

# Managing Business Organization During Covid-19 Era

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**Abstract:** *This study sought to analyze; Managing business organization during covid era in Yenagoa metropolis, Bayelsa State. A sample of fifty (50) retail businesses was randomly selected for the study. Survey questionnaire titled “Managing Business Organization during Covid Era Questionnaire (MBOCEQ) was used to collect data for the study. Two research questions were raised to guide the study, and was analyzed using frequency table and percentages. The findings from the study showed that respondents were of the view that covid-19 pandemic has a great impact on businesses and affects business operations generally. As a result, the study recommended that Business owners should ensure that their workers (staff) and customers imbibe with healthy life style and the use of the internet, social media etc should be encouraged so as to reduce crowded environment*

**Keywords:** *Management, Business Organization, Covid-19*

## I. Introduction

The world as we know, has changed. In a matter of months we went from living our normal lives to being confined in our houses, isolated from our friends and family. Beyond, the impact of COVID-19 on us as individuals, the measures being imposed to stop the spread of the virus have taken a huge toll on our economic activity.

The year 2020 will remain in history as the year of the COVID-19 pandemic, the first time when almost all countries from all over the planet had to temporarily confine people, to close enterprises, and to regulate human behavior towards decreasing physical interactions. A global and sudden event, the COVID-19 pandemic proved to be a major re-shifting force of social and economic life as we know it: the so called “the new normal” is characterized by the altered workforce, metamorphosis of demand, supply chain disruptions, and subsequent changes of business models and operations. The pandemic has created an endemic situation of uncertainty and confusion about risks to employees, measures and best practices that organizations should adopt, stakeholder pressures, government shutdown and recovery plans (including assistance to the most affected companies), the potential for new waves of contamination, and lasting changes forecasted for consumer habits (Bapuji, 2020). For organizations, these uncertainties are all the more difficult to manage because there are few in-depth studies on the subject and the information available is scarce, partial, and contradictory. In this context, business articles published in newspapers and magazines describing concrete and practical initiatives implemented in organizations appear to be one of the main sources of information for corporate leaders and other stakeholders alike. Therefore, the study is aimed at investigating how business organization can be managed during Covid Era. The specific objectives are to find out how business organizations can manage itself during the Covid Era by taking necessary steps.

## I. Research questions

Based on the findings, the following research questions were raised.

1. What is the impact of covid-19 pandemic on business organization.
2. To what extent can business be sufficiently managed during the covid era.

## **Literature Review**

Companies and governments across the world are in lockdown to help prevent the spread of the COVID-19 pandemic. Support packages have been announced, and immediate efforts are focused on ensuring essential supplies and medical devices are available, while shielding the underprivileged from the virus outbreak. India's economy was already in the grip of a slowdown when the virus hit. Since then, the global lockdowns have resulted in a sharp pullback in economic activity. The disruption to normal business activities and supply lines is likely to have long-lasting repercussions, and the situation might get worse as India grapples with softening demand, shortages of raw material and drying up capital.

Given such a scenario, companies will need to operate differently to effectively manage the crisis. COVID -19 is changing the way we live, work and use technology. As the world adjusts to its new normal, business leaders would need to rethink strategies to drive resilience and emerge from this crisis stronger.

## **Ways Business Organization Can Be Managed During Covid Era**

The following are ways in which business organizations can be managed during covid era.

### **Start with health and security**

Covid-19 is a human problem, a human response is in order so let's take care of our people first. Here are some important questions you can ask. Have you implemented best practices to keep employees safe? For those of you who are still in operation, identify the health and safety practices you must take to prevent further transmission. Institute the necessary safe distance practices and incorporate the use of gloves, plexiglass barriers, and so on. Can your people work remotely? As much as possible, allow your employees to work from home to minimize contact and maintain social distance. Can you start selling online? Can your services be delivered remotely? Are you able to quickly launch a delivery service? Do your best to implement solutions that can maintain a portion of your revenues while keeping employees and customers safe. Do you have a contingency plan for quarantined employees? What will you do if one or more of your employees is quarantined and can no longer come into work? Can someone else take their place? It can be an idea, for instance, to create different work teams to minimize the risk of your entire crew being forced to isolate.

### **Prepare a communication plan:**

You can never communicate too much during a crisis. Your communication plan should target employees, customers, and suppliers. Carefully craft a clear and concise message, schedule regular updates and optimize technology to send your messages. Put someone you trust in charge of doing this. It's a very important job.

### **Reach out to customers:**

As you start to make changes in the way you do business over the short term, there will be a corresponding effect on your cash flow. And with changes to your plan, you need to take the time to understand the financial impact of these changes and develop a cash flow forecast that reflects these changes. Confirm that orders are still on track. The first thing to do is to contact your customers. For those of you continuing operations, call your main customers and confirm that existing and planned orders are still on track. You do not necessarily need to renegotiate payment terms, but you may have to defer production or loosen repayment terms, which will slow down cash intake. Do your best to understand how these changes will impact the timing and value of payment milestones.

