan Food and
Tourism

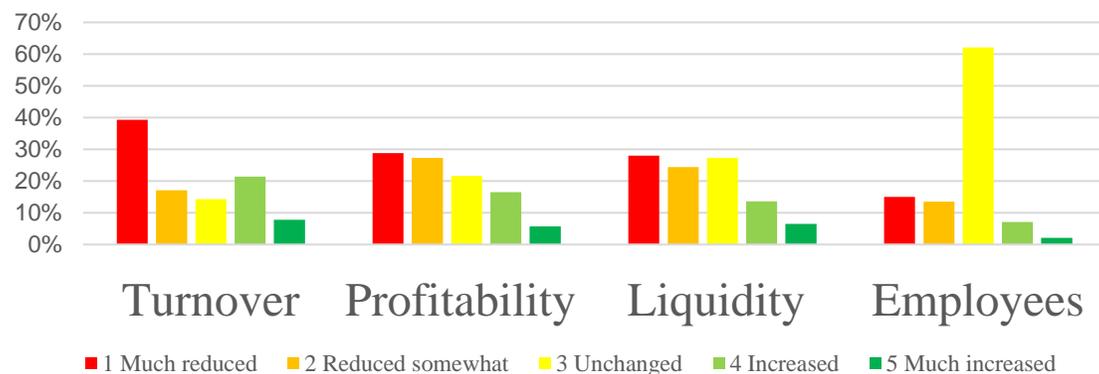
Findings – Characteristics & Prerequisites

	Family SMEs	Non Family SMEs
Gender, Owner		
Women	47%	40%
Men	52%	56%
Will not specify	1%	4%
Education		
Primary school	5%	8%
Secondary school	48%	32%
University 3 years	21%	20%
University more than 3 years	26%	40%
Corporate form		
		**
Ltd	52%	64%
Privat firm	42%	3%
Other forms	6%	33%
Employees 2019		
No employees	11%	8%
The owner/owners	34%	19%
1-4	31%	36%
5-9	10%	14%
10-19	10%	11%
20 or more	3%	11%

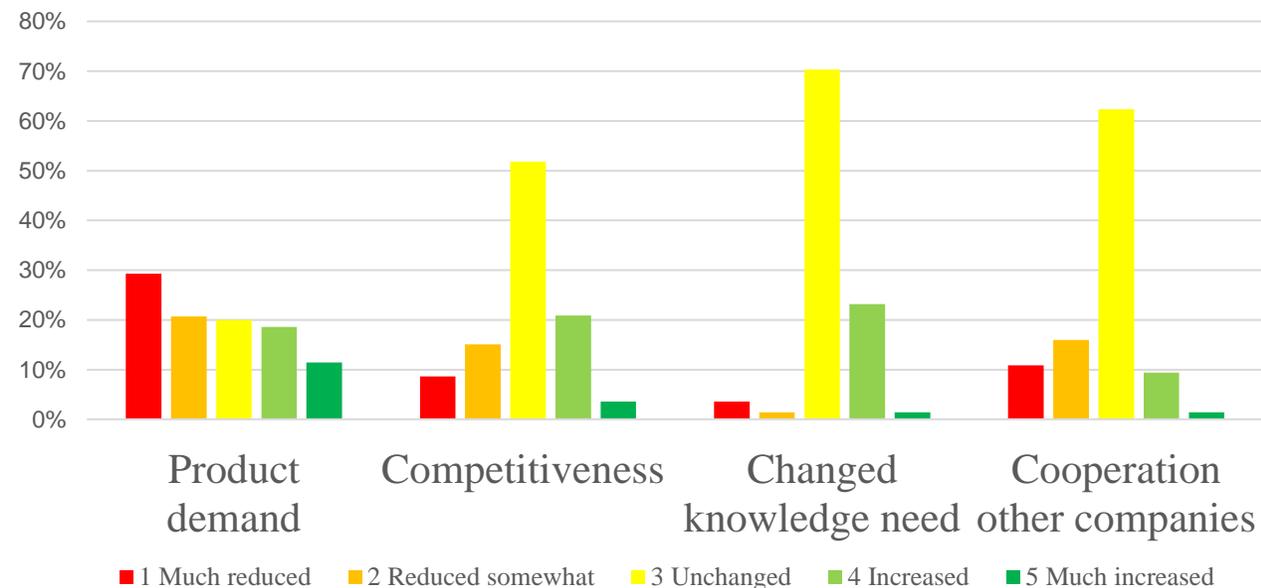
<i>To what extent do the following statements correspond to the business?</i>	To a high or very high extent		Chi ²
	Family businesses	Non-family businesses	
The place where the business is located is important in order to run the business	77%	71%	
The company has access to well-functioning broadband	63%	65%	0,036
The revenue mainly come from the local market (within the county)	46%	29%	2,860#
The company collaborates with other companies in the area.	41%	52%	1,073
The company has sufficient knowledge to use new technology and digital innovations	35%	44%	1,051
The company has many competitors operating in the same area	32%	38%	0,475
Before the pandemic, the company had a large financial buffer	21%	18%	0,1
It is easy to attract staff with the necessary skills	16%	18%	0,089
The company can to a large extent be managed remotely	3%	9%	2,664#

Findings - Challenges

Financial Challenges



Strategical Challenges



Findings - Reactions

<i>To what extent do the following statements correspond with the business' reaction due to the pandemic?</i>	To a high or very high extent				Chi ²	
	Artisan food	Hotel etc.	Tourism etc.	Div. business		
Reduced company costs	30%	61%	53%	28%	12,29	**
Identified new customer groups	33%	23%	24%	30%	1,25	
Increased use of digital communication channels	18%	38%	53%	30%	7,00	#
Dismissed staff	12%	38%	12%	20%	9,26	*
Created new opportunities that otherwise would not have been realized	12%	21%	41%	26%	5,72	
Identified new sales channels	39%	12%	12%	24%	9,55	*
Increased use of digital tools	3%	26%	41%	13%	13,80	**
Developed digital skills in the company	3%	24%	24%	22%	6,72	#
New investments	6%	7%	18%	22%	6,24	#
Increased mortgaging	12%	19%	12%	9%	2,00	
Staff training	0%	7%	12%	9%	3,46	
Increased the number of employees	0%	7%	12%	9%	3,46	
Reduced prices	0%	12%	0%	0%	11,86	**

Differences in strategies depending on industry-affiliation



- New distribution channels (AF)
- New investments and innovations (DO)
- Increased use of digital channels and competence (T & Ex)
- Cost reduction (H, C, R, C)

Implications and Contribution

- 1) Challenges due to the pandemic has affected family SMEs and non-family SMEs in a similar way.
- 2) Regarding ER, no significant difference between family, and non-family SMEs was observed. Industry affiliation showed to be an important factor for ER.
- 3) Different pandemic effect due to industries - the existing support system seems not have been able to counteract.
- 4) The location and the rural context proved to be paradoxical. The use of available infrastructure cannot be fully utilized. On the other hand, advantageous since a strong income from the local market.
- 5) Difficulties in attracting educated staff, and neither family-owned nor non-family-owned businesses have changed their competence strategies due to the Covid-19 pandemic

Further investigations:

To work proactively with competence, skills and resources within the firm is seen as important and the competence strategy issues might become a major problem when businesses are to adapt to a “normal” business environment again.

Thank you!

for giving the opportunity to present



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