### **Ask for receivables:**

Second, start calling customers that owe you money. You need to understand whether they have the ability to pay and the timing of payments. By being proactive, you can get clarity about when the money may come in.

Over the next six to twelve weeks, keep an eye on this regularly, if a customer promises to pay in two weeks, follow up with a gentle reminder one week in advance and invite them to be open with you if they are still experiencing difficulty. This should be one of the top three things you review every morning from hereon. Propose additional services Finally, as you reach out your customers, be courageous and ask them if they need anything else, its possible another supplier has let them down, maybe you can fill the gap. Look at this as an opportunity to explore other options that could bring in additional cash.

#### **Reach out to suppliers:**

Supply chains are constrained and if your supplier is overseas or relies on imports you risk disappointing your customer. So, get in touch! Confirm timely delivery of supplies. Call suppliers to confirm whether existing purchase orders will be filled on time. Delays with suppliers could hold up your production. It's good to know this early so you can manage your customers' expectations and to update your cash flow plan. You may experience lower cash out flows if suppliers are delayed. Or if everything is on track, your cash outflows may increase.

#### **Negotiate defered payments;**

If possible, try to negotiate deferred payment terms for payables. Like receivables, you need to keep any eye on this regularly. If you promised to pay a supplier in two weeks and cannot give them advance notice you expect it from your customers, so extend the same courtesy to suppliers. Again, you may experience lower cash outflows if suppliers agree to later payments.

#### **Identify health and safety suppliers;**

Finally, as you change your health and safety practices, there may be a need to source other types of consumables. Be prepared to spend money on this; plan for replenishment just as you would for other materials and consumables.

#### **Evaluate capacity and resources;**

Now for the additional things you need to do beyond managing customers and suppliers. Modify health and safety practices You will need to change your health and safety practices. Industry leaders, for example, are telling customers how they are packing and handling products in light of COVID-19. You have the same responsibility. This will have a cost impact. Estimate the impact and factor it into your plan. Align workforce to demand projections As demand dips, alignment of your personnel to production will be your next challenge. Some of you have already dealt with this, others will need to deal with it soon. New Temporary Wage Subsidy for Employers will be helpful to maintain as much of your workforce as possible. Right-size recurring operating expenditures. Third, look to find recurring operating expenses that can be suspended in the short term.

#### **Compile your weekly rolling cash flow plan;**

You now have some very specific strategies you can implement. Putting them together into a cashflow plan will allow you to determine exactly how much working capital you need. Here we present a spreadsheet that itemizes cash flows from week to week. Notice that we refer to it as a rolling cash flow forecast. This means it must be updated at the beginning and end of each week. It is forward looking over a thirteen-week period, but you may need a longer duration. The cash flow plan acts like a gas gauge for your business. Cash is fuel for your company; the cash flow plan is your gauge for how much working capital you need to reach your post-recovery destination.

### **List cash inflows**

First, you list the inflows: Receivables and cash sales, other subsidies could also be a source of cash. You would have obtained this information from conversations with your customers. For illustrative purposes we show how cash inflows from receivables fall as the weeks progress. This may not be true for you.

### **List cash outflows**

Next we list the cash outflows: Payables, recurring monthly payments, and so on. By now you have analyzed your expenditures, and you have taken remedial actions to right-size employees and operating expenses. You have mapped these out over time, giving you a sense of how your money is going to leave the business. You will also need to include your lending obligations.

### **Analyze the cash flow forecast**

With cash inflows and outflows all mapped out, you'll be ready to analyze the results. In this case, the entrepreneur at the beginning of Week 1 has a starting cash balance of \$2,000. They expect to have a net outlay of \$1,100 and lowering their cash balance at the end of the week to \$900. They are good for Week 1. But look at what happens in Week 2 the outflows start to drain the bank account to a deficit position. After 13 weeks, there is a shortage of \$20,750. The goal of this exercise is to figure out what that number is for you. This will tell you how much working capital you need and provide you with information to support a working capital loan request. If you love cash flow modelling and have the time, you can look at different scenarios, and so on. It is up to you. Your accountant can help too. Call them and see if they can. Time is of the essence.

### **Prepare for the recovery;**

There is a light at the end of the tunnel. We just don't know how long that tunnel is. Here we have overlaid business activity against active COVID-19 cases. You will see that once the cases have peaked, we will recover. At recovery you will need to stay ahead of the game: firm up orders, purchase materials, recall employees, receive new shipments, operationalize.

Plan your cash flow for the recovery phase as well. When things start to turn on, you will need to spend money to earn money. It would be a shame to ride the dip and then not have the enough resources to bring your business back to normal.

## **II. Methodology**

### **3.1 Research design**

The descriptive survey research design was adopted for the study. This method was used because the study is based on managing business organization during covid era

### **3.2 Population of the Study**

The population consist of fifty (50) retail businesses in Bayelsa State, Yenagoa Metropolis.

### **3.3 Sample and Sample size**

The sample size was determined by adapting the recommendations of Nwana in Nwagu (2005) that sample sizes for specific population could be at least 40% for a population of few hundreds, 25% for many hundreds, 10% for few thousands and at most 5% for several thousands. Therefore, sample size comprised of all retail business owners in Bayelsa State, Yenagoa Metropolis.

### **3.4 Research Instrument**

The research instrument used in gathering data for the study was a self constructed questionnaire titled "Managing Business Organization during Covid Era Questionnaire" (MBOCEQ). The items were formulated in order to elicit the respondents' perception on the issue covered in the topic using a four liketh scale instrument (SA, A, D, SD).

### 3.5 Method of Data Analysis

The data collected were analyzed using frequency distribution and percentages for the research questions.

#### Results

##### Research question one

What is the impact of covid-19 pandemic on business organization.

**Table 1: Responses on the impact of covid-19 pandemic on business organization. N=50**

S/N	Impact of covid-19 pandemic on business organization.	SA	%	A	%	D	%	SD	%
1	My business closed during the pandemic	46	92	4	8	-	-	-	-
2	I made great sales during the pandemic	8	16	12	24	30	60	-	-
3	I was not affected by the pandemic	-	-	-	-	45	90	10	-
4	During the pandemic business was slow.	48	96	2	4	-	-	-	-
5	I have still not recovered my business from the crisis caused by the pandemic	36	72	14	28	-	-	-	-

From table 1 above, it was observed that 92% , 96% and 72% of the respondents strongly agree to their business closing down, business being slow and that they haven't recovered their business from the crisis caused by the pandemic. While 60% and 90% of the respondents disagree to making great sales during the pandemic and not been affected by the pandemic. Finally it can be concluded that covid-19 pandemic affected business organization in general.

##### Research Question Two

To what extent can business be sufficiently managed during the covid era.

**Table 2: Responses on how business can be sufficiently managed during the covid era. N= 50**

S/N	How business can be sufficiently managed during the covid era.	SA	%	A	%	D	%	SD	%
1	Starting with health and Security	43	86	6	12	1	2	-	-
2	Reach out to customers via social media	48	96	2	4	-	-	-	-
3	Evaluate capacity and resources;	32	64	10	20	8	16	-	-
4	Prepare for the recovery	50	100	-	-	-	-	-	-
5	Reach out to suppliers	40	80	6	12	4	8	-	-

From table 2, it was observed that all respondents were of the view that starting with health and security is a way to manage business during covid era so also is reaching out to customers and suppliers via social media.

Other relevant ways discussed in sufficiently managing business organization during covid era are to evaluate capacity and resources and most importantly, is to prepare for the recovery. Finally, it is important to take into considerations measures of which would help manage business organization during covid era.

### **III. Discussion of findings**

The objective of this study was to examine how business organization can be properly managed during covid era. From the study it can be seen that covid-19 pandemic has a great impact on business organization as the respondents strongly agrees' to their business closing down, business being slow and that they haven't recovered their business from the crisis caused by the pandemic. While other respondents disagree to making great sales during the pandemic and not been affected by the pandemic. Therefore, it can be concluded that covid-19 pandemic affected business organizations in general. Moreover, from research question two, it was clearly seen as stated that all respondents were of the view that starting with health and security is a way to manage business during covid era so also is reaching out to customers and suppliers via social media. Other relevant ways discussed in sufficiently managing business organization during covid era are to evaluate capacity and resources and most importantly, is to prepare for the recovery. Finally, it is important to take into considerations measures of which would help manage business organization during covid era.

### **IV. Summary**

The COVID-19 pandemic is having widespread effects on businesses across the country. By mid-March, 73% of companies were already feeling the negative effect of the crisis, according to a BDC survey of over 600 Canadian entrepreneurs. In times of crisis, cash becomes even more important than it usually is for a company. Creating a detailed continuity plan and cash flow forecast will help sustain ongoing operations, albeit at a lower capacity, and facilitate recovery once the crisis is over. Individuals have been forced to adapt to what is going on, and must work through this. It is important to note the steps which will give one the clarity anyone needs to anticipate and respond on a day-to-day basis, allow the control of cash flow, and establish operational resilience.

### **V. Conclusion**

In conclusion, this study has very important managerial implications in which business operators can employ in managing their operations during covid era and any other crises. Indeed, many corporate leaders are confused about how to appropriately manage the current crisis and what practices should be adopted. The lack of in-depth research on the subject and the highly fragmented nature of information sources on COVID-19 management in business organizations mean that decision-makers have little access to useful information that could inform their reflections on the most relevant responses to adopt. In addition, the uncertainties about the pandemic's implications and the possible occurrence of new waves of contamination should prompt leaders to plan measures that could be adopted in the event of future outbreaks. In this context, this article offers a wide range of measures that, while they may seem of little or no relevance to a company today, could become very relevant in the future.

### **Recommendations**

Based on the findings, the following recommendations are made.

- 1) Business owners should ensure that their workers (staff) and customers imbibe with healthy life style
- 2) The use of the internet, social media etc should be encouraged so as to reduce crowded environment
- 3) Business organizations should be supported by the government as most business were forced to short down during the covid era.

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